



Office of the City Manager

April 25, 2023

To: Honorable Mayor and Members of the City Council

From: *Dee* Dee Williams-Ridley, City Manager

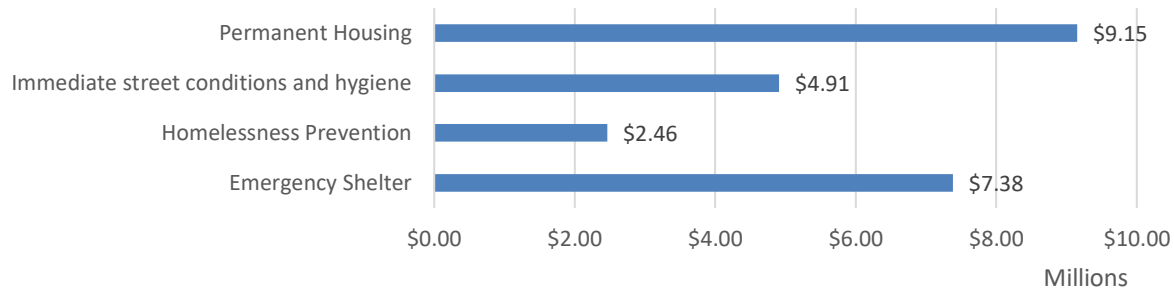
Submitted by: Peter Radu, Assistant to the City Manager, Neighborhood Services  
Lisa Warhuus, Director, Health, Housing and Community Services  
Josh Jacobs, Homeless Services Coordinator, Neighborhood Services

Subject: Measure P and Impact on Homeless Services in Berkeley

This memo gives an overview of the City's implementation thus far of Measure P, a 2018 ballot measure dedicated toward homeless services in Berkeley. Staff are planning to provide FY24 mid-cycle Measure P budget recommendations to the Budget and Finance Policy Committee on April 27, 2023; in advance of that Committee meeting, this memo provides the Council with a broader overview of the history, expenditures, and accomplishments of the Measure to date.

Measure P, a real property transfer tax that has provided approximately \$15 million in funding annually (revenues, which have ranged from ~\$9M to ~\$20M, fluctuate greatly with market conditions) for general municipal purposes such as navigation centers, physical and mental health supports, rehousing and other services for unhoused people living in Berkeley. Measure P went into effect on January 1, 2019 and will sunset on January 1, 2029. As this report demonstrates, the funds have had a significant impact on homeless services in the City of Berkeley through supporting permanent housing, immediate street conditions and hygiene, homelessness prevention, and emergency shelter.

The City is using funding from Measure P to establish new permanent housing, address immediate street conditions and hygiene, prevent households from becoming homeless and provide emergency shelter and temporary accommodation. Importantly, Measure P is not the City's only funding for homeless services; while a significant source, it leverages millions of dollars in other State and Federal resources. In FY2022, the latest year for which actuals are available, the City spent \$30.7M on homelessness, with Measure P accounting for \$15.7M (51%) of that total. Staff are working on options for creating a comprehensive homeless system dashboard that will provide greater insight into the City's broader portfolio of services, but broader homeless system performance is beyond the scope of the current report. With this in mind, the following chart shows the amount of Measure P allocated to each category of homeless service in FY23:



