



Ad Hoc Subcommittee on Homelessness
 Mayor Jesse Arreguin
 Councilmembers Linda Maio, Cheryl Davila, and Sophie Hahn

CONSENT CALENDAR

October 3, 2017

To: Honorable Mayor and Members of the City Council
 From: Ad Hoc Subcommittee on Homelessness
 Subject: Location and Facilities Recommendation for the Pathways Project

RECOMMENDATION

Direct the City Manager to

1. Immediately establish a modular building-based facility to serve as the Bridge Living Community (hybrid STAIR/Bridge facility) on Second Street between Cedar and Virginia Streets, if such a configuration is feasible given the street dimensions and leasing conditions. If not, pursue alternative structures that align with the Pathways model and take all steps necessary to begin operations as soon as possible, and;
2. Simultaneously pursue Federal grant funding for a second phase with a preference for cabin-based tiny homes. If Federal funding is not received, Council will evaluate the possibility of other funding sources to move a second phase forward, and;
3. Include features to ensure that, to the greatest extent possible, the Bridge Living Community is a pleasant and inviting environment with amenities such as trees and other foliage, planting beds, picnic tables, shade features, recreational space, an attractive entrance, and other simple but meaningful and aesthetically pleasing features.

FINANCIAL IMPLICATIONS

\$400,000 was allocated by the City Council during the FY18-19 budget process for the Pathways Project. For the first phase facility, using modular buildings and including beds for 50 residents at a time, Staff estimates capital costs of \$130,000. Annual operating costs are \$750,000. Alternatively, Staff estimates Capital and start-up costs for a cabin-based model including 50 beds at \$315,000 and annual operating costs of \$700,000. In both cases, an additional \$210,000 in flexible housing funds will allow for more residents to be placed into permanent housing. The above numbers are all rounded, for ease of comparison. They reflect an “either/or” scenario. If the two facilities are implemented as first and second phases, as recommended by the Ad Hoc Subcommittee on Homelessness, the start-up and operating costs of the second phase will be revised down significantly, as the cabins would be an add-on to the existing and operating first phase.

BACKGROUND

On April 4th, 2017, the Berkeley City Council unanimously approved The Pathways Project to end Homelessness in Berkeley, directing the City Manager to immediately implement

Emergency Interim Measures as described in the Pathways Project report to provide stability, navigation and respite to homeless individuals, and pathways to permanent housing and services. Staff was asked to develop an implementation plan that would mesh with the City's existing homeless services programs. Subsequently, staff presented Council with program outlines and cost estimates for the key components of the Pathways Project, including a STAIR/Navigation Center, and a Bridge Living Community. The staff report also included a menu of implementation options emphasizing different areas of the City's existing Coordinated Entry process that could be strengthened, including addressing unsheltered or encampment homelessness, expediting the process by which individuals are housed through the Coordinated Entry System, and other alternatives to achieving the parallel goals of providing temporary respite and maximizing permanent housing exits.

On July 11, Council approved Staff's "Option 4" as presented in the City Manager's report to Council on June 27, 2017, to establish a combined STAIR Center/Bridge Living Community and associated Homeward Bound and rapid rehousing components. In addition Council approved a Sustained Outreach Team and a program to address illegal dumping and excessive accumulations of items and materials associated with homeless encampments, in particular in the heavily impacted West Berkeley corridor. These two additions were recommended by formal action of the Council's Ad Hoc Subcommittee on Homelessness (The Ad Hoc Subcommittee).

Council allocated \$400,000 towards establishment of the hybrid STAIR/Bridge facility (for ease of identification, the new *combined* facility is now referred to as the Bridge Living Community) in the 2018-2019 Biennial Budget. These funds can be used for either capital costs or start-up operation costs. In addition, funding for staff and to operate the Bridge Living Community facility was referred to the November 2017 budget discussion, with a further commitment to prioritize funding for operations at the mid-year budget process, when excess equity from the previous year's budget will be allocated.

Parallel to the aforementioned Council proceedings, the Ad Hoc Subcommittee has met numerous times to discuss a variety of policies and implementation details related to the Pathways Project and to other homeless-related topics including City policies on unattended property and sidewalks.

On August 29, 2017, the Ad Hoc Subcommittee voted to provide direction to the City Manager on the location and physical design of the Bridge Living Community. This is the matter before Council at this time.

