



# Human Welfare and Community Action Commission

## AGENDA

Wednesday, July 17, 2019

7:00 PM

South Berkeley Senior Center, 2939 Ellis St.

Berkeley, CA 94703

### Preliminary Matters

1. Roll Call
2. Public Comment

### Update/Action Items

*The Commission may take action related to any subject listed on the agenda, except where noted.*

### **Berkeley Community Action Agency Board Business**

1. Approve Minutes from the 6/19/2019 Regular Meeting (Attachment A)
2. Review City Of Berkeley Funded Agency Program And Financial Reports — Staff (Attachment B)
  - a. Easy Does It – Disability Services

### **Other Discussion Items**

3. Discuss Budget Review Subcommittee – Commissioner Sood
4. Discuss possible recommendations to City Council related to the City of Berkeley 1000 Person Plan to Address Homelessness (Attachment C) – Commissioner Sood
5. Update regarding the HWCAC Council Report “Path to End Homelessness” (Attachment D) – Commissioner Omodele
6. Discuss a City of Berkeley “Baby Bond” – Commissioner Sood
7. Review of Homeless Commission and Commission on Disability minutes – Commissioner Kohn (Attachment E)
8. Discussion and possible communication to City Council of the proposed framework for affordable housing – Commissioner Kohn (Attachment F)
9. Discuss possible improvements to the HWCAC request for proposal review process – Commissioner Kohn
10. Discuss disabled accessibility in high-density corridors – Commissioner Behm-Steinberg
11. Update on West Berkeley Air Quality – Commissioner Bookstein

12. Update on the Closure of Alta Bates Hospital – Commissioner Omodele
13. Review Latest City Council Meeting Agenda
14. Announcements
15. Future Agenda Items

## Adjournment

## Attachments

- A. Draft Minutes of the 6/19/2019 Meeting
- B. Easy Does It – Disability Services Program Report and Statement of Expense
- C. City of Berkeley 1000 Person Plan to Address Homelessness Council Report
- D. HWCAC “Path to End Homelessness” Report
- E. Homeless Commission and Commission on Disability Minutes
- F. Housing for a Diverse, Equitable and Creative Berkeley: Proposing a Framework for Berkeley’s Affordable Housing

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### **Secretary:**

Mary-Claire Katz  
Health, Housing & Community Services Department  
510-981-5414  
[mkatz@CityofBerkeley.info](mailto:mkatz@CityofBerkeley.info)

### **Mailing Address:**

Human Welfare and Community Action Commission  
Mary-Claire Katz, Secretary  
2180 Milvia Street, 2<sup>nd</sup> Floor  
Berkeley, CA 94704



## Human Welfare and Community Action Commission

### DRAFT MINUTES

Wednesday, June 19, 2019

7:00 PM

South Berkeley Senior Center, 2939 Ellis St.

Berkeley, CA 94703

### Preliminary Matters

1. Roll Call: 7:05PM  
 Present: Dunner, Smith, Kohn, Omodele, Holman, Bookstein, Deyhim, Romo, Behm-Steinberg  
 Absent: Sood  
 Quorum: 6 (Attended: 9)  
 Staff Present: Mary-Claire Katz, Rhianna Babka  
 Public Present: Ruth Kohn
  
2. Public Comment  
 None.

### Update/Action Items

*The Commission may take action related to any subject listed on the agenda, except where noted.*

### **Berkeley Community Action Agency Board Business**

1. Community Action Plan Public Hearing and Approval of the 2019 Draft Community Services Block Grant Community Action Plan and Needs Assessment (Attachment A)  
**Action:** M/S/C (Kohn/Dunner) to approve the Draft Community Services Block Grant Community Action Plan and Needs Assessment.  
**Vote:** Ayes – Dunner, Smith, Kohn, Omodele, Holman, Behm-Steinberg, Bookstein, Deyhim; Noes – None; Abstain – Romo; Absent – Sood.  
  
 Public Comment: Speaker suggests that a human resources department from the private sector could encourage their staff to volunteer to support community agencies in successfully submitting their request for proposal applications for funding to the City of Berkeley.
  
2. Approve Minutes from the 5/15/2019 Regular Meeting (Attachment B)  
**Action:** M/S/C (Dunner/Deyhim) to approve the 5/15/2019 minutes with edits.  
**Vote:** Ayes – Dunner, Smith, Kohn, Omodele, Holman, Behm-Steinberg, Bookstein, Deyhim, Romo; Noes – None; Abstain – None; Absent – Sood.  
  
**Action:** M/S/C (Kohn/Romo) to add Smith to the Budget Review Subcommittee.  
**Vote:** Ayes – Dunner, Smith, Kohn, Omodele, Holman, Bookstein, Deyhim, Romo; Noes – None; Abstain – Behm-Steinberg; Absent – Sood.
  
3. CA Department of Community Services and Development On-Site Monitoring Report – (Attachment C)  
 Staff presented the results of the CSD on-site monitoring for Community Services Block Grant funding.

4. Review City Of Berkeley Funded Agency Program And Financial Reports — Staff (Attachment D)
  - a. J-Sei – Senior Services  
 Commissioners reviewed and discussed the Program and Financial Reports for J-Sei.

### **Other Discussion Items**

5. Discuss possible recommendations to City Council relating to the City of Berkeley 1000 Person Plan to Address Homelessness (Attachment E) – Commissioner Sood  
 Continued to the 7/17/2019 meeting.
6. Discuss a City of Berkeley “Baby Bond” – Commissioner Sood  
 Continued to the 7/17/2019 meeting.
7. Update on West Berkeley Air Quality – Commissioner Bookstein  
 Commissioners discussed how air quality impacts the health of Berkeley residents in different areas of the city.
8. Update on the Closure of Alta Bates Hospital – Commissioner Omodele (Attachment F)  
 Commissioner Omodele will attend the Community Health Commission meeting to learn more about their upcoming plan to address the closure of Alta Bates Hospital.
9. Review Latest City Council Meeting Agenda  
 Continued to the 7/17/2019 meeting.
10. Announcements  
 None.
11. Future Agenda Items
  - Update on the HWCAC Council Report “Path to End Homelessness”.
  - Review Homeless Commission and Commission on Disability minutes.
  - Discuss possible improvements to the HWCAC request for proposal review process.
  - Discuss disabled accessibility in high density corridors.

### **Adjournment**

**Adjourned at 9:00PM**

### **Attachments**

- A. 2019 Draft Community Services Block Grant Community Action Plan and Needs Assessment
- B. Draft Minutes of the 5/15/2019 Meeting
- C. CA Department of Community Services and Development On-Site Monitoring Report
- D. J-Sei – Senior Services Statement of Expense and Program Report
- E. City of Berkeley 1000 Person Plan to Address Homelessness Council Report
- F. Draft Council Report on the Closure of Alta Bates Hospital

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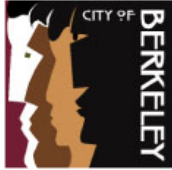
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**Program: Disabled Services**  
 Agency: Easy Does It

City of Berkeley  
 Community Agency  
**CLIENT CHARACTERISTICS REPORT**

Contract No:

Agency: Easy Does It  
 Program: Disabled Services  
 Phone:

Period of: **3rd Qtr 2019**  
 Prepared By:   
 E-mail:

**1. CLIENT SUMMARY - QTR 3**

	Previous Periods	Report Period	YTD
A. Total New Clients Served by the Program (Berkeley and Non-Berkeley)	247	42	289
B. Total unduplicated number of NEW INDIVIDUALS about whom one or more characteristics were obtained:	218	30	248
C. Total unduplicated number of NEW HOUSEHOLDS about whom one or more characteristics were obtained:	154	30	184
D. Total New Berkeley Clients Served for Whom You Were Able to Gather Statistics on Age, Race/Ethnicity, and Income:	208	30	238
E. Total New Berkeley Clients Served for Whom You Were NOT Able to Gather Statistics on Age, Race/Ethnicity, and Income:	17	12	29
F. Total New Berkeley Clients Served:	225	42	267

**INDIVIDUAL LEVEL CHARACTERISTICS**

**1. Gender**

Gender Unduplicated Count	Previous Periods	This Period	YTD
Male	90	10	100
Female	118	19	137
Other	0	1	1
Unknown/not reported	10	0	10
<b>TOTALS</b>	<b>218</b>	<b>30</b>	<b>248</b>

**2. Age**

Age Unduplicated Count	Previous Periods	This Period	YTD
0-5	1	0	1
6-13	0	0	0
14-17	0	0	0
18-24	5	0	5
25-44	30	4	34
45-54	34	4	38
55-59	22	3	25
60-64	24	5	29
65-74	51	5	56
75+	37	9	46
Unknown/not reported	14	0	14
<b>TOTALS</b>	<b>218</b>	<b>30</b>	<b>248</b>

**3. Education Levels**

Education Levels Unduplicated Count	Previous Periods		This Period		YTD	
	Ages 14-24	Ages 25+	Ages 14-24	Ages 25+	Ages 14-24	Ages 25+
Grades 0-8	0	0	0	1	0	1
Grades 9-12/Non-Graduate	0	0	0	0	0	0
High School Graduate/ Equivalency Diploma	3	8	0	0	3	8
12 grade + Some Post-Secondary	0	8	1	1	1	9
2 or 4 years College Graduate	0	23	0	5	0	28
Graduate of other post-secondary school	0	30	0	7	0	37
Unknown/not reported	0	146	0	15	0	161
<b>TOTALS</b>	<b>3</b>	<b>215</b>	<b>1</b>	<b>29</b>	<b>4</b>	<b>244</b>

**4. Disconnected Youth**

4. Disconnected Youth Unduplicated Count	Previous Periods	This Period	YTD
Youth ages 14-24 who are neither working or in school	0		0

**5. Health**

Health Unduplicated Count	Previous Periods			This Period			YTD		
	Yes	No	Unknown	Yes	No	Unknown	Yes	No	Unknown
Disabling Condition	218	0	0	30		0	248	0	0
Health Insurance	0	0	218	0		30	0	0	248

**Health Insurance Sources**

Insurance Sources Unduplicated Count	Previous Periods	This Period	YTD
Medicaid	0	0	0
Medicare	0	0	0
State Children's Health Insurance Program	0	0	0
State Health Insurance for Adults	0	0	0
Military Health Care	0	0	0
Direct-Purchase	0	0	0
Employment Based	0	0	0
Unknown/not reported	218	30	248
<b>TOTALS</b>	<b>218</b>	<b>30</b>	<b>248</b>

**6. Ethnicity**

Ethnicity Unduplicated Count	Previous Periods	This Period	YTD
Hispanic, Latino or Spanish Origins	7	2	9
Not Hispanic, Latino or Spanish Origins	39	11	50
Unknown/not reported	172	17	189
<b>TOTALS</b>	<b>218</b>	<b>30</b>	<b>248</b>

**Race**

Race Unduplicated Count	Previous Periods	This Period	YTD
American Indian or Alaska Native	1	0	1
Asian	11	0	11
Black or African American	34	6	40
Native Hawaiian and Other Pacific Islander	0	0	0
White	119	19	138
Other	1	1	2
Multi-race (two or more of the above)	17	1	18
Unknown/not reported	35	3	38
<b>TOTALS</b>	<b>218</b>	<b>30</b>	<b>248</b>

**7. Military Status**

Military Status Unduplicated Count	Previous Periods	This Period	YTD
Veteran	9	1	10
Active Military	0	0	0
Unknown/not reported	209	29	238
<b>TOTALS</b>	<b>218</b>	<b>30</b>	<b>248</b>

**8. Work Status (Individuals 18+)**

Work Status (Individuals 18+) Unduplicated Count	Previous Periods	This Period	YTD
Employed Full-Time	9	1	10
Employed Part-Time	3	2	5
Migrant Seasonal Farm Worker	0	0	0
Unemployed (Short-Term, 6 months or less)	2	1	3
Unemployed (Long-Term, more than 6 months)	3	1	4
Unemployed (Not in Labor Force)	15	4	19
Retired	35	5	40
Unknown/not reported	151	16	167
<b>TOTALS</b>	<b>218</b>	<b>30</b>	<b>248</b>

**HOUSEHOLD LEVEL CHARACTERISTICS**

**9. Household Type**

Household Type Unduplicated Count	Previous Periods	This Period	YTD
Single Person	46	13	59
Two Adults NO Children	17	3	20
Single Parent Female	0	0	0
Single Parent Male	0	0	0
Two Parent Household	4	0	4
Non-related Adults with Children	0	0	0
Multigenerational Household	4	1	5
Other	4	4	8
Unknown/not reported	143	9	152
<b>TOTALS</b>	<b>218</b>	<b>30</b>	<b>248</b>

**10. Household Size**

Household Size Unduplicated Count	Previous Periods	This Period	YTD
Single Person	50	14	64
Two	15	3	18
Three	2	0	2
Four	0	0	0
Five	0	0	0
Six or more	0	0	0
Unknown/not reported	151	13	164
<b>TOTALS</b>	<b>218</b>	<b>30</b>	<b>248</b>

**11. Housing**

Housing Unduplicated Count	Previous Periods	This Period	YTD
Own	22	4	26
Rent	34	13	47
Other permanent housing	1	1	2
Homeless	19	2	21
Other	3	0	3
Unknown/not reported	129	10	139
<b>TOTALS</b>	<b>208</b>	<b>30</b>	<b>238</b>

**12. Level of Household Income, % of HHS Guideline**[HHS Guideline](#)

Level of Household Income, % of HHS Guideline Unduplicated Count	Previous Periods	This Period	YTD
Up to 50%	0	0	0
51% to 75%	0	0	0
76% to 100%	0	0	0
101% to 125%	0		0
126% to 150%	0		0
151% to 175%	0		0
176% to 200%	0		0
201% to 250%	0		0
250% and over	0		0
Unknown/not reported	218	30	248
<b>TOTALS</b>	<b>218</b>	<b>30</b>	<b>248</b>

**13. Sources of Household Income**

Sources of Household Income Unduplicated Count	Previous Periods	This Period	YTD
Income from Employment Only	3	2	5
Income from Employment and Other Income Source	1	0	1
Income from Employment, Other Income Source, and Non-Cash Benefits	0	1	1
Income from Employment and Non-Cash Benefits	1	0	1
Other Income Source Only	16	12	28
Other Income Source and Non-Cash Benefits	0	1	1
No Income	2	1	3
Non-Cash Benefits Only	0	0	0
Unknown/not reported	41	13	54
<b>TOTALS</b>	<b>64</b>	<b>30</b>	<b>94</b>

**14. Other Income Source**

Other Income Source Unduplicated Count	Previous Periods	This Period	YTD
TANF	0	0	0
Supplemental Security Income (SSI)	29	6	35
Social Security Disability Income (SSDI)	14	2	16
VA Service-Connected Disability Compensation	2	0	2
VA Non-Service Connected Disability Pension	0	0	0
Private Disability Insurance	0	0	0
Worker's Compensation	0	0	0
Retirement Income from Social Security	8	3	11
Pension	6		6
Child Support	0		0
Alimony or other Spousal Support	1		1
Unemployment Insurance	2		2
EITC	0		0
Other	0	1	1
Unknown/not reported	156	18	174

**15. Non-Cash Benefits**

Non-Cash Benefits Unduplicated Count	Previous Periods	This Period	YTD
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SNAP	2	1	3
WIC	1	0	1
LIHEAP	0	0	0
Housing Choice Voucher	3	0	3
Public Housing	1	0	1
Permanent Supportive Housing	0	0	0
HUD-VASH	1		1
Childcare Voucher	0		0
Affordable Care Act Subsidy	1		1
Other	3		3
Unknown/not reported	206	29	235

**16. Estimated total number of Individuals not included in the Totals above**

#of lines needed:

Program Name	# of Individuals
--------------	------------------

**17. Estimated total number of Households not included in the Totals above**

#of lines needed:

Program Name	# of Households
--------------	-----------------

**18. SERVICE MEASURES**

Service Measures	Annual Goal		Q1		Q2		Q3		Q4		Served YTD		% Served	
	UOS	New Clients	UOS	New Clients	UOS	New Clients	UOS	New Clients	UOS	New Clients	UOS	New Clients	UOS	New Clients
*****														
1 Advocacy Interventions/Case Manager	145	50	145	26	145	25	162	8			452	59	312%	118%
2 Emergency Attendant Services	2,500	250	249	59	274	20	320	20			843	99	34%	40%
3 Emergency Repair Services	400	100	263	88	228	40	264	45			755	173	189%	173%
4 Emergency Transportation Services	800	125	180	55	259	26	278	23			717	104	90%	83%
5 Outreach	100	100	37	26	24	29					61	55	61%	55%

**Service Measure Definitions:** [Hide](#)

Advocacy Interventions/Case Management Sessions/Educ.Training Sessions/Counseling Sessions	UOS Case Management: One Hour Case Management Case Manager meets with each client and discusses what their challenges are for finding and retaining attendants. Makes a plan going forward with benchmarks and timelines accountability. Case Manager maintains up-to-date client files (e.g.: client intakes, case notes, action plans), and works closely with high users of EDI services.
Emergency Attendant Services	UOS Attendant: One hour Attendant We send attendants to clients homes to do activities of daily living when they experience an unforeseen lapse in their regular care.
Emergency Repair Services	UOS Repair: one hour of service Repair Tech assesses product and determines repair plan. Then will proceed with repair or procure equipment then proceed. We may loan a temporary product in the interim. EDI currently has one full-time long term repair staff and one part-time repair person. He works Friday and Monday. the repair department maintains shop by organizing equipment and breaking down chairs for parts.
Emergency Transportation Services	UOS Transportation: Each Way Transportation. Transportation- we provide emergency wheelchair accessible transportation services to be provided in in Berkeley and within a one-mile radius of Berkeley.
Outreach	The Outreach Coordinator will perform a combination of traditional 'street' outreach, as well as formal presentations to local agencies that serve people with disabilities and seniors with disabilities. Examples of places to outreach to include: rehab centers, hospital discharge units, Meals on Wheels, Area Agency on Aging, Center for Independent Living, Heart to Heart, Lifelong, etc. Also, the Executive Director will actively attend Commission on Disability, Commission on Aging, and Disaster Preparedness Commission meetings, and will represent EDI to other agencies that deal with people with disabilities, seniors with disabilities, and disaster prep.

**Quarter 1 Narrative (click to view)**

This quarter we attended several outreach events and went to meetings in which we did outreach including Solano Stroll, Disaster preparedness workshops, Alameda County Transportation Commission meetings, Caregiver Crunch meetings, California association of disability and elders collaborative, IHSS task force, Hand in Hand Domestic Employer Network general meeting.

**Quarter 2 Narrative (click to view)**

This quarter we attended several outreach events and went to meetings in which we did outreach including Disaster preparedness workshops, Community resilience center training, Berkeley Health Department strategic planning meeting, Alameda County Transportation Commission meetings, Caregiver Crunch meetings, IHSS task force, Hand in Hand Domestic Employer Network general meeting, BEACON meeting.

**Quarter 3 Narrative**

This quarter we attended several outreach events and went to meetings in which we did outreach including Disaster preparedness workshops, Alameda County Transportation Commission meetings, Caregiver Crunch meetings, IHSS task force, Hand in Hand Domestic Employer Network general meeting, BEACON meeting, Lifelong Wellness fair, Senior center wellness fair.

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**7. OUTCOMES**

Outcomes	Annual Goal	Q1 Achieved Outcome	Q2 Achieved Outcome	Q3 Achieved Outcome	Q4 Achieved Outcome	Achieved Outcome YTD	% Achieved Outcome of Annual Goal	% Achieved Outcome of Total Served
1 Client accessed previously inaccessible services	50	43	25	41		109	218%	363%
2 Client maintained independent living	50	59	21	16		96	192%	320%
3 Client maintained independent living	50	86	57	49		192	384%	640%
4 Client maintained independent living	50	55	39	22		116	232%	387%
5 New enrolled clients	100	36	0	0		36	36%	120%
5 New transportation clients	30	6	6	5		17	57%	57%
5 New enrolled clients age 55	50	17	0	0		17	34%	57%
5 Unduplicated new clients	47	27	25	22		74	157%	247%
5 New repair clients	30	17	16	17		50	167%	167%
5 Participants achieved enhanced skills or knowledge	75	43	20	19		82	109%	273%
5 New attendant clients	30	6	4	4		14	47%	47%
5 Unduplicated new clients age 55	50	24	8	16		48	96%	160%

[Quarter 1 Narrative \(click to view\)](#)

[Quarter 2 Narrative \(click to view\)](#)

[Quarter 3 Narrative](#)

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Staff Utilization Rate/Cost Per Hour	Q1	Q2	Q3	Q4	YTD
# of Total Attendant Hours	3,794	3,647	3,883		11,324
Attendant Staffing Costs	\$52,167	\$54,705	\$58,252		\$165,124
# of Hours of Service Provided	430	323	311		1,064
Staffing Rate	0.11	0.09	0.08		0.09
Cost Per Hour	\$121.32	\$169.37	\$187.31		\$155.19

# of Total Transportation Hours	1,077	1,019	1,564		3,660
Transportation Staffing Costs	\$12,713	\$14,595	\$17,262		\$44,570
# of Hours of Service Provided	433	410	319		1,162
Staffing Rate	0.40	0.40	0.20		0.32
Cost Per Hour	\$29.36	\$35.60	\$54.11		\$38.36

# of Total Repair Hours	1,001	932	1,136		3,069
Repair Staffing Costs	\$18,714	\$17,463	\$18,728		\$54,905
# of Hours of Service Provided	180	162	324		666
Staffing Rate	0.18	0.17	0.29		0.22
Cost Per Hour	\$103.97	\$107.80	\$57.80		\$82.44

**Attachments:** (Optional, Up to 10 documents can be attached)

[Click here to go to the Upload Documents page](#) (Your report will be saved)

Report Submitted by: Nikki Brown-Booker

Date: 06/21/2019

Accepted by: Mary-Claire Katz

Date: 07/03/2019

Report modified by:

Initially submitted: Jun 21, 2019 - 14:04:51

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**CITY OF BERKELEY  
COMMUNITY AGENCY STATEMENT OF EXPENSE  
01/01/2019 TO 03/31/2019**

Note: Any variation from the Approved Budget exceeding ten percent (10%) requires a Budget Modification Form.

