

Office of the Mayor

Jesse Arreguín
Mayor

ACTION CALENDAR
January 21, 2020

To: Members of the City Council
 From: Mayor Jesse Arreguín
 Subject: Confirm Council Action on Measure P Revenue Allocations for FY 2020-2021

RECOMMENDATION

Confirm the City Council's action taken on December 3, 2019 to allocate General Funds generated by the Measure P Transfer Tax increase for existing and new homeless programs and implementation for Fiscal Years 2020 and 2021. Detailed listing of approved expenditures is included in Attachment 1.

CURRENT SITUATION AND ITS EFFECTS

On December 3, 2019, the City Council approved the following expenditures:

Staff Positions:

	FY 2019	FY 2020	FY 2021
Finance: Accountant II		\$149,258	\$154,482
HHCS: Community Services Specialist II (Filled) Approved by Council on June 25, 2019		\$172,592	\$178,633
HHCS: 50% Senior Management Analyst (Requested)		\$96,237	\$99,605

Non-Personnel Costs and Program Expenditures:

	FY 2019	FY 2020	FY 2021
Non-Personnel Costs/ Program Expenses	\$0	\$2,059,495	\$11,362,327
Fire: 5150 Response & Transport Approved by Council on June 25, 2019. Estimated 45% of homeless served (2019 PIT) City will look for alternative funding sources	0	1,200,000*	2,400,000*
Coordinated Entry System Fill funding gap in FY 21 due to cuts in county funding	0	0	1,400,414*
Safe RV Parking Program (On-Street Permits)	0	100,000	100,000
Dorothy Day House Emergency Shelter (Veterans Bldg)	0	0	300,000
Dorothy Day House Daytime Drop-In (Veterans Bldg)	0	0	21,340
Pathways STAIR Center (existing)	0	0	2,415,000

Pathways STAIR Center Expansion (new)	0		705,000
Berkeley Daytime Drop-In Center Locker Program	0	0	50,000
Lifelong Medical Care Street Medicine Program Funding set aside, to be allocated following HHCS review and AAO #2 approval	0	251,829	454,239
Youth Spirit Artworks Tiny Home Case Management To fund 11 Berkeley youth. Youth must be engaged with housing navigation services and YSA to report outcomes.	0	39,000	78,000
Downtown Berkeley Association - Homeless Outreach Worker Fund half-time of current outreach worker	0	20,000	40,000
Downtown Streets Team Expansion	0	75,000	150,000
Outdoor Shelter Program	0	307,000	615,000
Permanent Housing Subsidies (begin July 2020) based on revenues received over \$6 Million Cap of \$2.5 Million, 15% set aside for homeless families. POE understanding was that PSH subsidies were permanent so the cost of this allocation would take priority for any future Measure P revenues before any further allocations.	0	0	2,500,000**
Training and Evaluation	0	66,666	133,334

*Cost due to Alameda County policy change or funding cut

**PSH subsidies will be allocated when revenues exceed \$6 Million

BACKGROUND

At the November 2018 General Municipal Election, Berkeley voters approved Measure P, a 1% increase in the Real Property Transfer Tax for sales or transfers of properties valued over \$1.5 Million. The receipts generated by the increased Transfer Tax go into the General Fund for general municipal services. Potential revenue estimates included on the ballot ranged from \$6-8 Million annually. The measure also established the Homeless Services Panel of Experts, a new city commission comprised of persons with deep expertise in areas relevant to homelessness, including extensive professional or lived experience with homelessness. The Panel of Experts advise the City Council on the allocation of city funds for services to end or prevent homelessness and provide humane services and support. The measure passed with 72.37% of the vote.

Homeless Services Panel of Experts Recommendations

Earlier this year, Council appointed the Homeless Services Panel of Experts. The Panel held its first meeting in May 2019. To guide its work, the Panel adopted a Statement of Purposes (included in Attachment 2). On September 4, 2019, the Panel adopted recommendations for initial investments from General Funds to increase and improve housing and services to address homelessness in Berkeley (Attachment 2).

To guide its work, the Panel reviewed all referrals made since Measure P's passage. This included the funding requests and referrals included in the January 2019 Measure P Informational report to Council as well as additional referrals, formal and informal. The Panel also considered information presented by City staff regarding current City of Berkeley investments, local and regional strategies, the 2019 Point-in-Time Count, and the 1,000 Person Plan.

The Panel categorized the referrals by areas of investment (permanent housing, shelter, etc.) and proposed percentages to each area, as well as prioritized specific programs within each subcategory. The recommendations regarding shelter and temporary accommodations included the potential to use funds to support sanctioned encampments if approved by a Council policy. The Panel encouraged the Council to give consideration to the establishment of a sanctioned encampment.

The Panel did not know the actual amount of revenue received in FY 2019, but assumed revenues of \$4 Million. They presented their allocation recommendations in order of priority and percentage keeping in mind the impact \$4 Million in revenues would have in each area. The Panels' priorities are expressed in the order of activities and they recommended that higher ranked activities be given higher priority for resources.

The Panel also adopted subpopulation priorities within the key investment areas of permanent housing subsidies, and flexible housing subsidies. These include establishing a \$500,000 set-aside for permanent housing subsidies for homeless families with children. This also included a recommended 20% set-aside for families and transition-age youth in flexible housing subsidies, using the McKinney-Vento (i.e. Berkeley Unified School District) definition of homelessness, though not limited to families with school-age children.

