



Office of the City Manager

ACTION CALENDAR  
SEPTEMBER 19, 2023

To: Honorable Mayor and Members of the City Council  
 From: Dee Williams-Ridley, City Manager  
 Submitted by: Peter Radu, Assistant to the City Manager  
 Subject: Execute contract with Housing Consortium of the East Bay (HCEB) to operate shelter at the Rodeway Inn

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract with Housing Consortium of the East Bay (HCEB) to operate an interim housing program at the Rodeway Inn (1461 University Ave.) through April 30, 2026.

FISCAL IMPACTS OF RECOMMENDATION

If approved, this resolution will result in an expenditure contract with HCEB for an amount not to exceed \$4,000,000 for program operations through April 30, 2026. This contract will be paid for using State of California Encampment Resolution Funding grant funds (Fund #336), leftover UC Berkeley donation funds from the original lease (Fund #147), as well as funding from the City General Fund (Measure P and/or U1) previously reserved for HomeKey. These funds will be appropriated in the Second Amendment to the FY2024 Annual Appropriations Ordinance.

CURRENT SITUATION AND ITS EFFECTS

The City is currently funding Abode Services to provide interim emergency shelter at the Rodeway Inn through October 31, 2023. Abode Services is not interested in extending its contract with the city. There are currently 38 households enrolled in the program with 79% being eligible for permanent supportive housing.

On May 10, 2023, Health, Housing and Community Services Department, Housing and Community Services Division staff, in partnership with MPI Homes and HCEB, submitted a proposal to the State of California's Homekey Program to purchase the Rodeway Inn and convert and operate it as permanent supportive housing for people experiencing homelessness. As of the drafting of this report, the State is still reviewing the City's Homekey application. Since Abode Services will end on October 31<sup>st</sup>, a contract with HCEB is needed to continue to provide interim shelter services in the event the City is not awarded Homekey funding. Because of the time sensitive nature of this item, the budget reflects service and operations through April 30, 2026 including some funding for HCEB to be on-site in October to get familiar with site operations and

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program participants to be ready to take over full operations starting on November 1, 2023.

#### BACKGROUND

In February 2022, the City was awarded just over \$4.7M in State of California Encampment Resolution Funding grant funds to operate the Rodeway Inn as the primary interim housing option for people living in People's Park. On April 26, 2023, the Council approved a lease with Shree Jalasai Lodging, LP and a services contract with Abode Services to operate the Rodeway Inn as an interim non-congregate housing program. Abode Services contract will end on October 31, 2023.

#### ENVIRONMENTAL SUSTAINABILITY

Continuing to provide interim shelter and services to previously unsheltered people while they wait to be permanently housed minimizes the detrimental environmental impacts associated with encampment homelessness, including vector and fire hazards, accumulation of trash and waste, and impacts on sensitive waterways.

#### RATIONALE FOR RECOMMENDATION

Housing Consortium of the East Bay is an experienced non-congregate shelter provider, having contracted with the County to provide services at Project Roomkey sites in Alameda County. They are also the co-applicant in the Homekey application for this site and are prepared to assume full site operations starting on November 1, 2023 whether or not the Homekey application is awarded.

#### ALTERNATIVE ACTIONS CONSIDERED

Staff considered circulating a competitive solicitation (request for proposals) for the services at the Rodeway, but determined it wasn't feasible nor would it be in the program's best interest to do so. Specifically, this is because HCEB is the co-applicant in the Homekey application and is prepared to take over short- or long-term operations as of November 1<sup>st</sup>. If the Homekey project is awarded, having another provider take over short-term operations, would have been disruptive for program participants and general operations. This way, HCEB will be on-site and working with Abode Services in October so they are fully prepared to take over operations on November 1, 2023.

#### CONTACT PERSON

Peter Radu, Assistant to the City Manager, 510-981-7045.

Attachments:  
1: Resolution

RESOLUTION NO. XX,XXX N.S.

AUTHORIZING A CONTRACT WITH HOUSING CONSORTIUM OF THE EAST BAY (HCEB) SERVICES TO OPERATE INTERM HOUSING AT THE RODEWAY INN FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$4,000,000 FOR THE PERIOD OCTOBER 1, 2023 TO APRIL 30, 2026.

WHEREAS, the severe lack of housing affordable for people who are experiencing homelessness, is contributing to an acute housing shortage that is worsening the rates of homelessness in Berkeley; and

WHEREAS, the City received State of California Encampment Resolution Fund (ERF) grant funds to operate the Rodeway Inn as an intensive interim housing destination and the current services will end on October 31, 2023; and

WHEREAS, there are currently 38 households enrolled in the interim shelter program, the majority of them waiting to be referred to permanent supportive housing;

WHEREAS, the City partnered with MPI Homes and Housing Consortium of the East Bay, to submit a proposal to the State of California's Homekey Program to purchase the Rodeway Inn and convert it to permanent supportive housing for people experiencing homelessness and the State is still reviewing the application; and

WHEREAS, Housing Consortium of the East Bay is an experienced non-congregate shelter provider, having contracted with the County to provide services at Project Roomkey sites in Alameda County and are prepared to assume full site operations starting on November 1, 2023 whether or not the Homekey application is awarded.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley authorizes the City Manager to enter into a contract and necessary amendments for the period October 1, 2023 through April 30, 2026 with Housing Consortium of the East Bay for operating a non-congregate interim housing program at the Rodeway Inn.

BE IT FURTHER RESOLVED that the contract amount will not exceed \$4,000,000 with a payment of \$387,100 to be advanced prior to contract execution to cover staffing and operating costs. Contract payments will be paid from Encampment Resolution Fund grant moneys, the City General Fund (Measure P and/or U1), and leftover donation funds from the University of California, Berkeley. A recorded signature copy of said contract and any amendments will be on file in the City Clerk Department.