Agency Name: **Easy Does It** Contract #: **010580A**  
 Program Name: **Disabled Services** PO #: **117683**  
 Funding Source : **Meas-E**

Expenditure Category	Staff Name	Approved Budget	Budget Mod Q2	Budget Mod Q3	Revised Budget	Jul-Sep 2018	Oct-Dec 2018	Jan-Mar 2019	Apr-Jun 2019	Total Expenditure	Budget Balance
Executive Director	Nikki Brown-Booker	\$62,000.00			\$62,000.00	\$15,262.25	\$14,308.44	\$16,693.18		\$46,263.87	\$15,736.13
Program Manager	Ayanna Keeton	\$54,000.00			\$54,000.00	\$13,292.53	\$12,461.70	\$14,538.65		\$40,292.88	\$13,707.12
Assistant Repair Person/Driver	Jody Ellsworth	\$23,400.00		\$6,471.44	\$29,871.44	\$9,762.08	\$9,106.86	\$11,002.50		\$29,871.44	\$-0.00
Development Coordinator	unknown	\$5,000.00		\$-5,000.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00
Driver/Repair Manager	John Benson	\$46,305.00			\$46,305.00	\$11,398.08	\$10,685.70	\$12,583.51		\$34,667.29	\$11,637.71
Outreach Specialist	Walter Delson	\$7,800.00			\$7,800.00	\$532.00	\$114.00	\$190.00		\$836.00	\$6,964.00
Case Manager/support services	Kristen Spencer	\$33,500.00			\$33,500.00	\$6,599.55	\$6,845.17	\$8,093.42		\$21,538.14	\$11,961.86
Attendant 2	Rodney Alaniz	\$30,600.00	\$-655.14	\$-20,948.82	\$8,996.04	\$2,769.38	\$0.00	\$0.00		\$2,769.38	\$6,226.66
Attendant 8	Kesi Dunlop	\$3,825.00		\$2,959.20	\$6,784.20	\$949.54	\$2,668.28	\$3,166.38		\$6,784.20	\$-0.00
Attendant 3	Melissa Lutrell	\$30,600.00			\$30,600.00	\$5,013.75	\$0.00	\$0.00		\$5,013.75	\$25,586.25
Bookkeeper	Jennifer Turnage	\$12,740.00			\$12,740.00	\$2,485.84	\$1,592.51	\$2,296.90		\$6,375.25	\$6,364.75
Office Manager	Richard Woolbert	\$33,696.00			\$33,696.00	\$8,282.25	\$8,140.50	\$12,347.55		\$28,770.30	\$4,925.70
Dispatcher 2	Rosa Genet-Lira	\$33,280.00			\$33,280.00	\$7,140.72	\$8,114.70	\$10,302.00		\$25,557.42	\$7,722.58
Dispatcher 3	Inger Maxwell	\$33,280.00			\$33,280.00	\$7,859.28	\$7,836.52	\$10,070.00		\$25,765.80	\$7,514.20
Dispatcher 4	Aaron Nelson	\$33,280.00			\$33,280.00	\$7,200.60	\$7,884.52	\$9,574.00		\$24,659.12	\$8,620.88
Attendant 1	Aaron Eminger	\$30,600.00		\$11,043.76	\$41,643.76	\$10,960.63	\$13,720.00	\$16,963.13		\$41,643.76	\$0.00
Attendant 5	Ingrid Stephan	\$30,600.00			\$30,600.00	\$3,492.81	\$3,190.00	\$6,575.00		\$13,257.81	\$17,342.19
Dispatcher/ Driver	Amber Rhoden	\$22,950.00		\$3,787.21	\$26,737.21	\$8,074.58	\$7,949.63	\$10,713.00		\$26,737.21	\$0.00
Attendant 4	Andrew Fusco	\$30,600.00			\$30,600.00	\$4,895.00	\$6,317.50	\$8,922.50		\$20,135.00	\$10,465.00
Driver 1	Ernie Vegas	\$22,950.00			\$22,950.00	\$8,308.15	\$7,522.50	\$4,582.50		\$20,413.15	\$2,536.85
Attendant 10	Michael Shannon	\$11,475.00			\$11,475.00	\$2,819.07	\$3,192.50	\$4,635.00		\$10,646.57	\$828.43
Dispatcher 1	Flor Chahua-Ortiz	\$33,280.00			\$33,280.00	\$7,619.76	\$7,655.28	\$7,552.00		\$22,827.04	\$10,452.96
Transportation Manager/Driver	Eduardo Guiza	\$28,288.00			\$28,288.00	\$4,649.20	\$6,399.40	\$8,798.20		\$19,846.80	\$8,441.20
Attendant/Driver	El Malik El Wahid	\$22,950.00			\$22,950.00	\$4,748.46	\$4,998.75	\$1,783.13		\$11,530.34	\$11,419.66
Attendant 6	Angelica Franco	\$30,600.00			\$30,600.00	\$7,686.88	\$8,165.00	\$9,289.50		\$25,141.38	\$5,458.62
Attendant 9	James Anderson	\$30,600.00			\$30,600.00	\$6,483.44	\$6,674.38	\$7,358.75		\$20,516.57	\$10,083.43
Attendant 7	Laurie Alarab	\$30,600.00			\$30,600.00	\$4,987.50	\$5,564.50	\$5,877.50		\$16,429.50	\$14,170.50
Taxes/Benefits		\$276,823.00			\$276,823.00	\$56,272.93	\$59,656.30	\$90,958.58		\$206,887.81	\$69,935.19
Licenses and Fees		\$200.00		\$29.65	\$229.65	\$48.65	\$151.00	\$30.00		\$229.65	\$0.00
Office Supplies		\$4,000.00	\$267.73	\$1,657.56	\$5,925.29	\$2,369.50	\$1,898.23	\$1,657.56		\$5,925.29	\$0.00
Communications/Telephones		\$42,000.00			\$42,000.00	\$14,006.51	\$12,559.43	\$11,303.35		\$37,869.29	\$4,130.71
Payroll Services		\$4,498.00			\$4,498.00	\$868.61	\$970.57	\$656.00		\$2,495.18	\$2,002.82
Postage and Mailings		\$2,500.00			\$2,500.00	\$274.82	\$1,170.62	\$748.03		\$2,193.47	\$306.53
Tax Preparation		\$2,000.00			\$2,000.00	\$0.00	\$0.00	\$0.00		\$0.00	\$2,000.00
Rent and utilities		\$79,000.00			\$79,000.00	\$18,329.04	\$17,731.38	\$18,137.78		\$54,198.20	\$24,801.80
Equipment		\$1,500.00	\$387.41		\$1,887.41	\$1,129.41	\$758.00	\$0.00		\$1,887.41	\$0.00
Vehicles gas & repairs		\$10,000.00			\$10,000.00	\$2,075.46	\$2,643.94	\$2,530.77		\$7,250.17	\$2,749.83

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Insurance		\$52,000.00			\$52,000.00	\$13,394.18	\$11,035.84	\$19,581.14	ATTACHMENT B	\$7,988.84
Technology and Security		\$1,500.00			\$1,500.00	\$297.57	\$304.77	\$472.97		\$424.69
Copying and Printing		\$7,500.00			\$7,500.00	\$2,112.16	\$986.34	\$1,617.84		\$2,783.66
<b>TOTAL</b>		<b>\$1,252,320.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,252,320.00</b>	<b>\$284,452.17</b>	<b>\$280,974.76</b>	<b>\$351,602.32</b>		<b>\$335,290.75</b>

Advances Received **\$957,914.00**  
 Underspent/(Overspent) **\$40,884.75**

**Quarter 2 Budget Modification:**

To apply additional funds to cover equipment and supplies needed for Measure E operations

**Reason For Current Budget Modification:**

Rodney Alaniz moved on to another organization, we cannot cover development costs with ME funds, and some over the overages are due to necessity for business operations and coverage of additional shifts to keep operations running smoothly. We had to pay our annual renewal fees for our health benefits which accounts for the increase on the taxes and benefits line item.

Upload of Resumes for New Staff (required): [Go to Document Upload page](#)

- Expenditures reported in this statement are in accordance with our contract agreement and are taken from our books of account which are supported by source documentation.
- All federal and state taxes withheld from employees for this reporting period were remitted to the appropriate government agencies. Furthermore, the employer's share or contributions for Social Security, Medicare, Unemployment and State Disability insurance, and any related government contribution required were remitted as well.

Prepared By: [Jennifer Turnage](#)

Email: [jen@easydoesitservices.org](mailto:jen@easydoesitservices.org)

Date: 07/03/2019

Authorized By: [Nikki Brown-Booker](#)

Email: [nikki@easydoesitservices.org](mailto:nikki@easydoesitservices.org)

Name of Authorized Signatory with Signature on File

<b>Approved By:</b> <a href="#">Mary-Claire Katz</a> 07/03/2019 Project Manager Date	<b>Examined By:</b> _____ CSA Fiscal Unit Date	<b>Approved By:</b> _____ CSA Fiscal Unit Date
<b>Budget Modification Approved By:</b> <a href="#">Rhianna Babka</a> 07/03/2019 Rhianna Babka Date		

Initially submitted: May 2, 2019 - 13:08:08

Returned to Draft 07-02-2019

Reason: Please add explanation for why your taxes/benefits went up by \$30,000



Office of the City Manager

**24**

ACTION CALENDAR  
 March 26, 2019  
 (Continued from February 26, 2019)

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Kelly Wallace, Interim Director, Health, Housing & Community Services Department

Subject: Referral Response: 1000 Person Plan to Address Homelessness

SUMMARY

On any given night in Berkeley, there are nearly 1,000 people experiencing homelessness. The City of Berkeley has implemented a number of programs to respond to this crisis, but data from the homeless point-in-time count indicate that, for the past several years, homelessness has nonetheless steadily increased. To understand the resources and interventions required to end homelessness in Berkeley--both by housing the currently unhoused population and by preventing inflow of future homelessness--the City Council asked staff to create a 1000 Person Plan on April 4, 2017. This report responds to that referral.

While all homeless people lack stable housing, not everyone needs the same level of support to obtain housing. To end homelessness in Berkeley, the city needs targeted investments in a variety of interventions, ensuring every person who experiences homelessness in Berkeley receives an appropriate and timely resolution according to their level of need (i.e., a homeless population of size “functional zero”). HHCS staff analyzed ten years of administrative homelessness data to understand the personal characteristics of people experiencing homelessness in Berkeley, how they are interacting with homeless services in Berkeley, and the factors most predictive of exiting homelessness without eventually returning back to the system.

From these analyses, HHCS staff estimate that over the course of a year, nearly 2000 people experience homelessness in Berkeley. This population has been growing because the population is increasingly harder to serve (longer histories of homelessness and more disabilities) and because housing is too expensive for them to afford on their own.

The types and sizes of all interventions to help Berkeley reach “functional zero” by 2028 are described in this report. To end homelessness for 1000 people in Berkeley, the original referral directive from City Council, the city will need up-front investments in targeted homelessness prevention, light-touch housing problem-solving, rapid

rehousing, and permanent subsidies, with a cost of \$16 - \$19.5 million up front and an annual ongoing expense of between roughly \$12 – 15 million. These analyses suggest, though, that a 1000 Person Plan will not address the entire homeless population in Berkeley, but rather a portion of it. To end homelessness for all who experience it in Berkeley over the coming ten years, staff estimate an annual expense of between \$17 and \$21 million in year one, growing annually to a total expense of between \$31 and \$43 million by 2028. Staff recommend four strategic goals for the Council to consider in moving Berkeley's current system more rapidly towards a goal of functional zero.

These projected costs are in addition to Berkeley's current general fund expenditures on homeless services. Detailed analyses and cost estimates supporting staff's conclusions and recommendations are included as Attachment 1.

## CURRENT SITUATION AND ITS EFFECTS

### *Overview of homelessness in Berkeley*

Most homeless services experts agree that the HUD Point-in-Time (PIT) count actually undercounts the number of people experiencing homelessness in a community. If Berkeley's estimated homeless population size of 972 is based on a single night of data, that number will have missed anyone who lost their housing the next night, or who ended their homelessness the night before. This static, one-night number provides insufficient data to plan for a budgetary response to homelessness over the course of several fiscal years.

To address this, HHCS staff obtained 42,500 individual records from the county's Homeless Management Information System (HMIS), HUD's standardized homeless database where information on every person touching the service system in Berkeley is recorded. These records date to 2006, the first year Berkeley programs began participating in HMIS, and represent the most comprehensive data source available for such a project. Using these data, staff found:

- Over the course of a year in Berkeley, nearly 2000 people experience homelessness of some duration. This number has been steadily growing at an average rate of 10% every 2 years and is highly disproportionate in its racial disparity: since 2006, 65% of homeless service users in Berkeley identify as Black or African American, compared to a general population of less than 10%.
- Despite this growing population, Berkeley's homeless services beds<sup>1</sup> have been serving fewer unique households over time—even after accounting for the change in system bed capacity over time. The average number of unique individuals served per system bed has dropped from a high in 2011 of over 5 to under 3 by 2017.

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<sup>1</sup> This includes emergency shelter, transitional housing, and rapid rehousing programs.

- The same individuals appear to be cycling in and out of homelessness in Berkeley. When looking only at clients who have used the system multiple times we find that the average number of times these individuals return back to homeless services has been increasing 9% year over year, and has increased 160% since 2006 (from 1.4 previous entries in 2006 to 3.5 in 2017). Moreover, these homeless people are finding it harder to exit those beds to permanent housing year over year; the average number of days they are spending in homeless services beds has been increasing an average of 13% year over year, from just under 1 month in 2006 to just under 3 months in 2017.
- The likelihood of returning back to homelessness in Berkeley after previously exiting the system for a permanent housing bed is increasing over time, irrespective of personal characteristics or the type of service accessed. Importantly, among those who previously exited the system to permanent housing in the past but eventually returned, the largest percentage of those exits had been to unsubsidized rental units. None of this is surprising given the extreme increase in the East Bay's rental housing costs over the past several years, and the volatility that creates for poor and formerly homeless people struggling to make rent.
- A comprehensive regression analysis found that having any disability (physical, developmental, substance-related, etc.) is by far the single largest reason a person is unlikely to exit homelessness to housing and subsequently not return back to homelessness.<sup>2</sup> Unfortunately, the percentage of homeless Berkeleyans self-reporting a disability of any kind has increased greatly, from 40% in 2006 to 68% by 2017--meaning the population is increasingly comprised of those least likely to permanently end their homelessness with the services available.
- Per Federal mandate, all entities receiving HUD funding for homeless services are required to create a Coordinated Entry System (CES) that prioritizes limited housing resources for those who are most vulnerable. However, Berkeley's Federal permanent supportive housing (PSH) budget, which supports housing for 260 homeless people, can place only about 25-30 new people every year. To help alleviate this lack of permanent housing subsidy, Berkeley experimented with prioritizing rapid rehousing for its highest-needs individuals at the Hub. We found that rapid rehousing can be used as a bridge to permanent housing subsidies, but, used alone, cannot prevent some of the highest needs people from returning to homelessness.

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<sup>2</sup> We regressed all final permanent exits from Berkeley's homeless services system (i.e., an exit to permanent housing with no eventual return back to the system at some point thereafter) on a variety of personal characteristics, controlling for type of service accessed and year of enrollment in that project. Those reporting any disability were over 730% less likely to permanently exit the system. Race and gender had no discernable pattern of effects on outcomes.

Staff conclude from these findings that **the system has not created sufficient permanently subsidized housing resources to appropriately service a Coordinated Entry System**, and has instead relied on rapid rehousing to exit them from the system. Overreliance on rapid rehousing with high needs individuals in a tight housing market—all of which we found evidence for in these data—is a strategy that is tenuous in the long-run, as HHCS has previously explained in an April 2018 Information Report.<sup>3</sup>

#### *Overview of a Homelessness Response Plan*

In offering a response to this situation, HHCS staff offers the following:

- First, even with a fully-funded system, some people will continue to experience housing crises over time, and some of those people may lose their housing as a result. What can be designed, however, is a homelessness response system that renders homelessness brief, rare, and non-recurring: that is, a system that quickly triages each person based on their need and assigns them to an appropriate level of support to resolve their housing crisis as quickly as possible. A homeless population of ‘zero’ on any given night cannot be planned for, but a homeless population of ‘functional zero’ can: in other words, if the system’s capacity to resolve homelessness is greater than the rate at which people are becoming homeless over time, then long-term, chronic episodes of homelessness can be eliminated.
- Second, while every homeless person lacks permanent housing, not everyone needs the same level of support to obtain and retain new housing. A “right-sized” system offers the right amount of a variety of interventions, ranging from targeted homelessness prevention, to light-touch, one time assistance like housing problem solving assistance, to rapid-rehousing, to permanently subsidized housing.
- Third, not all permanent housing subsidies are the same. Some high-needs individuals require a deep subsidy (whereby they pay 30% of their income, whatever that may be, towards rent, with subsidy to cover the rest). However, many others would be able to remain permanently housed with a shallow subsidy (for example, \$600 per month). In projecting costs, we offer two permanent subsidy options for Council to consider: an option with 100% deep subsidies for everyone who needs ongoing support, and an option that has some subsidy variation.<sup>4</sup>

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<sup>3</sup> See: [https://www.cityofberkeley.info/Clerk/City\\_Council/2018/04\\_Apr/Documents/2018-04-24\\_Item\\_39\\_Rapid\\_Rehousing\\_What\\_it\\_Can.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2018/04_Apr/Documents/2018-04-24_Item_39_Rapid_Rehousing_What_it_Can.aspx)

<sup>4</sup> Specifically, we assume that 1/3 will receive set-aside access to below market-rate (BMR) affordable units already subsidized for those at 50% AMI; 1/4 will receive market-rate apartments with subsidies covering 50% of the rent; 1/5 will receive a flat subsidy of \$600 per month; and 1/4 will receive permanent



*Addressing homelessness for 1000 people in Berkeley—the 1000 Person Plan*

To permanently end homelessness for 1000 people in Berkeley, we estimate that the resources outlined below will be required. Detailed information on calculations, assumptions, and cost projections are available in Attachment 1.

<b>Inventory - slots needed</b>	
Targeted homeless prevention slots	295
Light touch, no financial assistance slots	211
Rapid Rehousing slots	211
Permanent Supportive Housing (PSH) slots	218
Permanently subsidized housing (PH) slots	361
Outreach (FTE)	11
<b>Cost (all line items assume 20% nonprofit admin expenses and associated city staff costs)</b>	
Targeted homeless prevention slots	\$1,326,230
Rapid Rehousing slots	\$2,000,112
PH + PSH subsidies and case management -- 100% deep subsidies*	\$15,347,297
PH + PSH subsidies and case management -- with subsidy variation*	\$11,891,616
Outreach costs	\$891,000
<b>TOTAL ANNUAL COST -- 100% deep subsidies</b>	<b>\$19,564,639</b>
<b>TOTAL ANNUAL COST -- with subsidy variation</b>	<b>\$16,108,958</b>

\* Represents an ongoing annual expense

This amounts to an up-front expense ranging from roughly \$16 - \$19.5 million up front, with an annual ongoing expense of between roughly \$12 – 15 million for permanent subsidies.

A plan for solving homelessness for 1,000 people, the original Council referral, does not transform Berkeley's homeless system into a system that achieves "functional zero". To achieve functional zero, more resources would be needed as outlined below.

*Ending all homelessness in Berkeley – A plan for Functional Zero by 2028*

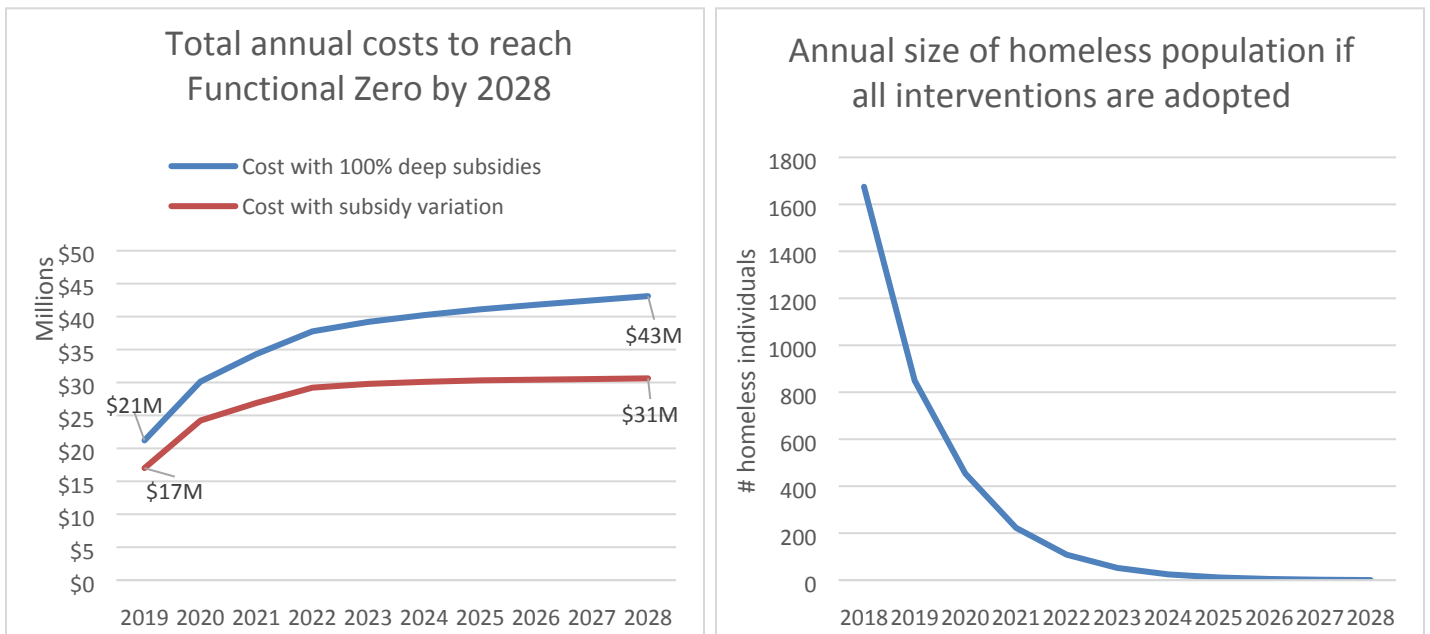
A plan to sustainably end homelessness in Berkeley within 10 years would require:

- An investment in targeted homelessness prevention of roughly \$1.5M annually;

subsidy in market-rate apartments at 30% of their income. These proportions align with those used in the 2018 EveryOne Home Strategic Plan update.

- An investment in light-touch, housing problem-solving for rapid rehousing of roughly \$2M in year one, shrinking to roughly \$700,000 by 2028;
- An investment in permanently subsidized housing of:
  - \$17M in year one, growing to \$42M annually by 2028, for 100% deep subsidies;
  - \$13M in year one, growing to \$29M by 2028, for a varied approach to permanent subsidy.

This amounts to a total annual expense—and corresponding effect on the homeless population—as follows:



Detailed information on calculations, assumptions, and cost projections are available in Attachment 1.

Since this option requires an investment of substantially more resources than currently available, staff propose the following 5-year goals as a starting point.

*Strategic Goals for Addressing Homelessness in Berkeley*

Given the complexity and cost of homelessness in Berkeley, staff recommend that Council prioritize the following strategic goals over the following 5 years:

1. *Transform Berkeley’s shelter system into a housing-focused, low-barrier Navigation System.* Staff project that this can be accomplished with \$4.8 million in

2019, growing annually with costs of living to reach \$5 million annually by 2023. To be maximally successful, this strategy relies on increased County and State funding for permanent housing subsidies. We believe, however, that shelters could improve housing outcomes with additional financial resources. Navigation centers, which are open 24 hours and allow more flexibility for clients, are more appealing to Berkeley's highest-needs street homeless population.

2. *Reduce chronic homelessness by 50% by 2023.* Staff project a total annual cost of \$1.3 million beginning 2019, growing to \$5.1 million annually in 2023 and beyond, to fund both deep and shallow permanent housing subsidies.
3. *Enhance the efficacy of homeless prevention resources with pilot interventions specifically targeted to need.* Staff project that this can be accomplished with \$1.45 million in 2019, growing with costs of living to reach \$1.52 million annually by 2023. For reasons detailed in the report, we recommend Council adopt this goal only after making progress on goals 1 and 2. Ideally, this would be funded by Alameda County, given the regional nature of housing and homelessness.
4. *Continue to implement changes to Berkeley's Land Use, Zoning, and Development Review Requirements for new housing with an eye towards alleviating homelessness.* If present economic trends continue, the pace with which new housing is currently being built in Berkeley will likely not allow for a declining annual homeless population. Berkeley should continue to streamline development approval processes and reform local policies to help increase the overall supply of housing available, including affordable housing mandated by inclusionary policies.

We project that the annual costs of achieving all these goals (with the exception of goal #4, which cannot be quantified at this time) is \$7.8 million in year one, growing to \$12.7 million annually by 2023. Detailed information on calculations, assumptions, and cost projections are available in Attachment 1.

#### BACKGROUND

On April 4, 2017, Council voted unanimously to take the following action: "Refer to the City Manager the creation of a 1,000 Person Plan to address the homeless crisis in Berkeley as described in the attached Pathways Project report, including prevention measures and a comprehensive approach that addresses the long-term needs of the City's approximately 1,000 homeless individuals. The plan should include the assessment, development and prioritization of all homeless housing projects currently underway; all homeless housing referrals from Council; housing and service opportunities that may be proposed by the City Manager; and a comprehensive plan to purchase, lease, build or obtain housing and services for Berkeley's homeless. The 1,000 Person Plan shall be presented to the City Council by the end of 2017 and include a preliminary budget and proposed sources of income to fund capital and operational needs over a 10-year period."

#### ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects associated with strategic goals #1, 2, and 3 recommended in this report. The adoption of strategic goal #4 may have potentially significant environmental impacts, such as the reduction in vehicle emissions as commuters have access to denser housing along public transit corridors, case managers have less distance to travel when performing home visits to their formerly homeless clients, etc. Precise effects depend on specific actions taken.

POSSIBLE FUTURE ACTION

The City may consider adopting one or more of the four strategic goals outlined above.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

True costs of all four goals are unknown, but staff estimate that the 5-year strategic goals 1-3 will cost \$7.8 million in year one, growing to \$12.7 million annually by 2023.

CONTACT PERSON

Peter Radu, Homeless Services Coordinator, HHCS, 510-981-5435.

Attachments:

1: Analyses, assumptions, and cost projections.

## Attachment 1: Analyses, Assumptions, and Cost Projections Supporting the 1000 Person Plan Referral Response

To perform these analyses, HHCS has over the past several months:

- Obtained 42,500 individual records from the county's Homeless Management Information System (HMIS), HUD's standardized homeless database where information on every person touching the service system in Berkeley is recorded. These records date to 2006, the first year Berkeley programs began participating in HMIS, and represent the most comprehensive data source available for such a project.
- Partnered with an intern from the UC Berkeley Goldman School of Public Policy to perform intensive data preparation and preliminary analyses.
- Aligned analytical methods with EveryOne Home (Alameda County's collective impact organization to end homelessness) and the City of Oakland, which have both undertaken similar sets of analyses, to ensure comparability to other strategic plans to address homelessness in the East Bay.

This attachment is structured in three parts.

- **Part I** presents comprehensive analyses of Berkeley's Homeless Services System using HMIS data, finding that homeless services users in Berkeley are generally getting more disabled and experiencing more spells of homelessness, exacerbating two problems: (i) they are remaining in shelter and transitional housing, finding it increasingly difficult to exit; and (ii) they are returning to homelessness with increasing frequency for lack of permanently affordable housing options in the greater Bay Area housing market. It draws the conclusion that the greatest need to end homelessness in Berkeley is permanently subsidized, affordable housing.
- **Part II** uses the analytical findings from Part I to present a model for reaching "functional zero" in Berkeley by 2028. We argue that to permanently render homelessness brief, rare, and non-recurring in Berkeley, the city should invest in the following five types of interventions:
  1. Targeted homeless prevention;
  2. Light-touch interventions with no financial assistance;
  3. Rapid Re-housing;
  4. Permanent Supportive Housing; and
  5. Permanently subsidized housing without services.

Using intervention types and analytical methods that closely align with those used by EveryOne Home and the City of Oakland, we project that the total annual cost of these interventions is between \$17 and \$21 million in year one, growing annually to a total annual cost of between \$31 and \$43 million by 2028, to reach "functional zero."

Much discussion has been given to the concept and costs associated with housing 1000 people in Berkeley. Using the same analytical methods, we estimate that permanently ending homelessness for 1000 people in Berkeley (i.e., the number sleeping on our streets on any given night) will require ongoing costs of between \$16 and \$20 million annually. This does not account for future inflow of newly homeless people into Berkeley so will not permanently address homelessness in Berkeley.

All projected costs are in addition to Berkeley's current general fund contribution to homeless services.

