

Bay Area Community Services (BACS) was one of the initial 2020 Project Homekey funding recipients, in partnership with the City of Oakland, receiving \$10 million for our “Project Reclamation” initiative.

BACS proposes to partner with the City of Livermore to expand replicate, expand, and strengthen our 2020 Project Homekey program model, Project Reclamation, beyond its initial reach in Oakland. BACS purchases single-family homes that are affordable, embedded in the community, to create “Co-Living Communities” and provide permanent housing for an average of 5.5 individuals per home.

1. Proposed Homekey Project Description

Project Vision Overview and Project Type

Since 1973, BACS has been a leader in community-based, deeply affordable housing preservation work – operating Supported Independent Living (SIL) homes in Alameda County and Contra Costa County. The Project Reclamation model is simple: single-family homes, set up as co-op housing, where each person gets their own bedroom, door, lock, and key.

This innovative preservation model is about dignified, deeply affordable housing in a de-institutionalized and de-stigmatized environment – the local neighborhood. BACS acquires single-family homes, remodeling them to function as co-living environments with maximal privacy for residents, and dedicating them to the community in trust as for them and at rental rates that are one third of comparable market rates is the heart of the program.

BACS’ homes prevent isolation while promoting health & independence. We promote dignity by guaranteeing private bedrooms in homes embedded in the community. Clients share in cooking & other house activities, while receiving ongoing support. The longest-standing resident in this model has lived in a BACS housing co-op for over 30 years.

BACS’ Project Reclamation co-living approach promotes preservation of units in the local community and fights against gentrification that has ravaged communities of color; 95% of individuals living in BACS Co-Living models maintain their housing. The model is highly efficient in that it does not require a lifetime operating subsidy because the asset is owned and the rental income and some services revenue covers all operating expenses over time.

This project is unique because we find, purchase, and maintain full homes, creating micro-communities, where each individual has their own bedroom, lock, and key; where residents can share full kitchens and other common areas; where there is a yard and a living room. This is not typical shared housing, where residents have to settle for a kitchenette and a shared bedroom. These are homes, often in the neighborhoods where residents grew up, that residents can feel proud of. All Project Reclamation sites purchased in 2020 were within ½ mile of essential services including grocery, health, pharmacy, etc., and BACS will ensure the same for this project.

Developing these scattered site homes in neighborhoods is not only more sustainable in cost and production timelines, but also works against zoning restrictions that force many affordable housing projects to be far from neighborhoods and residents’ home communities. In the Bay Area, where over 83% of residential land is zoned for single-family homes, there are significant restrictions in where new affordable housing can be built. Acquiring homes also works to preserve not just affordable housing options, but the demography and culture of local communities. As it is dedicated to those being

displaced, this project is rooted in a commitment to preserving historically Black and Brown neighborhoods where they are, in perpetuity – standing as statements against the effects of systemic racism displacing families from their rightful communities. Properties purchased in the last year include those pictured below:



Our vision is built upon the innovative legacies of Cecile Weaver (former director of BACS) and Ilene Weinreb (former BACS board of directors member and first female mayor of Hayward), who recently passed away at the ages of 103 and 89. They believed that family homes for vulnerable people who need additional support and community could change the face of mental health and affordable housing needs – and they were right. They and Barbara MacAuliffe, who remains BACS’ CFO and Chief Advisor, created a model of care 30 years ago and a vision of acquiring and operating single family homes – in perpetuity of the community trust they are held in as a non-profit.

Target Population

Project Reclamation is grassroots, eliminating barriers to long-term housing and targeting community members who would otherwise be unable to live independently due to complex physical or mental health issues, or other barriers like history of incarceration or homelessness. Rather than living on the streets, or being institutionalized, which is harmful for the individual and our community, participants get to live safely and healthily in the community of their choice. This is also the quickest way to get people into housing. BACS proposes to serve individuals experiencing homelessness, including people with disabilities, special needs, older adults, young adults/TAY, and single adults. Target population will be under 30% AMI.

BACS model is unique in that it remains low barrier and is based on Housing First methodology and philosophy, and deeply rooted in community preservation and anti-displacement. The Co-Living Program has been so successful with individuals with severe and persistent mental illness, co-occurring substance use disorders, and homelessness. The unique model of bring no more than six people together – peers who have walked in similar paths – creates a family-like environment – of kin. Individuals tend to watch out over each other, eat meals together, support one another over time.

Proposed Number Housed

BACS requires the following initial criteria for site suitability:

- Number of bedrooms (or rooms that can be converted to private bedrooms) total a max of 6
- No Conditional Use Permit required to stay under threshold
- Proximity to public transport and essential services
- At least 2 bathrooms and full kitchen
- Accessibility in at least 10% of locations

BACS owns nearly 50 properties and has strong quality control procedures around building design and quality. Houses are typically move-in ready. On average, there are 5-6 people living in each of our homes – each with their own bedroom, lock, and key.