Prior Council Actions in FY 2019 on HEAP and Measure P

On March 12, 2019, the City Council approved a contract with Alameda County Housing and Community Development in the amount of \$4,032,711 in state HEAP funding. The Council adopted the following allocation plan which provided funding for programs until FY 2021:

- Partially fund second year (FY 20) of the Pathways STAIR navigation center: \$2,000,000;
- Partially fund two years (FY 20 and 21) of the Dorothy Day House Shelter at the Veterans Building: \$832,000;
- Partially fund two years of encampment servicing/trash removal: \$729,847. This allocation was reduced by \$50,000 to fund a RV outreach and flexible funding for RV campers;
- Fund two years (FY 20 and 21) of port-a-potty and sanitation efforts at existing and expanded locations: \$270,000;
- Capital and services costs for one year (FY 20) of the pilot homeless locker program including expansion at a second site: \$100,000;

- Administrative allowance at 2.5%: \$100,864.

On June 25, 2019, the City Council adopted the FY 2020-2021 Biennial Budget which included forward commitments of excess Transfer Tax and Excess Equity including \$1.2 Million in FY 2020 and \$2.4 Million in FY 2021 for Fire Department 5150 Response and Transport, and funding a Community Services Specialist II position in HHCS at \$172,592 in FY 2020 and \$178,633 in FY 2021. The funding for 5150 Transport and the new CSS II position in HHCS were approved from Measure P tax receipts.

December 3, 2019 Council Action on Measure P Allocations

On December 3, 2019, the City Council considered the recommendations of the Homeless Services Panel of Experts for General Fund allocations from Measure P tax receipts. In addition, Mayor Arreguin introduced a set of funding recommendations for Fiscal Years 2020 and 2021 in Supplemental Packet 2. The Mayor's supplemental included three spreadsheets: 1) a cover sheet for illustrative purposes to compare the Mayor's recommendations to those suggested by the Homeless Services Panel of Experts; 2) Scenarios A and B, which were derived from spreadsheets developed by the City Manager's Office illustrating assumed revenues and potential expenditures of General Fund revenues based on \$6 Million in tax receipts (Scenario A) and \$8 Million in tax receipts (Scenario B). The Mayor's recommended allocations were included in the Scenario A and B spreadsheets. The Council took the following action:

Action: 41 speakers. M/S/C (Hahn/Harrison) to adopt the Mayor's proposal in Supplemental Communications Packet #2 amended to reduce the Safe RV Parking allocation to \$100,000 in FY 2021 and remove the Lifelong Street Medicine allocation to the February AAO process.

Vote: Ayes – Davila, Bartlett, Harrison, Hahn, Robinson, Arreguin; Noes – Kesarwani, Droste; Abstain – Wengraf.

The adopted motion was to approve the line item allocations in Scenario A and B spreadsheets, with the modifications mentioned above.

Since the Council's action on December 3, 2019, questions have been raised about the Council's motion, specifically the governing documents outlining the allocation plan, timing of expenditures, and program requirements. This item seeks to answer those questions and reaffirm the Council's action taken on December 3, 2019 to approve Measure P funding allocations for FY 2020 and 2021.

Timeframe of expenditures

The expenditures approved by the Council majority were for an 18-month period - for the remainder of Fiscal Year 2020 which ends on June 30, 2020; and for Fiscal Year 2021 which ends on June 30, 2021. This was to ensure that there was sufficient funding to keep

existing and new programs in operation. Some services such as the Dorothy Day nightly shelter at 1931 Center Street, and the STAIR Center received funding through the state HEAP grant for FY 2020 and 2021. However, there was a funding gap projected by HHCS staff which needed to be filled, or the programs would end. In some cases, programs were for a limited period (e.g. Safe Parking Program, which is expected to operate for one year).

“Mayors Submittal” Cover Sheet in December 3, 2019 Supplemental 2 Packet

The cover sheet to the Supplemental Packet 2 submittal entitled “Mayors Submittal” was for information purposes and simply reflected the Mayor’s recommendations for expenses over an 18-month horizon beginning January 2020 through June 30, 2021 and reflected how his recommendations related to the proportional allocations proposed by the Panel of Experts (POE). Because the purpose of this document was to compare the Mayor’s proposed Measure P allocations to those categories recommended by the Panel of Experts, it did not include the allocations approved by Council on June 25, 2019 of \$1,200,000 for FY 2020, and \$2,400,000 in FY 2021 for 5150 Response and Transport. Also not included in this document are proposed staffing positions to implement new programs and funding to fill gaps in the Coordinated Entry System due to the loss of County grants. These costs however were reflected in the Scenario A and Scenario B spreadsheets. It is acknowledged that the Mayor’s recommendations were different from those of the POE and therefore the percentage of funds spent on specific program categories were different from those of the POE. That was the purpose of submitting the “Mayor’s Submittal” cover sheet, it was intended for illustrative comparison purposes and were not the specific line item allocations proposed for funding.