"Bridge Living Community" description:

Pursuant to the Pathways Project report and implementation recommendation as passed by Council, the Bridge Living Community is a facility designed for short-term stays, leading to permanent housing, family reunification, and/or connections to supportive services. Estimated stays will be between 1 and 5 months, with the expected average stay being 2-3 months. The Bridge Living Community is a step up out of homelessness and, to the greatest extent possible based on available resources, a step towards permanent supportive housing and supportive

services. In other cities, similar facilities have been characterized as enhanced 24-hour shelters, with very low barriers to entry, availability of storage facilities, 24 hour access, and service-rich environments. These types of facilities are often housed in temporary structures.

For example, the first navigation center on Mission St. in San Francisco is housed on an unused asphalt playground and schoolyard, and is made up of portable and modular buildings for sleeping space, bathrooms, offices, and meeting spaces. Sleeping arrangements consist of large, open communal rooms with up to 30 beds in each building (with a total capacity of 75 people in the entire facility). These sleeping areas are mixed-gender, allow pets to sleep with their owners and couples to push beds together, and limit belongings on-hand to what fits in a single large underbed drawer. Showers and bathrooms are in a separate building, requiring residents to walk outside to access them. While residents can keep some belongings on-hand at any time, the bulk of residents' possessions are kept in storage, typically in large on-site shipping containers, which can be accessed by request. Office space for staff and service providers is housed in on-site modular buildings, which also provide small meeting spaces and a small indoor lounge and dining area. Finally, there is an open air space with picnic tables, seating, and umbrellas which serves as the primary gathering and meal space for residents.

As a general matter, San Francisco's Navigation Centers are enclosed communities, with entry limited to residents, staff, and service providers. Residents are able to come and go as they please around the clock, with regular access to their stored items and other belongings. The facility is run by a social service agency, with Staff on-site at all times.

Since the establishment of the Mission Navigation Center in March of 2015, over 1100 individuals have been served by all Navigation Centers in San Francisco, and 72% of guests have been placed into housing¹. San Francisco's "Encampment Resolution Teams" have also been very successful in encouraging individuals to enter navigation centers, even from large encampments (in Berkeley, a similar team will be called a "Sustained Outreach Team").

There are many considerations that go into siting this type of facility: adequate space to meet programmatic needs, flexibility to expand and contract easily, cost, speed of establishment, neighborhood spillover and neighbor concerns, proximity to transit, accessibility, habitability, and more. City Staff and members of the Ad Hoc Subcommittee scouted and reviewed all City land and buildings potentially available for siting a Navigation-type center, weighing all considerations for each. This survey included indoor facilities, existing buildings and outdoor parcels. One block of Second Street, between Cedar and Virginia Streets, was identified as the location that maximized all of the goals and considerations listed above while minimizing potential concerns. The Ad Hoc Subcommittee recommends that this location be approved by the full City Council and that the Pathways Project move forward as expeditiously as possible.

Location Description

¹ <http://hsh.sfgov.org/services/shelter-and-transitional-housing-programs/navigation-centers/>

The proposed site is a one-block stretch of Second Street, bordered on the north by Cedar Street and on the south by Virginia Street. The site is currently frequented by homeless individuals. It is immediately surrounded by several manufacturing and construction businesses, and is a wide, flat stretch with very sparse through-traffic and only a single driveway entering or exiting onto the entire block. There are no residential properties bordering the site, though it is near to residential areas and several blocks from the Fourth Street commercial district. It is also easily accessible by several bus lines, and within half a mile of a supermarket.

The site itself is very large - a wide, block-long street with no sidewalks - providing flexibility to accommodate potential changes in size and capacity of the facility. It is significantly less expensive and faster to set up than any other potential site. Moving forward with Second Street also allows for the possibility of better living facilities than the Navigation Centers in San Francisco, in the form of cabins arrayed in a neighborhood- or village-type configuration. Finally, the Second Street location allows for recreation spaces, environmental amenities (planters, trees, etc.) and large outdoor areas.

There are some considerations with the Second Street site, including proximity to industrial facilities and to the freeway. However, it is adjacent or close to many businesses and only two blocks from residences, all of which are also in proximity to these conditions. In addition, Bridge Living Community residents will only stay at the facility for a few months. The facility is an intermediary step between homelessness and housing – essentially a 24 hour, low-barrier, service-rich shelter, providing stability and on-site access to support. It does not and will not provide permanent housing.