- **Part III** presents strategic recommendations for the Council. Given the complexity and cost of homelessness in Berkeley, staff recommend that Council prioritize the following strategic goals over the following 5 years:
  1. *Transform Berkeley's shelter system into a housing-focused, low-barrier Navigation System.* Staff project that this can be accomplished with \$4.8 million in 2019, growing annually with costs of living to reach \$5 million annually by 2023. To be maximally successful, this strategy relies on increased County and State funding for permanent housing subsidies.
  2. *Reduce chronic homelessness by 50% by 2023.* Staff project a total annual cost of \$1.3 million beginning 2019, growing to \$5.1 million annually in 2023 and beyond.
  3. *Enhance the efficacy of homeless prevention resources with pilot interventions specifically targeted to need.* Staff project that this can be accomplished with \$1.45 million in 2019, growing annually with costs of living to reach \$1.52 million annually by 2023. For reasons detailed in the report, we recommend that Council adopt this goal only after making progress on goals 1 and 2. Ideally, such an effort would be funded by Alameda County, given the regional nature of housing and homelessness.
  4. *Continue implementing changes to Berkeley's Land Use, Zoning, and Development Review Requirements for new housing with an eye towards alleviating homelessness.* If present economic trends continue, the pace with which new housing is currently being built in Berkeley will likely not allow for a declining annual homeless population. Berkeley should continue to streamline development approval processes and reform local policies to help increase the overall supply of housing available.

We project that the annual costs of achieving all these goals (with the exception of goal #4, which cannot be quantified at this time) is \$7.8 million in year one, growing to \$12.7 million annually by 2023.

## Part I - Overview of Berkeley's Homeless System Performance

*Finding 1: Our homeless population is growing—and it is bigger than we thought.*

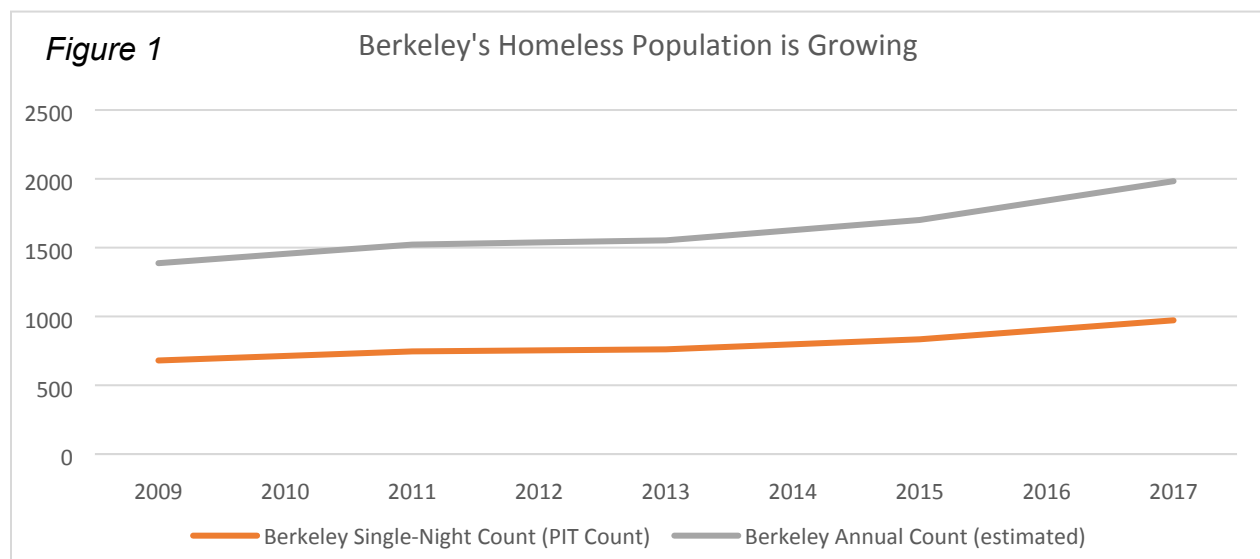
Most homeless services experts agree that the HUD Point-in-Time (PIT) count actually undercounts the number of people experiencing homelessness in a community. If Berkeley’s estimated homeless population size of 972 is based on a single night of data, that number will have missed anyone who lost their housing the next night, or who ended their homelessness the night before. If people flow in and out of homelessness every day, then utilizing a static, single-night estimate of the population size as the baseline will underestimate the true annual need from a resources perspective (and thus annual costs from a budgetary perspective). Simply put, a plan to house 1000 people will not end Berkeley’s homeless crisis, but rather end a portion of it.

With this in mind, estimating the *annualized* homeless population size in Berkeley—and quantifying how it changes over time—is the first step towards “right-sizing” the system. Projecting the correct number of housing subsidies to fund in a budget year, for example, should be based on the estimated number of people who actually need to be served over the course of that budget year.

	2009	2011	2013	2015	2017
<i>Single-Night Count (from point-in-time data)</i>	680	746*	761*	834	972
<i>Annual homeless pop. (estimated)</i>	1387	1522	1553	1701	1983
<i>Percent change from previous count</i>		10%	2%	10%	17%

\* Estimated from Alameda County counts; Berkeley-specific data are not available.

**HHCS estimates that, over the course of 2017 (the last year for which data are available), as many as 1,983 people experienced homelessness in Berkeley.**<sup>1</sup> As indicated in Figure 1, this annual population has been increasing at an average rate of roughly 10% every two years, with the largest gains occurring between 2015 and 2017:



<sup>1</sup> This number was obtained by estimating a “multiplier” to translate the single-night estimate into an annual estimate. Our estimated multiplier of 2.04 is within the range expected by homeless system experts. The specific methodology used for estimating the multiplier is available upon request.

HHCS has previously reported on staggering racial disparities in the homeless services system.<sup>2</sup> Whereas people identifying as Black or African-American constitute less than 10% of Berkeley's general population, for example, they represent 50% of the single-night homeless population. These analyses reveal that the disparity among service users is even worse: since 2006, 65% of homeless service users in Berkeley identify as Black or African American. This large difference in Black individuals between the point-in-time count and service utilization count suggests that Black Berkeleyans are more likely to seek help from the system if they lose their housing, though this cannot be confirmed from the data available.

*Finding 2: Despite a growing population, our system is serving a progressively smaller percentage of the literally homeless population.*

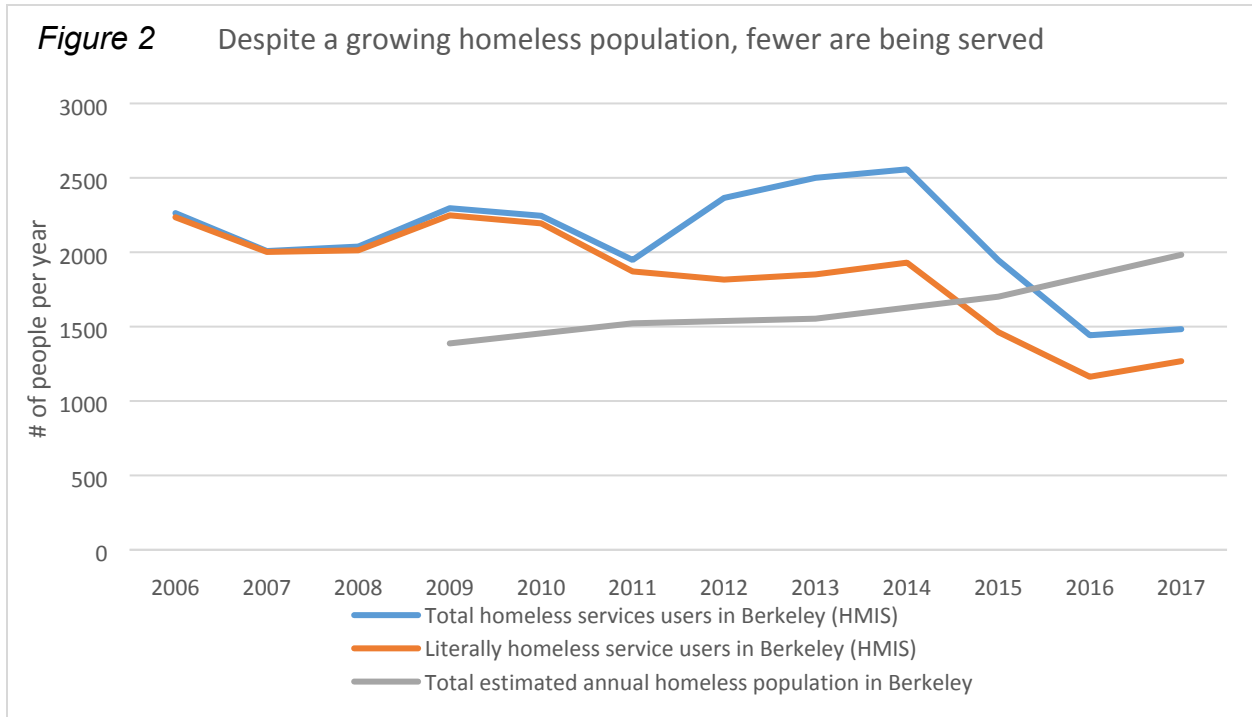
Despite a growing homeless population size, the number of people actually using homeless system services each year in Berkeley (such as shelters, drop-in centers, or rapid rehousing subsidies) has not kept pace with this growth since 2015. Our analysis of HMIS data finds that, between 2011 and 2014, the homeless services system served a large population that was not "literally homeless" upon entry—in other words, people who reported staying with friends or family the night before, or coming from their own housing. Filtering for only those users who came from literal homelessness when entering the system, we find evidence that, **since 2014, the homeless services system is serving a smaller portion of the overall homeless population (see Figure 2).**<sup>3</sup>

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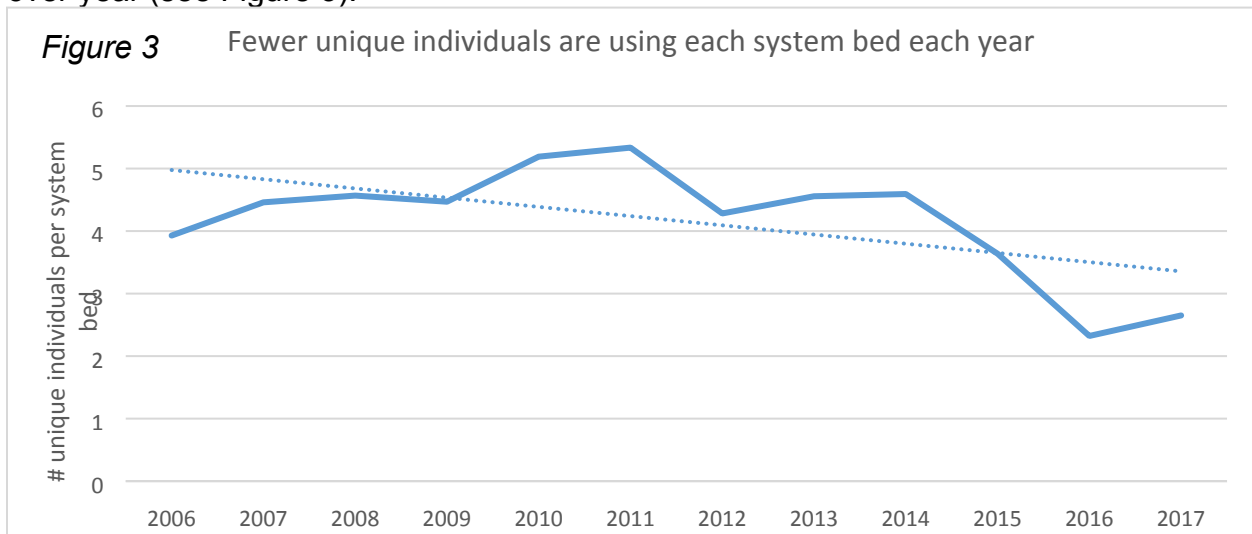
<sup>2</sup> See: [https://www.cityofberkeley.info/Clerk/City\\_Council/2017/07\\_Jul/Documents/2017-07-25\\_Item\\_53\\_2017\\_Berkeley\\_Homeless.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2017/07_Jul/Documents/2017-07-25_Item_53_2017_Berkeley_Homeless.aspx)

<sup>3</sup> In 2014, Berkeley's drop-in centers largely stopped entering new data in HMIS. When isolating the effects of drop-in data, we find that since that time 45% of the discrepancy between literally and non literally homeless users is attributable to drop-in center clients—in other words, 45% of non literally homeless people who used homeless services did so at Berkeley's drop-in centers. Importantly, removing drop-in data altogether has no impact on the trend of overall declining system usership.





**This drop in overall service users does not appear to be a function of a decline in the system’s bed inventory over time.** Between 2006 and 2017, the number of beds in Berkeley’s system (shelter, transitional housing, and rapid rehousing slots) changed, on average, less than 1% year over year. When controlling for the number of beds in the system, we actually find that fewer unique individuals are using any given bed year over year (see Figure 3).



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<i>Total Beds - RRH, ES, TH</i>	294	296	296	296	284	254	284	255	265	276	273	269

Of note, both of the graphs above indicate that, beginning in 2016, trends began to reverse. In 2016, Berkeley began implementing its Coordinated Entry System (CES). These trends indicate that CES has had the discernable effect of serving a rising number of literally homeless people (rather than serving people who could resolve their homelessness with other options, like returning back to family), as was the system's intention.

*Finding 3: The same people appear to be cycling in and out of the homeless system in Berkeley*

What explains this drop in service utilization over time? There are two reasons why fewer unique individuals might be using any given bed each year:

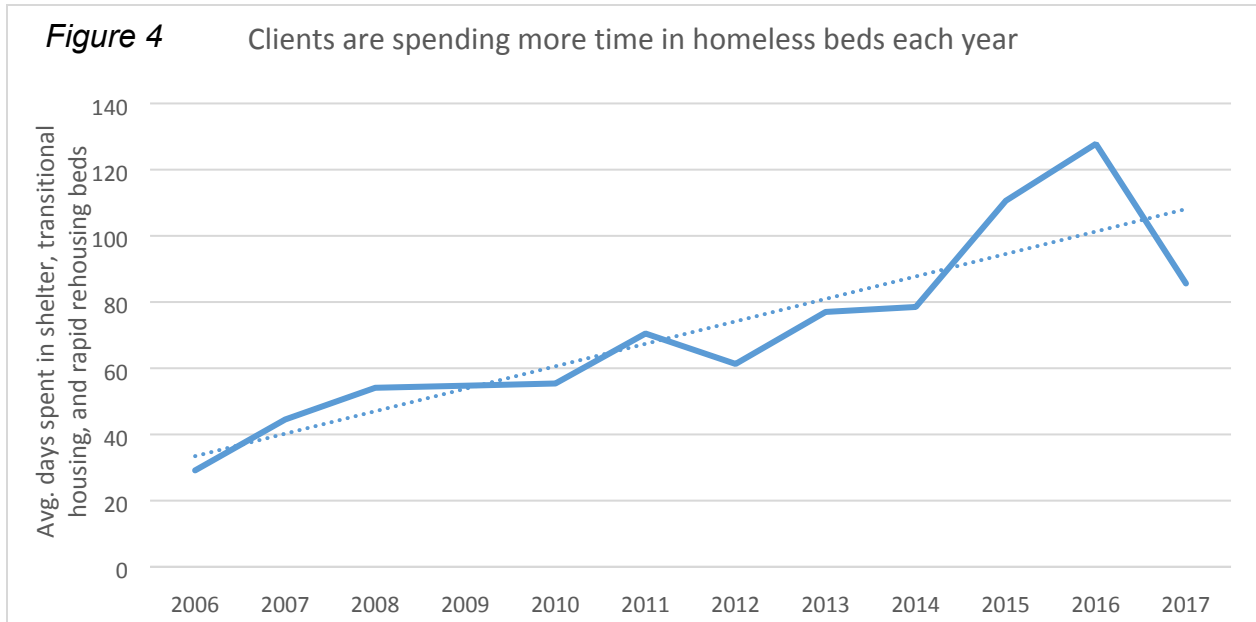
- Hypothesis 1: Different users might be getting increasingly “stuck” in the system over time--finding it more and more difficult, for example, to exit a shelter bed for housing.
- Hypothesis 2: Alternatively, the same, repeat individuals might be cycling through the system more and more over time, thus reducing access to the system for other, “new” users.

This is a critical distinction with divergent policy solutions: the first hypothesis implies that the system lacks resources to quickly “exit” people from homelessness (for example, rapid rehousing subsidies to create “flow” through system beds). The second hypothesis instead implies that the system lacks *permanency* of exits for clients—even if someone previously exited the system to housing, they may be returning to homelessness with greater frequency over time for lack of permanent affordability in the housing market.

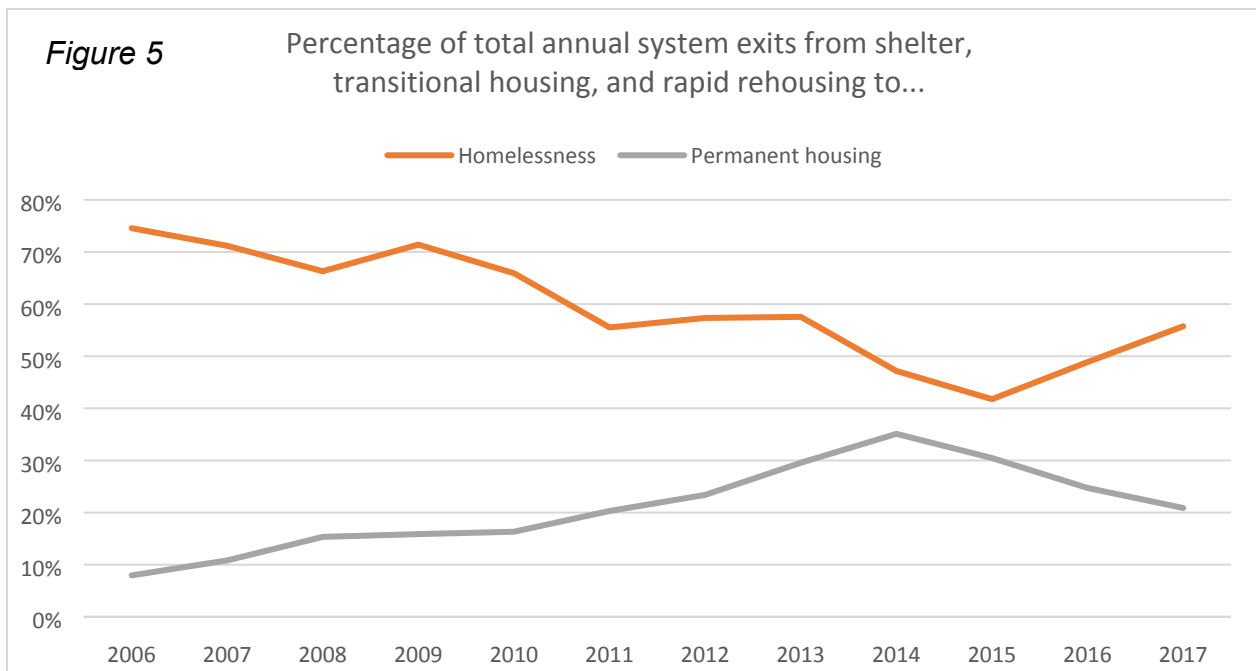
**Our analysis of the data provides some support for both hypotheses.** First, as indicated in Figure 4, the average number of days individuals are spending in homeless services beds has been increasing an average of 13% year over year, from just under 1 month in 2006 to just under 3 months in 2017. Berkeley's shelters only removed length-of-stay limits in 2016 (well after this trend emerged), meaning that the increase cannot be attributed to this policy shift alone (see footnote<sup>4</sup> for more on the dip in 2017):

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<sup>4</sup> Note that, beginning with the initiation of Coordinated Entry in 2016, the upward trend of time spent in homeless beds sharply reversed. There are two potential explanations for this trend reversal: either (i) the average shelter stay length decreased as high-needs individuals, for whom CES began reserving beds, chose not to remain in shelter for long; and/or (ii) CES began prioritizing the longest-term homeless people for housing first, thus helping move some very long-term stayers out of system beds and into housing. Unfortunately, the data available cannot reliably determine which explanation is driving the trend.



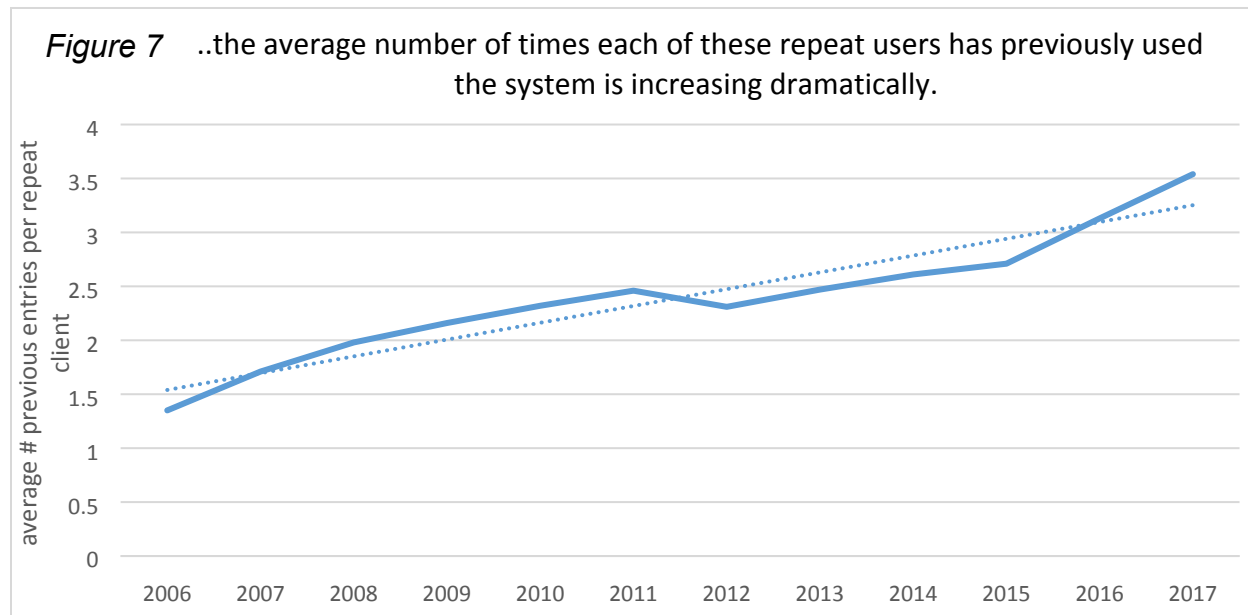
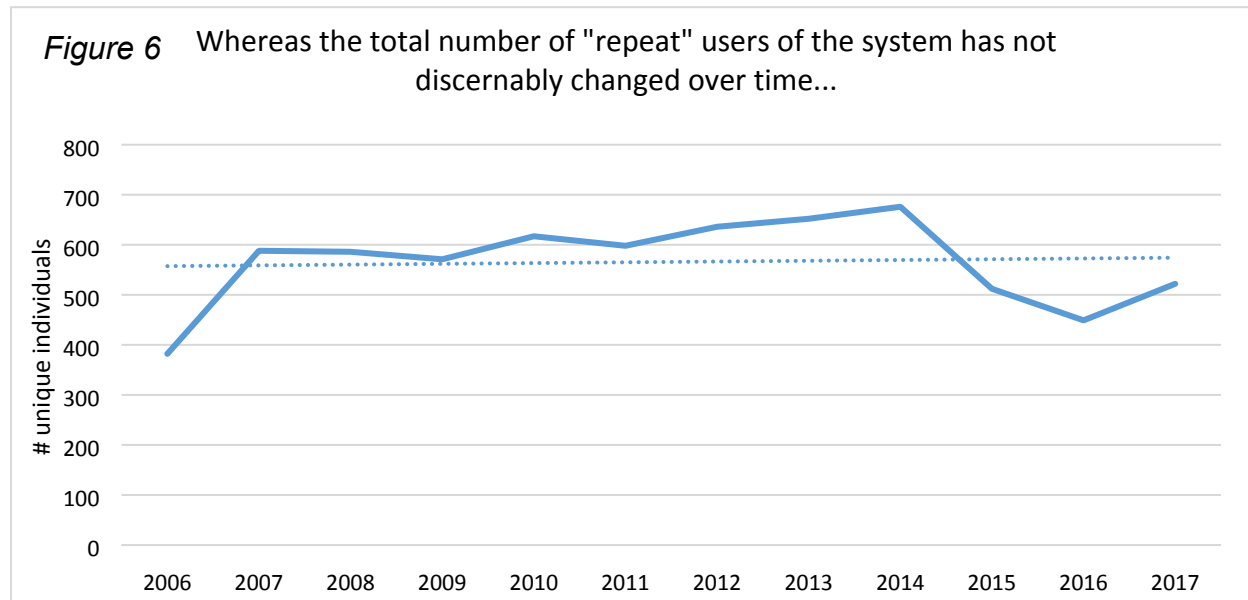
Moreover, in recent years, Berkeley has seen a reversal of an otherwise positive trend: since 2014, clients are increasingly likely to exit the system to homelessness, and less likely to exit to permanent housing destinations (see Figure 5)<sup>5</sup>:



Second, analyses demonstrate that the system is increasingly open to only a small pool of repeat consumers. As shown in Figure 6, the number of repeat consumers has remained relatively stable over time (with Coordinated Entry reversing a downward

<sup>5</sup> Figure 5 includes exits from all system “beds” (including shelter, transitional housing, and rapid rehousing).

trend in 2016, indicating success in targeting long-term homeless people for services), but Figure 7 reveals that this pool of individuals is accounting for an increasingly large share of overall service use:



Overall, the average number of previous entries is increasing an average of 9% year over year, and has increased 160% since 2006—from 1.4 previous entries in 2006 to 3.5 in 2017. (These analyses account for shelter, transitional housing, and rapid rehousing beds only).

To summarize, these trends indicate that homeless people in Berkeley are generally finding that it is harder, and takes longer, to exit homelessness to permanent housing each year—and once they do exit, they seem increasingly likely to return back to the

system over time. A regression analysis on the likelihood of exiting homelessness without eventually returning found that, relative to 2006, Berkeleyans were 16%, 19%, and 22% less likely to exit to housing without returning in 2015, 2016, and 2017, respectively—regardless of any personal characteristics, or the type of service they accessed.

