



Office of the City Manager

ACTION CALENDAR
September 20, 2022

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Lisa Warhuus, Director, Health, Housing and Community Services

Subject: Extending Community Agency Contracts for One Year at Existing Levels and Postponing the Community Agency Request for Proposal (RFP) Process Until Fiscal Year 2024

RECOMMENDATION

Adopt a resolution that extends all existing community agency contracts under the community agency Request for Proposal (RFP) process for one year, at current baseline one-year funding, and postpone the four-year Community Agency's RFP process for one fiscal year, to FY2024, with new contracts to start in FY2025.

SUMMARY

This extension would apply to all community agency contracts awarded under the FY 2020-2023 RFP, released on November 19, 2018 for four-year contracts, for an additional one-year term (FY 2024) with an additional year of baseline funding. A list of the agencies and programs subject to this extension, broken down by funding source, is available in Attachment 2.

This recommendation would not include special funds awarded outside of the RFP process; such as one-time emergency relief funds due to COVID-19, the Sugar-Sweetened Beverage Product Panel of Experts RFP process, the Mental Health Service Act, and City Council priorities, etc.

Staff is asking the Council to adopt this recommendation, because undertaking a new funding allocation cycle this year poses notable challenges for both community partners and City staff and commissions. These challenges include: community agency capacity, skewed community agency outcome data due to COVID-19 impacts on services, significant City staffing shortages, and new commission configurations that have created some uncertainty regarding their purview in this process.

FISCAL IMPACTS OF RECOMMENDATION

For years the City has combined local, state, and federal funding for community services into one RFP. The next RFP is currently scheduled to be released in the fall/winter of FY 2023 for funding starting in FY 2024. In FY 2020, the City awarded

approximately \$8.1 million in community agency contracts as part of the RFP process. Those contracts began in FY 2020 and will end at the end of FY 2023. Most (85%, more than \$7 million) of this funding is from local sources, primarily General Fund, including more than \$1.4 million dollars in Measure E funds (See Table 1).

Table 1: Summary of Funding

#	FY 2023 Funding Source	Amount
1	HUD: Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG)	\$1,068,938
2	State: Community Services Block Grants (CSBG)	\$160,000
3	General Fund (GF) including Measure P	\$5,249,517
4	Local Measure E	\$1,569,911
5	Other, Including Mental Health Services Act and Childcare Mitigation fee	\$33,275
	Total	\$8,081,641

Note: General Funds received pursuant to Measures P and U1, Sugar Sweetened Beverage funds, Childcare Mitigation fee and Mental Health Services Act funds are provided in similar contracts to community agencies but have not been included in the RFP process in the past. However, since the RFP contracts were awarded in July of 2019, some of these funding sources have been used to fund the activities of the contracts awarded as part of the RFP process.

Adopting this resolution will keep community agency funding at the current level for another year, with no additional budget impacts.

CURRENT SITUATION AND ITS EFFECTS

The RFP process for community agency funding is an essential tool to ensure that City funds are allocated to agencies that address local priorities, demonstrate their service outcomes, and have the capacity to effectively manage the requirements of City funding, particularly federal funds. The complete funding allocation cycle (including RFP development, RFP release, application review by select Commissions and Council approval) lasts nine months, and is an extensive and thoughtful staff and commission review of the proposals and the organizational capacity of the agencies requesting the funds.

Undertaking a new funding allocation cycle this year poses notable challenges for both community partners and the City. These challenges are related to community agency capacity, skewed community agency outcome data due to COVID-19 impacts on services, significant City staffing shortages, and new commission configurations.

Community Agency Capacity: Agencies would benefit from an additional year of funding to allow them to implement ongoing service adjustments and prepare for future funding proposals as they emerge from the pandemic.

The City's non-profit community partners have deeply felt the impacts of COVID-19 on their operations. Our partners have worked diligently during the last two years, through the COVID-19 pandemic, to meet service measures and program outcomes in the midst of very challenging and constantly changing work environments. The experience varies by agency and type of program, with some programs expanding their services and others shrinking in response to both increased need and/or increased constraints resulting from COVID-19. Programs have had to re-define how they provide services while also facing staffing shortages, supply chain issues, entering into new funder relationships, and other challenges.