**BALLOT MEASURE**

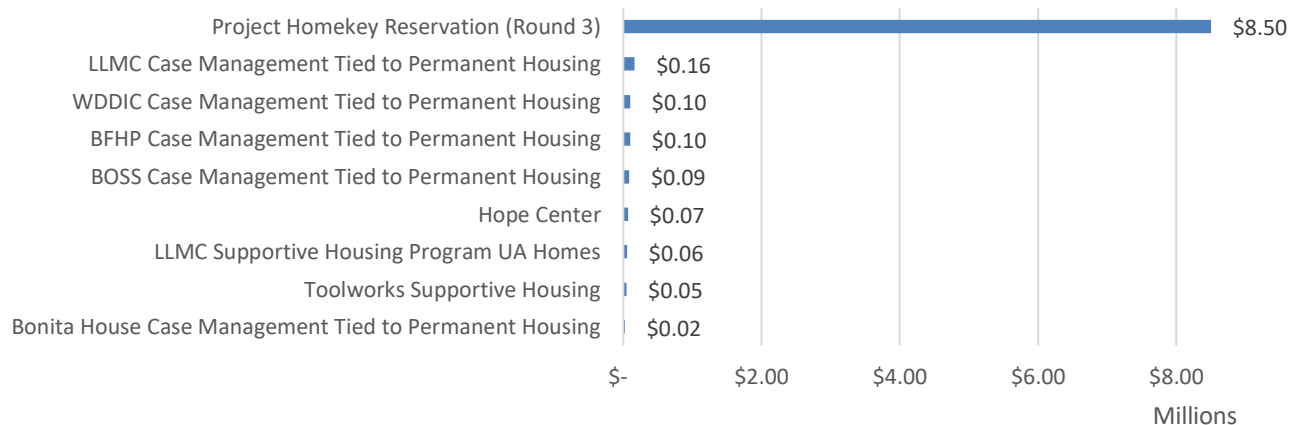
Measure P provides around \$10 million of funding annually from real property transfer taxes to pay for homeless services. Berkeley voters passed Measure P in November 2018 with 72.4% approval. The original ballot question read:

Shall ordinance raising funds for general municipal purposes such as navigation centers, mental health support, rehousing and other services for the homeless, including homeless seniors and youth; increasing the real property transfer tax for ten years from 1.5% to 2.5% for property sales and transfers over \$1,500,000, adjusted annually to capture the top approximately 33% of transfers; generating an estimated \$6,000,000 - \$8,000,000 annually; and establishing Homeless Services Panel of Experts to recommend homeless services, be adopted?

**PROGRESS ON HOMELESS SERVICES PROJECTS**

*Permanent Housing*

Measure P funds eight permanent housing projects including 95 new units for individuals/families. These projects provide immediate housing and supportive services for single adults and families that were formerly homeless. Services provided include housing retention services and mental health treatment. The City anticipates spending \$9.15 million in Measure P funding on permanent housing in the current fiscal year.



The HomeKey Reservation leverages State HomeKey funding which, if awarded this summer, will bring 42 new units of permanent supportive housing targeted towards serving the most vulnerable in our community by converting an existing motel into new units. The Rodeway Motel on University Avenue is the designated site for the application to the State and is currently being used as a non-congregate shelter. Per State requirements, all referrals for the new units will go through the Coordinated Entry System.

The Hope Center, run by Berkeley Food and Housing Project, includes 53 new units of permanent supportive housing, 32 shelter beds (COVID census is 16 beds), and 12 transitional housing beds to Berkeley. The funding from Measure P will provide support services to permanent residents in the building. Because of leveraged funding sources, all referrals for the new units go through the Coordinated Entry System.

Measure P funds will also support tenants living in No Place Like Home (NPLH) units. The NPLH program provides a housing subsidy for people with a mental illness experiencing homelessness. The NPLH program requires the City to commit to providing mental health services for residents for at least 20 years. The Measure P funding provides supportive services at the Hope Center and will support eligible households at two additional housing projects, once completed.