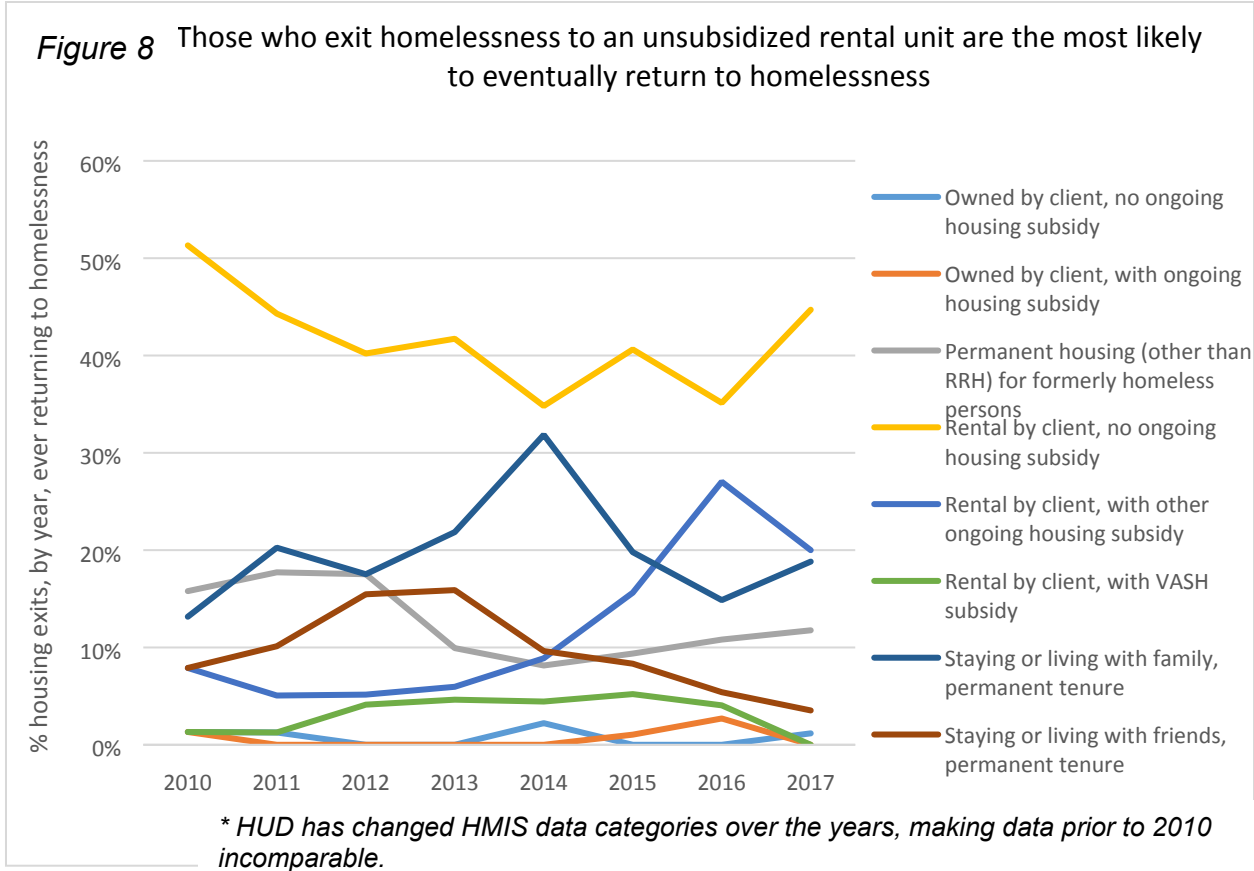
None of this is especially surprising when viewed in light of the East Bay's dramatic uptick in rental prices and housing instability, at all income levels, over the past several years. Between January 2015 and December 2017, for example, average asking rents in Berkeley jumped 54% (from \$1,371 to \$2,113). Meanwhile, homeless Berkeleyans' incomes are increasingly unable to keep pace: in 2017, homeless people exited the system with an average of only \$628 in monthly income, with only 7% able to increase their income by any amount during their stay in the system (from an average of \$481 to an average of \$1,190), irrespective of the type of service accessed. Meanwhile, the average asking rent for a one bedroom apartment in Berkeley in 2017 was \$2,581;<sup>6</sup> in Oakland over the same period, rent averaged \$2,285.<sup>7</sup>

This housing instability, and general inability for previously homeless people to afford rent on their own, is clearly reflected in the system data (Figure 8): among those who previously exited the system to permanent housing in the past but eventually returned, the largest percentage of those exits had been to unsubsidized rental units. **Without an intervention that focuses on creating permanent affordability in the housing market, all available evidence suggests that anything Berkeley does to address homelessness will not reduce it so long as present trends continue.**

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<sup>6</sup> See: <https://www.rentjungle.com/average-rent-in-berkeley-rent-trends/>

<sup>7</sup> See: <https://www.rentjungle.com/average-rent-in-alameda-rent-trends/>



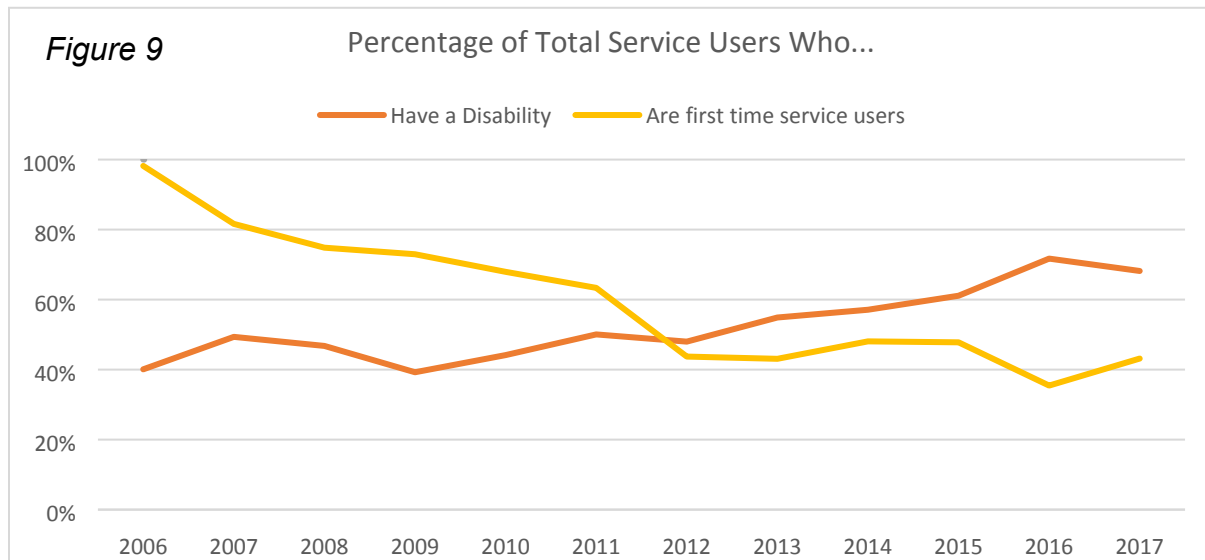
**Finding 4: Berkeley’s homeless population is getting increasingly harder to serve**

All of this begs the question: why are people getting stuck and cycling in and out of homelessness in Berkeley? For one, the data clearly suggest that, in part, the population is increasingly comprised of people who are very difficult to serve.

To isolate the effects of personal characteristics on likelihood of successfully exiting the system and not returning to homelessness, we partnered with an intern from the Goldman School of Public Policy to perform comprehensive system regression analyses. The table below summarizes a few predictive variables of interest in an analysis that controls for year and type of service accessed:

Characteristic	Effect on likelihood of successfully exiting from homelessness
Amt. total monthly income (per dollar)	No effect
Engagement in criminal activity	-5%
Having a disability (of any kind)	-733%

Overall, these analyses reveal that having any disability (physical, developmental, substance-related, etc.) is by far the single largest reason a person is unlikely to exit homelessness to housing and subsequently not return.<sup>8</sup> Perhaps unsurprisingly, Berkeley’s homeless population is not only increasingly serving “repeat” consumers,<sup>9</sup> but a greater proportion of people with a disability over time (see Figure 9):



Note that, in 2016, the percentage of first-time service users saw its single largest increase in the history of the database. By design, Coordinated Entry prioritizes homeless resources for the most vulnerable (those least likely to be able to access the system on their own). We believe that the success of this policy shift is reflected in these trends.

*Finding 5: Coordinated Entry is unlikely to end homelessness in Berkeley without additional permanent subsidies.*

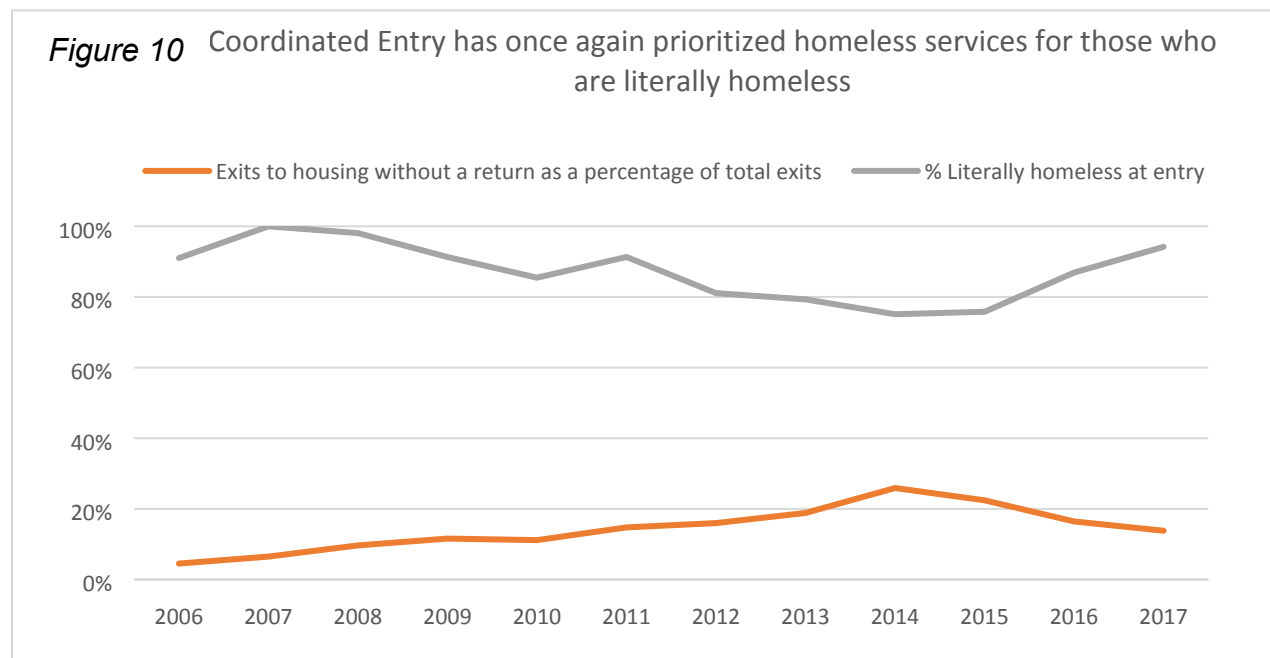
The previous analyses have found that, over the past 11 years, (i) fewer first-time homeless individuals are being served, (ii) more people with disabilities are entering, and (iii) fewer people are exiting to permanent housing—and fewer are likely to keep their housing once they leave. While much of this is undeniably the effect of a housing market that has become more supply-constrained, competitive, and expensive, some of it is also by design: beginning in 2016, our system began intentionally serving long-term and disabled homeless individuals first.

<sup>8</sup> Surprisingly, race/ethnicity had no major effects on someone’s likelihood to exit homelessness without eventually returning, despite the documented disproportionality among people of color experiencing homelessness. We posit two potential explanations: (i) either the system is not regularly discriminating by race when sustainably exiting people to housing; and/or (ii) people of color previously served by the system but returning to homelessness are less likely to access services altogether, or more likely to simply relocate to other communities. The available data cannot be used to distinguish between these two potential explanations.

<sup>9</sup> Note that 100% of clients were “first-time users” in 2006. This is because the database was initiated in 2006, meaning every instance of service use was necessarily someone’s first.

Per Federal mandate,<sup>10</sup> all entities receiving HUD funding for homeless services are required to create a Coordinated Entry System (CES) that prioritizes limited housing resources for those who are most vulnerable (and therefore least likely to resolve their homelessness on their own). On January 4, 2016, Berkeley became the first jurisdiction in Alameda County to establish such a system. This fortunate timing affords these analyses two full years of data to explore the effects of CES on homelessness.

First, Figure 10 demonstrates that Coordinated Entry has restored homeless services for people who are actually literally homeless. Beginning in 2011, Berkeley's homeless services system began serving a significant number of people who were not actually literally homeless—i.e., they spent the previous night in their own rental unit or with friends and family. Unsurprisingly, these individuals likely drove a temporary spike in the percent of overall system exits to housing without an eventual return. Beginning in 2016, with the start of Coordinated Entry, the City's homeless services were restricted to literally homeless people. This change in priority to help literally homeless people who had been on the streets the longest and were disabled has had the trade-off of compromising system housing performance in a remarkably consistent fashion:



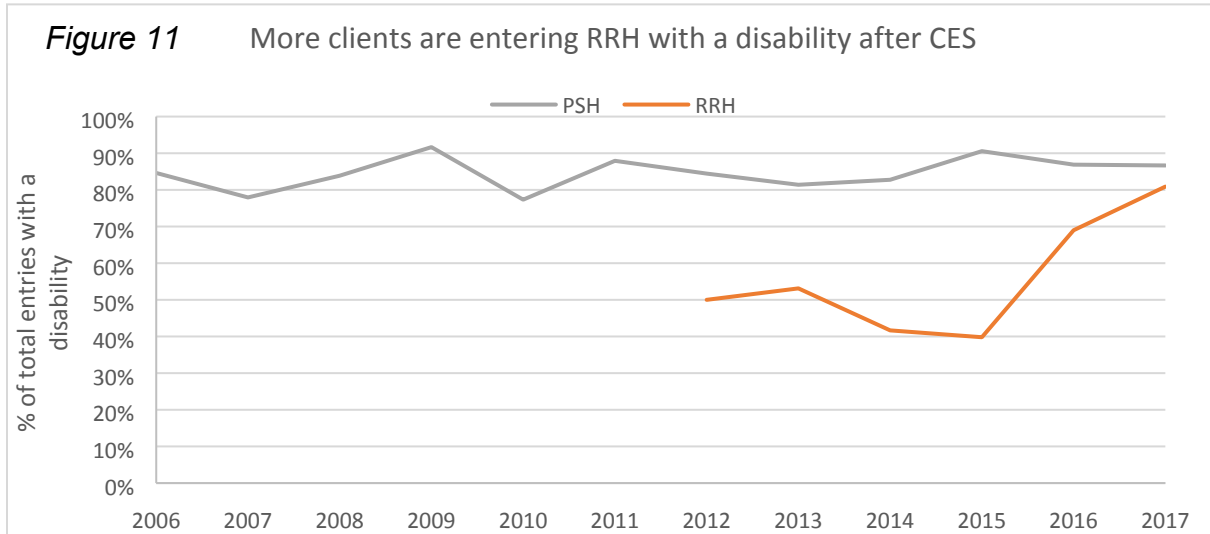
Additional analyses suggest not that Coordinated Entry is ineffective at housing high-needs homeless people in Berkeley, but rather that Berkeley has not had access to sufficient tools needed to implement this policy shift. Berkeley has roughly 260 permanent supportive housing (PSH) vouchers for homeless people. In any given year, only about 10% of these vouchers turn over for new placements, meaning that only 25-30 homeless individuals can be permanently housed, with ongoing deep rental subsidy,

<sup>10</sup> See: <https://www.hudexchange.info/resources/documents/Notice-CPD-17-01-Establishing-Additional-Requirements-or-a-Continuum-of-Care-Centralized-or-Coordinated-Assessment-System.pdf>



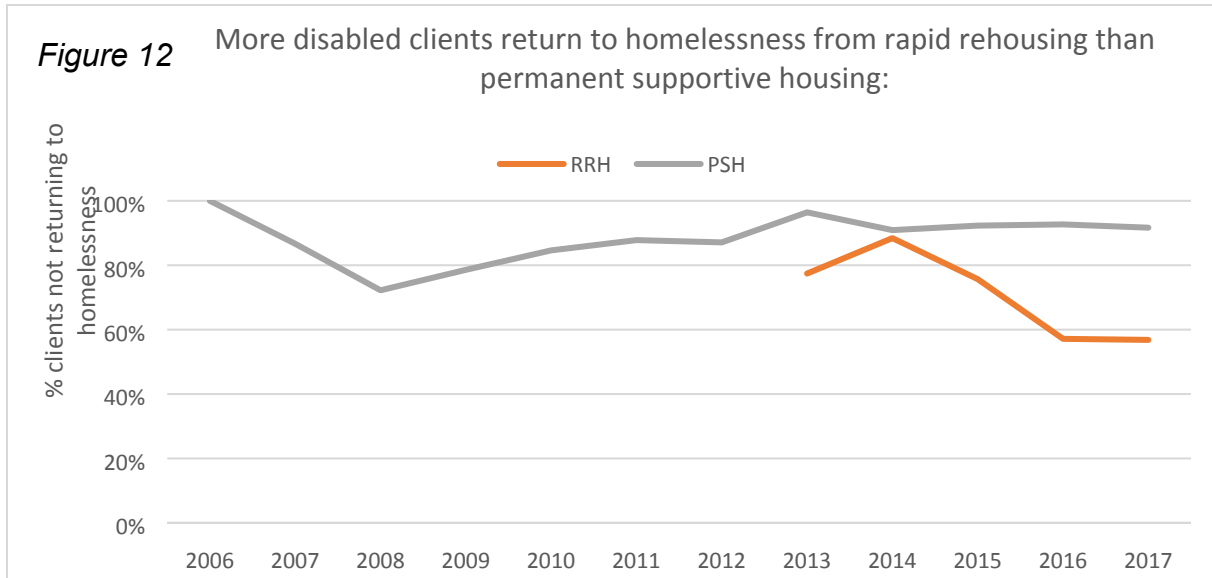
in any given year. Meanwhile, 27% of Berkeley’s homeless population is chronically homeless—261 individuals *on any given night*.

To alleviate this supply/demand mismatch, the City implemented a policy of prioritizing high-needs people not just for PSH, but also for rapid rehousing (RRH),<sup>11</sup> beginning in 2016. As a result, the percentage of RRH clients entering with disability had approached that of PSH by 2017 (see Figure 11):

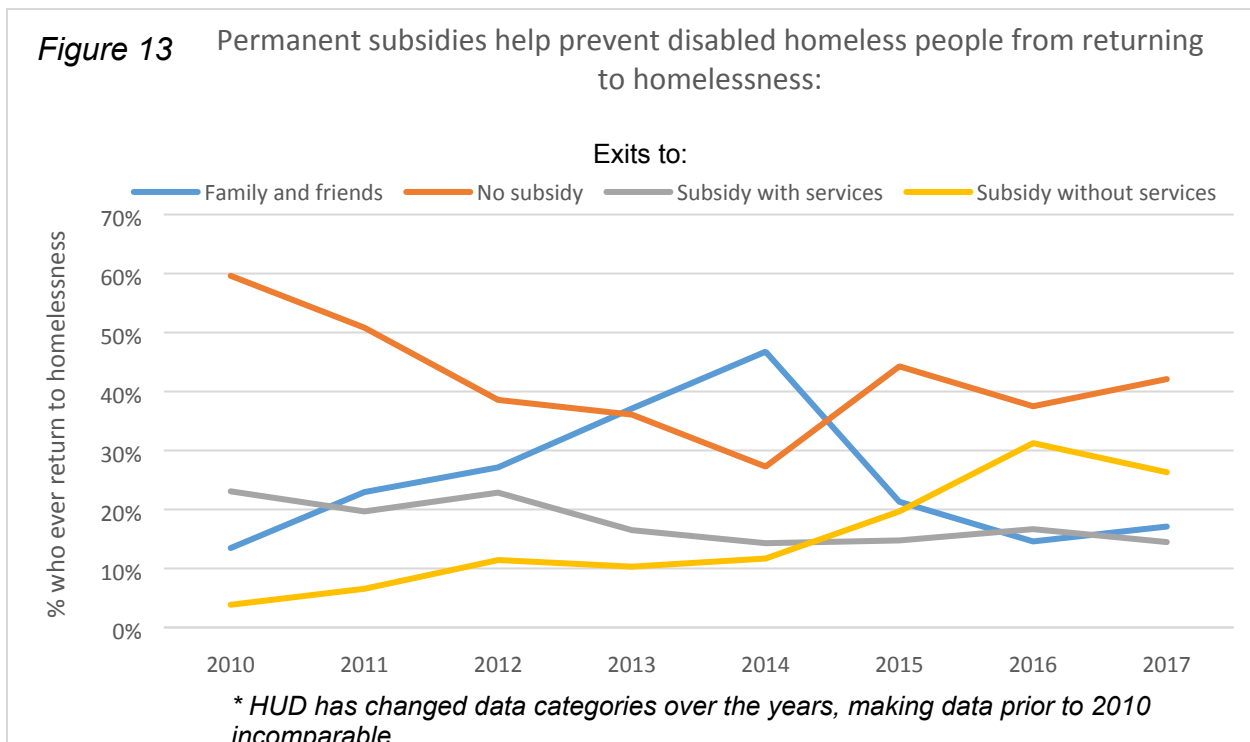


Given what we now know about the statistical effect of disability on housing success, this has had the predictable effect of reducing the percentage of clients who are able to ultimately keep their housing after the subsidy and intervention ends, from a pre-CES average of 81% to a post-CES average of 57%. Compare this to PSH homeless return rates, which were less than 9% in 2017:

<sup>11</sup> For more information on rapid rehousing as an intervention for homelessness, see: [https://www.cityofberkeley.info/Clerk/City\\_Council/2018/04\\_Apr/Documents/2018-04-24\\_Item\\_39\\_Rapid\\_Rehousing\\_What\\_it\\_Can.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2018/04_Apr/Documents/2018-04-24_Item_39_Rapid_Rehousing_What_it_Can.aspx)



In fact, among those who self-report a disability at exit, those exiting to housing with subsidies are consistently less likely to eventually return to homelessness than those who do not:



**Conclusion:** Berkeley’s homeless services system is not under-performing—rather, it lacks the tools appropriate for the population it serves.

These analyses demonstrate, with a level of rigor not previously undertaken within our system, that the performance of homeless services in Berkeley is declining over time

because it is suffering from a fundamental mismatch between client characteristics and appropriate resources. The homeless population has gotten larger over time, but fewer and fewer people are accessing the system as “repeat” clients cycle in and out of homelessness. In response, Berkeley has prioritized resources for those most in need through Coordinated Entry, and has seen tremendous success in restoring homeless services for those who are literally homeless and unable to access the system on their own. However, **is the system has not created sufficient permanently subsidized housing resources to appropriately service a Coordinated Entry System**, and has instead relied on rapid rehousing to exit them from the system. Overreliance on rapid rehousing with high needs individuals in a tight housing market is a strategy that is tenuous in the long-run, as HHCS previously explained in an April 2018 Information Report.<sup>12</sup>

## Part II – Overview of Interventions and Costs Needed to Achieve “Functional Zero”

To reach “functional zero” in Berkeley (that is, a dynamic system where the number of people entering homelessness equals the number exiting homelessness each year), the City must right-size its system such that the appropriate number of resources are available, per year, to the right people who need them.

HHCS staff performed an analysis of system flow and trends, and projects that, if present trends continue (i.e., no additional resources but continuing rates of exits, returns, and system inflow), Berkeley will need resources for an additional 1,748 people beginning in 2019, and an additional 2,664 people by 2028. This need is above and beyond the total number the city’s current budget is projected to house each year:

Annual...	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Size of Homeless Population	2146	2233	2323	2416	2513	2615	2720	2830	2944	3062
<i>Of this population, estimated...</i>										
Newly homeless population	944	982	1022	1063	1106	1150	1197	1245	1295	1347
Returners & long-term homeless population	1202	1250	1301	1353	1408	1464	1523	1585	1649	1715
Exits to permanent housing	398	398	398	398	398	398	398	398	398	398
<b>Number remaining homeless</b>	<b>1748</b>	<b>1835</b>	<b>1925</b>	<b>2018</b>	<b>2115</b>	<b>2217</b>	<b>2322</b>	<b>2432</b>	<b>2546</b>	<b>2664</b>
<i>Of this population, estimated...</i>										
# not currently using services	410	430	452	474	496	520	545	571	597	625
# using services	1338	1404	1473	1545	1619	1697	1777	1861	1948	2039

The table above quantifies this estimate. A significant portion of the population consists of people who are new to the system (the “newly homeless population”). In other words, with present resources, we project that as many as 944 individuals will fall into homelessness for the first time in Berkeley in 2019—or roughly 17 people per week. The remainder will consist of previously homeless individuals returning to homelessness

<sup>12</sup> See: [https://www.cityofberkeley.info/Clerk/City\\_Council/2018/04\\_Apr/Documents/2018-04-24\\_Item\\_39\\_Rapid\\_Rehousing\\_What\\_it\\_Can.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2018/04_Apr/Documents/2018-04-24_Item_39_Rapid_Rehousing_What_it_Can.aspx)

and long-term homeless individuals not yet served. Not all of these individuals will have been last housed in Berkeley, but estimating the actual number last housed in Berkeley cannot reliably be accomplished with existing data sources.

If present funding trends continue (i.e., funding for the current system remains constant), we expect 398 permanent housing placements annually. Subtracting these placements from the annual homeless population yields an estimate of those remaining homeless, which contributes to the ensuing year's population growth. By calculating the difference between the annual estimated homeless population and the subset of those individuals who actually surface in our homeless system database, we estimate that just under 25% of the population annually will not utilize any homeless service and will require additional outreach resources to engage.