Staff Estimates of Funding Needs for Existing Programs and Council Referrals

Also attached is a document (Attachment 3) compiled by Health Housing and Community Services (HHCS) and City Manager staff which outlines existing programs and the costs needed to keep those services in operation, particularly after the one-time state HEAP funding is exhausted. This spreadsheet informed the Mayor’s recommended allocations and in some cases the Mayor rounded the amount upwards from the amounts staff estimated. It is not clear at this time how new State Homeless Assistance Program (HAP) grants will be allocated to local governments. This may result in additional funding to the City of Berkeley in FY 2020.

Governing Documents and Actions Approved by Council on December 3, 2019

Governing documents, that were approved by City Council on December 3, 2019, were spreadsheets Scenario A and B. These spreadsheet formats were provided by the City Manager’s office. They included line items for staff positions to implement Measure P programs in HHCS and Finance. They also included already approved allocations for Emergency Mental Health Transport, and funding for gaps in existing programs including the Coordinated Entry System (CES) which is estimated to receive a \$1.4 Million reduction in County funding due to the end of the County funded CES Pilot program. The Mayor’s

recommended funding for Council referrals and new programs were added to the expense rows, in the appropriate fiscal year, in order to illustrate the impact of the allocations for positions and programs over time. These spreadsheets were reviewed with the Deputy City Manager for accuracy prior to submittal in Supplemental Packet 2. Permanent Supportive Housing allocations were included in the Scenario B spreadsheet based on revenues over \$6 Million.

The “Mayors Submittal” and Scenario A and B spreadsheets were included in Supplemental 2 for transparency and also posted online on the Council agenda page the day prior to the Council meeting.

The motion ultimately adopted by the City Council, was to approve the Mayor’s proposal which included all three documents (the “Mayor’s Submittal” illustrative cover page, Scenario A, and Scenario B). The Council’s allocations were based on a baseline of \$6 Million, and any additional revenues over \$6 Million, up to a cap of \$2.5M with a 15% set aside for families, would be allocated to Permanent Housing Subsidies as illustrated in Scenario B. As noted, \$6 Million was a conservative estimate of assumed revenues in FY 2021. In fact, the financial estimates included in the text of Measure P were a range of \$6-8 Million. By approving Permanent Housing Subsidies, the Council was making a long-term commitment to ongoing funding for the maintenance of those subsidies. Going forward starting in FY 2022, funding for Permanent Housing Subsidies will need to be prioritized before allocating funding for other programs.

With the exception of new staff positions, funding for Mental Health transport, and Coordinated Entry, a considerable portion of funding was dedicated to programs currently funded by the one-time state HEAP grant. Some of these one-time HEAP funds were used to fund existing programs with the understanding that there would be a funding gap after FY 2020-2021. The allocations the Council approved on December 3, 2019 will fill funding gaps through FY 2020-2021 to keep programs in operation at their current funding levels.

During the debate at the December 3, 2019 City Council meeting, modifications were made to some of the Mayor’s recommendations. These changes included reducing funding for the Safe Recreational Vehicle parking program to one year, postponing the allocation to the proposed Lifelong Medical Care Street Medicine program (Attachment 4) to the 2nd Amendment to the Annual Appropriations Ordinance (estimated in March 2020) to allow City staff time to review and meet with Lifelong regarding their proposal and to develop a complete budget. In addition, the Council approved conditional funding for the Youth Spirit Artworks Tiny Home Case Management proposal with specific criteria for housing navigation and outcome reporting as outlined in Attachment 1.

In order to provide greater clarity, the Mayor has consolidated the information into one spreadsheet (Attachment 1) for Council to review and confirm the allocations presented.

FINANCIAL IMPLICATIONS

General Fund revenues in the amount of \$2,477,582 for FY 2020 and \$11,795,047 for FY 2021. Total \$14,272,629 over 18-month period.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

CONTACT PERSON

Mayor Jesse Arreguín 510-981-7100

Attachments:

1. Approved Expenditures of Measure P revenues for Fiscal Years 2020 and 2021
2. Homeless Service Panel of Experts “Recommendations for Allocation of FY19/20 Measure P Funds”
3. HHCS/City Manager Spreadsheet on Funding Needs for Existing Homeless Programs
4. Proposal from Lifelong Medical Care for Street Medicine Program

**Attachment 1: FY 2020 & 2021 GENERAL FUND ALLOCATIONS FROM MEASURE P
TAX RECIEPTS
As approved by Council on December 3, 2019**