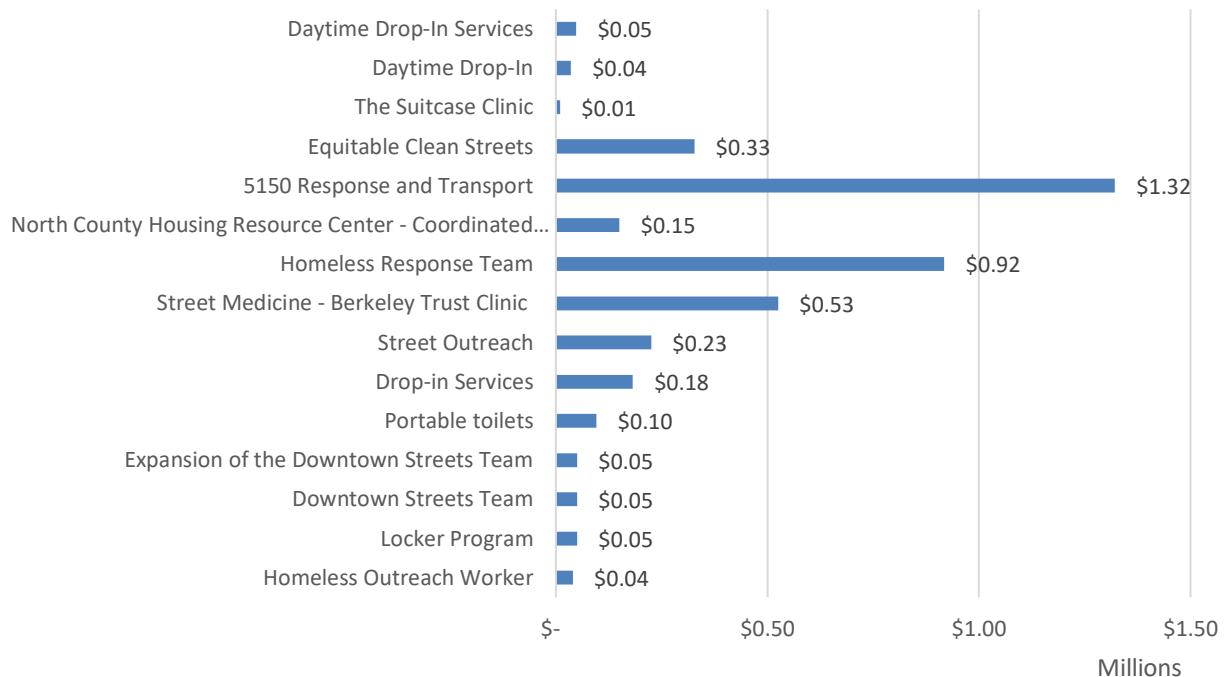
Measure P will also support community agencies providing homeless services with \$2.7 million in surplus funds for Fiscal Year 2023-24. The remaining seven permanent housing projects are part of this one-time nexus funding for community homeless programs. Programs previously funded with general fund dollars that were providing homeless services before Measure P was enacted are now being funded for one year by Measure P revenue to balance the Fiscal Year 2023-24 budget. These projects account for \$578,164 of the \$9.15 million permanent housing portfolio.

Please note that the Step-Up Housing Project, operated by Building Opportunities for Self Sufficiency, will come online in FY24. The anticipated Measure P expenditure is \$539,330 for the first year of operations and \$1,040,027 for the second year. The project will increase in cost by approximately 2.5% each year thereafter. The program will bring an additional 39 new units of permanent supportive housing targeted towards serving the most vulnerable in our community. All referrals for the new units will go through the Coordinated Entry System.

#### *Immediate street conditions and hygiene*

Measure P funds will support seventeen projects aimed at addressing immediate street conditions and hygiene. These projects address the immediate needs of persons currently living on the streets or in vehicles. The projects provide a range of services, including mental health crisis response, lockers, outreach workers, and portable toilets, as well as drop-in services such as showers and laundry, food, case management, and

help obtaining documents for social services and to people moving into housing. The City anticipates spending \$4.91 million in Measure P funding on these services through June 2023.