Not all of these individuals will need or benefit from the same type of intervention. While some will be unable to exit homelessness for good without the assistance of permanent supportive housing, others will benefit from time-limited, lighter-touch interventions like housing problem-solving conversations with appropriate referrals. To reach functional zero, staff estimate that, Berkeley will need to invest in the following five types of interventions:

1. Targeted homeless prevention;
2. Light-touch interventions with no financial assistance;
3. Rapid Re-housing;
4. Permanent Supportive Housing; and
5. Permanently subsidized housing without services

Below we describe each intervention, and their associated costs, in turn.

### *Targeted Homeless Prevention*

One of the greatest uncertainties in a “functional zero” analysis is estimating the number of people who could have been prevented from entering homelessness in the first place.

- First, it is difficult to estimate the number that become “newly homeless” year over year. There is no database that registers an entry every time someone loses housing and enters homelessness. Moreover, HMIS data (the database used for this report) only tracks people who access services; with a limited number of shelter beds, we know that a growing percentage of people do not access services, anecdotally evidenced in part by the significant growth in homeless encampments.
- Second, not everybody experiencing homelessness in Berkeley was housed in Berkeley at the time they became homeless. For this population, Berkeley homeless prevention efforts would likely be impossible. Since homelessness is clearly such a regional issue, Alameda County must be the lead for an expanded prevention effort to be maximally successful.

- Third, the ability to accurately target homeless prevention resources to people who are actually going to become homeless remains quite low.<sup>13</sup> Not every person who is at risk of becoming homeless actually goes on to experience homelessness. There are far more unstably housed people and people experiencing poverty than people experiencing homelessness in this country, making upstream prevention efforts difficult and often inefficient.

For these reasons, we found that approximately 221 (roughly 25%) of the estimated 873 people who became newly homeless in Berkeley in 2018 would have been amenable to homeless prevention interventions,<sup>14</sup> at a cost of roughly \$1.3 million annually.<sup>15</sup> These interventions would be targeted as much as possible using homeless risk screening tools and prioritized for people least likely to resolve their housing crisis on their own, and are therefore qualitatively different from broader eviction prevention efforts currently funded by the City of Berkeley.

We also predict that a small number of individuals who lose their permanent supportive housing and return to homelessness for preventable reasons, such as nonpayment of rent (no more than 10 on average each year) could be prevented with a modest additional investment (roughly \$130,000 in year one).

Figure 14 summarizes the annual investment needs for this intervention. The spike in 2021 results from preventing additional future returns to homelessness from new permanent interventions discussed below.

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<sup>13</sup> See: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.926.5184&rep=rep1&type=pdf>

<sup>14</sup> We calculate this number from by multiplying (i) the percentage of people who, in 2016 and 2017, entered homelessness from living situations amenable to homelessness prevention, such as their own rental housing or from friends/family (25%); (ii) the percentage of Berkeleyans in the 2017 Point-In-Time Survey that reported being housed in Alameda County at the time they lost housing (76%), using this as a proxy for being housed in Berkeley for lack of more specific data; and (iii) the percentage of people who would likely actually have their housing successfully sustained by prevention efforts (75%), using data from Berkeley's Housing Retention Program. This methodology was also used by EveryOne Home and the City of Oakland.

<sup>15</sup> This assumes an average grant size of \$5000 per recipient and 20% for administrative and nonprofit overhead expenses.



### *Light-touch Interventions with No Financial Assistance*

Not everybody who becomes homeless requires a great deal of assistance to resolve their homelessness. Poor and unstably housed people are remarkably resilient and often able to resolve their homelessness on their own with no financial assistance. For example, 38% of system users in Berkeley between 2006 and 2017 touched the system only one time and never returned back to the system again. Of these, roughly 10% exited to unassisted permanent destinations, such as permanent accommodations with family or their own, unsubsidized housing.

From these numbers, we estimate that up to 10% of non-chronically homeless individuals in Berkeley would benefit from light-touch interventions with no financial assistance, such as a focused housing problem-solving conversation with trained staff.<sup>16</sup> We believe this type of intervention could be built into the administrative expenses quantified in the rapid rehousing interventions described below.

### *Rapid Rehousing*

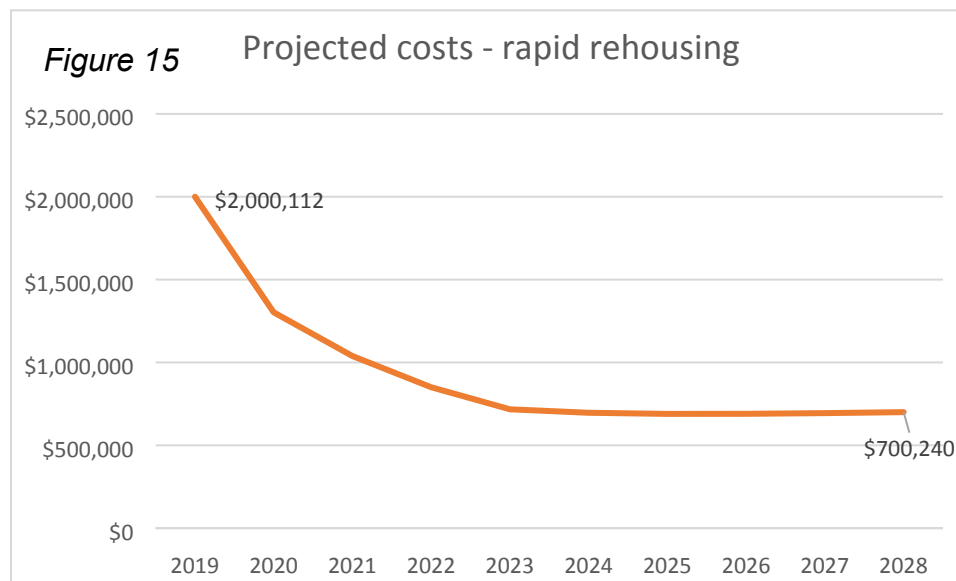
The 2017 point-in-time homeless count revealed that 94% of Berkeley's homeless population consists of single, unaccompanied adults. As we have previously reported to the Council,<sup>17</sup> very little research exists on the long-term efficacy of rapid rehousing in ending homelessness among single adults, and while this intervention can be successful for this population, it must be carefully applied to people who are most likely to succeed with the short-term assistance it offers.

<sup>16</sup> This proportion was used by the City of Oakland and EveryOne Home as well.

<sup>17</sup> See: [https://www.cityofberkeley.info/Clerk/City\\_Council/2018/04\\_Apr/Documents/2018-04-24\\_Item\\_39\\_Rapid\\_Rehousing\\_What\\_it\\_Can.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2018/04_Apr/Documents/2018-04-24_Item_39_Rapid_Rehousing_What_it_Can.aspx)

From national literature, a highly important predictor of success is the ability to increase income over the course of the intervention.<sup>18</sup> Locally, the analyses in this report reveal that the single largest predictor of returning to homelessness over the long-run is having a disability of any kind. Therefore, to estimate the proportion of individuals in Berkeley who are likely to benefit from rapid rehousing and not eventually return to homelessness, we examined the proportion of non-disabled individuals who had some capacity to increase their income (either they already worked or did not report a fixed disability income as their only source). From these numbers, we estimate that roughly 10% of the population is likely to permanently exit homelessness with a rapid rehousing intervention, with roughly half of that requiring only one-time assistance (e.g., assistance with security deposits) and the other half requiring up to several months of rental subsidy and case management. This translates into 211 rapid rehousing “slots” at an annual cost of \$2 million in year one, and shrinking to \$700,000 by 2028<sup>19</sup> as the overall homeless population shrinks.

In comparison to the Hub and the STAIR Center’s budgets for rapid rehousing and administration, these estimates reveal that Berkeley actually needs little additional rapid rehousing investment, as this has been the greatest focus of subsidy expansion in recent years. Figure 15 summarizes the annual costs for this intervention through 2028.



<sup>18</sup> Focus Strategies (2017). Valley of the Sun United Way Final Evaluation of the Rapid Rehousing 250 Program.

[http://kjzz.org/sites/default/files/RRH%20250%20Final%20Phase%20One%20Report%2006262017%20\(1\).pdf](http://kjzz.org/sites/default/files/RRH%20250%20Final%20Phase%20One%20Report%2006262017%20(1).pdf)

<sup>19</sup> For one-time assistance costs, we relied on HMIS exit data finding that among those exiting to unassisted permanent destinations in 2016 and 2017, 55% exited to their own rental housing and 45% exit to family and friends; we assume \$3500 in average assistance for the former, plus an average travel or relocation voucher of \$250 for the latter. For those exiting with several months of assistance, we employ Hub data to estimate average rents and durations. Both estimates include associated staff and administrative expenses of 20%.

### *Permanent Supportive Housing and Permanently Subsidized Housing Without Services*

Part I of this report concludes that the single largest “missing piece” in Berkeley’s efforts to end homelessness is permanently subsidized, affordable housing. As rents rise while wages and fixed-income benefits stagnate, those who exit to unassisted permanent housing (for example, after a rapid rehousing intervention has ended) face ongoing risks of returning to homelessness in the face of ongoing housing market volatility. To reach functional zero in Berkeley, the single largest investment required will be in permanent rental subsidies for the majority of homeless people who are simply too poor—and do not have the capacity to increase their incomes—to make it on their own in Northern California’s tight, expensive housing market.

We distinguish between two types of permanent subsidies—those with supportive services, and those without. The former is traditionally reserved for the chronically homeless, but we believe that only 50% of chronically homeless people in Berkeley require ongoing case management. The rest—as well as the rest of the homeless population unable to benefit from prevention, light-tough, or rapid rehousing assistance—will simply need permanent rental subsidies. This translates to roughly 218 permanent supportive housing exits, and 440 permanent subsidy exits, in year 1 alone.

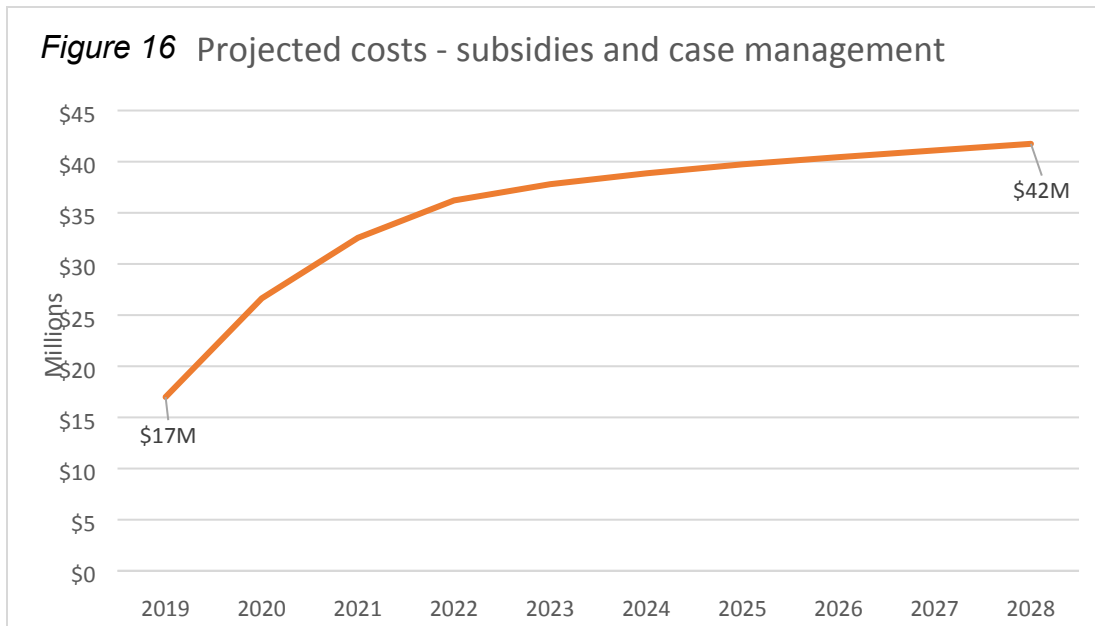
Figure 16 summarizes the annual costs<sup>20</sup> associated with this intervention through 2028. Note two important characteristics of the cost curve over time:

- First, the curve **increases over time** because permanent subsidies require a permanent fiscal outlay—as new individuals are housed each year, the overall fiscal commitment grows.
- Second, the curve **plateaus over time**. This is because (i) a large initial investment is required up front to address the currently homeless population, and (ii) as the portfolio of subsidies increases, a growing fraction of the need each year can be addressed with turnover.

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<sup>20</sup> To calculate costs, we assume (i) apartments are rented at HUD rent-reasonableness rates for Berkeley (those data courtesy of the Berkeley Housing Authority); (ii) an average client income at SSI levels for 2018, with tenant rents at 30% of that amount; (iii) annual rent growths of 2% and annual program cost growths of 1%; and (iv) sufficient city staff and nonprofit administrative support to administer what amounts to 5 times the current Shelter Plus Care capacity in Berkeley.





### *Experimenting with Permanent Subsidy Variation*

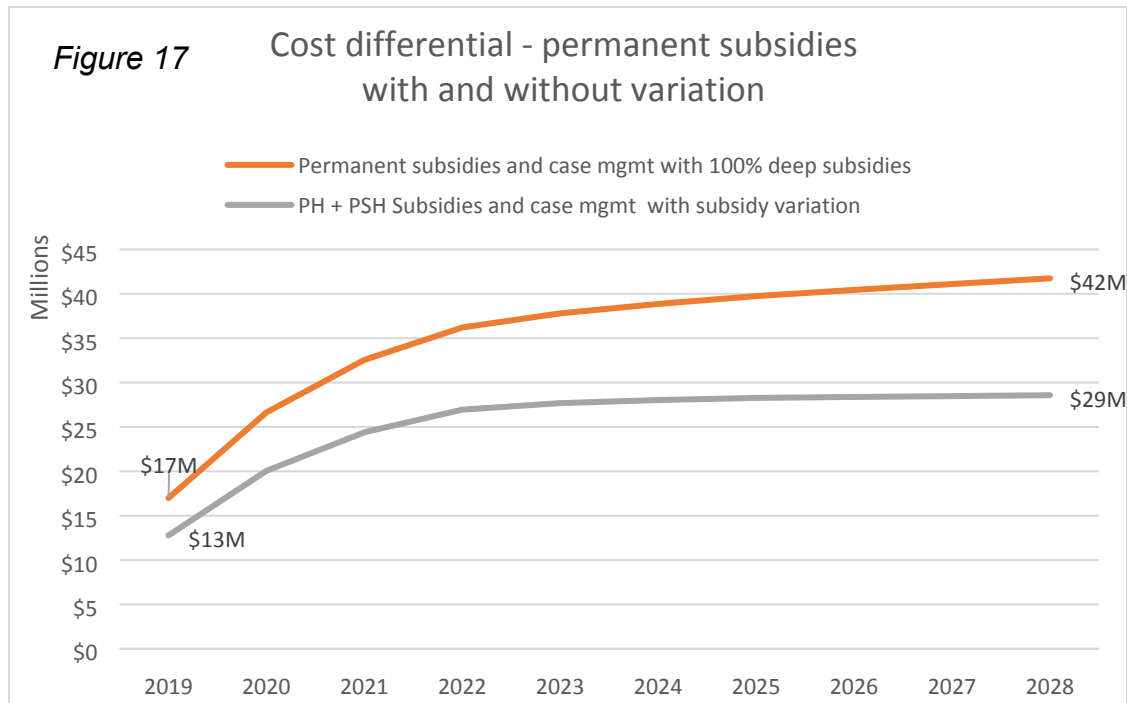
These cost estimates assume a “worst-case scenario” in which all individuals are housed at rents equaling 30% of their income, with subsidy to cover the difference. Emerging evidence suggests, however, that flat or shallow subsidies (for example, a fixed monthly subsidy of, say, \$600 per month) can prove extremely effective at helping formerly homeless people maintain their housing over time.<sup>21</sup> If Berkeley were to pilot such an approach, yearly costs could be reduced. Following EveryOne Home’s recommendation, for example, we calculated the annual costs if:

- 1/3 of the population had set-aside access to below market-rate (BMR) affordable units already subsidized for those at 50% AMI;
- 1/4 of the population were housed in market-rate apartments with subsidies covering 50% of the rent;
- 1/5 of the population received a flat subsidy of \$600 per month (akin to the Basic Income experiment starting in Stockton in 2019<sup>22</sup>); and
- 1/4 of the population received permanent subsidy in market-rate apartments at 30% of their income.

Piloting such an approach to subsidy variation is predicted to have the cost differential effects depicted in Figure 17:

<sup>21</sup> See: <https://www.urban.org/sites/default/files/publication/22311/413031-A-Proposed-Demonstration-of-a-Flat-Rental-Subsidy-for-Very-Low-Income-Households.PDF>

<sup>22</sup> See: <https://www.nytimes.com/2018/05/30/business/stockton-basic-income.html>



### *Capital Expenses*

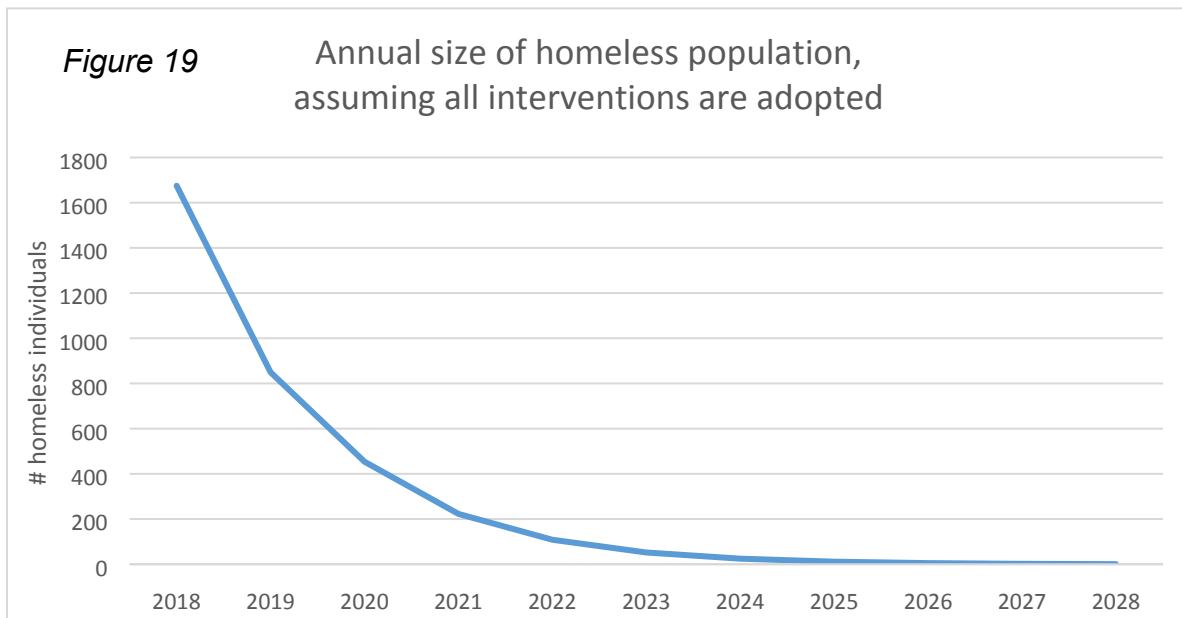
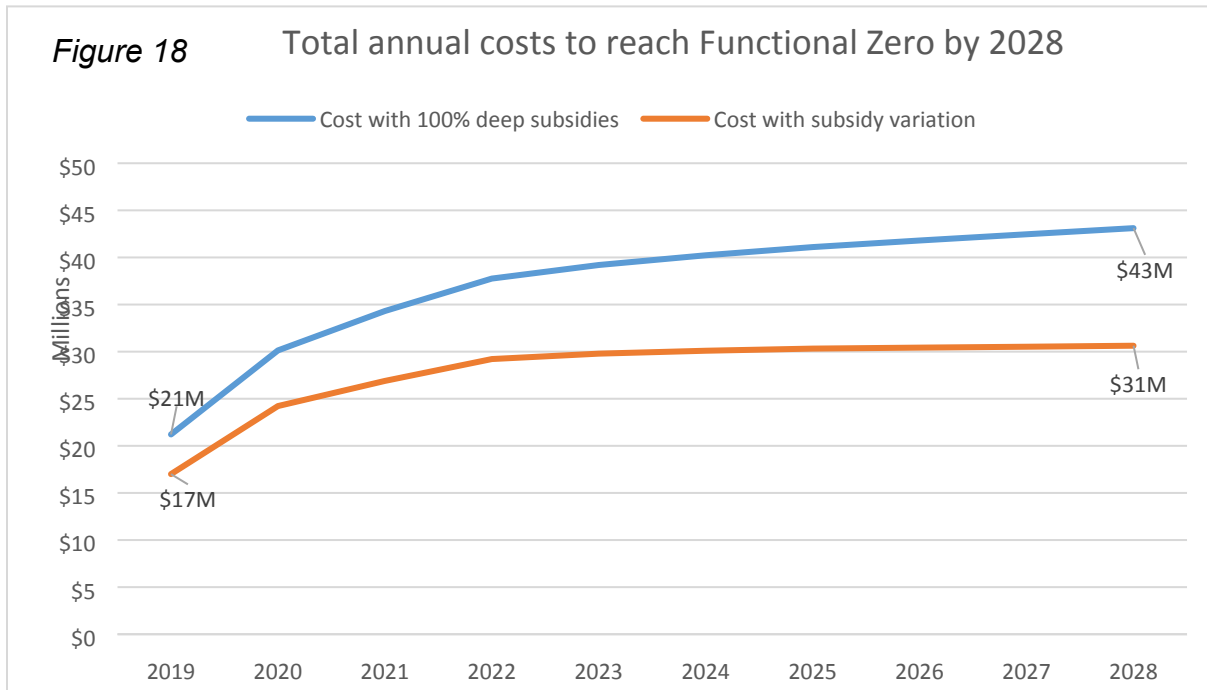
The permanent subsidy expenses calculated above simply account for operating subsidy expenses; they do not account for capital costs to build new units. With vacancy rates in the greater Bay Area at historic lows as construction of all types of housing lags behind projected need—and as other Bay Area jurisdictions compete with one another for a shrinking pool of naturally-occurring affordable housing for their respective homeless populations—there are simply not enough units in the rental market to make an approach that relies solely on scattered-site, tenant-based subsidies viable. Some new construction, of 100% affordable projects and/or market-rate projects that take advantage of inclusionary zoning policies, will have to be a part of this solution over the long-run.

At the time of writing, the outcome of Measure O, the City’s Affordable Housing Bond Measure, is unknown. If the measure passes, City officials must decide how to use the proceeds. If the City opts to utilize all of the \$135 million in bond funds to construct new affordable housing, staff estimate that this one-time infusion of funds would result in approximately 450-750 new affordable housing units (at a City subsidy rate of \$150,000-250,000 development cost per unit), with approximately 20% (or 90-150) of those units affordable to the homeless population. If other types of more costly housing are desired, the net new units would be fewer.

### *Total Expenses and Effects on Homelessness in Berkeley*

The types and sizes of the interventions above are designed to help Berkeley reach “functional zero” by 2028. If each is adopted, it would come at an estimated annual expense of between \$17 and \$21 million in year one, growing annually to a total annual

budget obligation of between \$31 and \$43 million by 2028. Figure 18 depicts how annual expenses change over time, while Figure 19 depicts associated annual decreases in homelessness:



**1000 Person Plan to Address Homelessness in Berkeley**

To permanently end homelessness for 1000 people in Berkeley, we estimate that the resources outlined below will be required.

<u>Inventory - slots needed</u>	
Targeted homeless prevention slots	295
Light touch, no financial assistance slots	211
Rapid Rehousing slots	211
Permanent Supportive Housing (PSH) slots	218
Permanently subsidized housing (PH) slots	361
Outreach (FTE)	11
<u>Cost (all line items assume 20% nonprofit admin expenses and associated city staff costs)</u>	
Targeted homeless prevention slots	\$1,326,230
Rapid Rehousing slots	\$2,000,112
PH + PSH subsidies and case management -- 100% deep subsidies*	\$15,347,297
PH + PSH subsidies and case management -- with subsidy variation*	\$11,891,616
Outreach costs	\$891,000
<b>TOTAL ANNUAL COST -- 100% deep subsidies</b>	<b>\$19,564,639</b>
<b>TOTAL ANNUAL COST -- with subsidy variation</b>	<b>\$16,108,958</b>

\* Represents an ongoing annual expense

This amounts to an up-front expense ranging from roughly \$16 - \$19.5 million up front, with an annual ongoing expense of between roughly \$12 – 15 million for permanent subsidies.

### Part III – Strategic Goals and Recommendations

In the event the City is unable to finance the functional zero or 1000 person plan costs estimated above, staff offer the goals below as more realistic alternatives for Berkeley's budget and capacity. They are strategically designed to maximize potential federal drawdowns over time, and to recognize the role that Alameda County must play as a collaborative partner in the effort.

#### **1. Transform Berkeley's shelter system into a housing-focused Navigation**

**System.** The functional zero analyses in Section I reveal that shelter users in Berkeley are (i) getting “stuck” in beds for lack of access to housing exits, and (ii) with Coordinated Entry, increasingly coming from a long-term and disabled homeless population. Berkeley's traditional year-round shelters have an average annual budget of \$640,000—little more than 25% of the STAIR Center's budget. However, any shelter can be turned into a Navigation Center with sufficient staffing and flexible funding. To help move Berkeley's shelter system from one that is focused on *respite* to one that is focused on *flow* from the streets into housing, we recommend bolstering shelter budgets so they all reflect the priorities of the STAIR Center.

*Achieving this goal will require an additional \$4.8M in total new funding for shelters, growing annually with inflation/costs of living. This funds:*

- New navigators, peer site monitors, and management at each shelter at highly competitive salaries to attract and retain top talent;
- Flexible subsidies and one meal a day for each bed;
- Overhead and training support for shelter staff.

