



Office of the City Manager

CONSENT CALENDAR

December 11, 2007

To: Honorable Mayor and Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: Renelda Mary, Interim Director, Housing

Subject: Contract No. 7292 Amendment: Increase Dorothy Day House Contract for Homeless Services

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to increase the two-year contract with Dorothy Day House (DDH) by \$29,790 to cover the costs to lease space from Trinity United Methodist Church (Trinity) where DDH provides homeless services for a total amount not to exceed \$127,420 (\$58,745 in FY 2008 and \$68,675 in FY 2009).

FISCAL IMPACTS OF RECOMMENDATION

This recommendation, if approved, will result in no additional cost to the City. The adopted FY 2008 and 2009 biennial budget for homeless programs includes the funds in the Housing Department's budget to enter into an annual lease agreement with Trinity Church on behalf of DDH. Approval of this recommendation will allow \$9,930 in FY 2008 funds and \$19,860 in FY 2009 funds to be transferred from the Housing Department budget (010-7906-463-5010) to the City's General Fund Community Agency budget (010-9703-410-3510) and the execution of the amendment to the two-year contract with DDH to an amount not to exceed \$127,420.

CURRENT SITUATION AND ITS EFFECTS

Currently, the City has a lease with Trinity located at 2362 Bancroft Way, on behalf of Dorothy Day House. The current lease agreement authorized by Council per Ordinance No. 6729-N.S., covers the period between January 1, 2007 through December 31, 2007 in the amount of \$24,660. The lease agreement covers the costs for the monthly rental fee, a security person, and a monthly refuse pick up fee. Beginning January 1, 2008, Trinity Church has agreed to enter into a new lease agreement with DDH through December 31, 2008 in the amount of \$19,860, which represents a 19% reduction from the City's annual lease agreement amount of \$24,660, which will expire on December 31, 2007. The prorated amount for the first six months of the lease and the FY 2008 commitment is \$9,930. Assuming no rate change for the following year, the FY 2009 funding commitment will be \$19,860.

The combined two-year savings from the reduced lease amount with Trinity is \$7,200, \$2,400 for FY 2008 and \$4,800 for FY 2009. These savings will be made available to support contingency needs for the City's homeless programs.

The City enters into two-year contracts with community agencies it funds, with the term aligned with the biennial budget adoption. For DDH, the current two-year contract amount is \$48,815 for each of the two years for a total amount not to exceed \$97,630. Preparing two year contracts avoids having to enter into new contracts with community agencies every year while allowing adjustments to the second year funding amounts, depending upon the Council-adopted funding authorization for FY 2009 and the FY 2009 biennial budget update process.

BACKGROUND

On May 1, 2003 City Council adopted Ordinance No. 6729-N.S. authorizing the City Manager to execute a lease agreement with Trinity covering the period between May 1, 2003 through December 31, 2005 and authorizing annual renewals as necessary up to five additional years. The City has exercised this option for two one-year periods. The existing lease will expire on December 31, 2007. The City is not under any contractual obligation to continue to exercise its option to renew the annual lease with Trinity and is recommending that the lease be allowed to expire on December 31, 2007. If this action is approved the City will not exercise its option to enter into another annual lease agreement with Trinity but rather will provide lease payment assistance directly to DDH by increasing the amount of DDH's existing contract.

RATIONALE FOR RECOMMENDATION

The City funds homeless service providers, including Dorothy Day House, through its biennial Request For Proposal process. In no other case, does the City provide direct funding to lease program space on behalf of a homeless service provider. By adding the lease agreement cost into DDH's service contract, the City's total financial contribution to the meal program will be reflected in one contract.

If the recommendation is adopted to increase the two-year contract amount, it will prevent the need to return to Council in June 2008 with a request to amend DDH's contract to add the \$19,860 to cover the lease period between July 1, 2008 through June 30, 2009.

In the next Request For Proposal process in November 2008, DDH will include its entire operating budget, including leasing costs, in its application for funding consideration.

ALTERNATIVE ACTIONS CONSIDERED

None

CONTACT PERSON

Jennifer Vasquez, Associate Management Analyst, Housing Department, 981.5431

Attachment:
1: Resolution

RESOLUTION NO. # #, ### -N.S.

CONTRACT NO. 7292 AMENDMENT TO INCREASE AMOUNT WITH DOROTHY DAY
HOUSE FOR HOMELESS SERVICES

WHEREAS, the City of Berkeley adopted Resolution No. 63,757-N.S. adopting the City of Berkeley's biennial budget for fiscal years 2008 and 2009 which included \$48,815 in General Funds for Dorothy Day House; and

WHEREAS, the City of Berkeley Housing Department's budget (010-7906-463-5010) includes \$24,660 to pay Trinity United Methodist Church for programming space on behalf of Dorothy Day House through June 2008; and

WHEREAS, on December 31, 2007, the City's lease with Trinity United Methodist Church will expire; and

WHEREAS, Trinity United Methodist Church has agreed to enter into a lease agreement with Dorothy Day House through December 2008 in the amount of \$19,860; and

WHEREAS, the Housing Department budget currently has \$9,930 to support Dorothy Day House's program space costs for the period of January through June 2008; and

WHEREAS, the Housing Department budget currently has \$19,860 in its FY09 budget to support Dorothy Day House's program space costs for the period of July 1, 2008 through June 30, 2009 and intends to submit a modification to the FY08/09 biennial adopted budget to transfer \$19,860 to DDH's budget in FY09.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to increase Dorothy Day House's contract number 7292 by \$29,790 for a total two-year contract amount, through June 2009, not to exceed \$127,420, \$58,745 in FY 08 and \$68,675 in FY09 (budget code 010-9703-410-3510).