	FY 2019 Actuals	FY 2020 Adopted	FY 2021 Adopted
Revenues			
Beginning Fund Balance		\$2,932,313	\$6,454,731
Revenues	2,932,313	6,000,000	6,180,000
Total Revenues and Balance of Funds	2,932,313	8,932,313	12,634,731
LESS: Total Expenses	0	2,477,582	11,795,047
Personnel Costs - requested by City Manager	0	418,087	432,720
Finance: Accountant II		149,258	154,482
HHCS: Community Services Specialist II (Filled)		172,592	178,633
HHCS: 50% Senior Management Analyst (Requested)		96,237	99,605
Non-Personnel Costs/ Program Expenses	0	2,059,495	11,362,327
Fire: 5150 Response & Transport			
Approved by Council on June 25, 2019. Estimated 45% of homeless served (2019 PIT) City will look for alternative funding sources	0	1,200,000	2,400,000
Coordinated Entry System	0	0	1,400,414
Safe RV Parking Program (On-Street Permits)	0	100,000	100,000
Dorothy Day House Emergency Shelter (Veterans Bldg)	0	0	300,000
Dorothy Day House Daytime Drop-In Program (Veterans Bldg)	0	0	21,340
Pathways STAIR Center (existing)	0	0	2,415,000
Pathways STAIR Center Expansion (new)	0	0	705,000
Berkeley Daytime Drop-In Center Locker Program	0	0	50,000
Lifelong Medical Care Street Medicine Program Funding set aside, to be allocated following HHCS review and AAO #2 approval	0	251,829	454,239
Youth Spirit Artworks Tiny Home Case Management			
To fund 11 Berkeley youth. Youth must be engaged with housing navigation services and YSA to report outcomes.	0	39,000	78,000
Downtown Berkeley Association - Homeless Outreach Worker Fund half-time of current outreach worker	0	20,000	40,000
Downtown Streets Team Expansion	0	75,000	150,000
Outdoor Shelter Program	0	307,000	615,000
Permanent Housing Subsidies (begin July 2020) based on revenues over \$6 Million			
Cap of \$2.5 Million, 15% set aside for homeless families. POE understanding was that PSH subsidies were permanent so the cost of this allocation would take priority for any future Measure P revenues before any further allocations.	0	0	2,500,000
Training and Evaluation			
Fiscal Year Surplus or Shortfall (FY revenues less FY expenses)	2,932,313	3,522,418	-5,615,047
Ending Fund Balance	\$2,932,313	\$6,454,731	\$839,684

Revenues increase 3% per year beginning FY 2021/22
 Expenses increase 3% per year beginning FY 2021/22
 Cost due to Alameda County policy change or funding cut



Homeless Services Panel of Experts

27a

ACTION CALENDAR

December 3, 2019

(Continued from November 19, 2019)

To: Honorable Mayor and Members of the City Council
From: Homeless Services Panel of Experts
Submitted by: Katharine Gale, Chairperson
Subject: Recommendations for Allocation of FY19/20 Measure P Funds

RECOMMENDATION

Approve recommendations for the allocation of FY19/20 General Funds at least commensurate with resources accrued to date from the passage of Measure P. Refer to the City Manager to produce data regarding the percentage of those transported with County Emergency Mental Health Transport who are homeless, and other sources that could be used to cover this cost.

SUMMARY

The Homeless Services Panel of Experts recommends that the City allocate general funds to a variety of critical activities including permanent housing, shelter, supportive services and other program types to address the current crisis of homelessness in Berkeley. The recommended priority order, percentages, types of activities and subpopulation considerations are included as Attachment 1 to this report.

FISCAL IMPACTS OF RECOMMENDATION

Recommendations covered by this report allocate general fund resources for homeless housing and services in an undetermined amount to be at least commensurate with those raised to date under the transfer tax authorized under Measure P (minus those previously allocated by Council).

CURRENT SITUATION AND ITS EFFECTS

Homeless is increasing in the City of Berkeley and throughout the Bay Area. Between 2017 and 2019 homelessness in Berkeley at a point-in-time has risen by 13%, affecting more than 1,100 people on any given night. Recognizing the need for additional housing and services and for humane measures to address the impacts of homelessness, the Voters of Berkeley passed Measure P in November 2018 which collects a specified transfer tax with the intention to use these additional funds to address homelessness in the City of Berkeley.

Measure P established a Homeless Services Panel of Experts to advise the City Council. The Panel consists of nine members with a deep level of expertise in areas relevant to homelessness, including persons with extensive professional and/or lived experience with homelessness. The Panel began meeting in May 2019. Katharine Gale and Yesica Prado are the elected chair and vice-chair of the Panel.

Addressing homelessness is a Strategic Plan Priority Project, advancing the City's goal to create affordable housing and supportive services for our most vulnerable community members.

Process

This report provides the Panel's first recommendations for initial investments from General Funds to increase and improve housing and services to address homelessness in Berkeley. In order to develop these recommendations, the Panel first adopted a Purpose Statement (attached). The Panel reviewed all of the referrals made to us since the Measure's passage in light of our adopted statement. This included the funding requests and referrals included in the January 2019 Measure P Informational report to Council as well as additional referrals, formal and informal, sent to the Panel since that time. We also considered information we were presented by City staff regarding current City of Berkeley investments, local and regional strategies, the 2019 Point-in-Time Count, and the 1,000 Person Plan.

A Mission and Budget Subcommittee of the Panel meet and categorized the referrals we received by areas of investment (permanent housing, shelter, etc.) and proposed initial percentages to each area, as well as a process to determine the final recommendations. The full Panel reviewed the investment areas, added additional activities/program types to the areas, prioritized the program types within each area, and made recommended adjustments to the percentages, resulting in the recommended allocations attached to this report. Our recommendation regarding shelter and temporary accommodations includes the potential to use funds to support sanctioned encampments if approved by a Council policy and we encourage the City to give consideration to this approach.

The Panel also adopted subpopulation priorities within the key investment areas of permanent housing subsidies, and flexible housing subsidies. These include establishing a \$500,000 set-aside for permanent housing subsidies for homeless families with children. This also includes a recommended 20% set-aside for families and transition-age youth in flexible housing subsidies, using the McKinney-Vento (i.e. Berkeley Unified School Districts) definition of homelessness, though not limited to families with school-age children.