Staff believe that this goal is appropriate and achievable for Berkeley given its position as a relatively small jurisdiction within Alameda County. Berkeley's general funds and powers of taxation are insufficient to generate the revenue needed to fund permanent subsidies at the numbers calculated in Section II of this report. Thus, Berkeley can provide the low-barrier, service rich navigation centers to help transition unhoused residents from the streets and into housing, but Alameda County administers increasing levels of State funding for homelessness (such as California Whole Person Care and various revenues stemming from California SB 850) and must take the lead in piloting permanent operating subsidies for its homeless population. Homelessness does not respect arbitrary jurisdictional boundaries within Alameda County; stronger county investment in permanent housing support is imperative for this local investment strategy to be maximally effective.

Even without sufficient permanent affordable housing to create “flow,” there are still tangible benefits to investing in lower-barrier shelter models. As staff highlighted in a recent evaluation of the STAIR Center's opening,<sup>23</sup> lower barriers generally mean that higher-needs individuals are more willing to use shelter, addressing the “meanwhile” problem of very disabled and chronically homeless people sleeping on the streets.

- 2. Reduce chronic homelessness by 50% by 2023.** In the event the County cannot provide new permanent subsidies, Berkeley has a robust federally funded Shelter Plus Care program with extensive expertise in the administration of permanent subsidies for chronically homeless individuals, and already funds a small number of permanent subsidies for chronically homeless people through the Square One program. By expanding Square One to 54 new vouchers in 2019 and 222 total vouchers by 2023, we calculate that Berkeley, on its own, can achieve the goal of reducing chronic homelessness by 50% by 2023.

Increased funding for subsidies and staff can also help leverage Federal support over time, as HUD funds are increasingly tied to measurable reductions in yearly homeless counts. Tackling chronic homelessness is an effective way to bring overall homeless counts in Berkeley down, as Berkeley's rate of chronicity (27%) far exceeds the national average (roughly 15%).

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<sup>23</sup> See: [https://www.cityofberkeley.info/Clerk/City\\_Council/2018/10\\_Oct/Documents/2018-10-09\\_WS\\_Item\\_01\\_An\\_Evaluation\\_of\\_the\\_Pathways.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2018/10_Oct/Documents/2018-10-09_WS_Item_01_An_Evaluation_of_the_Pathways.aspx)

*Achieving this goal will require:*

- An additional \$1.3M in funding in year 1, growing to \$5.1M annually by 2023.
  - Administrative, staff, and services costs total \$370k in year 1, and \$1M annually by 2023.
  - Subsidy expenses total \$900k in year 1, and \$3.9M annually by 2023.
- New and existing below market-rate unit set-asides for chronic homelessness.

- 3. Enhance the Accuracy of Homeless Prevention Interventions by Targeting to Need.** Our ability to accurately target homeless prevention resources to people who are actually going to become homeless remains low.<sup>24</sup> Most people who are unstably housed in this country do not become homeless; our functional zero analyses necessarily assume that large numbers of people cannot be prevented, even with additional resources. For these reasons, discussed in more detail in Section II, we do not recommend focusing on homeless prevention at this time. Instead, we strongly recommend (i) targeting all prevention funds to those who are previously homeless and at risk of returning from rapid rehousing or permanent supportive housing interventions, and/or (ii) piloting a new, targeted approach to homeless prevention that prioritizes applicants based on imminent homelessness and relative level of need, and lowers barriers to receiving aid (such as certain documentation requirements).

*Achieving this goal will require an additional \$1.5M annually through 2023, growing annually with inflation/costs of living.* This funds:

- Flexible funds for keeping previously homeless people housed;
- Administration and flexible funds for a pilot Coordinated Entry approach to prevention that prioritizes based on need.

- 4. Continue to implement changes to Berkeley's Land Use, Zoning, and Development Review Requirements.**

Even if Council funds sufficient scattered-site housing subsidies, there is not enough available housing stock to utilize them--all Bay Area cities are competing for the same limited supply for their own homeless populations. Staff believes new housing construction will have to be part of any long-term plan to end homelessness in Berkeley.

An emerging body of research links high housing costs and low vacancy rates—and therefore, high rates of homelessness<sup>25</sup>—to land use and development regulations that restrict the creation of new housing of all income levels.<sup>26</sup> For example, a 2015

<sup>24</sup> See: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.926.5184&rep=rep1&type=pdf>

<sup>25</sup> See: [http://urbanpolicy.berkeley.edu/pdf/qrs\\_restat01pb.pdf](http://urbanpolicy.berkeley.edu/pdf/qrs_restat01pb.pdf)

<sup>26</sup> See, for example, <https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

report from the bipartisan California Legislative Analyst's Office<sup>27</sup> found that urban density is growing at a slower rate in Coastal California relative to comparable metro areas nationally, in part because California's local governments (i) impose slow and cumbersome project review standards (each additional layer of independent review was associated with a 4 percent increase in a jurisdiction's home prices); (ii) impose growth controls, such as limiting height and densities via zoning regulations (each additional growth control policy a community added was associated with a 3 percent to 5 percent increase in home prices); and (iii) use CEQA and other design review processes to regulate housing construction (only 4 other states impose similar review standards). Such local policy decisions, the report concludes, are worsening California's income inequality, increasing poverty rates, increasing commute times, and forcing lower-income residents into crowded living situations.

Between 2014 and 2016, San Francisco and San Jose were the second and fourth highest performing metro economies in the world, respectively, as measured by employment and GDP growth per capita.<sup>28</sup> Berkeley—caught in the middle of these two global economic powerhouses—will likely continue to experience housing shortages as wealth accumulates amidst an inelastic housing supply.

Because similar pressures are emerging in other metro areas, Federal funders of affordable housing and homeless services are beginning to take note:

- For the first time, the US Interagency Council on Homelessness' new Federal Strategic Plan to Prevent and End Homelessness, released in July of 2018, recommends that local governments begin *“Examining and removing local policy barriers that limit housing development in the private market and have adverse impacts on housing affordability.”*<sup>29</sup>
- HUD has begun a stakeholder engagement process to reform enforcement of the Fair Housing Act by tying federal grants to less restrictive local residential zoning regulations.<sup>30</sup>

With this in mind, the pace with which new housing is currently being developed in Berkeley will likely not accommodate a declining annual homeless population over time. Staff recommends that Council heed the emerging funding pressures noted above and continue the difficult process of examining how local land use restrictions can be reformed with a specific eye towards alleviating homelessness.

### *Costs and Impacts of Strategic Goals and Recommendations*

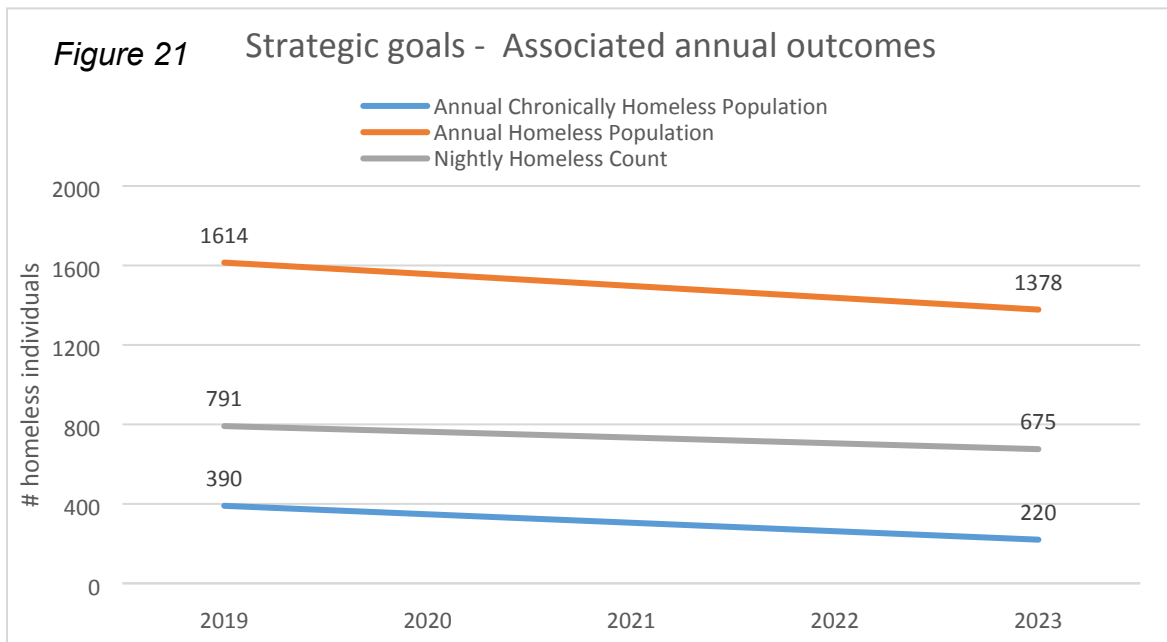
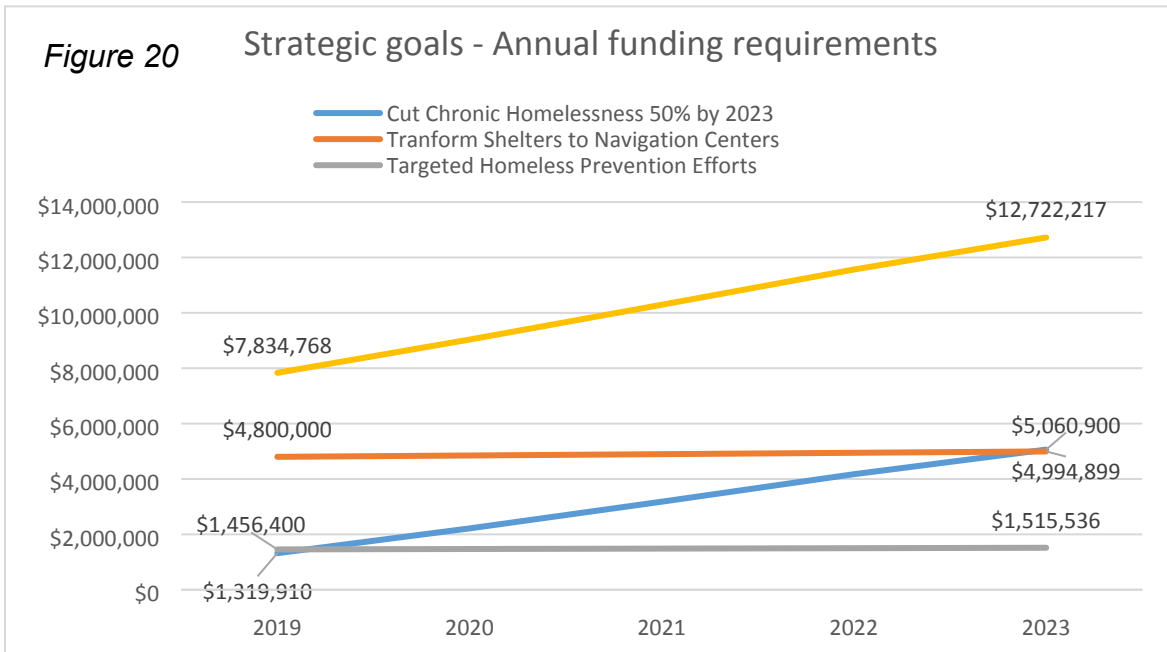
<sup>27</sup> See: <https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

<sup>28</sup> See: <https://www.brookings.edu/research/global-metro-monitor-2018/>

<sup>29</sup> See p. 20: [https://www.usich.gov/resources/uploads/asset\\_library/Home-Together-Federal-Strategic-Plan-to-Prevent-and-End-Homelessness.pdf](https://www.usich.gov/resources/uploads/asset_library/Home-Together-Federal-Strategic-Plan-to-Prevent-and-End-Homelessness.pdf)

<sup>30</sup> See: <https://www.wsj.com/articles/hud-moves-to-shake-up-fair-housing-enforcement-1534161601>

Figure 20 summarizes the annual costs associated with strategic recommendations #1, 2, and 3 above, while Figure 21 highlights the relative impact these goals would have on the city’s homeless population through 2023.



**CONTACT PERSON**

Peter Radu, Homeless Services Coordinator, HHCS, (510) 981-5435.





Human Welfare and Community Action Commission

**ACTION CALENDAR**  
September 25, 2018

To: Honorable Mayor and Members of the City Council  
 From: Human Welfare and Community Action Commission  
 Submitted by: Denah S. Bookstein, Chairperson, Human Welfare and Community Action Commission  
 Subject: Path to End Homelessness

**RECOMMENDATION**

Direct the City Manager to prepare a resolution asking the City of Berkeley to address the immediate needs of our homeless and dislocated citizens in such a robust and urgent manner that the end of homelessness will soon be within sight. Our proposal is two-pronged:

1. Critical First Lines: Comprehensive delivery of critical and practical assistance to the current homeless population
2. Permanent Housing

**Critical First Lines:**

Based on current City assessment and identification of homeless congregation, we ask our Council to take the following actions urgently and comprehensively.

A) Select a minimum of three locations. Install a dome or a large tent and deliver the following essential human services simultaneously:

1. Medical triage and mental health assistance
2. Porta potties, Mobile shower units
3. HUB connectors--direct service
4. Emergency pallets and space blankets
5. Dumpsters, trash receptacles,
6. Parking stations for personal belongings
7. Classes for rehab, exercise, music and similar creative activities
8. Job training and similar opportunities for interacting with volunteers

B) Citizens' Cafe (Food trucks at the established locations)

C) Establish a trailer park for RV/vans/buses, and ensure access to utility connection

1. Issue fee permits
2. Porta potties, Mobile shower units; Provide dumpsters, trash receptacles

D) Develop and nurture shared responsibility for each location

**Permanent Housing for the current homeless population** to be executed in conjunction with the “Critical First Lines” as well as other (existing) programs aimed at preventing recidivism.

Convert all existing temporary shelters to permanent and supportive housing. For a city in dire need of rental units, there are currently too many empty units; units that homeowners are often reluctant to rent. On a district by district level, each Councilmember can seek ways to help potential landlords overcome the underlying causes of the reluctance. To increase supply, the City can also incentivize private citizens to create accessory units, using ‘tiny-homes’ for example. In addition to the ADU ordinance, provide low or interest free loans to homeowners who commit to renting to qualified low income tenants. This move might produce hundreds of units as well as create much desired inclusionary, not segregated living.

Develop a City-based program to offer subsidies to the landlords who rent to tenants whose vouchers are below reasonable or fair market value.

Require each district to provide a specified number of units to low-income people.

Elicit the participation of neighboring towns for properties or vacant lots to create more units (similar to the Berkeley Way plan).

Expand current relationship with YMCA to produce permanent, supportive housing.

The Ed Roberts Campus, with its highly supportive environment, can provide housing for the homeless or at-risk disabled persons.

Senior Citizens’ homes can provide permanent accommodation for the homeless elders.

Retrofit and convert the Veteran Administration building for Veterans and struggling artists.

Compel the University to provide full accommodation for its students by using, among other resources, all safe vacant land on and around the Campus to build dormitories.

Demand units, not ‘fees-in-lieu’ from Developers.

Develop serious job training programs and other diversions to prevent former homeless people from returning to the street.

Craft a definitive homelessness policy complete with a maxim, and abide by it. The policy is to state clearly the number of supportive housing Berkeley can provide. Once

all units are filled, transients may be accommodated in SRO hotels or the Y for a defined period. Homeward Bound Busing or accommodations in a neighboring town may be offered.

### SUMMARY

We believe that homelessness is solvable. What has led some to believe or argue otherwise is quintessentially due to our failure to view homelessness as a socio-economic failure that affects us all, albeit in different ways. The solutions we propose recognize this failure.

While we recognize the urgent need to care for our fellow citizens who have fallen on the hard times of homelessness, we must also embrace the principle and reality that nothing short of helping them into housing can end their ordeal. In other words, our solutions must lead firmly to a policy that is aimed at ending the homeless crisis by providing housing. All alternatives are most likely to keep the crisis at the current level, engendering a deliberate or unintentional institutionalization of homelessness.

While cure is good and worth pursuing, prevention is even better. Based on many pronouncements and deed, Mayor Arreguin and the current Council have demonstrated that they are of the mindset that homelessness is solvable and preventable. While the devil may be in the details, we are aware that where there is a will, there is a way. The current attitude and mindset in the City Hall are laudable. But we need to speed up our work of caring for the homeless, and align the work squarely to a goal that has permanent housing at its core and end. To limit our commitment solely to emergency care and temporary shelters is nothing more than superficial compassion and a waste of our resources--financial and human.

Our proposal and recommendations may seem broad and indeed overambitious. But it is also arguable that the homeless crisis has reached today's overwhelming and near-unmanageable proportion because our measures in the past have often proven to be too little and too late; like putting a bandaid on a festering wound. Ideally, the approach to solving this national crisis at its onset should have been akin to the Marshall Plan (also known as the Foreign Assistance Act of 1948 under Harry Truman and the 80th Congress). With this awareness in mind our small city can trailblaze the nation in ending homelessness by using both established and creative methods for which Berkeley is renown. We have the benefit of hindsight to help us learn from our past missteps, and strengthen our future by steering our safety nets prudently.

It is noteworthy that many towns in the USA and around the world have succeeded in ending or stemming homelessness. In so doing, these towns have also come to realize that housing their former homeless citizens is actually cheaper than leaving them in the streets. When "Housing First" policy was adopted in Utah, homelessness plummeted by 91% within ten years. Even those who are critical of Utah's method of counting its

homeless readily agree that *Utah has done a lot of good things*. The state has rightly focused most intensely on the homeless who sleep on the streets and who have serious problems with mental illness and addiction. Hundreds of people have been moved from the street and shelters into housing.<sup>1</sup> As “EveryOne Home” (an organization that is committed to “ending homelessness in our own Alameda County) says,

*Study after study shows a permanent housing response, not a shelter response, reduces homelessness. In fact, HUD defines people in shelters as still homeless. We know what works to solve homelessness among individuals and families: [it is] known as “permanent housing”; a safe, decent, affordable place to live without limits on length of stay. While interim interventions can keep people safe, they do not solve homelessness unless coupled with pathways to permanent housing.*<sup>2</sup>

<sup>1</sup>[www.huffingtonpost.com/kevin-corinth/think-utah-solved-homeles\\_b\\_9380860.html](http://www.huffingtonpost.com/kevin-corinth/think-utah-solved-homeles_b_9380860.html)

<sup>2</sup><https://mail.google.com/mail/u/0/#inbox/163e0c45743b7ca3?compose=163c0efaae68aef4%2C163d7c403a43b26e%2C163a9527626d108d%2C163dcea8a9da6f4b&projector=1>

#### FISCAL IMPACTS OF RECOMMENDATION

Without connections to the right types of care, [homeless people] cycle in and out of hospital emergency departments and inpatient beds, detox programs, jails, prisons, and psychiatric institutions... Some studies have found that leaving a person to remain chronically homeless costs taxpayers as much as \$30,000 to \$50,000 per year.

[https://www.usich.gov/resources/uploads/asset\\_library/Ending\\_Chronic\\_Homelessness\\_in\\_2017.pdf](https://www.usich.gov/resources/uploads/asset_library/Ending_Chronic_Homelessness_in_2017.pdf)

By adopting the recommendations in the Critical First Lines in a comprehensive and rapid manner, we anticipate improved physical and mental health, increased socialization and readiness for permanent housing.

We can also maximize financial and administrative resources by integrating, coordinating and connecting all programs, bringing new charitable community organizations into the mix.

We can better assess and update referrals system so that direct service responders can be just that--people helping people directly. This can reduce the potential for emergency situations that are often caused by avoidable delays and/or missed connections.

Volunteers' efforts and time will be better utilized under this proposal.

Added benefits to the city and the homeless population include possible business opportunity for food vendors, for example. Many homeless people are capable of

purchasing their own food. For the homeless, readily attainable and nutritious diet will lead to improved condition of health.

### CURRENT SITUATION AND ITS EFFECTS

As California housing prices continue to rise while wages stagnate, the number of people living on our streets has grown. Over the past 8 years, Berkeley has seen an increase of 43 percent in its homeless population, and currently has the highest per capita rate of homelessness in Alameda County. Alarming, more than a third of people who become homeless for the first time remain unhoused for one year or more, illustrating how difficult it is in our current economic climate to find a way out. Berkeley provides some of the most generous services in Alameda County--if not in Northern California. In 2016 "Berkeley [directed] approximately \$17.6 million in federal, state and local funds into a comprehensive constellation of services to help homeless people lead better lives." <http://www.berkeleyside.com/wp-content/uploads/2017/03/2016-11-01-Item-24-Referral-Response-Comprehensive.pdf>

Councilman Kriss Worthington believes the services currently available to the homeless would be more effective if "personalized" and "delivered to the recipients in a home setting".

Councilmember Susan Wengraf states in her July 2017 Newsletter #59, "We are spending more on homeless services and programs than ever before. I am cautious and skeptical that this will make a difference... My thinking is that we have to put significant resources into creating permanent housing with supportive services, and that doing anything else is neither a sustainable nor permanent solution to the problem".

Mayor Arreguin is currently working to find solutions. His Pathway Project (consisting of Stair Center and Bridge Living Community) is underway, and it promises to provide 6-month transitional housing for 50 homeless individuals beginning from 2018. His 'vision' is to develop innovative ways to provide short-term shelter and ultimately permanent housing for our growing homeless population. This will relieve the pressure on city streets, parks, business districts and neighborhoods that are disproportionately impacted by the concentration of homeless, and provide a real chance for the homeless to move their lives forward.

### BACKGROUND

In a study released in 2001, John Quigley, Stephen Raphael, and Eugene Smolensky of the Goldman School of Public Policy at the UC Berkeley, conclude that "growing income inequality is a contributing factor in the growth of homelessness" adding that "The greater the disparity between the distributions of housing rents and income, the higher the incidence of homelessness."

[http://gspp.berkeley.edu/assets/uploads/research/pdf/R\\_1001JQR.pdf](http://gspp.berkeley.edu/assets/uploads/research/pdf/R_1001JQR.pdf)

Regardless of all the other issues that have emerged as components or characteristics of homelessness, most researchers agree that homelessness rises as vacancy rates fall; that homelessness rises as rents rise. The rise in the rate of homelessness in California is often traced to the 1980s, to Reaganomics.

To combat homelessness, Alameda County and Berkeley (like many counties and cities in California) provide a gamut of programs, some mandated by HUD while others are the creative inventions of Berkeley volunteers. The Alameda County Social Services Agency directly provides cash aid or housing voucher assistance to families and single adults who are homeless or at-risk of becoming homeless. There are also contracts with local county homeless shelter providers who run emergency shelters for homeless singles and families throughout the county. CalWORKS Program provides families with emergency and permanent housing assistance, including motel vouchers and move-in assistance. Efforts to make these services more effective have led to the creation of BOSS, HUB, and most recently, Centralized Entry.

Under Mayor Tom Bates, Berkeley voters supported 20 projects in the area roughly bounded by Berkeley Way on the north, Dwight Way on the south, UC Berkeley on the east and the Civic Center on the west. Together they include more than 1,500 housing units which many thought would be affordable/low income housing.

[sfchronicle.com/bayarea/article/Keeping-downtown-Berkeley-s-design-distinctive-6475024](http://sfchronicle.com/bayarea/article/Keeping-downtown-Berkeley-s-design-distinctive-6475024) p

Unfortunately, developers chose to exercise the option to pay “fee in lieu”. Mayor Jesse Arreguin, who made homelessness and affordable housing the centerpiece of his campaign, continues to reiterate his belief that housing is the real answer.

#### ENVIRONMENTAL SUSTAINABILITY

In 2005, Utah figured out that the annual cost of E.R. visits and jail stays for a homeless person was about \$16,670 per person, compared to \$11,000 to provide each homeless person with an apartment and a social worker. Utah then launched “Housing First”, and began giving away apartments, with no strings attached. Each participant in “Housing First” program also gets a caseworker and other services necessary to achieve self-sufficiency. Even when they fail they keep the apartment. Clients pay some rent — either 30 percent of income or up to \$50 a month, whichever is greater. Still Salt Lake City and the state of Utah as a whole have continued to save money while reducing (according to Kelley McEvers of NPR’s report,) chronic homelessness by 91% as of 2015”.

Many of Berkeley’s homeless people earn money which, under normal circumstances, can be spent on healthy and productive habits. This change alone will benefit both the community and the homeless rather than drug dealers and other pimps of poverty as it is currently the case.

RATIONALE FOR RECOMMENDATION

It is a great failure of our society that we have allowed this humanitarian crisis to grow out of hand, not just in our city, but also throughout our country. Berkeley per capita has one of the largest chronic homeless populations in the entire county. While our community [funds] an array of services and [supports] regional efforts to address homelessness, there is clearly still more to do. We have the ability to leverage resources and the vision and dedication of our citizens to solve this crisis. Mayor Jesse Arreguín.

Based on the evidence that it is cheaper to provide people experiencing chronic homelessness with supportive housing than to have them remain homeless, the Obama Administration adopted in 2010 the “Housing First” which was designed to result in housing people quickly and without barriers or preconditions. Similarly the United Nations Charter of Human Rights which mandates that all categories of homeless people residing in a city be housed without prioritizing one group over the other. The question arises then: Why, given the foregoing programs and expenditures, are we still inundated with chronic homelessness? Could it be that homelessness has become so institutionalized that we often fail to accept--with conviction--that it could be ended? We believe that with the right mindset, we can end the homelessness crisis.

We are aware that several of our proposals are being considered or implemented. Nevertheless, we want to reiterate that investing urgently in **permanent housing** (while implementing programs aimed at **prevention**) is the only answer to homelessness.

ALTERNATIVE ACTIONS CONSIDERED

None.

CITY MANAGER

See companion report.