Alternative Sites Considered

In addition to the Second Street site, a number of other sites were also considered. The Marina was an initial suggestion from the Ad Hoc Subcommittee, but the City Attorney advised that it would be difficult to use that location. The City also owns an empty parcel behind the lawn-bowling facility in South Berkeley, but this site would likely require time-intensive and costly environmental remediation before it could be used. Aquatic Park was also briefly considered, but was determined to provide inadequate space for the Bridge Facility, with similar proximity to the freeway and industry, and a significant threat of flooding. Finally, the new Premier Cru building was also considered as a potential location, but retrofitting the physical plant at this site would be costly, and the investment in the facility would have a very short duration, as the City intends to pursue an affordable housing project in this location as quickly as possible. In addition, the Premier Cru facility has virtually no outdoor space for recreation or relaxation, and would pose significant spillover challenges and potential impacts to the adjacent residential and small business communities.

Having carefully explored these and other potential locations, and taking into account the many factors to be accommodated, as well as potential concerns, the Ad Hoc Subcommittee voted to recommend Second Street between Cedar and Virginia Streets as the site for the Bridge Living Community.

Structures, phasing, and funding

Staff researched a number of potential structures that could be used for the Bridge facility, from fabric, Tuolumne-style tent cabins to rented portable structures. After significant research and consideration, Staff determined two preferred structure types to create an initial 50-bed facility. Facilities comprised of each of the two preferred structure types were presented to the Ad Hoc Subcommittee as “either/or” options, and priced each as stand-alone facilities. *The Subcommittee’s recommendation is a phasing of the two options*, and pricing for a combined facility – both the capital/start-up costs and operating expenses, would be less than the sum of the costs of each facility as a stand-alone, due to economies of scale.

The first structure type recommended by Staff is rented modular buildings, “portables” similar to those used at San Francisco’s Mission Street Navigation Center. These structures would provide communal sleeping spaces in addition to offices and meeting space, and are the least expensive and quickest to establish. The second is cabin-type structures that would provide more privacy for residents and more flexibility to configure as a village-like environment. Cost estimates and details of both structural options are presented below. Each is costed as a stand-alone facility for 50 residents at a time, serving 150 residents per year, assuming average stays of 4 months:

OPTION 1: 50 Bed Program with Modular Buildings

<u>START-UP COSTS</u>	<u>Expense</u>	<u>Notes</u>
Staff time for program set-up	\$7,000	Site prep, equipment installation, etc.
Contingency/unknowns	\$40,000	
Modular buildings, delivery/install	\$54,960	2 modular buildings @ 24' X 60'
Modular offices, delivery/install	\$8,168	2 modular offices at 12' x 44'
Program equipment	\$20,787	Beds, mattresses, port-a-potty installation, etc
Total Start-Up Costs	\$130,915	

<u>ANNUAL COSTS</u>	<u>Expense</u>	<u>Notes</u>
Staffing	\$357,139	1 program manager, 3 operations staff, 2 case managers
Operations (insurance, program expense, etc)	\$284,438	
Modular building lease (2 @ 24x60 portables)	\$67,104	Sleeps 25 clients per building
Housing subsidies	\$210,000	To support 40-60 housing placements yearly
Meals	\$93,988	Assumes one meal per day for 50 beds
Total Annual Cost	\$1,012,669	

OPTION 2: 50 Bed Program with Cabin-based Tiny Homes

<u>START-UP COSTS</u>	<u>Expense</u>	<u>Notes</u>
Design and install electricity grid	\$80,000	To heat each tiny house in winter
Permits	\$30,000	House installation, etc.
Contingency/unknowns	\$40,000	
Tiny Homes with vents, windows	\$140,090	Repurposed Tuff Sheds; acquire 50 @ 8' x 12'
Modular offices, delivery/install	\$8,168	2 modular offices at 12' x 44'
Program equipment	\$18,570	Beds, space heaters, port-a-potty install, etc
Total Start-Up Costs	\$316,828	

<u>ANNUAL COSTS</u>	<u>Expense</u>	<u>Notes</u>
Staffing	\$357,139	1 program manager, 3 operations staff, 2 case managers
Operations (insurance, program expense, etc)	\$281,272	
Housing subsidies	\$210,000	To support 40-60 housing placements yearly
Meals	\$93,988	Assumes one meal per day for 50 beds
Total Annual Cost	\$942,399	

Option 1: 50 Bed Program with Modular Buildings

The cost for facilities comprised of rented modular buildings with the capacity for 50 residents at any time (with the possibility of up to 150 residents over the course of a year, given turnover), would cost approximately \$130,000 to establish, as demonstrated in the above chart. A modular building-based facility is the easier of the two options to establish, and also allows for the most rapid operationalization possible. Given this model, the facility could be ready to open by January of 2018. It is likely that all capital costs could be covered through private fundraising. Commitments of \$100,000 have already been secured from community donors through preliminary fundraising efforts undertaken by Mayor Arreguin and Councilmember Hahn.