As stated above, the actual amount of funding to be allocated has yet to be determined. The agreed upon order of priority and percentages is included as Attachment 1. The Panels' priorities within each area are expressed in the order of activities. We

recommend that higher ranked activities be given a greater priority for resources, but we recognize that some activities we have recommended may be funded using other resources at the City’s disposal. Activities left out of our table, such as Public Works street cleaning, and general street outreach, were not recommended for funding from Measure P at this time.

Objection to Full Funding for Emergency Mental Health Transport

The Panel notes that the amount available for us to allocate was reduced by nearly \$1.5 million in FY19/20 based on commitments recommended previously by the City Manager for City staff and for Mental Health Emergency Transport. We understand that FY19/20 funding is already committed but we wish to express our strong objection to the pre-allocation of \$2.4 million in FY20/21 Measure P-generated funding to fully cover these transportation costs. Measure P was passed by the voters of Berkeley to address the crisis of homelessness; while some people who experience homelessness may require emergency mental health transportation, this service is not limited to people who are homeless and was not budgeted with consideration that most people who will be transported will be people who are housed. In addition, this service does not result in greater housing or shelter for people who are homeless and we believe is not consistent with the purpose of Measure P. **We recommend the Council refer to the City Manager to produce information regarding the percentage of those transported who are homeless and other potential sources to cover this expense.** We hope to make recommendations for next year’s investments with consideration to this.

Next Steps

The HSPE recognizes that it was established not only to make recommendations about investment amounts but also to advise on methods and practices. A companion letter will be sent to Council to accompany this report with additional recommendations and considerations for how to ensure Berkeley’s programming is consistent with best practices.

Future work of the Panel will include developing an Action Plan for the coming year, and coordinating with Measure O to plan for future developments. Future work may include recommendations regarding establishing a goal of ending family homelessness or other City-wide goals.

BACKGROUND

Measure P was passed by the voters of Berkeley in 2018. The Homeless Services Panel of Experts began meeting in May of 2019. To guide our work, in August 2019 we have adopted a Statement of Purpose. This Statement is provided as Attachment 2 to this report and is a guide to the recommendations made in this Report.

At their September 4, 2019 regular meeting, the Homeless Services Panel of Experts took the following action regarding these recommendations:

Action: M/S/C Sutton/Trotz to adopt Budget A as amended:

- (i) Re-prioritize item #2 (Permanent Housing) as item #1 (and vice-versa), and within the Permanent Housing category:
 - a. Replace “permanent supportive housing” with “permanent housing”;
 - b. Strike the language under “Additional considerations”;
 - c. Add “establish a minimum set-aside of \$500,000 for homeless families in this category”; Note that Transition-Age Youth should be included in funding for adults.
- (ii) Remove the recommended dollar amounts in each funding category, replacing them with percentage allocations, and change the allocations to each category as follows:
 - a. #1 – Permanent Housing: 30%
 - b. #2--Shelter and Temporary Accommodations: 30%
 - c. #3--Immediate Street Conditions and Hygiene: 14%
 - d. #4--Supportive Services: 14%
 - e. #5--Short/Medium Term Housing Subsidies: 10%
 - f. #6--Infrastructure: 2%.
- (iii) Within Category #2 (Shelter and Temporary Accommodations),
 - a. Add “City should ensure there is a focus on families living on the street”;
 - b. Remove “Support sanctioned encampments” as a specific line-item, and instead add reference to sanctioned encampments as a possible modality in line-item #1 (Expand shelter capacity), with the language “if the City should adopt such a policy”;
 - c. Add language in the report to reflect that City should study the potential for sanctioned encampments as a form of shelter expansion and if it adopts such a policy these funds could be used to support that modality.
- (iv) Within Category #3 (Immediate Street Conditions and Hygiene):
 - a. Add “storage units” to the “lockers” item;
 - b. Add “including for encampments” to the “Toilets and Hygiene Stations” item.
- (v) Within Category #5 (Short/Medium Term Housing Subsidies), remove the language on additional considerations and replace with:
 - a. Establish a 20% set-aside for families and youth (including transition-aged youth).
 - b. Use the McKinney-Vento definition of “homelessness” as an eligibility criterion, without limiting to BUSD-enrolled households to ensure coverage of families with children under school age.

Vote: Ayes: Carrasco, cheema, Gale, Jordan, Metz, Patil, Prado, Sutton, Trotz.
Noes: None. *Abstain:* None. *Absent:* None.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental costs or opportunities associated with these recommendations; the determination regarding how to invest in shelter expansion activities may require environmental consideration.

RATIONALE FOR RECOMMENDATION

The exact amount of funds that will be generated by Measure P are unknown at this time, and additional State and local funds may become available to the City to cover similar cost areas to address homelessness as those recommended by the Panel. Thus, the Panel is recommending key categories for investment, relative priorities expressed as percentages, and priorities within each of these areas. City staff and Council are encouraged to use these recommendations to determine the specific investments within each area.

ALTERNATIVE ACTIONS CONSIDERED

The HSPE considered various options for allocating resources to families and Transition Age Youth (TAY) including allocating resources based on each population's percentages in the Point in Time (PIT) count, establishing a specific priority for unsheltered families, and adopting a significant percentage of housing resources for families. The HSPE ultimately adopted and recommends a specific set-aside in the first allocation of at least \$500,000 of funding for permanent housing for families and a 20% percent set-aside in flexible subsidies for families and transition age youth.

CITY MANAGER

See Companion Report.