CONTACT PERSON

Wing Wong, Secretary, HHCS, (510)981-5428

## Attachments:

1: Resolution and/or Ordinance

2: Models and Possibilities: Where there is a will, there is a way.

BACS Bay Area Community Services’ mission, namely, use direct outreach to find people where they are..., whether it is on the street [or] in encampments...to end homelessness permanently in our community can serve as a model for Berkeley City.

[www.bayareacs.org/tag/stair-berkeley](http://www.bayareacs.org/tag/stair-berkeley)

SAHA presents a similar model, namely ...the idea that every person deserves a home...; ....a belief that quality homes and empowering services should be in reach for all of the Bay Area’s community members and that despite the many obstacles to

providing housing for people with low-incomes and special needs, this goal is possible...

3: Possible solutions For Mobile Shower Facilities. 1 Comparable operation from City of Santa Rosa. "The program will cost the city of Santa Rosa \$87,450,2 according to the City Council minutes from November 2015. These include 16' and 24' foot trailers

4: HB 436 Housing and Homeless Reform Initiative - Utah Legislature  
The current bill on how Utah has been solving the Homeless Crisis.

5: Berkeley's homeless demographic and annual spending report.

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<sup>1</sup> [http://montondotrailer.com/mobile-shower-trailers?qclid=EA1aIQobChMI3pm7pLbf2AIVyF5-Ch0-SQ\\_7EAYASAAEqJR-PD\\_BwE](http://montondotrailer.com/mobile-shower-trailers?qclid=EA1aIQobChMI3pm7pLbf2AIVyF5-Ch0-SQ_7EAYASAAEqJR-PD_BwE)

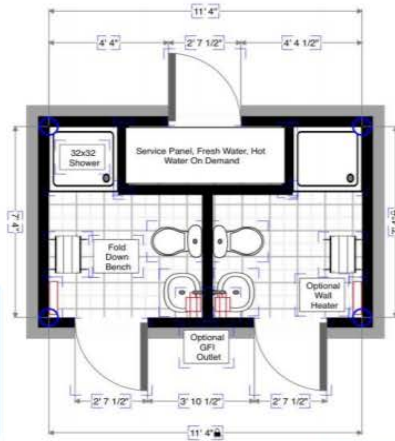
<sup>2</sup> [https://www.huffingtonpost.com/entry/homeless-showers-trailer\\_us\\_56c5e4f2e4b0c3c55053f03a](https://www.huffingtonpost.com/entry/homeless-showers-trailer_us_56c5e4f2e4b0c3c55053f03a)



*in operation.*<sup>3</sup>

Description of Quoted Item with options included in price as built.

**2018 12ft. 2 Station Combo Trailer**



- 8' x 12' Aluminum Trailer with Mechanical Room
- 450 Gallon Waste Tank
- Direct to City Water Hook Up
- 1 - 15,000 BTU AC Unit
- LP Hot Water On Demand Unit
- R11 Wall Insulation
- Non-Slip Rubber Flooring with White FRP Wall Cover
- 2 - Dometic Pedal Flush Toilets with Double Roll Toilet Paper Dispensers
- 2 - Sinks and Mirrors with EnMotion Paper Towel Dispensers
- 2 - 32"x32" Shower Stalls with Fold Down Benches
- 2 - Vacancy Indicators
- LED Interior & LED Exterior Lighting Package
- 2 - Fold Up Step System with Hand Rails
- 2 - 30" X 82" entrance doors
- Meets all NEC Electrical standards
- Lead time 7-12 weeks

**Our Price - \$26,990 + Delivery**



Valid for 15 days, unless stated.

Montondo Trailer LLC Buffalo NY

Exhibit C) HB 436 Housing and Homeless Reform Initiative - Utah Legislature  
The current bill on how Utah has been solving the Homeless Crisis.  
Exhibit D) Berkeley’s homeless demographic and annual spending report

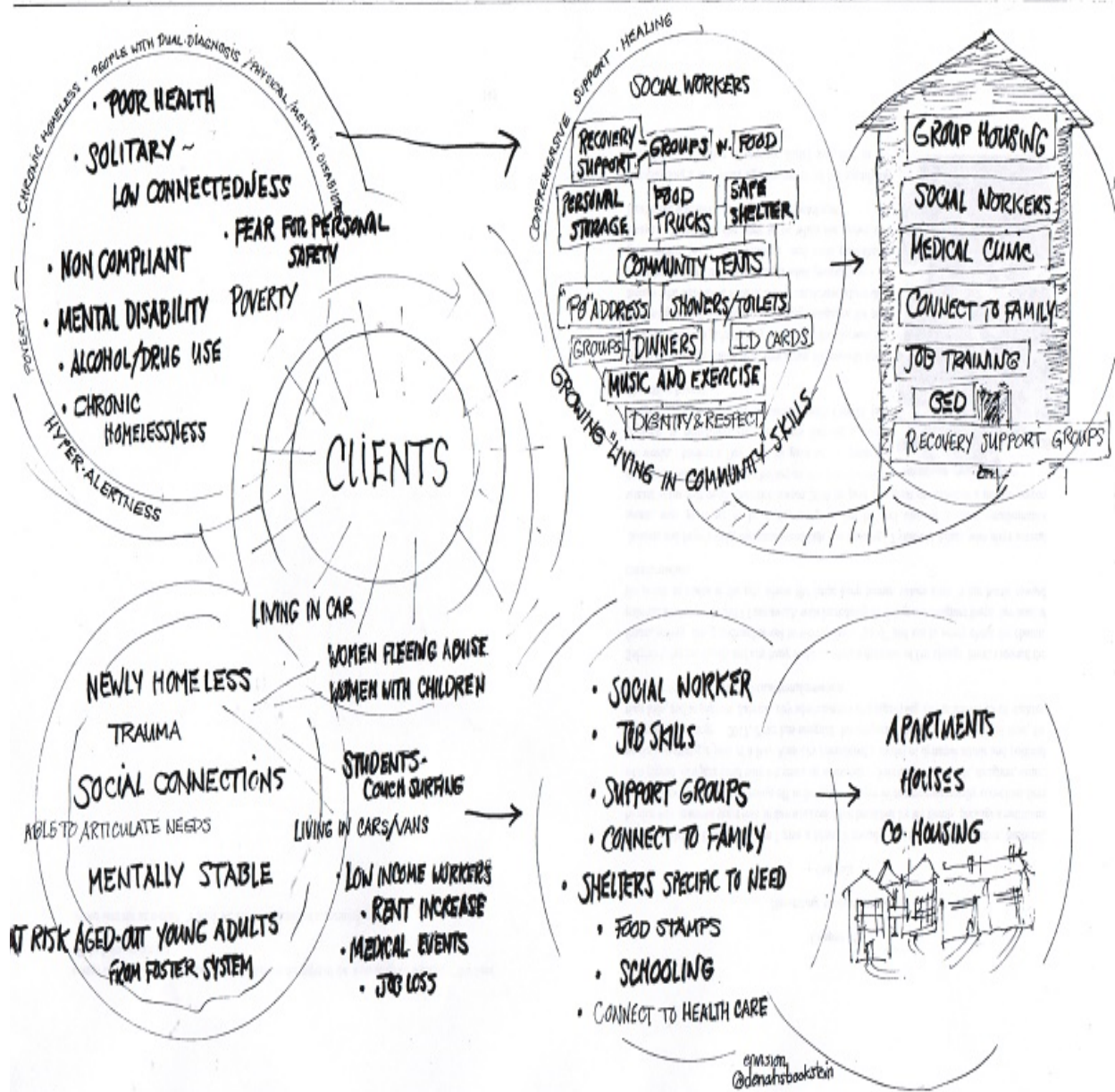
Funding for Homeless Services	Description	Total	%
Berkeley City Funds - City Departments	Police, emergency medical services, parks maintenance, encampment cleanups, shower program, homeless outreach, case management for 258 clients	\$ 9,050,480	51%
Berkeley City Funds - Community Agencies	Shelter, transitional housing, case management, other services	\$ 2,843,051	16%
Federal Funds -- HUD Continuum of Care	Supportive housing services and rental assistance	\$ 4,813,186	27%
Federal Funds – HUD Community Development Block Grant	Emergency shelter and Hub services	\$ 301,978	2%
Federal Funds – Health and Human Services, Community Services Block Grant	Emergency shelter, transitional housing and representative payee services	\$ 159,324	1%
Federal Funds – HUD Emergency Solutions Grant	Rapid Re-housing rental assistance	\$ 199,179	1%
State Funds -- Mental Health Services Act	Supportive housing and flexible subsidies	\$ 320,295	2%
<b>TOTAL</b>		<b>\$17,687,493</b>	

<sup>3</sup> <https://srcity.org/764/Homeless-Outreach-Services-Team-HOST>

<http://projects.sfchronicle.com/sf-homeless/division-street/> ("Five of San Francisco's mayors discuss their attempts to solve the homelessness problem while in office")

file:///C:/Users/adabr/Downloads/2016-11-01%20Item%2024%20Referral%20Response%20Comprehensive%20(5).pdf

<https://mail.google.com/mail/u/0/#search/homelessness/163ed9170f69aacd?compose=163c0efaae68aef4%2C163d7c403a43b26e%2C163a9527626d108d%2C163d791a98bd8878%2C16397d1bff366bd8%2C163d23126e5a79de%2C163a4fae1c438e7a>



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

## PATHS TO DEFEAT HOMELESSNESS

WHEREAS, For a city in dire need of rental units, there are currently too many empty public units. As well, there are many private units that homeowners are often reluctant to rent. On a district by district level, each Councilmember can seek ways to help potential homeowners overcome the underlying causes of their worry or reluctance to rent. To increase supply, the City can also incentivize private citizens to create accessory units, using 'tiny-homes' for example. In addition to the ADU ordinance, City will provide low or interest-free loans to homeowners who commit to renting to qualified low income tenants. This move might produce hundreds of units as well as create much desired inclusionary living; and

Whereas, The City of Berkeley creates an assessment and identification of centers of homeless congregation. Select two to three locations to install a dome or a large tent, and begin to triage and support the homeless by delivering Critical First Lines: Medical triage, mental health assistance, porta potties, Mobile shower units, HUB connectors to direct service, emergency pallets and space blankets Dumpsters, trash receptacles, parking stations for personal belonging, classes for rehab, exercise, music and similar creative activities, and job training and similar opportunities for interacting with volunteers; and

Whereas, the City establishes and supports a Citizens' Cafe, where the city supports and helps mitigate the costs for Food Trucks at the established locations; and

Whereas, the City provides Mobile shower units, porta potties, and dumpsters at specific locations to improve sanitary condition for all; and

Whereas, the City establishes a trailer park for RV/vans/buses, and ensures access to utility connections.

Whereas, the City asks each district to provide a specified number of units to low-income people; and

Whereas, the City elicits the participation of neighboring towns for properties or vacant lots to create more units (similar to the Berkeley Way plan); and

Whereas, the City expands its current relationship with YMCA to produce permanent, supportive housing; and

Whereas, the City directs the Ed Roberts Campus to create housing for the homeless or at-risk disabled persons; and

Whereas, the City retrofits and converts the Veteran Administration building for Veterans and struggling artists; and

Whereas, the City compels the University to provide full accommodation for its students by using, among other resources, all safe vacant land on and around the Campus to build dormitories; and

Whereas, the City demands units, not 'fees-in-lieu' from Developers; and

Whereas, the City develops serious job training programs and other diversions to prevent former homeless people from returning to the street; and

Whereas, the City crafts a definitive policy addressing homelessness, complete with a maxim, and abides by it. The policy is to state clearly the number of supportive housing Berkeley can maximally provide. Once all units are filled, transients may be accommodated in SRO hotels or the YMCA for a defined period. Homeward Bound Busing or accommodations in a neighboring town can be offered.

NOW THEREFORE, BE IT RESOLVED that this crisis needs to end. We need to start the process with the following Critical First Lines as we work on housing procurement.

BE IT FURTHER RESOLVED that the current homeless population needs sustainable, reliable and supportive housing as necessary. The current housing shortage can be resolved by converting all or most of the existing temporary shelters to permanent and supportive housing.



Commission on Disability  
AGENDA  
DRAFT Meeting Minutes

**Commission on Disability**

**Wednesday**

**City of Berkeley Corporation Yard**

**5/01/2019**

**1326 Allston Way**

**6:30 PM**

**Willow Room**

**Berkeley, CA 94702**

**A. PRELIMINARY BUSINESS**

- 1) Call to Order by Chair Ghenis at 6:40.
- 2) Roll Call by Secretary Bednarska: Present: Walsh, Smith, Ghenis, Weiss, Ramirez, Singer; LOA: Leeder.
- 3) Public Comment on Items Not on the Agenda. (Up to 3 minutes per speaker)  
None.
- 4) Approval of Draft Action Minutes of March 6, 2018\*\*\*  
Motion to Approve, (Weiss/Smith, all ayes)  
Regular Meeting and Draft Action Minutes of April 3, 2018 Regular Meeting.\*  
Motion to Approve (Singer/Smith, all ayes)
- 5) Staff Update.

Secretary provided the following updates: the Kiosk informational item was submitted for May 28 City Council Agenda, COD 2019 Work Plan submitted for internal review and should head to Council in late June.

- 6) Approval and Order of Agenda  
(Weiss/Singer, all ayes)

## **B. DISCUSSION/ACTION ITEMS**

The public may speak at the beginning of any item.  
(Comments may be limited to 3 minutes per speaker)

### **Commission will take a 5 minute break around 8pm**

#### **1. Secretary issues and accessibility concerns.**

Concerns regarding the accessibility of the meeting room, size of room, and proximity to transit raised.

Request that staff look into alternative location such as South Berkeley Senior Center or Ed Roberts. No action taken.

#### **2. Navigable Cities Informational Report to Council.**

Discuss and review report. (20 minutes / Ghenis)\*

Discussion. Motion: Walsh to represent

COD on Vision Zero committee (Weiss/Ramirez, all ayes)

Motion: Approve informational item for submission to City Council with photos. (Singer/Ramirez, all ayes)

#### **3. Town Hall. Discussion and Selection of date. (5 minutes / Ghenis)**

Discussion of town hall in lieu of regular meeting in



October. Secretary and Chair to explore having the meeting at Ed Roberts Campus.

Motion to approve: (Walsh/Weiss, all ayes)

**4. Homeless Concerns - Access to electric charging facilities for wheelchairs.** Discuss information that has been collected and explore future course-of-action. (10 minutes / Ghenis)

Public Comments from Stacey Hill, Alex Williams, Yesica Prado in support of public charging stations. Discussion. Motion for Chair Ghenis to further research issue and draft informational item. (Walsh/Singer, all ayes) Request for Secretary/staff to follow up on request for power at Stacey Hill's Here/There Camp with Public Works.

**5. Homeless Concerns - RV Parking.** (10 minutes / Smith) Public comment from Yesica Prado and Richie Smith on need for overnight RV parking. Discussion. Request for Secretary/Staff to provide any available updates on the issue. No action taken.

**6. Discussion on changes to PG&E Medical Baseline Program.** PG&E recently changed policies to its medical baseline program. Discuss changes, impacts, and potential courses of action. (10 minutes / Ghenis) Public comment by Christine Schwartz. Discussion. Request for Jennifer Lazo to address how Emergency Services and the Committee may work together to address potential adverse impact on people with disabilities who rely on medical equipment.



**7. Discussion on Zero Waste Commission.** Discuss how to collaborate with ZWC on any future efforts that may affect people with disabilities. A Zero Waste Commission member may attend, or Ghenis will communicate with ZWC and report back. (10 minutes / Ghenis)

Discussion. No action taken.

**8. San Pablo Avenue Plan.** An update on the planning process, and report on Feb 13 stakeholder meeting. (10 minutes / Walsh)

Discussion.

Request to invite county staff to present and address accessibility concerns related to mobility and visual disabilities.

**9. Public Outreach Informational Item** Discuss and review report. (15 minutes /Ghenis)\*

Discussion. Motion to approve informational item for submission to City Council. (Singer/Walsh, all ayes)

## **10. Announcements**

Weiss-Team came in 1<sup>st</sup> in MS Walk, fundraising still ongoing. Bednarska-Annual stipends forms due May 31<sup>st</sup>.

## **C. INFORMATION ITEMS AND SUBCOMMITTEE**

### **REPORTS**

**1. Peace and Justice Commission Subcommittee on the Convention on the Rights of Persons with Disabilities-** Update on activity or projects of this

subcommittee since last meeting. (5 minutes / Walsh & Weiss)

CRPD's second annual Berkeley forum on access and disability rights at Ed Roberts on May 8, 3 to 5pm. Secretary Bednarska added as panelist.

## **D. COMMUNICATIONS**

### **1. FUTURE AGENDA ITEMS (from adopted work plan, referrals, etc.)**

#### **Navigable Cities Items**

- **Construction issues**
- **Portable signs**
- **Photo survey**

#### **Sidewalk discussion item**

#### **Relocation of Meetings**

#### **PG&E**

#### **Town Hall**

#### **RV Parking and Wheelchair Chargers**

#### **Elevator Ordinance Review**

#### **San Pablo Corridor**

#### **Service Animals Welcome**

#### **Commission on Ageing**

## **E. ADJOURNMENT: 9:25 PM (Walsh/Smith, all ayes)**

Agenda Posted: April 22, 2019

- \* Indicates written material included in packet.
- \*\* Indicates material to be delivered at meeting.
- \*\*\* Indicates material previously mailed.

**A complete agenda packet is available for public review on the web at:**

<https://www.cityofberkeley.info/Clerk/Commissions/Commissions Commission on Disability Homepage.aspx>

**Available also at the main library, and Public Works, Engineering Division, 1947 Center Street, 4<sup>th</sup> Floor.**

### **ADA Disclaimer**



*"This meeting is being held in a wheelchair accessible location. To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, or alternative formats, please contact the Disability Services specialist at 981-6400 (V) or 981-6347 (TDD) at least three business days before the meeting date. Please refrain from wearing scented products to this meeting.*

### **Communications Disclaimer**

*Communications to Berkeley boards, commissions or*

*committees are public record and will become part of the City's electronic records, which are accessible through the City's website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to a City board, commission or committee, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the secretary of the relevant board, commission or committee. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the secretary to the relevant board, commission or committee for further information.*

Commission Secretary: Dominika Bednarska, Disability Services Specialist, 1947 Center St., 4th Floor, Berkeley, CA, 94704, Telephone (510) 981-6411, Fax: (510) 981-7060 TDD: (510) 981-6347.

Email: [DBednarska@cityofberkeley.info](mailto:DBednarska@cityofberkeley.info)



Berkeley Homeless  
Commission

## MEETING MINUTES

June 12, 2019

1. Roll Call: 7:05 PM

**Present:** Behm-Steinberg, Hill, Kealoha-Blake, Marasovic (absent 7:05-7:32), Mulligan

**Absent:** Hirpara (leave of absence)

**Staff:** Radu

**Public:** Three

2. Comments from the Public: Two.

3. Approval of Minutes for meeting of May 8, 2019.

**Action:** M/S/C Kealoha-Blake/Hill to approve the minutes of 5/8/19 as written.

**Vote:** Ayes: Behm-Steinberg, Hill, Kealoha-Blake, Marasovic, Mulligan

Noes: None. *Abstain:* None. *Absent:* Hirpara (excused).

### Update/Action Items

4. Agenda Approval

**Action:** M/S/C Kealoha-Blake/Mulligan to approve the agenda for the meeting of 6/12/19 as written.

**Vote:** Ayes: Behm-Steinberg, Hill, Kealoha-Blake, Marasovic, Mulligan

Noes: None. *Abstain:* None. *Absent:* Hirpara (excused).

5. Staff and Chair Updates

Discussion; no action taken.

6. Recommendation for additional meeting to reinstate October Homeless Commission meeting.

**Action:** M/S/C Marasovic/Hill to recommend that Council reinstate the October meeting of the Homeless Commission.

**Vote:** Ayes: Behm-Steinberg, Hill, Kealoha-Blake, Marasovic, Mulligan

Noes: None. *Abstain:* None. *Absent:* Hirpara (excused).

**Action:** M/S/C Marasovic/Hill that the report requesting an additional October Homeless Commission meeting be submitted to Council as written.

**Vote:** Ayes: Behm-Steinberg, Hill, Kealoha-Blake, Marasovic, Mulligan

Noes: None. *Abstain:* None. *Absent:* Hirpara (excused).

*A Vibrant and Healthy Berkeley for All*

7. Recommendation for health study to be conducted by Division of Public Health to gather data on health conditions, health disparities and mortality rates of the homeless with recommendations on closing the gaps on health disparities.

**Action:** M/S/C Hill/ Marasovic that the Homeless Commission recommends that Council direct that the City Division of Public Health conduct a study, with parameters as amended in the report, gathering data on health conditions, health disparities and mortality rates of Berkeley's homeless for the last five years.

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

**Action:** M/S/C Hill/Marasovic to submit the report as amended and to authorize the Chair to present on behalf of the Commission on the report.

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

8. Recommendation on Adeline Corridor Plan to include a committed number of housing units for extremely low-income persons consistent with 1000 person plan.

Discussion; no action taken.

9. Recommendation on 1281 University Avenue to be used as a location for RVs for RV dwellers with established ties to Berkeley.

**Action:** M/S/C Hill/Marasovic that the Homeless Commission recommends that the currently unused City-owned property at 1281 University Avenue be used to house on an interim basis up to 8-10 RV dwellers, or as many as the property would safely accommodate, selected by the City of Berkeley. The RV dwellers would be selected by the City of Berkeley based on the strength of their ties to the community such as employment in Berkeley, attending school in Berkeley and families with children in Berkeley schools; and to submit the report as amended and authorize the Chair to present on behalf of the Commission on this report.

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

**Action:** M/S/C Behm-Steinberg/Marasovic to extend the meeting until 9:20.

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

10. Encampment subcommittee report including update on Council referral on sanctioned encampment models

***A Vibrant and Healthy Berkeley for All***

Discussion; no action taken. Item will be taken up by the Encampment Subcommittee.

11. General discussion around encampments as homesteading.

Discussion; no action taken. Item will be taken up by the Encampment Subcommittee.

12. Creation and adoption of the Homeless Commission’s FY2020 Work Plan.

Discussion; no action taken.

13. Employment strategies for the homeless.

Discussion; no action taken.

14. Discussion on transportation accommodation to shelters and resources.

Discussion; no action taken. Item will be held over to the next agenda.

Meeting adjourned at 9:20 PM.

Minutes Approved on: \_\_\_\_\_

Peter Radu, Commission Secretary: \_\_\_\_\_



Office of the Mayor

ACTION CALENDAR

July 9, 2019

To: Honorable Members of the City Council  
 From: Mayor Jesse Arreguín and Councilmembers Sophie Hahn, Kate Harrison and Rigel Robinson  
 Subject: Housing for a Diverse, Equitable and Creative Berkeley: Proposing a Framework for Berkeley's Affordable Housing

RECOMMENDATION

Refer to the Housing Advisory Commission, the Measure O Bond Oversight Committee, and the Homeless Services Panel of Experts to consider the proposed **Housing for a Diverse, Equitable and Creative Berkeley** framework (the "Framework") and return comments for consideration at a Special Meeting of the City Council in September, to inform a final version the City Council will adopt to govern Berkeley's affordable housing policies, programs and projects through 2030.

SUMMARY STATEMENT

With the public's generous support of 2018 Measures O and P and 2016 Measure U1, Berkeley has significant new local funds to support our affordable and homeless housing goals. Numerous advisory and decision-making entities, including the Measure O Bond Oversight Committee ("Measure O Committee"), Housing Advisory Commission (HAC), Planning Commission, Homeless Services Panel of Experts, City Staff - and the City Council as the final decision-making body - have a role in recommending, adopting or implementing policies, programs and projects using these and the City's other affordable and supportive housing resources. Several other entities may also play a role in recommendations or decisions affecting affordable and supportive housing including the Zoning Adjustments Board (ZAB) and the Mental Health and Homeless Commissions. *To support optimal coordination among these many bodies and cohesive action to realize Berkeley's affordable housing goals, it is imperative that the City Council provide a high-level roadmap for all to follow.*

There is a great deal of public process before us as we move forward to build an equitable housing future for Berkeley. We offer this Framework as a starting point for many future decisions, lighting a path for Berkeley to honor and maximize the powerful



opportunity presented by Measures O, P and U1, and the community's outstanding commitment to affordable and homeless housing.

This framework addresses *only* Berkeley's *affordable and supportive housing* strategies. Many strategies are already in place to support the creation of new market rate housing, and others are under consideration. Because the creation and preservation of affordable housing involves significant investments of City of Berkeley resources, a high-level, comprehensive framework, adopted by the City Council, is necessary to guide decision making by multiple entities over time.