As COVID-19 restrictions are lifting, programs are again needing to re-invent, re-evaluate and implement new and ever-changing protocols to address changing needs in changing conditions; all with fewer staff members due to workforce staffing shortages. Since the community agencies are facing the same labor shortages and hiring challenges as the City, their administrative capacity to respond to an RFP is also impacted.

We reached out to community agencies to get their feedback on the recommendation through an online survey and, more informally, as part of our daily discussions with them. While we received few responses to the online survey, they were all in support of the recommendation, as was the feedback we received through our daily discussions.

Skewed Community Agency Outcome Data: For many of the funded agencies, the service outcome and performance measure data from the last two years during COVID-19 are well outside the historical normal ranges, due to rapidly shifting conditions. Consequently, most agencies have fallen short of their goals established prior to COVID-19. This makes it challenging for the City to accurately assess the performance of community agencies.

City Staffing Shortages: The HHCS divisions that lead the RFP process (Housing & Community Services and the Office of the Director) are currently experiencing significant staffing shortages. Specifically, HCS has a nearly 25% staffing vacancy rate. This includes both the Community Services Specialist III (CSSIII) that manages the RFP process and the Community Services Specialist II (CSSII) that manages funding for youth-serving organizations under Vision 2020. Additionally, the HCS Manager and key staff continue to support COVID-impacted homeless services agencies, careful stewardship of millions of dollars in federal COVID relief funds, and complex affordable housing projects and new housing projects such as People's Park and BART housing developments.

Commissions: Four commissions in three departments have been heavily involved in the funding application review and recommendation process in the past. Currently, only three are slated to participate in the next RFP cycle:

- 1) the Housing Advisory Commission (HAC) in HHCS,
- 2) the Human Welfare and Community Action Commission (HWCAC) in HHCS,
- 3) the Homeless Services Panel of Experts (HSPE) in the City Manager’s Office.

The City has yet to determine the fourth commission which would evaluate the Vision 2020 awards for youth-serving programs. The commission that was responsible for evaluating the RFP process for these contracts previously, the Children Youth and Recreation Commission (CYRC), has since dissolved. These newly formed and existing commissions have begun to meet regularly again, after their extended suspension during COVID-19, and are working on priorities. This includes moving forward policies and programs that were temporarily stalled.

In the typical RFP process, the commissions (and staff supporting the commissions) thoroughly review all applications and make funding recommendations. This time-intensive process includes multiple subcommittee meetings that require staffing support due to the complex subject matter, and a minimum of two full commission meetings for each participating commission. Allowing the commissions one additional year to settle into restructuring and new priorities will be beneficial to future application evaluation.

HCS employees presented this recommendation at commission meetings in July and August of this year. Below is a summary of their recommendations:

Table 3: Commission Actions and Vote

Name of Commission and Date of Meeting	Action and Vote
<p>Homeless Services Panel of Experts (HSPE) – 07/06/2022</p>	<p>Request that the City post the 2019 funding proposals for those homeless service providers whose funding was approved with additional information on the following:</p> <ul style="list-style-type: none"> • Current project descriptions, • Current funding level, • Current hours of operation and location, • Current staffing level, • Current program services provided during COVID, and • Most recent contract monitor evaluation for each provider. <p>Following this information provided, HSPE also requests COVID safe site visits.</p> <p>VOTE: M/S/C (Marasovic/Feller) Ayes: Kealoha-Blake, De la Guardia, Bookstein, Feller, Meany, Marasovic, Jones. Noes: None. Abstain: None. Absent: None</p>