CONTACT PERSON

Peter Radu, Homeless Services Coordinator and Secretary to the Homeless Services Panel of Experts, HHCS, (510) 981-5435.

Attachments:

- 1: Recommendations for First Year Measure P Allocations - By Category and Activity
- 2: Homeless Services Panel of Experts Statement of Purpose

**ATTACHMENT 1:
Recommendations for General Fund Allocations Associated with Measure P - By
Category and Activity**

Because the total amount of funding available is unknown, recommendations are based on a percentage of funding to each category. Within investment areas, activities are listed in the order they were prioritized and we generally recommend higher priority be given to these activities over those that are listed further down in higher priority categories. Additional considerations and recommendations include subpopulation priorities and service types considered within each activity.

Investment Area and Sub-Category Activities listed in Priority Order	Percent	Additional Considerations/ Recommendations
<p>1. PERMANENT HOUSING</p> <p>Permanent Housing Subsidies and Services</p>	30%	Establish a minimum set-aside of \$500,000 for homeless families in this category. Transition-age youth should be included in funding for Adults.
<p>2. SHELTER & TEMPORARY ACCOMMODATIONS</p> <p>1. Expand Shelter Capacity</p> <p>2. Invest in improving existing shelter capacity</p>	30%	<p>1. Adding new sheltering capacity may include the development of dedicated RV parking, use of tiny houses, or other means to increase shelter capacity. If the City should adopt a policy approving sanctioned encampments then this use would also be included. City should ensure there is a focus on meeting needs of any families living on the street.</p> <p>2. Increase services and housing connections in existing shelters so that they are able to function as Navigation Centers.</p>
<p>3. IMMEDIATE STREET CONDITIONS & HYGIENE</p> <p>1. Toilets and Hygiene Stations, including for encampments</p> <p>2. Lockers and Storage Units</p>	14%	Note: These funds were not recommended for general clean-up and other Public Works functions and should be spent on activities that directly benefit homeless people.

Investment Area and Sub-Category Activities listed in Priority Order	Percent	Additional Considerations/ Recommendations
<p>4. SUPPORTIVE SERVICES</p> <ul style="list-style-type: none"> 1. Health Care services 2. Employment and Income Development Activities 3. Substance Use Treatment 	14%	<ul style="list-style-type: none"> 1. Health care services dedicated to people experiencing homelessness which may include street medicine. 2. Activities may include job development and support as well as benefits advocacy and other services to improve incomes. 3. Substance use treatment services dedicated for persons who are experiencing homelessness.
<p>5. FLEXIBLE HOUSING SUBSIDIES</p> <p>Flexible housing subsidies may include prevention, diversion and/or rapid resolution support.</p>	10%	Establish a 20% set-aside for homeless families and transition-age youth, using the McKinney-Vento definition of homelessness.
<p>6. INFRASTRUCTURE</p> <ul style="list-style-type: none"> 1. Training ~80% 2. Evaluation ~20% 	2%	<ul style="list-style-type: none"> 1. Use resources in this category for training for Berkeley community-based organizations working with people who are homeless. 2. Use resources in this category to ensure that the experiences of service users are captured and considered in performance evaluation.
TOTAL	100%	

**ATTACHMENT 2:
Homeless Services Panel of Experts Mission/Purpose Statement
(adopted August 14, 2019)**

The Voters of Berkeley passed Measure P to generate additional General Funds to use to address the crisis of homelessness. The Homeless Services Panel of Experts created by the Measure was established 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.”

We understand the current crisis of homelessness requires investments in prevention, health services and permanent housing which we know to be the solution to homelessness, as well as in shelters, supports and other temporary measures that get people immediately out of the elements. We will seek to strike a balance between these needs in our recommendations.

We will consider currently unmet needs, gaps and opportunities, best practices and currently available data on outcomes. We will make recommendations for increased local investment, including program types, target populations and geographic areas as appropriate. We will seek to consider the best use of these investments in the context of other available Federal, State and local funding. In general, we will not make recommendations on the specific agencies to receive funding, nor run our own proposal process, recognizing this as a role for staff and the Council. We will request updates on the performance of Measure P investments and the homeless service system overall, including the experience of service users, and use this information to inform future recommendations and provide oversight.

We recognize that homelessness is a regional issue and requires a regional approach, including recognizing that people from Berkeley may live in other places and remain connected to Berkeley services.

To ensure Measure P funding recommendations further efforts to create more housing for people experiencing homelessness in Berkeley, we will coordinate with the Measure O panel to ensure that very low cost housing is connected to services and operating support so that it can successfully targeted to people who are homeless.

We will meet as needed to fulfill this Mission, and to make recommendations to the City Council at least annually.