Supportive Services

BACS runs the entire system of care within mental health and co-occurring specialty mental health services – all in the community – to keep people out of institutions/incarceration and to ensure effective and sustainable economic mobility to help our communities end the vicious cycle of homelessness, incarceration, institutionalization, poverty, and generational trauma. All tenants have access to BACS services if/when they need them including:

- Amber House – Oakland and Alameda County’s first Community Based Crisis Stabilization Unit
- Crisis Residential Treatment
- Full Service Partnership for Older Adults, Teens, Forensically involved individuals, and chronically homeless individuals
- Over 2,000 slots of intensive case management, linkage, counseling, rehabilitation, support
- Supported Employment for anyone interested in competitive employment
- Community-based drop in Wellness Centers & Housing Resource Centers
- Leader of Coordinated Entry in Oakland for individuals who are housing insecure/homeless
- Largest targeted homeless prevention provider
- Linkage and specialty program for Benefits Advocacy

All of our tenants, upon move in, will be offering supportive services. All services above are offered and available to individuals based on need, and are met to be preventative. Tenants are provided info about the community-based Wellness Center and Crisis Center so that if a crisis pops up or an individual needs socialization or a basic need such as a meal, etc. they are always tethered to the geographically convenient center near them.

All individuals received the following on-site services by a Care Coordinator assigned to the individual house and the tenants that live in the house:

- Individual care coordination, 1 hour per week (as needed)
- Wellness Checks when needed
- Group/House Meeting, 1-2 hours, 1x a week (group meeting to solve interpersonal conflicts, build community, create chore schedule for communal spaces, discuss house/community needs, etc.)
- Referral and linkage to higher levels of service based on need (ongoing)
- Property Management – Property staff visits house 1x a week for house checks, support with rent payment, maintenance review, inspections, schedules.

Off-Site Tenancy Sustaining Services/Housing Care Management is such a critical component of the Co-Living model to support individuals to remain housed so that they do not fall back in to homelessness. Housing Care Managers will carry a caseload of 40-50 clients based on need. Services also include:

- Identification and intervention for behaviors that may jeopardize housing proactively
- Coaching on relationships with others; dispute resolution assistance
- Advocating and linking to rental support resources when needed
- Assistance with housing re-certification and income certification when needed
- Updating housing support and crisis response plans; household management independent living skills
- Emotional support transitioning from homelessness to housing
- Proactive identification of isolative behaviors or not staying at one's new home or having a lot of guests that may compromise living situations
- And other practical skills such as budget management, paying bills and rent, and more.
- Linkage to primary care, other support services

BACS holds contracts with multiple funders of tenancy sustaining services to help individuals remain housed, which augments staffing where needed.

Timeline

BACS has a rapid identification, inspection, and purchase process:

- BACS Housing Corporation's Real Estate Development Team continuously reviews site listings; conducts site tours; places offer with 30-day close; all cash.
- Initial criteria for site suitability:
 - Number of bedrooms (or rooms that can be converted to private bedrooms) total a maximum of 6
 - No Conditional Use Permit required to stay under threshold
 - Proximity to public transport and essential services
 - At least 2 bathrooms and full kitchen
 - Accessibility in at least 10% of locations
- Inspections reviewed by contractor team.
- Negotiation to fix/remediate any inspection findings or reduce price.
- Removal of contingencies.
- Purchase

Budget

Properties have not yet been identified for purchase, but the financing model is simple: we fundraise for the full cost of the acquisition, or, when we cannot, BACS puts down 30% of the purchase price and has a mortgage of 70% that is amortized generally over 10 years with a mortgage payment of \$3,000 total (including insurance). We are tax exempt, so there are no property taxes. Houses are generally move in ready and have averaged approximately \$530,000 per home. We are able to close in 30 days. In 2019-2020, BACS bought 9 homes, creating 54 doors of permanent housing with built-in supportive services plans. In late 2020, BACS and the City of Oakland were awarded a Project Homekey grant, which BACS leveraged to bring in additional funders including Crankstart Foundation that funded a \$5 million dollar grant for acquisitions, and created 129 units of permanent housing.

The economic model includes a 20-year schedule of cash flow, revenue over expenses, capital reserve, presumed vacancy rate of 5%, and augmented financial support through services contracts (Medi-Cal Specialty Mental Health service billing or Enhanced Care Management and In Lieu of Services contracts through the Managed Care Plans and CalAIM). Since all of our clients/tenants are Medi-Cal beneficiaries, and BACS is an eligible provider, this revenue provides increased support when needed, to our deeply affordable permanent housing with supportive services.