Funding for the City of Berkeley’s Homeless Response Team, Downtown Business Association’s Homeless Outreach Worker, Downtown Streets Team’s Street Outreach and Outreach expansion provide street outreach workers and supportive staff to address the immediate street conditions and needs of residents currently living outside. The teams assist participants in being assessed for shelter and housing ultimately allowing households to move indoors. The teams make referrals to housing opportunities, provide immediate necessities, and provide supportive services to participants where they are. Participants are among the over 800 identified unsheltered households living on the streets of Berkeley on any given night. As of this writing, the Homeless Response Team has made over 500 offers of shelter with 43% of those offers accepted.

The Berkeley Trust Clinic, to be operated by LifeLong Medical Care, will be located at the Ann Chandler Clinic at 830 University. Clinic staff will work closely with LLMC street health teams and Berkeley homeless service providers to link unhoused individuals with primary care and psychosocial services. The Trust Clinic will offer drop in and scheduled appointments, access to behavioral health services, support for social services needs and access to on-site showers, clothing, food and other resources. In addition to individual medical and mental health appointments, the clinic will offer a variety of group services.

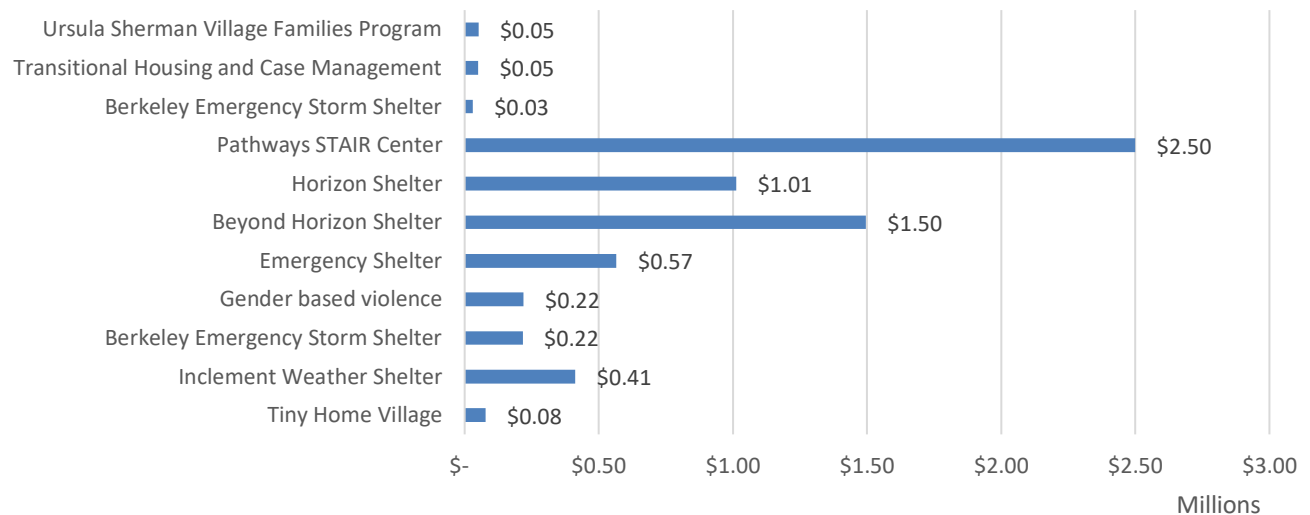
5150 Response and Transport provides emergency medical services to individuals that are experiencing a mental health crisis. They serve on average 88 participants a month or around 1,000 clients per year. Drop-in Services offered by Dorothy Day House provide food and supportive services during the day. Participants include both sheltered and unsheltered homeless households. The Berkeley Drop-in Center's locker program provides low-barrier, secure storage for the possessions of homeless persons residing in Berkeley 5 days a week. The program serves around 78 clients annually. The City of Berkeley also provides portable toilets throughout the city to ensure our residents have an appropriate place to relieve themselves and promotes equitable street cleaning practices through biweekly (once every two weeks) cleanings of populated encampment sites in Berkeley and adjacent residential neighborhoods.