To maximize potential for successful housing “exits” for residents, Staff estimates a need for approximately \$210,000 in housing subsidies (*Housing Subsidies* in the above table). It is also possible that US Department of Housing and Urban Development (HUD) funds will be available to cover some or all housing subsidies.

Full year operation of the modular-based facility (excluding housing subsidies) will cost approximately \$750,000. Using private funds to establish the facility would free the \$400,000 allocated by Council to the Pathways Project to be used as start-up operating expenses for the first four months of operation, reducing the remainder needed for a full year’s operations to \$350,000. This is the amount Council would be asked to allocate through the November 2017 Budget adjustment process.

Option 2: 50 Bed Program with Cabin-like Buildings

The second option explored by Staff is somewhat more complex, which results in higher establishment costs and a longer ramp-up before opening for service. However, annual costs of operating such a facility are slightly less than Option 1, as the units are purchased rather than rented. Some of the factors affecting cost and timing include the need to route electricity to each of the 50 individual cabin structures, assembly time for the cabins, and a permit approval and bidding process that could take several months to complete, including two separate items to be

approved by the City Council. Solar power could be an option for the cabins, but has not yet been explored.

On the other hand, this style of facility does have a number of positive features. Individual cabin-type units are attractive housing options and offer more private sleeping and living for residents. Cabin units also allow for a more neighborhood-like configuration of structures, although the size and shape of the parcel (long and narrow) and the need for a service road of at least 10 feet in width, will somewhat restrict the placement options for cabins.

City Staff have applied for federal grant money through HUD. Even if HUD money is granted, such funds would not be made available for use until well into 2018 (likely no earlier than April). Costs to operate a cabin-based model would be similar but slightly less than a modular-based facility, and the same \$210,000 in housing subsidies would also still be needed to provide adequate housing exits for Bridge Community residents.

Rationale for Recommendation

Based on all of the above considerations, the Ad Hoc Subcommittee recommends that the less expensive and more expeditious modular-based facility be established immediately as Phase 1, so that operations can commence as soon as possible, and a maximum amount of dollars allocated by the city can be used for operations. It is very likely that capital costs for establishing the facility can be covered through private donations, freeing the full \$400,000 previously allocated by Council to be used for operations.

The Ad Hoc Subcommittee also recommends that the cabin-based model, currently seeking federal funding, be approved as a Phase 2 to be implemented, if possible, after the first, modular-based facility. Should HUD money be obtained, the cabin-based addition could be rapidly implemented on the remainder of the site. Modular units used for sleeping facilities could be kept as one sleeping option, converted into office or community space, or could be removed, as they are rented units. Should HUD money not be made available, Council can evaluate the possibility of other funding sources to move the cabin-based Phase 2 forward.

Ultimately, the ideal configuration would be a combination of the modular/communal facilities and cabins that allow for private living, with a single set of office and service-focused portables serving both types of living spaces. The above recommendations make such a configuration possible over time. Modular buildings are highly adaptable, rented structures which can be maintained, repurposed, or removed as necessary. In all cases, bathroom and shower facilities, eating spaces, and other basic amenities are included in the above project and budget projections.

Community Amenities

Finally, the Ad Hoc Subcommittee explicitly recommends that any facility include features to render the facility a pleasant and inviting environment, to the greatest extent possible, by including trees/foliage, planting beds, picnic tables, shade features, recreation space, an attractive entrance, and other simple but meaningful amenities. The Ad Hoc Subcommittee

included these features in the final recommendation to ensure that these humanizing, aesthetic and necessary elements are not overlooked among the many important considerations in establishing such a facility.

ENVIRONMENTAL SUSTAINABILITY

This recommendation is consistent with Berkeley's environmental sustainability goals.

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