From BACS' extensive experience with this proposed project model, the cost of one home, housing six individuals permanently, is approximately \$560,000, with supportive services and ongoing operations supported by rent collection from the tenants. In comparison, a single person receiving Permanent Supportive Housing for life costs \$500-600k. Essentially, for the cost of housing one person with a PSH voucher (which does not result in building community assets since private landlords can sell or raise rents any time), we can permanently house 6 people for life in their own home, with their own lock and key, with supportive services and non-profit ownership to hold the site in community trust.

In 2020, BACS partnered with City of Oakland on Project Reclamation, an ambitious, unique proposal to the State of California’s Project Homekey funding availability. BACS pioneered the Single Family Home acquisition model and was one of the only applications that was supported through the inaugural Project Home Key funds – and the project was so successful that BACS and the City of Oakland will be honored and recognized by the Enterprise Community Partner award for innovation in Home Key projects that were successful. BACS also was doubly successful in that it was able to leverage a close philanthropic relationship, Crankstart Foundation, who immediately stepped in and donated \$5 million in additional funding to increase the acquisition of units for the Oakland houseless community.

BACS has provided and honed this model since 1973, and have the complete infrastructure to acquire, maintain, and provide social services within these co-living homes, so all funding awarded will go directly toward acquisition and any necessary renovations.

2. Applicant Qualifications

Owner / Developer

Bay Area Community Services has extensive experience and expertise acquiring and managing traditional and non-traditional housing properties for over 50 years. BACS has acquired, owned, operated, and property managed small-site, scattered, Co-Living properties for individuals experiencing homelessness. Projects have included HUD 202 Properties, Shelter Plus Care properties, properties where the capital was granted but not the operating subsidy, and properties where private funds have been used to purchase the properties as well as provide operating support. BACS created a non-profit real estate holding company and asset management company named Bay Area Community Services Housing Corporation with a mission that is solely dedicated to holding the assets for Bay Area Community Services. This entity holds all the real estate for all of the BACS programs and BACS tenants who are unhoused.

BACS Housing Corporation has purchased and acquired properties without any financial support where BACS has provided a down payment of 30% of the offer and financed the other 70% of the property with a special loan product from our bank, West America, who devised a special loan product for our non-profit to be able to quickly and competitively secure properties for our clients experiencing homelessness.

In addition to housing projects, BACS and its Housing Corporation have acquired a total of 10 properties for its behavioral health and homeless programs to run programs out of including a 50- bed residential facility in Oakland where it houses its headquarters and programs; three drop-in wellness centers; and four crisis residential licensed facilities; and two medical respite facilities. BACS Housing Corporation owns more than 300 units of permanent housing across Alameda County and Contra Costa County, in the form of single-family homes – 129 of which were acquired as part of the 2020 Project Homekey.

BACS HC has shown its capacity time and time again and has been able to quickly, nimbly respond to community needs with a moment’s notice, including:

- Opening a winter shelter in under 2 weeks of 44 beds when the City of Oakland lost its shelter site unexpectedly

- Swiftly acquiring three properties and licensed programs in less than 3 weeks-time when Anka Behavioral Health went bankrupt last June which saved the programs at a critical time for Contra Costa County
- Stepping in to take over a property from Sutter Hospital when the County of Alameda did not accept it and salvaging a major asset in Oakland for our community
- Persisting against all odds to acquire and oversee a massive renovation when the County of Alameda’s General Services Agency (GSA) was not supportive of a dual Crisis Stabilization Unit/Crisis Residential Program real estate project to go through. There were multiple milestones that would have proven unsustainable to manage, but BACS and its Housing Corporation and Real Estate division successfully implemented the program
- Partnering with the City of Oakland to submit an application for an innovative Project Homekey first phase funding to purchase single-family homes to create neighborhood- oriented, sustainable permanent housing options for individuals with complex needs that could be operated without long-term subsidies

Each of the BACS Housing Corporation properties were specifically acquired to support community members who are extremely low income and who have experienced housing instability or homelessness, mental health challenges, incarceration, and other under-served and at-risk people.

Property Management

The Property Management Arm at BACS Housing Corporation is responsible for the full suite of property management functions at BACS including lease up, rent collection, certification, lease management/violations, maintenance and repair/vendor management, turnover, security/asset management, loss management. BACS has had a Property Management function for decades. BACS Property Management oversees properties for the target population of literally homeless, chronically homeless, mentally ill, and individuals with justice-involvement, substance use/abuse, and individuals living well below the Area Median Income / extremely low income. BACS possesses a web-based Property Management software named Appfolio to oversee its full suite of services.