	Annual Cost	FY2020 Funding	FY2021 Funding	FY21 Budget Gap	Funding Exhausted By...
Dorothy Day House					
Emergency Shelter @ Vet's	\$ 565,963	\$ 565,963	\$ 266,037	\$ 299,926	12/31/2020
Daytime Drop-In services	\$ 181,777	\$ 177,437	\$ 160,437	\$ 21,340	6/30/2020
Total Cost:	\$ 747,740	\$ 743,400	\$ 426,474	\$ 321,266	\$ 88,208
Pathways STAIR Center					
Operations	\$ 688,086	\$ 688,086	\$ -	\$ 688,086	
Staffing	\$ 1,096,212	\$ 1,096,212	\$ -	\$ 1,096,212	
Flexible Housing Funds	\$ 630,000	\$ 630,000	\$ -	\$ 630,000	
Subtotal Cost:	\$ 2,414,298	\$ 2,414,298	\$ -	\$ 2,414,298	6/30/2020
Aditonal Trailer Operations	\$ 145,000	n/a	\$ -	\$ 145,000	
Additional Trailer Staffing	\$ 238,000	n/a	\$ -	\$ 238,000	
Aditonal Trailer Flexible Housing	\$ 322,000	n/a	\$ -	\$ 322,000	
Subtotal Cost:	\$ 705,000		\$ -	\$ 705,000	
Total Cost:	\$ 3,119,298		\$ -	\$ 3,119,298	
Coordinated Entry System					
City of Berkeley general fund	\$ 1,285,452	\$ 1,285,452	\$ 1,285,452	\$ -	
Alameda County WPC	\$ 1,400,414	\$ 1,400,414	\$ -	\$ 1,400,414	
	\$ 2,685,866	\$ 2,685,866	\$ 1,285,452	\$ 1,400,414	
BDIC Locker Program	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	one year from launch
Encampment debris removal	\$ 339,924	\$ 339,924	\$ 339,923	\$ -	6/30/2021
Toilets and Handwashing	\$ 135,000	\$ 135,000	\$ 135,000	\$ -	6/30/2021
TOTALS	\$ 6,847,751	\$ 6,662,766	\$ 2,186,849	\$ 4,660,902	

HEAP funding
AC WPCare funding

To: Mayor Jesse Arreguin
Council Member Rashi Kesarwani
Homeless Services Panel of Experts Chair Katherine Gale
Deputy City Manager Paul Buddenhagen
Director Steve Grolnic-McClurg

From: Marty Lynch, Chief Executive Officer, LifeLong Medical Care

Date: September 2, 2019

Request: LifeLong Medical Care and City of Berkeley partner to establish an integrated primary care health model that provides intensive outreach and street medicine, case management, behavioral health services, including substance use services, physical health care and linkages to oral health.

BACKGROUND:

LifeLong Medical Care has 20 years of experience working in partnership with the City of Berkeley to serve people who are homeless and/or reside in supportive housing. Serving Berkeley's chronic homeless population requires a multifaceted approach that combines housing with services such as intensive outreach, case management, behavioral health services, including substance use services, physical health care and oral health.

According to the 2019 Alameda County Everyone Home Point in Time Count, Berkeley's homeless census increased 14%, from 972 in 2017 to 1108 in 2019. While the detailed Berkeley report has yet to be publicly released, the following health conditions noted in the 2017 PIT most likely continue to "affect housing stability or employment".

- 43% reported psychiatric or emotional conditions
- 28% reported chronic health problems
- 28% reported Post Traumatic Stress Disorder
- 25% reported physical disability
- 24% reported drug or alcohol abuse
- 10% reported Traumatic Brain Injury
- 9% reported AIDS/HIV related

Across Alameda County in 2019, 49% of those surveyed reported "money issues" as the top cause of their homelessness. After money issues, the following **three conditions were listed as primary causes of homelessness** by those surveyed:

- substance use - reported by 19% of those surveyed
- mental health issues - reported by 17% of those surveyed
- physical health - reported by 15% of those surveyed

The County of Alameda, in response to similar data in Oakland, partnered with LifeLong to offer primary and behavioral health services tailored to the needs of people who are homeless and/or experiencing serious mental illness. For the past 4 years LifeLong has operated the LifeLong Trust Health Center in collaboration with Alameda County to provide integrated primary care services for adults who are homeless in Oakland.

Trust offers a behavioral health enriched primary care model with drop in access to medical, mental health and wellness services, as well as a safe space where people can take a shower, get a bag lunch, choose clothing from the clothes closet, and some days even get a haircut. In addition, the clinic is able to provide a stable health home that enables patients to establish a medical record to support social security applications, thereby increasing income, a key contributor to improved health.

Currently, the Trust clinic has approximately 1000 active patients, with average daily visits of 30. The majority have significant physical health needs and mental health and/or substance use disorders. In addition to a physician, psychiatry, and social services, Trust Health Center patients also have access to a Registered Nurse (RN), Health Homes Case Managers, a housing Coordinator, Medication Assisted Treatment (MAT) for opiate and alcohol use disorders, acupuncture and five Health and Wellness Coaches.

Most recently, to extend care beyond the clinic itself, LifeLong piloted a Trust Clinic Street Medicine program to bring medical care to people at the needle exchange site in downtown Oakland. In July LifeLong was awarded two Street Medicine contracts with Alameda County to expand this pilot in downtown Oakland and to launch services in East Oakland. The Street Medicine teams include a primary care provider (PCP), case manager, social worker and RN. The PCP provides care to approximately two people per hour. Most individuals already receive or qualify for MediCal and the medical visit is billed at the Federally Qualified Health Center (FQHC) rate. Other team members are funded by the county contract, which funding from Mental Health Services Act and Health Homes. While building trusting relationships, patients seen by the street medicine team are encouraged to come to the Trust clinic site, or another LifeLong clinic, but can also receive follow-up care on the streets.