<p>Housing Advisory Commission (HAC) – 07/07/2022</p>	<p>Recommend to Council that all existing community agency contracts under the Community Agency RFP process be extended for one year at the current baseline one-year funding amount, and that the four-year Community Agency RFP process be postponed for one fiscal year with a consideration that Council provide financial Cost of Living Adjustments (COLA) for the one year extension to all participating agencies. VOTE: M/S/C (Potter/Mendonca) Ayes: Lee-Egan, Mendonca, Potter, Rodriguez, and Sanidad, and Noes: None. Abstain: None. Absent: Calavita (excused), Fain (excused), Johnson (unexcused), and Simon-Weisberg (unexcused).</p>
<p>Human Welfare and Community Action Commission (HWCAC)</p>	<p>No action – Discussion only. Commission members were not in favor of the recommendation based on their discussion, but did not take a vote. They expressed a concern with the lack of funding increase to account for rising costs for well performing agencies and disappointment that some agencies they viewed as underperforming not having to go through the RFP process this year to determine if they should still receive funding from the City. Further, they had concerns about new or previously unfunded agencies not having an opportunity to apply for funding for another year, particularly those agencies that meet a high priority yet underserved need.</p>

Misalignment with the City’s Two-Year Budget Process: As it stands, the RFP for community funding cycle is currently set to end (FY23) in the middle of the City’s two-year budget (FY 23/24). This creates complications for the City’s budget development and projections since the four-year contract terms will span three budget cycles rather than two. The postponement will realign these cycles.

BACKGROUND

The Housing and Community Services (HCS) Division of the Health, Housing and Community Services Department (HHCS) administers local, state, and federal funding for services to low-to-moderate income Berkeley residents through a Request for Proposals (RFP) process. Funds in the RFP support a wide range of services provided by non-profit community agencies that vary in size and capacity. The last RFP was released in FY 2019 for a four-year contract (FY 2020 – FY 2023).

The process requires that various members of HCS coordinate with HHCS Office of the Director (2020 Vision) and City Manager’s Office. It involves staff across all these divisions working with four commissions: 1) the Housing Advisory Commission (HAC) in HHCS, 2) the Human Welfare and Community Action Commission (HWCAC) in HHCS, and 3) the Homeless Services Panel of Experts (HSPE) to develop funding recommendations to the City Council in June.

While each commission has their own approach to reviewing applications and making funding recommendations, on average they met bi-weekly for a three-month period during the last RFP process, and there is no reason to believe this cycle would be any different. Each Commission can elect to require presentations from proposers and conduct site visits. Commission members often request additional information to inform their recommendations. City staff support the commission work by scheduling and attending the meetings and site visits, taking notes, writing minutes, following up with community agencies to request information, preparing additional analyses, researching alternatives, and mediating other issues as they arise. This is a demonstrably robust, labor-intensive, and holistic process, and one that solicits diverse feedback and analysis in order to ensure that the selected agencies are prepared to meet the needs of the community.

In response to the FY 2019 RFP, HCS received an unprecedented number of applications requesting over \$20 million in support (far exceeding the available funding). There were 119 applications from 63 agencies, and new programs accounted for 27 percent of the submissions. In the end, 75 applications were recommended for the available \$8.3 million.¹

At the end of the last RFP process, the City and commissions had a solid recommendation to Council that was grounded in evaluation of past performance and City priorities, and aligned funding recommendations with County-wide homeless initiatives alongside a complete overhaul of both homeless and 2020 Vision service measures and outcomes. Council adopted the City Manager recommendations in part because it was apparent how much excellent work went into ensuring the right programs were funded for the right amount of money. Adding one more year to this contract continues alignment with the priorities and budgets that have already been adopted, and ensures stability for the community agencies that are still reeling from the impacts of COVID-19.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Upon release of the RFP for CDBG, ESG, and HOME funding in FY 2019, applicants were encouraged to propose projects that meet various City-wide goals, such as the Climate Action Plan. Projects funded with CDBG, ESG, and HOME are required to follow state and local regulations, including those related to green building and energy. CDBG funding for community facility projects places a priority on projects that promote energy efficiency and improve accessibility. Single family rehabilitation, including energy efficiency, was a funding priority in the FY 2019 RFP. With this recommendation the City will continue funding both City-administered and community agency-administrated

¹ Available funds, not including, CDBG funds to cover COB staff and over \$1 million for the Public Facility Notice of Funding Availability (NOFA).

programs. Each program funded by HUD funds also undergoes an Environmental Review to understand and mitigate possible environmental impacts.

RATIONALE FOR RECOMMENDATION

Staff's recommendation effectively mitigates the current situation and its effects in the following ways:

Community Agency Capacity: By extending contracts for one year, community agencies will have an opportunity to adjust, stabilize, and perform at the expected levels of service with lessened impact from COVID-19 restrictions on service delivery.

