



Homeless Commission

CONSENT CALENDAR
March 10, 2020

To: Honorable Mayor and Members of the City Council
 From: Homeless Commission
 Submitted by: Carole Marasovic, Chairperson, Homeless Commission
 Subject: Utilize Substantial Portion of Cannabis Tax Proceeds to Fund Subsidies
 under 1000 Person Plan

RECOMMENDATION

That Council direct a substantial portion of the incoming cannabis tax proceeds to fund subsidies under the 1000 Person Plan.

POLICY COMMITTEE RECOMMENDATION

On February 13, 2020, the Budget and Finance Committee adopted the following action: M/S/C (Arreguin/Droste) to move the item with a negative recommendation back to the City Council and request that Council consider allocating additional general fund funding for permanent housing subsidies. Vote: Ayes - Arreguin, Droste; Noes – None; Abstain – Davila; Absent – None.

SUMMARY

In November, 2019, the City of Berkeley will begin receiving revenue from cannabis tax proceeds.

As the numbers of homeless persons continue to grow in Berkeley and Measure P monies may not be sufficient, Council should consider allocating a substantial amount of the cannabis tax proceeds towards funding subsidies under the 1000 Person Plan.

FISCAL IMPACTS OF RECOMMENDATION

Cannabis tax monies would provide partial funding of the 1000 Person Plan subsidies.

CURRENT SITUATION AND ITS EFFECTS

The numbers of homeless persons continue to grow in Berkeley with no end in sight.

On April 30, 2019, Council heard the City of Berkeley Homeless Services Coordinator present the 1000 Person Plan proposing that over 570 subsidies be funded by the City over 5 years to house the growing homeless population.

The numbers of homeless persons, based on the Homeless Count, has increased in Alameda County by 43% from 2017 to 2019. Berkeley is waiting for the Berkeley-

specific numbers to be released from the County. In the interim, it has been estimated that as many as 2,000 persons experience homelessness in Berkeley in a year.

In order to house people under the 1000 Person Plan, monies need to be allocated. The only perceived current source of possible revenue is Measure P monies which either may not be wholly granted for this purpose and/or may not be substantial enough for the 1000 Person Plan to begin fulfilling its purpose.

BACKGROUND

The Homeless Commission voted at its July 10, 2019 meeting as follows:

Action: M/S/C Mulligan/ Hirpara that the Homeless Commission recommends that a substantial amount of the proceeds from the cannabis tax be allocated towards funding subsidies under the 1000 Person Plan.

Vote: Ayes: Hill, Mulligan, Marasovic, Hirpara, Kealoha-Blake.
Noes: None. *Abstain:* None. *Absent:* Behm-Steinberg.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects.

RATIONALE FOR RECOMMENDATION

Monies are needed to fund the over 570 subsidies recommended under the 1000 Person Plan. Measure P monies may not be sufficient and additional funding may be needed to fulfill the mission.

ALTERNATIVE ACTIONS CONSIDERED

The only alternative is to rely only on Measure P monies.

CITY MANAGER

The City Manager does not recommend that the City Council take action on this item at this point in time. This recommendation is based on the following:

- Measures O, U1, and P, which were passed in 2016 and 2018, provide significant resources to address homelessness. Measure O provides for the sale of bonds to increase the supply of affordable housing. City staff anticipates selling \$35 million in bonds towards the end of 2019 / early 2020 that will be used to fund the Berkeley Way Project and other affordable housing projects. Measures U1 and P are both general taxes that are deposited into the City's General Fund. As such, revenues from Measure U1 and P could be allocated to implement programs that address homelessness as discussed in the 1000 Person Plan. In addition to the new revenue streams that have been recently adopted by Berkeley voters, the State continues to allocate funding to address homelessness. For example, the \$4.0 million Homeless Emergency Aid Program (HEAP) allocation to Berkeley is being used to fund the STAIR Center, Dorothy Day House shelter, sanitation and trash

services to encampments, and other City priorities. City staff will continue to track the various programs created by the state and will pursue opportunities as they arise.

- There are a number of commissions (i.e. Community Health, Cannabis, and Civic Arts Commission) that are preparing recommendations for City Council as to how cannabis revenues could be deployed to support education, arts and equity programs. By not taking action at this time, City Council would be able to consider feedback from other commissions.
- The Health, Housing and Community Services Department and Planning and Development Department are working on a number of cannabis related initiatives that pertain to education and enforcement. As the programs take shape, it is likely that resources will be needed for implementation. Delaying action on this item will provide City Council with an opportunity to consider recommendations from city staff.

CONTACT PERSON

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