North County Housing Resource Center - Coordinated Entry is the systematic approach designed by our community to ensure the highest needs unsheltered individuals in Berkeley receive necessary services and interventions to promptly end their homelessness. Coordinated Entry resources include problem solving with participants to utilize all resources available to them, assessing participants for vulnerabilities to make appropriate referrals to programs that match individual needs, and housing navigation to assist clients matched to housing resources with leasing up in their unit.

The remaining five immediate street conditions and hygiene projects are part of the one-time nexus funding for community homeless programs. These projects account for \$976,207 of the \$4.91 million immediate street conditions and hygiene portfolio.

### *Emergency Shelter*

Measure P also funds eleven projects that provide 168 new immediate shelter beds and supportive services for a range of adults, including transitional-age youth, those seeking to move out of encampments, and others. Support services include shelter, transitional housing, and housing navigation. The City anticipates spending \$7.38 million in Measure P funding on these services through June 2023.



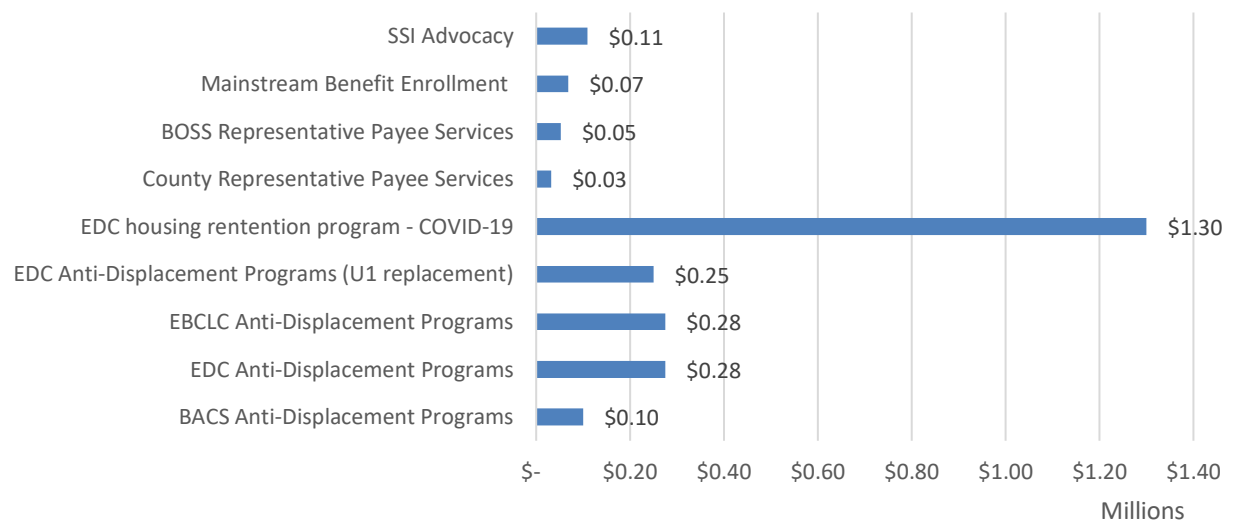
All of the city’s emergency shelters serve clients that had formerly been living outdoors. The Berkeley Emergency Storm Shelter provides 19 beds from October through April to provide relief from inclement weather or other natural events, and an inclement weather shelter at the North Berkeley Senior Center (which opens when the overnight lows dip to 45 degrees or below and/or there is a 50% or greater chance of rain) also provided additional emergency, overnight capacity for as many as 80 unsheltered individuals through April 15. Beyond the Horizon is a non-congregate shelter that provides 27 motel rooms to encampment residents through a master lease with the Berkeley Inn. This non-congregate shelter has been integral in addressing homeless encampments by providing low-barrier shelter access to individuals referred by the Homeless Response Team. All three of these shelters are operated by Dorothy Day House. The Tiny Home Village, run by Youth Spirit Artworks, serves approximately ten transition age youth at a site in Oakland. The Pathways STAIR Center, run by Bay Area Community Services, has 45 beds, though they are currently only able to serve 32 clients at a time due to COVID-19 restrictions. The Pathway STAIR Center budget includes housing navigation services and rapid rehousing funds to help people move into permanent housing.