Service Provider

In 1953, Bay Area Community Services (BACS) was created from a council of 11 churches in Oakland to provide social and behavioral health services to individuals in Alameda County with a mission of ‘keeping individuals connected to their communities’. Over the last 68 years, BACS has provided supportive services to more than 100,000 people. BACS is an expert in comprehensive, integrated, and effective approaches to housing & health for complex populations. Today, BACS’ 360+ team members serve more than 12,000 people each year. In Fiscal Year 2019, BACS supported more than 6,300 people experiencing homelessness. BACS has vast experience serving community members who are experiencing homelessness and housing instability. Currently, BACS offers nearly 20 programs whose services target individuals experiencing or at-risk of homelessness, fourteen in Alameda County, one in Contra Costa County, one in Solano County, and one in San Mateo County.

BACS has extensive history working with the chronic homeless population and is the largest homeless provider of integrated homeless and behavioral health services in Alameda County. Currently, BACS

offers over 20 programs whose services target chronically homeless individuals, between four counties, and concentrated in Oakland. The programs in Alameda County range from interim housing models (Fremont Navigation Center, Hayward Navigation Center, Housing Fast Support Network, City of Berkeley's STAIR Center); to Respite models (Medical Respite program); to housing navigation programs (Housing Resource Centers in Oakland, Berkeley, and Hayward); to homeless/behavioral health housing programs (Oakland Project Connect, Senior Homeless Programs); and lastly to a scattered site permanent supportive housing model (Landlord Liaison and Co-Living Deeply Affordable Housing with Supportive Services). BACS peer staff work in the encampments and on the streets 7 days a week/365 days a year.

Resident services and supportive services will be provided by BACS and its Housing Corporation. BACS runs the entire system of care within mental health and co-occurring specialty mental health services – all in the community – to keep people out of institutions/incarceration and to ensure effective and sustainable economic mobility to help our communities end the vicious cycles of homelessness, incarceration, institutionalization, poverty, and generational trauma. All tenants have access to BACS services if/when they need them including: Crisis Residential Treatment Centers and Crisis Stabilization Unit; Full Service Partnership for Older Adults, Teens, Forensically involved individuals, and chronically homeless individuals; Over 2,000 slots of intensive case management, linkage, counseling, rehabilitation, support; Supported Employment for anyone interested in competitive employment; Community-based drop-in Wellness Centers & Housing Resource Centers; Coordinated Entry Hub in Berkeley for individuals who are housing insecure/homeless; targeted homelessness prevention and housing stabilization (largest provider); and Linkage and specialty program for Benefits Advocacy.

All of our tenants, upon move in, are offered supportive services. All services above are offered and available to individuals based on need, and are meant to be preventative. Tenants are provided info about the community-based Wellness Center and Crisis Center so that if a crisis pops up or an individual needs socialization or a basic need such as a meal, etc. they are always tethered to the geographically convenient center near them. 99% of BACS participants are extremely low income (ELI), and our services are designed to be inclusive, welcoming, sensitive, and empowering. In Fiscal Year 2019, BACS provided supportive services to 6,300 people experiencing homelessness.

BACS Housing Corporation owns more than 25 properties across the Bay Area that target ELI residents, especially those who are experiencing homelessness and/or behavioral health issues and/or are re-entering the community from prison/jail and need support to live independently in the community. These sites are located across Alameda County and Contra Costa County, and provide permanent housing for homeless individuals (affordable, scattered site, HUD, Shelter + Care, or BACS Subsidized), serving ELI, homeless, and mentally ill community members. BACS has provided these living opportunities since 1973, and currently have 175 units of Supported Independent Living / Housing Co-Op housing. Our role is Acquisition, Ownership, Property Management, Housing Case Management Services. Addresses include 918 Royal Street, Oakland; 210 Chanselor Ave, Richmond; and 22918 Atherton St, Hayward.

BACS is deeply rooted in the “housing first” philosophy and practice, and BACS has vast experience operating housing first programs in the Bay Area. BACS emphasizes that Housing First and Supportive Services approaches are most effective in the long term when integrated with Health and Wellness-

based approaches. The agency's housing services are premised on a Housing First model and create resources, skills-building, collaboration and partnership, and person-centered supports for each individual in need of this support, premising our trauma- responsive housing first model on identifying historical and present barriers to housing and the ways in which these barriers have often exacerbated their suffering in other domains. BACS' Housing First programming provides wraparound services to individuals to help deter negative housing outcomes while understanding that it may take more than one placement regardless of the quality of services for more stable housing placements to 'stick' for successively longer periods of time.