Skewed Community Agency Outcome Data: Best practice is to have accurate data to guide future funding decisions. By postponing the RFP process, staff and commission members would have the benefit of at least a year of relatively standard performance data on current contracts, allowing better analysis of program performance.

City Staffing Shortages: Administering the RFP process is not feasible without sufficient staff to lead it. Administering the process with the current staffing levels would impact the administration of other high priority programs and projects.

Commissions: Extending the RFP one more year will allow the commissions to settle into the new routines, configurations and priorities, as well as allow newer commissioners to learn more about funded programs and the funding process.

Misalignment with the City's Two-Year Budget Process: Aligning the RFP for community funding with the City's budget process aids in seamless budget development and projections. Extending the contracts by one year, allows the new RFP cycle to start in FY25, with the start of the City next two-year budget (FY25/26).

ALTERNATIVE ACTIONS CONSIDERED

The HAC recommended adding Cost of Living Adjustments (COLAs) to the extended contracts. The HWCAC also expressed concerns about rising costs to community agencies. Staff appreciates this request given the already low wages in the nonprofit sector and the instability and difficulty posed to our valuable nonprofit partners. Council could consider adding COLAs to these contracts for one year as part of the Fiscal Year 2023 budget process.

CONTACT PERSON

Joshua Oehler, Community Development Project Coordinator, HHCS, (510) 981-5408

Attachments:

1: Resolution

2: List of Agencies, Programs and Their Current Funding Levels for Contracts Awarded starting in FY2020 as Part of the RFP Process

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

EXTEND COMMUNITY AGENCY CONTRACTS FOR ONE YEAR, THROUGH FISCAL YEAR 2024, AT EXISTING LEVELS AND POSTPONE THE COMMUNITY AGENCY REQUEST FOR PROPOSAL (RFP) FOR ONE YEAR, CONDUCTING THE RFP PROCESS IN FISCAL YEAR 2024 AND STARTING THE CONTRACTS IN FISCAL YEAR 2025

WHEREAS, the Housing and Community Services Division (HCS) in the Health, Housing and Community Services (HHCS) Department administers a combined Request for Proposals (RFP) for Community Agency Funding every four years, with the next RFP release scheduled to occur in the fall of FY 2023 for funding starting in FY 2024; and

WHEREAS, funding sources include Community Development Block Grant (CDBG), Community Services Block Grant (CSBG), Emergency Solutions Grants (ESG) program City of Berkeley Measure E, City of Berkeley Measure P, Mental Health Services Act and City General Funds; and

WHEREAS, the impacts of the COVID-19 pandemic have considerably impacted community agencies, including current staffing levels, resulting in reduced community agency capacity to respond to a complex RFP at pre-pandemic levels; and

WHEREAS, City staffing shortages and the ongoing COVID-related emergency services and funding pose significant challenges in coordinating an RFP review with the four commissions managed by City staff (the Housing Advisory Commission, the Human Welfare and Community Action Commission, the Parks, Recreation and Waterfront Commission, and the Homeless Commission); and

WHEREAS, in the last RFP process the City Manager and commissions' recommendation to Council included a thorough evaluation of past performance and City priority alignment; and

WHEREAS, Council adopted the City Manager's community agency funding recommendations from the last RFP; and

WHEREAS, extending the community agency contracts by one-year responds to community request, exhibits support for partner agencies, and aids in budget development and projections by aligning the community agency funding on the City's FY 2023/2024 budget cycle; and

WHEREAS, adding one more year to the current community agency contracts will continue alignment with the priorities and budgets that have already been adopted, and ensure stability for the community agencies that are still strongly experiencing the impacts of the COVID-19 pandemic.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to extend all existing community agency contracts under the community agency Request for Proposal (RFP) process for one year (through FY 2024), at current baseline one-year funding, and postpone the four-year Community Agency RFP process for one fiscal year, until FY 2024. A signed copy of said documents, agreements and any amendments will be kept on file in the Office of the City Clerk.