The remaining seven emergency shelter projects are part of the one-time nexus funding for community homeless programs. These projects account for \$882,480 of the \$7.38 million emergency shelter portfolio. Please note that the Berkeley Emergency Storm Shelter receives \$30,101 from nexus funding and \$216,201 in new Measure P funding. This additional funding allowed BESS to expand its operations from an inclement weather shelter to a nightly shelter that operates 24/7.

*Homelessness Prevention*

Measure P funds will also target nine programs to prevent homelessness through legal assistance, housing retention services, and flexible housing funds. These direct

interventions help individuals or families who can immediately avoid homelessness. The City anticipates spending \$2.46 million on these services through June 2023.

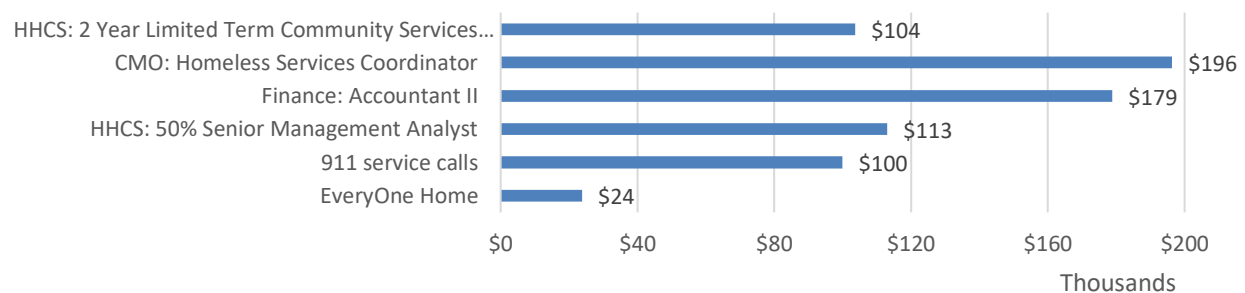


The BACS, EDC, and EBCLC prevention programs target households that need legal assistance, flexible housing funds, or other interventions in order to remain housed. Due to the COVID pandemic, the Housing Retention Program was expanded to support households impacted by COVID-19 as well as households needing one-time support.

The remaining four homelessness prevention projects are part of the one-time nexus funding for community homeless programs and support payee services, mainstream benefit enrollment, and SSI advocacy. These projects account for \$262,215 of the \$2.46 million homelessness prevention portfolio.

### *Other Measure P Expenditures*

Measure P funds also support key infrastructure necessary to maintain and support homeless services. This category includes city staff working directly on homelessness programming, training and evaluation, and program assessments. The City anticipates spending \$715,847 of Measure P funding on these services through June 2023.