RECOMMENDATION:

LifeLong recommends a partnership with the City of Berkeley to bring an array of services modeled on the LifeLong Trust Health Center in Oakland to better serve the homeless population in Berkeley. This program would provide primary care and specialty behavioral health services designed to serve Berkeley and Albany-based individuals who are experiencing homelessness and/or are serious mental illness. In partnership with the City of Berkeley Public Health and Mental Health Departments, we propose to establish a LifeLong Trust-Berkeley Program that will launch in two phases: Phase 1) Street Medicine and Phase 2) establish a “brick-and-mortar” health center with drop-in access and hours tailored to Berkeley’s needs.

Phase 1: Street Medicine

LifeLong, in partnership with Berkeley Mental Health, will launch a full time street medicine team based out of an existing LifeLong Health Center. The team will be led by a primary care provider working side by side with a licensed clinical social worker and a community health worker. The street medicine team will prioritize services to sites/individuals identified by the city and will have regularly scheduled times when they visit encampments.

The team will provide outreach and engagement services, attend to basic needs (e.g. hygiene, overdose prevention kits), provide direct medical assessment and care, prescribing and medication management, support linkages to social services and respite care, and promote housing readiness. The social worker and case manager will provide follow up counseling and case management for the highest risk people

served. Medical services will be provided in a compact van specially equipped for that purpose and easily able to park at encampments. Follow up care will be provided either at a LifeLong clinic or on the streets. It's estimated that one full time street medicine team can provide medical care to 60 individuals per month with both new and follow up visits, and can manage a caseload mix of 250 light touch and 30 in depth case management clients in a year.

Budget for Phase 1 Street Medicine:

Year 1: \$503,657 (includes a one-time expense of a Street Medicine Van)

Year 2: \$404,819

Year 3: \$406,464

A detailed line item budget is attached.

Phase 2: LifeLong Trust - Berkeley Health Center

The second phase will be the development of a brick-and-mortar LifeLong Trust-Berkeley. This clinic will be specifically designed to meet the unique needs of individuals who are, or have recently been, homeless and/or are experiencing serious mental illness. Key features will include drop in appointments, highly integrated behavioral health, medical and wellness services, showers, and access to food and clothing resources. Staff will be deeply trained in trauma informed practices and will offer a highly flexible care model. The strong link with the street medicine team will allow for outreach and follow up outside the walls of the clinic.

Proposed Services Offered:

- Primary Medical Care
- Mental Health Services
- Medication Assisted Treatment/Substance Use Disorder Services
- Intensive case management
- Housing assistance
- Referrals to dental, specialty care
- Benefits eligibility
- Linkage to Street Medicine

Budget considerations:

A specific budget for the proposed clinic is not included at this time. LifeLong recommends that it works with the BMH and the office of the City Manager to plan for this site to assure that the clinic location, hours, and staffing meet the needs of the current homeless population. We estimate that a clinic operating 4 - 5 half days per week would cost approximately \$1 million per year and that approximately two thirds (\$660k) would be funded by FQHC building and \$340k in city funding would be required. Additionally, LifeLong and the City should explore benefits and capacity for co-location of city mental health and LifeLong primary care staff.

Phase 1:

LifeLong Medical Care –COB Homeless Health Care
Street Medicine -Berkeley Team
Proposed Budget 2020-2022

Budget Item	Year 1 Program Expense	Year 2 Program Expense	Year 3 Program Expense
Personnel Expenses			
.10 Program Manager	\$ 9,248	\$ 9,525	\$ 9,811
1.0 Nurse Practitioner or Physician Assistant	\$ 130,000	\$ 133,900	\$ 137,917
1.0 Social Worker (ASW/MFTi)	\$ 70,720	\$ 72,842	\$ 75,027
1.0 CHOW	\$ 53,400	\$ 55,002	\$ 56,652
.05 LCSW	\$ 4,160	\$ 4,285	\$ 4,413
.02 Medical Director	\$ 4,337	\$ 4,467	\$ 4,601
Employee Benefits @.28	\$ 76,122	\$ 78,406	\$ 80,758
Salary, Wages, & Benefits Subtotal	\$ 338,739	\$ 348,901	\$ 359,368
Operating Expenses			
Office Supplies	\$ 5,000	\$ 1,500	\$ 1,000
Utilities	\$ 2,000	\$ 2,000	\$ 2,000
Communications	\$ 4,500	\$ 4,500	\$ 4,500
Transportation & Travel	\$ 4,000	\$ 5,000	\$ 5,000
Training	\$ 6,000	\$ 5,000	\$ 3,000
Rents and Leases	\$ 9,600	\$ 9,600	\$ 9,600
Client Supportive Expenditures	\$ 5,000	\$ 7,000	\$ 6,178
Van (one time only)	\$ 100,000	0	0
Other: Medical Supplies	\$ 5,000	\$ 3,500	\$ 4,000
Operating Expenses Subtotal	\$ 41,100	\$ 38,100	\$ 35,278
Indirect Expenses (Not to exceed 10.00% of total budget)	\$ 31,818	\$ 31,818	\$ 31,818
Program Total	\$ 411,657	\$ 418,819	\$ 426,464
Less Third Party Billing/Additional Revenue (Please specify, e.g. Health Homes)	\$ 8,000	\$ 14,000	\$ 20,000
Total Budget Request	\$ 503,657	\$ 404,819	\$ 406,464