Attachment 2: List of Agencies, Programs and Their Current Funding Levels for Contracts Awarded starting in FY2020 as Part of the RFP Process

Attachment 2 - List of Agencies, Programs and Their Current Funding Levels for Contracts Awarded starting in FY20 as Part of the RFP Process									
Agency - Program	FY 2023 Adopted	CDBG	CSBG	ESG	GF Measure P	GF Measure L11	GF Other	GF Mayor's Reimagining Funds	Other Funds
Childcare									
Bay Area Hispano Institute for Advancement - Child Development Program	\$82,143						\$82,143		
Bananas Inc.:									
Child Care Subsidies	\$283,110						\$269,835		\$13,275
Play & Learn Playgroups	\$10,527						\$10,527		
ORIS Services	\$95,000						\$95,000		
Ephesians Children's Center - Childcare Program	\$45,507						\$45,507		
Healthy Black Families, Inc. - Sisters Together Empowering Peers (STEP)	\$43,808						\$43,808		
Nia House Learning Center	\$39,999						\$39,999		
<i>Childcare Total</i>	<i>\$600,094</i>						<i>\$586,819</i>		<i>\$13,275</i>
Disability Programs									
Bay Area Outreach and Recreation Program - Recreational Services for the Disabled	\$43,592						\$43,592		
Bonita House - Creative Wellness Center	\$15,324						\$15,324		
Center for Independent Living - Residential Access Program	\$159,660	\$159,660							
Easy Does It	\$1,569,911								\$1,569,911
Through the Looking Glass	\$27,206						\$27,206		
<i>Disability Programs Total</i>	<i>\$1,815,693</i>	<i>\$159,660</i>					<i>\$86,122</i>		<i>\$1,569,911</i>
Employment Training									
Bread Project	\$57,850						\$57,850		
Inter-City Services	\$101,351						\$101,351		
Multicultural Institute Lifeskills Program	\$68,136						\$68,136		
Rising Sun - Green Energy Training Services	\$67,828						\$67,828		
<i>Employment Training Total</i>	<i>\$295,165</i>						<i>\$295,165</i>		
Health									
Lifelong Medical Care:									
Access for Uninsured (BPC, WBFP, Uninsured, Acupuncture Detox)	\$189,855		\$160,000				\$29,855		
Geriatric Care/Hypertension	\$114,543						\$114,543		
Berkeley Free Clinic - Free Women and Transgender Health Care Service	\$15,858						\$15,858		
<i>Health Total</i>	<i>\$320,256</i>		<i>\$160,000</i>				<i>\$160,256</i>		
Homeless Services									
Alameda County Homeless Action Center:									
SSI Advocacy	\$129,539				\$109,539				\$20,000
Rapid Rehousing for Homeless Elders Project	\$68,220				\$68,220				
Alameda County Network of Mental Health Clients:									
Daytime Drop-In	\$ 35,721				\$ 35,721				
Representative Pavee Services	\$ 32,016				\$ 32,016				
Bay Area Community Services:									
North County HRC	\$1,081,785	\$248,419		\$0	\$833,366				
STAIR Pathways	\$205,357			\$205,357					
Berkeley Food & Housing Project:									
Case Management Tied to Permanent Housing	\$100,190				\$100,190				
Men's Shelter	\$170,502	\$170,502							
Women's Shelter	\$119,963				\$119,963				
Bonita House - Case Management Tied to Permanent Housing	\$24,480				\$24,480				
Building Opportunities for Self Sufficiency:									
BOSS House Navigation Team	\$86,831				\$86,831				
Representative Pavee Services	\$52,440				\$52,440				
Ursula Sherman Village Families Program	\$51,383				\$51,383				
Ursula Sherman Village Singles Shelter	\$104,662				\$104,662				
Dorothy Day - Berkeley Emergency Storm Shelter	\$30,101				\$30,101				
Larkin Street - Turning Point Program	\$407,643				\$407,643				
Lifelong Medical Care:									
Case Management Tied to Permanent Housing	\$163,644				\$163,644				
Supportive Housing Program UA Homes	\$55,164				\$55,164				
Options Recovery Services - Detox Services & Day Treatment - Transitional Housing and Case Management	\$50,000				\$50,000				
The Suitcase Clinic	\$9,828				\$9,828				
Toolworks, Inc. Supportive Housing	\$47,665				\$47,665				
Women's Daytime Drop-In Center:									
Bridget Transitional House Case Management	\$118,728				\$118,728				
Daytime Drop-In Services	\$48,153				\$48,153				
Homeless Case Management - Housing Retention	\$100,190				\$100,190				
<i>Homeless Services Total</i>	<i>\$3,294,205</i>	<i>\$418,921</i>		<i>\$205,357</i>	<i>\$2,649,927</i>				<i>\$20,000</i>
Housing Development & Rehabilitation									
Bay Area Community Land Trust	\$5,200						\$5,200		
CHDO Programs									
Habitat for Humanity East Bay/Silicon Valley - Housing Rehabilitation Grant Program	\$250,000	\$250,000							
<i>Housing Development & Rehabilitation Total</i>	<i>\$255,200</i>	<i>\$250,000</i>					<i>\$5,200</i>		
Legal/Advocacy									
East Bay Community Law Center - Consumer Justice Clinic/Housing Advocacy	\$33,644						\$33,644		
Eden Council for Hope and Opportunity	\$35,000	\$35,000							
Eviction Defense Center - Housing Retention	\$250,000				\$250,000				
Family Violence Law Center - Domestic Violence & Homelessness Prevention Project	\$61,842						\$61,842		
<i>Legal/Advocacy Total</i>	<i>\$380,486</i>	<i>\$35,000</i>			<i>\$250,000</i>		<i>\$95,486</i>		
Other									
Berkeley Community Gardening Collaborative	\$11,895						\$11,895		
McGee Avenue Baptist Church	\$17,844						\$17,844		
SFEEDS Community Resolution Center	\$22,553						\$22,553		
<i>Other Total</i>	<i>\$52,292</i>						<i>\$52,292</i>		
Recreation									