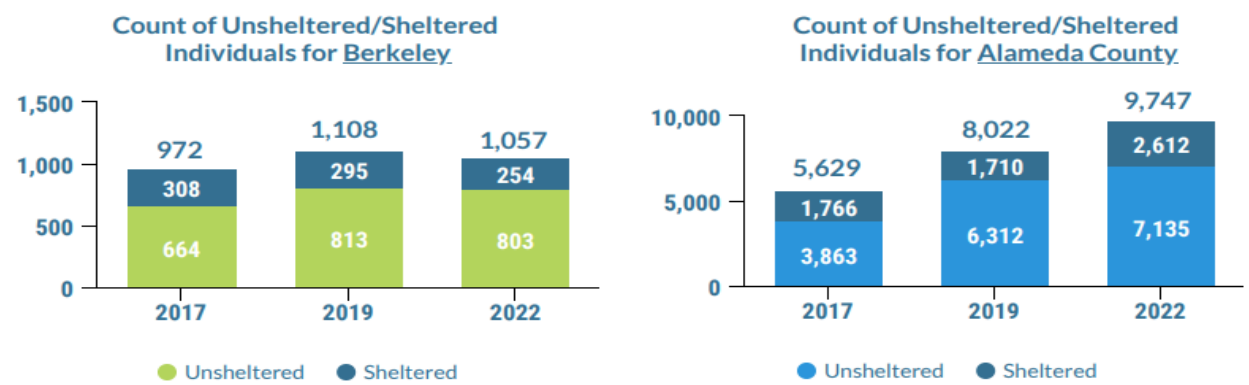
The four staffing costs include the Health, Housing and Community Services Community Services' Specialist and Senior Management Analyst, Finance's Accountant, and the City Manager's Office's Homeless Service Coordinator. The public safety assessment will evaluate the service needs required based on 911 and non-911 calls for service, dispatch, and crisis response.

The remaining EveryOne Home consulting costs are part of the one-time nexus funding for community homeless programs. This project accounts for \$23,837 of the total \$715,847 in other homelessness costs tied to Measure P.

*Reduction in Sheltered and Unsheltered Homelessness*

Berkeley conducts a Point-in-Time Count every two years which provides a snapshot of who is experiencing homelessness on any given night in our community. The most recent count was conducted in February 2022 and showed a reduction in both our sheltered and unsheltered homeless population from the previous count. Because of concerns about COVID-19, the 2021 count was postponed by a year. The previous count had been conducted in 2019.

The City of Berkeley saw a reduction of 41 sheltered and 10 unsheltered individuals from the previous count. This was the first time a reduction in either area was recorded since we began regularly collecting data at the city level in 2015.

