



Office of the City Manager

CONSENT CALENDAR

December 13, 2005

To: Honorable Mayor and
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: Stephen Barton, Director, Housing Department

Subject: Contract: Berkeley Ecumenical Chaplaincy to the Homeless

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend Contract No. 6681, a contract between the City of Berkeley and the Berkeley Ecumenical Ministries to shift \$35,196 from the Home Plate Program to the Hope Prep Transitional Housing Program.

FISCAL IMPACTS OF RECOMMENDATION

The City's contract with the Berkeley Ecumenical Ministries for FY 2006 totals \$90,250. The recommendation would result in the reprogramming of funds already allocated to this community agency. It would shift funds from one program to another operated by the same agency and would accelerate the disbursement of funds. It would not result in the expenditure of any funds not already allocated.

CURRENT SITUATION AND ITS EFFECTS

Due to a temporary suspension of HUD funds, the Berkeley Ecumenical Chaplaincy to the Homeless (Chaplaincy) has insufficient funds to operate the 8th Street Hope Prep Transitional Housing Program. Located at 2418-8th Street, Hope Prep provides housing and services to eight male homeless youth between the ages of eighteen and twenty-five. Hope Prep receives the majority of its funding from HUD through two grants provided to the Alameda County Homeless Youth Collaborative (HYC). The suspension of HUD funds has already resulted in the temporary closure of Home Plate, a homeless youth drop-in program operated by the Chaplaincy at 2425 College Avenue.

The City of Berkeley funds the Chaplaincy's homeless youth programs in the amount of \$13,250 for Hope Prep, \$52,000 for Home Plate, and \$25,000 for costs associated with merging with YEAH!. Before closing Home Plate, the Chaplaincy expended \$16,804. If the City transfers the remaining \$35,196 in the contract from Home Plate to Hope Prep, the Chaplaincy can continue to operate the transitional house until the end of January 2006, and perhaps allow sufficient time to free up funds from HUD.

BACKGROUND

Alameda County Homeless Youth Collaborative (HYC) provides HUD-funded services to homeless youth in Berkeley and Oakland. Fred Finch Youth Center is the lead agency of the collaborative and the Chaplaincy is a member agency. The services in Berkeley partially funded with HUD funds are:

- Home Plate—a homeless youth drop-in program operated by the Chaplaincy at 2425 College Avenue.
- Hope Prep—a transitional housing program for homeless male youth between the ages of 18-25 operated by the Chaplaincy at 2418-8th Street
- King Youth House—a licensed residential facility for 14 youth between the ages of 14-17 operated by Fred Finch at 3404 King Street
- Adeline Service Center—a service center that provides case management, mental health/substance abuse counseling, vocational training and job placement to homeless youth operated by Fred Finch at 3332 Adeline Street

There are two HUD grants that fund the HYC. The first grant was funded in 1996 in the amount of \$696,434 annually. The second grant was funded in 1998 in the amount of \$649,863 annually. Berkeley services receive funding from both grants in the amount of more than \$800,000 annually.

In July 2005, HUD conducted a programmatic and financial monitoring review of the Alameda County Homeless Youth Collaborative (HYC) that concluded with an exit interview with Fred Finch staff, as the lead agency, on August 4, 2005. On September 14, 2005 HUD sent Fred Finch a letter detailing eighteen negative findings. The findings are serious and relate to accounting practices as well as program practices. Some of the findings indicate poor management practices, some relate to HUD expectations that are difficult to comply with in a typical homeless program setting, and some findings are HUD's interpretations of regulations and OMB-circulars that the Continuum of Care has challenged and will continue to challenge. In any case, the findings are serious enough that HUD has added significant new requirements before processing payments to the collaborative. HYC agencies have not received any money from HUD since July 2005.

One of HUD's findings casts significant doubt on whether these funds will ever be restored to certain components of HYC's services in Berkeley. Specifically, HUD found that the grant funds could only be used to primarily benefit residents of HYC funded transitional housing programs. When the two HYC grants were originally proposed and funded, they were designed to create new transitional housing (TH) opportunities for homeless youth in Berkeley and Oakland in addition to providing a wide range of supportive services to a broader population (not limited to TH residents) of homeless youth at drop-in center and service center sites. HUD acknowledges that HYC's intention for its supportive services to benefit homeless youth in general was explicit. However, HUD asserts that it will no longer allow this practice. In Berkeley the consequences of this position are significant. Both the Home Plate Drop-In Center and the Adeline Street Service Center receive the majority of their funding from the HYC grants.

In light of the considerable uncertainty of Federal funding for its programs, the Chaplaincy's Board of Directors met in early October and decided to suspend operations at the Home Plate drop-in center effective October 14th. Fred Finch has also temporarily closed the Adeline Street Service Center.

The Chaplaincy's Board agreed to continue to operate the 8th Street Transitional project through October 31st and, if at that time no further HUD re-imbusement funds had been received, the Chaplaincy would seek to transfer operations of that project to Fred Finch. Fred Finch was unwilling to assume operation of the transitional house and Chaplaincy agreed to continue its operation through the end of January 2006 provided City Of Berkeley funds already allocated to the now closed Home Plate Drop-In Center could be reprogrammed to cover transitional house expenses. City staff are working with Fred Finch and HUD to release HUD grant funds such that City funds will bridge the gap until the Federal funds are again in place. However, it is too soon to know whether these efforts will be successful. Additionally, City Of Berkeley, City Of Oakland, and Alameda County are working collaboratively to address this issue specifically and to address the issue of negative HUD findings affecting one community agency after another. Alameda County Social Services Agency has committed funds to enable the Continuum of Care to hire a consultant to provide this assistance.

RATIONALE FOR RECOMMENDATION

Hope Prep is the only transitional housing in Berkeley for homeless youth between the ages of eighteen and twenty-five. These type of projects are extremely hard to fund and even harder to site. It is important for the City to take steps to preserve this program. Allowing the Chaplaincy to use the funds allocated for Home Plate, a program already closed, to keep the transitional house open might provide sufficient time to free up HUD funds and make the project once again solvent. While HUD's negative monitoring findings affect all components of HYC's services, the problems HUD found associated with the transitional house are significantly easier to address than those issues HUD has with the Home Plate Drop-In Center. Therefore, transferring funds within the contract from Home Plate to Hope Prep would potentially preserve the more viable of the programs.

CONTACT PERSON

Jane Micallef, Homeless Policy Coordinator, Housing Department, 981-5426

Attachments:

1: Resolution

RESOLUTION NO. -N.S.

BERKELEY ECUMENICAL CHAPLAINCY TO THE HOMELESS CONTRACT
AMENDMENT

WHEREAS, the City of Berkeley entered into Contract No. 6681 with Berkeley Ecumenical Ministries effective July 1, 2005; and

WHEREAS, Contract No. 6681 provided funding for Home Plate Drop-In Center and Hope Prep Transitional House; and

WHEREAS, Home Plate Drop-In Center is now closed due to the suspension of Housing and Urban Development funds; and

WHEREAS, Hope Prep Transitional House cannot meet operating expenses during the period that HUD funds are suspended; and

WHEREAS, Hope Prep is an important resource to preserve in order to provide housing for homeless youth.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to amend Contract No. 6681 with Berkeley Ecumenical Ministries to transfer \$35,196 from Home Plate to Hope Prep House for the period of July 1, 2005 through June 30, 2006. A record signature copy of said contract to be on file in the Office of the City Clerk.

BE IT FURTHER RESOLVED, that the City Manager is authorized to advance the entire remainder of the contract upon execution of the contract amendment.