


Office of the City Manager

**RECESS ITEM**  
**CONSENT CALENDAR**  
September 9, 2003

To: Honorable Mayor and  
Members of the City Council

From:  Weldon Rucker, City Manager

Subject: Contract Amendment: Transitional Housing

**RECOMMENDATION**

Adopt a Resolution authorizing the City Manager to execute an amendment to the contract with the Avondale Hotel for the provision of rent subsidies for transitional housing for individuals who are homeless and mentally ill to increase the amount by \$25,000 for a total not to exceed to \$75,000.

**NEGATIVE EFFECT IF ACTION IS DELAYED UNTIL AFTER COUNCIL RECESS**

A delay in approving the recommendation until after Council recess will result in late payment for services already provided and invoiced by the Avondale Hotel. Prompt payment is critical to maintaining good relations with vendors.

**FISCAL IMPACTS OF RECOMMENDATION**

The recommended action will not require the expenditure of additional funds. In July 2002, a purchase order was established with the Avondale Hotel for \$24,999. On December 17, 2002, Council authorized the current contract with Avondale for an additional \$40,000 through June 30, 2003. On June 24, 2003 Council adopted Resolution 62,111 N.S. increasing the contract by \$10,000 and extending the term to June 30, 2004. Resolution 62,111 N.S. incorrectly set the total amount not to exceed at \$50,000 rather than \$75,000.

The funds to cover this expenditure are from the State Funding For Integrated Services And Housing For The Homeless Mentally Ill (AB2034) grant, and included in the FY 2004 budget for the Department of Health and Human Services, budget code 069-4469-440-5010. Unanticipated savings from other line items in the AB2034 grant created the opportunity to extend the contract with the Avondale Hotel through next fiscal year and to add funds. With adoption of the State

budget and continuation of the AB2034 program, it is likely that additional funds for client housing subsidies at the Avondale will be added to the contract at a later time.

No General Fund support will be used to support this contract. The contract amendment has been established in the Citywide contracts database, Contract Management System Number GAR33.

#### CURRENT SITUATION AND ITS EFFECTS

The Department of Health and Human Services, Mental Health Division has been providing case management services, and emergency and transitional housing via hotel subsidies to homeless mentally ill clients as part of the AB2034 Program. Since April 2001, the Mental Health Division has been acquiring housing at the Avondale Hotel for participants in the AB2034 Program.

Approval of the recommended action will allow the Mental Health Division to pay the Avondale Hotel the amount owed for services already rendered to AB2034 clients. Failure to pay will negatively impact relations with this vendor.

#### BACKGROUND

The City, as outlined in its Homeless Continuum of Care Plan, is “committed to reducing, preventing, and ending homelessness”. The Plan calls for implementing strategies that include providing housing and intensive services for the homeless. Berkeley and Oakland area homeless services and housing providers have noted a 25% increase in the numbers of homeless accessing services in the past two years (*source: Alameda County-wide Homeless Continuum of Care Council Survey, 2000*). In light of the growing need for services and housing, the Mental Health Division applied for and received State funding for Integrated Services And Housing For The Homeless Mentally Ill (AB2034) in November 2000. This funding is used to engage difficult to reach people who are homeless and mentally ill as part of the AB2034 Program. The Program also allows for housing subsidies to help stabilize clients as they search for more permanent housing situations. The Mental Health Division has used this funding in the past fiscal year to provide emergency and transitional housing and area motels/hotels to stabilize AB2034 clients.

#### Past Council Actions

On February 19, 2002 by Resolution No. 61,452-N.S., the City Council authorized contract number 5650 with the Avondale Hotel for the for the provision of transitional housing to individuals who are homeless and mentally disabled in an amount not to exceed \$75,000 for the period December 1, 2001 to June 30, 2002.

On December 17, 2002 by Resolution No. 61,877-N.S., Council authorized contract number 5936 with the Avondale Hotel in an amount not to exceed \$40,000 for the period July 1, 2002 to June 30, 2003.

On June 24, 2003 Council adopted Resolution No. 62,111-N.S., amending the existing contract to increase the amount by \$10,000 for a total not to exceed \$50,000 and extending the period of the contract from June 30, 2003 to June 30, 2004.

RATIONALE FOR RECOMMENDATION

The Consent Item approved by Council on June 24, 2003 included the correct “amount not to exceed”, \$74,999. Due to a clerical error, the Resolution language incorrectly stated the “amount not to exceed” as \$50,000. This discrepancy was not identified in the Council review process. To ensure timely payment of invoices already received, staff is requesting City Manager action during the Council recess.

CONTACT PERSON

Harvey Tureck, Manager of Mental Health, 981-5213

Approved by:



Fred Medrano, Director  
Department of Health and Human Services

RESOLUTION NO. -N.S.

AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE CONTRACT WITH THE AVONDALE HOTEL FOR TRANSITIONAL HOUSING FOR THE HOMELESS MENTALLY ILL FOR A TOTAL NOT TO EXCEED \$75,000 FOR THE PERIOD JULY 1, 2002 THROUGH JUNE 30, 2004.

WHEREAS, in July 2002, a purchase order for \$24,999 was established with the Avondale Hotel for hotel subsidies for the homeless mentally ill; and

WHEREAS, on December 17, 2002 by Resolution No. 61,877 - N.S., the City Council authorized Contract No. 5936 with The Avondale Hotel for transitional housing for individuals who are homeless and seriously mentally disabled, in an amount not to exceed \$40,000 for the period July 1, 2002 through June 30, 2003; and

WHEREAS, on June 24, 2003 by Resolution No. 62,111 – N.S., the City Council authorized the City Manager to increase the contract with the Avondale Hotel by \$10,000 and to extend the term through June 30, 2004; and

WHEREAS, the total amount expended for services provided by the Avondale Hotel for the period July 1, 2002 through June 30, 2004 will not exceed \$74,999 unless further amended; and

WHEREAS, utilizing existing low cost hotels to provide transitional housing for AB2034 clients provides the most flexible housing option for this difficult to engage population; and

WHEREAS, after canvassing hotels/motels in Berkeley and Oakland for their willingness to enter into a contract with the City to provide transitional housing for this population, the Avondale Hotel was the only one willing to provide this service; and

WHEREAS, funds for this program (Integrated Services And Housing For The Homeless Mentally Ill (AB2034)) are currently still available to perform this work in the current year budget, Budget code: 069-4469-440-5010, and this contract amendment has been set up in the Citywide contracts database, CMS number GAR33.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to the contract with The Avondale Hotel for transitional housing to increase the amount not to exceed \$75,000. (Budget code: 069-4469-440-5010). A record signature copy of said contract to be on file in the Office of the City Clerk.