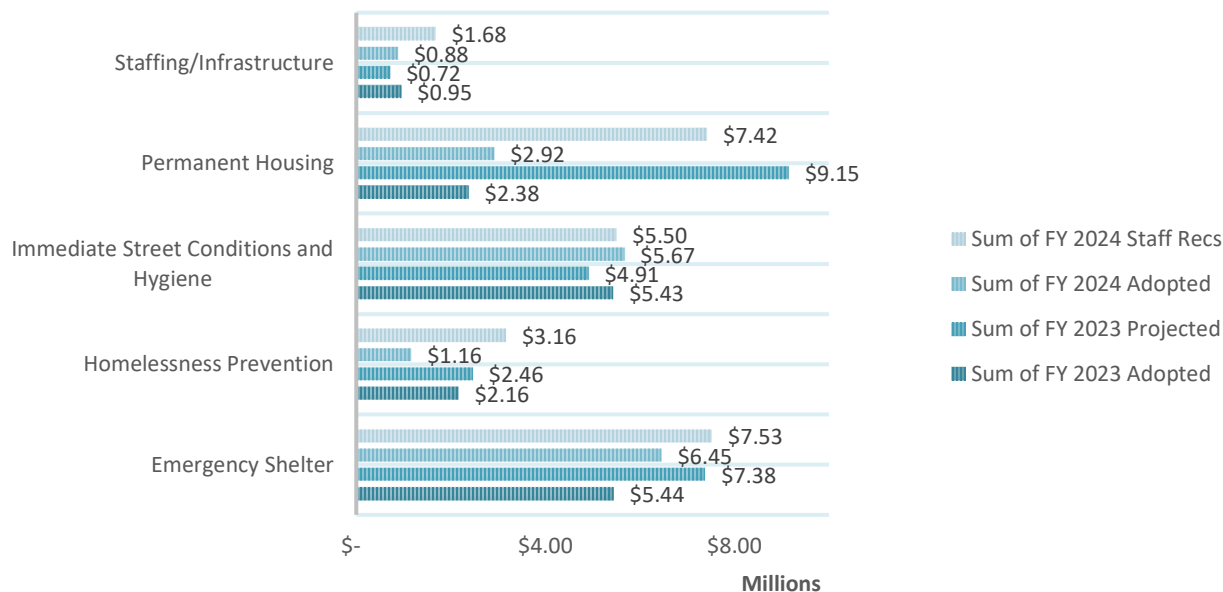


As shown in the graph above, Berkeley saw a decrease in both unsheltered/sheltered homelessness while the county continued to trend upwards; growing from 5,629 in 2017 to 8,022 in 2019 and to 9,747 in the most recent count in 2022. Our investment of Measure P funding to permanent housing, immediate street conditions, prevention, and emergency shelter, all contributed to ensuring that the number of people experiencing homelessness in our community decreases over time.

FUNDS EXPENDED TO DATE



The following chart shows the amount of funding adopted in FY23 and FY24 in each spending category as well as projected costs for FY23 and suggested spending for FY24:



Since FY 2020, \$21.17 million has been spent in Measure P funding in the above categories listed. The FY23-24 biennial budget allocated an additional \$33.46 million in Measure P funding for a total of \$54.63 million.

If all of staff recommendations are adopted, Measure P is currently projected to have \$1.46 million in reserves by the end of FY 2025, but then dip to a nearly \$6M deficit by the time the Measure sunsets in FY2029. If interest rates, which greatly affect real estate market activity, decline in the coming years, these projections may change as revenues may come in stronger than forecasted. Alternatively, if the economy enters a recession, real estate activity may slow and deficit projections may worsen.

**MANAGEMENT OVERSIGHT**

The measure also established the Homeless Services Panel of Experts. The Panel was developed to make recommendations on how and to what extent the City should establish and/or fund programs to end or prevent homelessness in Berkeley and provide humane services and support. The panel is composed of members that have expertise in at least one of the following areas:

1. Development, administration, provision and/or evaluation of homeless programs in a government or non-profit capacity
2. Current or past lived experience with homelessness
3. Researching the causes, impacts and solutions to homelessness
4. State and/or local homeless policy, funding or programs

5. Federal homeless policy and funding administration such as the Continuum of Care Program
6. Development and financing of affordable housing for formerly homeless persons
7. Provision of mental health and/or substance use programs for homeless persons

The Homeless Services Panel of Experts meets the first Wednesday of each month except for August and December. Members of the public who are interested in learning more about Measure P funds as they are allocated and expended can consult the Homeless Services Panel of Experts' meeting agendas and materials online, and/or attend the Commission meetings.

Council will review and take action on additional funding required to reduce and address the impacts of homelessness and may continue to rely on Measure P as a source for such efforts until the measure sunsets in 2029. Additionally, it is anticipated that the State will continue to fund HomeKey projects to convert hotels/motels to permanent housing which will require match funds from the community in order to be considered as a viable application. In preparation of a new HomeKey Project, City Council authorized a funding request of up to \$8.5 million likely to come from Measure P.

Information about Measure P can be found in the [Bond and Revenue Measures<sup>1</sup>](#) section of [berkeleyca.gov](http://berkeleyca.gov). Members of the public interested in learning more about the allocation and expenditure of Measure P funds can also consult the [Homeless Services Panel of Experts<sup>2</sup>](#), refer to their meeting agendas and documents, and/or attend their meetings.

Attachments:

- Spreadsheet of Measure P projects

cc:

LaTanya Bellow, Deputy City Manager  
Lisa Warhuus, Director, Health, Housing, and Community Services  
Matthai Chakko, Assistant to the City Manager  
Mark Numainville, City Clerk  
Jenny Wong, City Auditor

---

<sup>1</sup> <https://berkeleyca.gov/your-government/our-work/bond-revenue-measures>

<sup>2</sup> <https://berkeleyca.gov/your-government/boards-commissions/homeless-services-panel-experts>