NOTE: Funding sources for these amounts may differ from funding sources used in the original award amount

Agency - Program	FY 2023 Adopted	CDBG	CSBG	ESG	GF Measure P	GF Measure 111	GF Other	GF Mayor's Reimagining Funds	Other Funds
Ephesians Children's Center - Greg Brown Park Supervision	\$18,573						\$18,573		
<i>Recreation Total</i>	<i>\$18,573</i>						<i>\$18,573</i>		
Seniors									
J-Sei	\$9,110						\$9,110		
<i>Seniors Total</i>	<i>\$9,110</i>						<i>\$9,110</i>		
Youth									
Bay Area Community Resources - School Based Behavioral Health Services	\$94,964						\$94,964		
Bay Area Hispano Institute for Advancement - Out of School Time Programs	\$21,447						\$21,447		
Berkeley High School Bridge Program	\$79,000						\$79,000		
Berkeley Youth Alternatives:									
Afterschool Program	\$30,000						\$30,000		
Counseling	\$30,000						\$30,000		
Biotech Partners - Biotech Academy at Berkeley High	\$91,750						\$91,750		
Ephesians School-Age Program	\$39,840						\$39,840		
Lifelong Medical Care - Rosa Parks Collaborative	\$44,804						\$44,804		
Multicultural Institute Youth Mentoring	\$33,603						\$33,603		
Pacific Center for Human Growth - Safer Schools Project	\$23,245						\$23,245		
RISE Program	\$216,039						\$216,039		
Stiles Hall	\$90,000						\$90,000		
Through The Looking Glass - Parenting Education and Kindergarten Readiness	\$25,000						\$25,000		
UC Berkeley									
BUILD Literacy/Cal Corp	\$95,360						\$95,360		
Bridging Berkeley	\$34,640						\$34,640		
YMCA of the East Bay - Y-Scholars Program									
Y-Scholars Program	\$40,000						\$40,000		
School Readiness Program	\$50,875						\$50,875		
<i>Youth Total</i>	<i>\$1,040,567</i>						<i>\$1,040,567</i>		
TOTAL COMMUNITY AGENCY	\$8,081,641	\$863,587	\$760,000	\$205,357	\$2,699,927	\$0	\$2,349,590	\$0	\$1,603,186

NOTE: Funding sources for these amounts may differ from funding sources used in the original award amount