## BACKGROUND

In the past, the City of Berkeley had limited financial resources to fund the development and management of affordable and supportive housing. Berkeley created a Housing Trust Fund in 1990<sup>1</sup> which may collect money from a number of sources including fees from market-rate rental or ownership developments (pursuant to BMC Chapter 23C.12 - Inclusionary Housing Requirements), demolitions, and the sale of City-owned properties.<sup>2</sup> Funds are often insufficient to support multiple projects simultaneously, or to fund single, large projects in their entirety. As of 2015, the HTF received approximately \$7.6 million from fee programs, which was the only source of funding at that time.<sup>3</sup> In December of 2018 (prior to the adoption of Measure O), the Housing Trust Fund had a balance of only \$3.5 million. In addition, that balance and other funds had been reserved for The Berkeley Way Project, which required at least \$13 million in City funds to move forward.<sup>4</sup>

*Recently, Berkeley voters overwhelmingly endorsed three measures that together create an unprecedented opportunity for the City to fulfill the community's highest priorities: addressing the dual crises of housing affordability and homelessness.*

Measure U1 (2016), which passed with 75% percent of the vote, increased the gross receipts tax on owners of five or more residential rental units, generating approximately \$5 million per year to increase affordable housing and protect Berkeley residents from

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<sup>1</sup> City of Berkeley Housing and Community Services Department, Housing Trust Fund, <https://www.cityofberkeley.info/ContentDisplay.aspx?id=6532>

<sup>2</sup> City of Berkeley Housing Trust Fund Guidelines, [https://www.cityofberkeley.info/uploadedFiles/Housing/Level\\_3\\_-\\_General/Revised%202016%20HTF%20GUIDELINES.pdf](https://www.cityofberkeley.info/uploadedFiles/Housing/Level_3_-_General/Revised%202016%20HTF%20GUIDELINES.pdf)

<sup>3</sup> Memo on Below Market Rate Housing and Housing Trust Fund Program Status, December 2015, [https://www.cityofberkeley.info/Clerk/City\\_Council/2015/12\\_Dec/Documents/2015-12-01\\_WS\\_Item\\_03\\_Below\\_Market\\_Rate\\_Housing.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2015/12_Dec/Documents/2015-12-01_WS_Item_03_Below_Market_Rate_Housing.aspx)

<sup>4</sup> Reserving Up to an Additional \$12.5M in Housing Trust Funds for the Berkeley Way Development, December 4, 2018, [https://www.cityofberkeley.info/Clerk/City\\_Council/2018/12\\_Dec/Documents/2018-12-4\\_Item\\_03\\_Reserving\\_Up\\_to\\_an\\_Additional\\_12\\_5M\\_in\\_Housing\\_Trust\\_Funds.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2018/12_Dec/Documents/2018-12-4_Item_03_Reserving_Up_to_an_Additional_12_5M_in_Housing_Trust_Funds.aspx)

homelessness.<sup>5</sup> In November of 2018, Measures O and P were overwhelmingly passed by Berkeley voters.<sup>6,7</sup> Measure O, supported by 77%, is a \$135 million affordable housing bond to create and preserve affordable housing. Measure P, which received 72% support, increases the real estate transfer tax on the top one-third of real estate transactions by 1% to fund rehousing, mental health and other services for the homeless, likely yielding \$6 to \$8 million per year.

Over ten years, these three measures are projected to generate more than \$200 million to create and preserve affordable housing, to keep vulnerable residents housed, and to rehouse individuals and families experiencing homelessness. Not surprisingly, given the high levels of support for these measures, the provision of affordable housing and homeless services was ranked as extremely or very important by 84% of respondents to a 2018 community survey<sup>8</sup>.

*The message from Berkeley voters and residents is clear; it is now our responsibility to deliver maximum value for those who need help finding or sustaining housing, and for the entire community.*

Berkeley is poised to undertake a major expansion of our affordable housing programs, using the new monies provided by Measures U1, O and P. Combined with already-existing affordable housing resources (Housing Trust Funds, inclusionary requirements and public land, among others) and supplemented with possible changes to the zoning code that could improve the mix and yield of affordable units, the City is well-positioned to meaningfully address Berkeley's highest priorities.

Diversity is one of Berkeley's key strengths. With the rapid influx of new workers to the Bay Area and additional students to UC Berkeley, our community is challenged to meet a variety of housing needs; in particular the needs of low and moderate income households and the homeless. Berkeley is committed to housing for its teachers, artists and artisans, seniors and students, young people entering the work-force, and the many other working individuals and families who cannot afford market-rate housing. Berkeley is also deeply committed to housing individuals and families experiencing

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<sup>5</sup> Full text of Measure U1, <https://www.cityofberkeley.info/uploadedFiles/Clerk/Elections/Measure%20U1.pdf>

<sup>6</sup> Full Text of Measure O, <https://drive.google.com/file/d/1qdA7jW6J5IHgFSllcwHcb20x-fcfW3Xv/view?usp=sharing>

<sup>7</sup> Full Text of Measure P, <https://drive.google.com/file/d/1JbipUDMW62KgkI4szDoMEgAmN0lvZCLk/view?usp=sharing>

<sup>8</sup> Discussion and Direction Regarding Potential Ballot Measures for the November 6, 2018 General Municipal Election, [https://www.cityofberkeley.info/Clerk/City\\_Council/2018/03\\_Mar/Documents/2018-03-27\\_Item\\_23\\_Discussion\\_and\\_Direction\\_Regarding\\_-\\_Supp.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2018/03_Mar/Documents/2018-03-27_Item_23_Discussion_and_Direction_Regarding_-_Supp.aspx)

homelessness, and ensuring that people with disabilities have accessible, supportive and affordable options.

Berkeley's new affordable housing monies enable us to expand successful housing strategies the City is already pursuing and to significantly expand important strategies that were more difficult to achieve in the absence of meaningful local funds. The plan proposes expanding Berkeley's major existing affordable housing programs and putting substantial resources into directions that reflect core Berkeley values such as cooperative ownership, democratic control and the empowerment of underserved communities. It also proposes a suite of policies that should be broadly applied to all existing, expanded and new affordable housing initiatives.

*This Framework is meant to serve as the "mission and goals" that will guide the next decade of action on affordable housing in Berkeley. Specific strategies, programs and projects will be developed in much more detail by the Measure O Committee (and, with respect to U1 funds, the HAC and to Measure P funds, the Homeless Services Panel of Experts); with input from other committees and commissions and from trusted community partners and the public; with the expertise and support of City Staff; and with refinement and approval by the Berkeley City Council.*

#### REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES & LAWS

The City of Berkeley has numerous programs, policies and laws in place that directly or indirectly support the creation and preservation of affordable and supportive housing. Many of these are discussed in the proposed Framework, including rent control and eviction protections<sup>9</sup>, affordable housing fees and inclusionary requirements for for-profit developments<sup>10</sup>, a Small Sites Program, and the Tenant Opportunity to Purchase Act<sup>11</sup>.

Housing affordability is the first objective of the Housing Element of the City of Berkeley General Plan. *Policy H-1 - Extremely Low, Very Low, Low and Moderate Income Housing* sets the goal of increasing housing affordable to residents with lower income, and outlines a number of actions to achieve this goal, including encouraging incentives for affordable housing development, utilizing the Housing Trust Fund to provide housing, and maintaining zoning requirements for the inclusion of affordable units in

<sup>9</sup> Rent Stabilization and Eviction for Good Cause Ordinance, [https://www.cityofberkeley.info/Rent\\_Stabilization\\_Board/Home/Ordinance\\_Rent\\_Stabilization\\_and\\_Eviction\\_for\\_Good\\_Cause.aspx](https://www.cityofberkeley.info/Rent_Stabilization_Board/Home/Ordinance_Rent_Stabilization_and_Eviction_for_Good_Cause.aspx)

<sup>10</sup> BMC Chapter 23C.12, Inclusionary Housing Requirements, <https://www.codepublishing.com/CA/Berkeley/cgi/NewSmartCompile.pl?path=Berkeley23C/Berkeley23C12/Berkeley23C12.html>

<sup>11</sup> Small Sites Acquisition Program and Tenant Opportunity to Purchase, Feb 14, 2017, [https://www.cityofberkeley.info/Clerk/City\\_Council/2017/02\\_Feb/Documents/2017-02-14\\_Item\\_18b\\_Small\\_Sites\\_Acquisition.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2017/02_Feb/Documents/2017-02-14_Item_18b_Small_Sites_Acquisition.aspx)

new housing developments<sup>12</sup>. Housing affordability is also the subject of Land Use Policies LU-18 (Downtown Affordable Housing Incentives) and LU-25 (Affordable Housing Development) of the Land Use Element of the General Plan<sup>13</sup> and of the City's affordable housing requirements in market rate buildings.<sup>14</sup> Many of Berkeley's area-specific plans, such as the Downtown Area Plan, Adeline Corridor Specific Plan, and West Berkeley Plan, also highlight the importance of affordable housing to specific areas and neighborhoods.<sup>15, 16, 17</sup>

2018's Measure O is the most recent affirmation of the community's desire to create and preserve housing affordable to serve populations not able to afford market rates. It sets a goal of achieving 10% reserved affordable housing by 2030.<sup>18</sup> The Framework seeks to coordinate existing and new efforts toward achieving this goal.

### ACTIONS/ALTERNATIVES CONSIDERED

While the City has made numerous commitments to affordable housing in the past and taken a variety of actions to encourage its development and preservation, many of these were made before Measure U1, O, and P's resources were contemplated or available. The need to allocate resources in a coordinated, efficient and rational manner is more urgent than ever as we set out to spend the significant new funds voters have generously provided.

Creating a clear roadmap for the many entities that will consider and decide on the use of both new and existing resources is the best way to ensure optimal allocations and maximum achievement of the community's goals. Looking at individual projects or programs absent a guiding plan and principals will not produce the optimization or

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<sup>12</sup> Housing Element, Policy H-1 Extremely Low, Very Low, Low and Moderate Income Housing  
[https://www.cityofberkeley.info/Planning\\_and\\_Development/Home/General\\_Plan\\_-\\_Housing\\_Element.aspx](https://www.cityofberkeley.info/Planning_and_Development/Home/General_Plan_-_Housing_Element.aspx)

<sup>13</sup> Land Use Element, City of Berkeley General Plan,  
[https://www.cityofberkeley.info/Planning\\_and\\_Development/Home/General\\_Plan\\_-\\_Land\\_Use\\_Element\\_Introduction.aspx](https://www.cityofberkeley.info/Planning_and_Development/Home/General_Plan_-_Land_Use_Element_Introduction.aspx)

<sup>14</sup> BMC 23C.12 Inclusionary Housing Requirements,  
<https://www.codepublishing.com/CA/Berkeley/cgi/NewSmartCompile.pl?path=Berkeley23C/Berkeley23C12/Berkeley23C12.html>

<sup>15</sup> Berkeley Downtown Area Plan,  
[https://www.cityofberkeley.info/uploadedFiles/Planning\\_and\\_Development/Level\\_3\\_-\\_DAP/FINAL\\_x-DAP%20document\\_120329.pdf](https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_DAP/FINAL_x-DAP%20document_120329.pdf)

<sup>16</sup> Adeline Specific Area Plan  
[https://www.cityofberkeley.info/uploadedFiles/Planning\\_and\\_Development/Level\\_3\\_-\\_Land\\_Use\\_Division/Adeline%20SP%20Public\\_4.%20Housing\\_5.15.19.pdf](https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Land_Use_Division/Adeline%20SP%20Public_4.%20Housing_5.15.19.pdf)

<sup>17</sup> West Berkeley Plan, Housing and Social Services,  
[https://www.cityofberkeley.info/Planning\\_and\\_Development/Home/West\\_Berkeley\\_-\\_Housing\\_Social\\_Services.aspx](https://www.cityofberkeley.info/Planning_and_Development/Home/West_Berkeley_-_Housing_Social_Services.aspx)

<sup>18</sup> Full Text of Measure O, <https://drive.google.com/file/d/1qdA7jW6J5IHgFSllcwHcb20x-fcfW3Xv/view?usp=sharing>

coordination that is required to fulfill our mandates. Similarly, adopting a Framework without collecting input from the community and appropriate Commissions and Committees would not be appropriate. We see no alternatives that would ensure the work of many entities involved in forwarding affordable housing in Berkeley is harnessed towards commonly established, clearly stated and rationalized goals.

### CONSULTATION/OUTREACH OVERVIEW & RESULTS

The intent of this referral is to launch a broad process of consultation to gather input from the Housing Advisory Commission, the Measure O Bond Oversight Committee, and the Homeless Services Panel of Experts and from community partners and the public. Because the Framework must be in place before other entities embark to fulfill their respective charges, consultation must be completed and the Framework adopted quickly.

This referral specifically requests feedback on *broad concepts, directions and goals*, not on *implementation strategies, programs or projects*. While Commissions, Committees, community partners and the public will no doubt be tempted to address these additional important elements at this time, specific strategies, programs and projects will not be addressed in the Framework itself. These will be developed and vetted over time by the Measure O Committee, the HAC and other appropriate entities, and will involve additional consultation with community partners and the public.

The attached draft Framework reflects consultation with the City Manager's Office and the Health, Housing, and Community Services Department, and with the item's four co-sponsors. The Framework was conceived and written with the support of Stephen Barton, PhD., former Executive Director of the City of Berkeley's Rent Board and former City of Berkeley Housing Director. The Framework, offered as a draft, now awaits input from the Housing Advisory Commission, the Measure O Bond Oversight Committee, and the Homeless Services Panel of Experts, community partners and, most importantly, the public.

### RATIONALE FOR RECOMMENDATION

Traditionally, affordable housing has been the purview of the City Council, the Housing Advisory Commission and City Staff. Measure U1 further deputizes the HAC to make recommendations on the use of U1 funds and recommendations on expanding affordable housing in the City, and both Measures O and P established boards to provide recommendations on the use of their respective funds. Finally, the Planning Commission, the Land Use, Housing, and Economic Development Committee, the Zoning Adjustments Board and other City entities play important roles in supporting and producing affordable housing. It is important that all of these entities share a single

vision and, even when acting independently, are moving towards clearly articulated, Council-approved goals. A single cohesive Framework will help ensure that different funds, regulatory strategies and other resources available to be harnessed to the cause of affordable and supportive housing are each deployed for their optimal purpose within the broader ecosystem.

#### IMPLEMENTATION, ADMINISTRATION & ENFORCEMENT

The Housing Advisory Commission, the Measure O Bond Oversight Committee, and the Homeless Services Panel of Experts are the most appropriate drivers of the public process. Each shall hold at least one publicly noticed meeting to take comments and review and discuss the proposed Framework. The Chair of each body shall prepare a set of comments, approved by the Commission and Committees, to present at the Special Meeting of the City Council in September. Given the urgency of this referral, lengthy reports are neither required nor feasible. Each body can choose its own preferred format for comments, and the Chair (or other chosen representative) will be provided 10 minutes at the September Special Meeting to present comments.

#### FISCAL IMPACTS

Costs for review of the proposed Framework by Commissions, Committees, and by the City Council at a Special Meeting are minimal and consist of staff time to notice and staff meetings, many of which are already regularly scheduled.

Ultimately, adoption of the Framework will provide the cohesion necessary to rationalize the use of the City's many affordable housing resources and allow the City to responsibly and efficiently allocate resources to best achieve community goals.

#### ENVIRONMENTAL SUSTAINABILITY

Carrying out the community process as proposed has no environmental impacts.

Creating and preserving affordable and homeless housing in Berkeley, a transit rich community, will allow lower income individuals and families to live closer to transit and to their workplaces, reducing greenhouse gas emissions by shortening commutes and decreasing reliance on personal vehicles. Building to high green standards, as required by the Framework, will ensure new and refurbished housing incorporates energy efficiency, electrification, water conservation and use of non-toxic materials, as well as other green building measures.

Preserving and refurbishing existing housing stock is an important environmental strategy, as reuse/repair/refurbishment of materials already in use maximizes the value of a building's embodied energy, and avoids expending additional embodied energy on

a new building, that can take decades or even a century to recapture.

Finally, increasing affordable housing in Berkeley will make the City more economically and racially equitable, which is a key factor of the City's sustainability and resilience goals, as outlined in Berkeley's Resilience Strategy.

#### OUTCOMES & EVALUATION

If robust input is received from diverse stakeholders and the Framework is adopted, the goals of this item will have been fully realized. The Framework will support achievement of Measure O's stated goal that 10% of Berkeley housing units be reserved affordable by the year 2030.

#### CONTACT

Mayor Jesse Arreguín, (510) 981-7100

Councilmember Sophie Hahn, District 5, (510) 981-7150

#### Attachments:

1. Housing for a Diverse and Creative Berkeley: A Framework for Affordable Housing

# Housing for a Diverse, Equitable and Creative Berkeley

## *A Framework for Affordable Housing*

Councilmember Sophie Hahn and Mayor Jesse Arreguín

Written in collaboration with Stephen Barton, Ph.D.

### **EXECUTIVE SUMMARY**

*Berkeley is poised to undertake a major expansion of our housing affordability programs, using new monies provided by Measures U1, O and P. Combined with already-existing affordable housing resources and supplemented with possible changes to the zoning code that could improve the mix and yield of affordable units, the City is well-positioned to meaningfully address Berkeley citizens' highest priorities: to increase affordable housing and rehouse the homeless.*

Diversity is one of Berkeley's key strengths. With the rapid influx of new workers to the Bay Area and additional students to UC Berkeley, our community is challenged to meet a variety of housing needs; in particular the needs of low and moderate income households and the homeless. Berkeley is committed to housing for its teachers, artists and artisans; seniors and students; young people entering the work-force; and the many other working families and individuals who cannot afford market-rates. Berkeley is also deeply committed to housing the homeless, and ensuring that people with disabilities have accessible, supportive and affordable homes.

Berkeley's new housing monies enable us to expand successful affordable housing strategies we are already pursuing and to expand important strategies that were more difficult to achieve in the absence of significant local funds. We propose expanding Berkeley's major existing affordable housing programs and putting substantial resources into directions that reflect core Berkeley values such as cooperative ownership, democratic control and the empowerment of underserved communities. We also propose a suite of policies that should be broadly applied to all existing, expanded and new affordable housing initiatives.

### **Major Existing Programs - Recommend to Expand:**

Currently, the City of Berkeley works to maintain housing affordability through four primary strategies, each of which is backed by effective organizations within the City of Berkeley and by local non-profit affordable housing organizations. ***These four strategies should be strengthened and expanded:***



1. Constructing New Non-Profit Affordable Units
2. Rent and Eviction Protections
3. Affordable Housing Fees and Inclusionary Requirements for For-Profit Developments
4. Direct Subsidies to Renters

**Additional Important Programs - Recommend to Significantly Expand:**

There are several additional strategies that the City should expand substantially as they offer excellent opportunities to create and preserve affordable rental *and ownership* housing aligned with Berkeley values. Some of these strategies require capacity-building within City Departments and in non-profit partners. *These programs should be significantly strengthened and expanded:*

1. House and Support the Homeless
2. Transition some of Berkeley's existing rental housing to permanently affordable social ownership by expanding the Small Sites Program, accompanied by a Tenant or Community Opportunity to Purchase Act.
3. Provide innovative homeownership opportunities for moderate and low income residents, including cooperative ownership using the Community Land Trust model.
4. Significantly increase the supply of affordable live-work housing for artists and artisans.
5. Encourage adding incremental units, such as accessory dwelling units (ADUs) or low-rise multiplex units that complement neighborhood character.
6. Partner with UC Berkeley to support creation of housing appropriate and affordable to students, faculty and staff.

**Policies to Ensure Equity and Sustainability:**

While pursuing these strategies, there are several principles of equity and sustainability the City should apply to all of its affordable housing programs:

1. Ensure equitable access to scarce affordable housing, including accessible units with universal design features.
2. Codify Deep Green Building standards for healthy and sustainable buildings, and other measures to increase environmental sustainability.
3. Prioritize the use of public land for the creation of affordable housing.
4. Ensure those who build and rehabilitate our housing are paid fair wages and have access to health insurance, and support local apprenticeship programs.
5. Make changes to the City of Berkeley Zoning Code and project approvals processes to incentivize, facilitate and reward the production of affordable housing.

Following these programs and principles, Berkeley will be able to preserve and expand its diverse and creative character, support equity and opportunity, and offer meaningful, stable housing solutions to families and individuals not able to afford market rates.

This Framework addresses only Berkeley's *affordable* housing goals. Many strategies are already in place to support the creation of new market rate housing, and others are under consideration. Because the creation and preservation of affordable housing involves significant investments of City and other resources, a comprehensive roadmap, adopted by the City Council, is necessary to guide decision making by multiple entities over time.

## I. INTRODUCTION

Many things make Berkeley a special and attractive place; nationally and internationally renowned for activism, intellect, innovation and the arts. We are lucky to be situated on the desirable West Coast of the United States and the Pacific Rim, bordering San Francisco Bay and adjacent to the largest Regional Parks network in America. But the core of what makes us a unique, important and engaging City is *the people of Berkeley, and our shared values of equity, opportunity and justice*. Our robust mix of backgrounds includes people of diverse ethnicities, religions, ages, gender identities, occupations and abilities. Without this mix, we lose the fundamental elements of our greatness and risk all that makes Berkeley one of the most uniquely desirable and impactful small cities in America.

Preserving and enhancing our diversity - and our humanity - in the face of unprecedented pressure on housing affordability is one of the greatest challenges we face. Rent control has long been a key strategy for Berkeley to provide stability and affordability to residents; our ability to keep it strong has been severely eroded by the State. Twenty years ago, working families could still afford to buy homes in Berkeley; with median home prices now topping \$1.3 million, that is no longer the case.<sup>1</sup> And with a dramatic rise in rents and evictions throughout the region and the State, the humanitarian disaster of homelessness accelerates.<sup>2, 3, 4</sup>

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<sup>1</sup> Oakland, Berkeley, Piedmont Real Estate, June 2019, <https://www.bayareamarketreports.com/trend/oakland-berkeley-real-estate-market-conditions-prices>

<sup>2</sup> New report underscores link between 'shocking' number of evictions, homelessness, Curbed LA, June 10, 2019, <https://la.curbed.com/2019/6/10/18659841/evictions-homelessness-rent-burden-los-angeles>

<sup>3</sup> Implementation of Resolution 68,312 (Council Funding for Additional Services Amending Contracts with Eviction Defense Center ("EDC") and East Bay Community Law Center ("EBCLC")) For the Period Ending June 30, 2018, April 2, 2019, [https://www.cityofberkeley.info/Clerk/City\\_Council/2019/04\\_Apr/Documents/2019-04-02\\_Item\\_13\\_Implementation\\_of\\_Resolution.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2019/04_Apr/Documents/2019-04-02_Item_13_Implementation_of_Resolution.aspx)

<sup>4</sup> "Rising rents, home prices in Berkeley and the Bay Area displacing thousands", June 28, 2018, <https://www.berkeleyside.com/2018/06/28/rising-rents-home-prices-in-berkeley-and-the-bay-area-displacing-thousands>

Rising market rates for both rental and ownership housing in Berkeley is driven primarily by the huge increase in high paid workers flooding the Bay Area, and by UC Berkeley's addition of 35% more students over the last 20 years, bringing enrollment to over 41,000.<sup>56</sup> New Tech and other "white collar" workers pay well over \$1 million for the bungalows, duplexes and tract homes that used to house the Bay Area's middle income and poor residents, and are able to afford rents of \$3500 or more for a two bedroom apartment.<sup>7</sup> Students in Berkeley are packed 2, 3 and 4 to a bedroom, some paying \$1,500 per month - per person - for a bunk. Everyone else is left behind.

Who is "everyone else?" *Everyone else* includes the teachers who teach our children; the nurses and home-care workers who support us when we are sick; the activists and not-for-profit workers who forgo high salaries to promote and serve the public interest; the artists and artisans who delight, entertain, feed and provoke us; the firefighters who come to our rescue and police who work to keep us safe; seniors who have contributed for decades and are now on fixed incomes and students who struggle to pay tuition and rent; young people entering the workforce and starting families, who are building our future; the waiters, baristas and retail workers who serve us; public sector workers who make sure our cities and counties can deliver, and who make our public institutions work; and many more. *Everyone else* also includes the disabled, whose ability to generate income may be limited; those suffering from mental illness or substance abuse, which afflict people from all walks of life; and our lowest income community members, especially those who have been subject for generations to discrimination and physical, psychic and economic violence. *These are the people Berkeley's affordable and supportive housing programs are designed to help.* We want them in our community.

The voters of Berkeley recently established three important new sources of funding to support the creation and preservation of affordable housing, to keep vulnerable people housed, and to rehouse the homeless: Measure U1 (2016), Measure O (2018) and Measure P (2018). Thanks to the generosity and care of Berkeley citizens, Berkeley for the first time has substantial local funds to support these important community goals. In addition, the City collects funds and obtains affordable units from for-profit developments as mitigation for affordable housing impacts. Finally, the City of Berkeley is completing an inventory of land it owns that might be allocated to affordable housing development.

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<sup>5</sup> Student Enrollments, UC Berkeley Office of the Vice Chancellor of Finance, <https://pages.github.berkeley.edu/OPA/our-berkeley/student-enrollments.html>

<sup>6</sup> Common Data Set 1999-00, UC Berkeley Office of Planning and Analysis, <https://opa.berkeley.edu/sites/default/files/1999-2000.pdf>

<sup>7</sup> Berkeley Average Rent Trend Data, April 2019, <https://www.rentjungle.com/average-rent-in-berkeley-rent-trends/>

These Berkeley affordable housing resources can bring in matching Federal, State and/or County funds of as much as \$5 for every Berkeley dollar, significantly leveraging our investments. All of these resources together, allocated strategically, could yield well over 1,000 additional units of affordable housing. As stated in Measure O, the Berkeley City Council - and the voters - have adopted a goal of making 10% of Berkeley's housing reserved affordable by 2030. This means that ten years from now we intend to have 5,000 units available at below-market rates and set aside for people with diverse incomes, from extremely low- to middle-income, groups that are struggling to afford the cost of housing in our city.

*We believe that Berkeley should aspire to make at least 30% of its housing, around 15,000 units, permanently affordable, and eventually strive to achieve 50% protected or reserved affordable housing, to match the "social housing" mix of progressive European cities such as [Amsterdam](#) and [Vienna](#).*

Berkeley's [Measure O](#) provides for sale of \$135 million in bonds to fund capital expenditures for a variety of types of affordable housing. [Measure P](#) increased the real estate transfer tax on the most expensive one-third of real estate sales to rehouse the homeless and fund the services they need to remain housed. It is expected to bring in \$6 - \$8 million annually, depending on property sales. [Measure U1](#) increased the gross receipts tax on most residential rental properties to fund affordable housing and protect Berkeley residents from homelessness. In 2018 it realized \$5.1 million and will continue to increase as rents increase. Taken together, over the next ten years the City of Berkeley will likely have almost \$250 million in new revenue available for affordable housing and homelessness reduction. (For more detail on Berkeley's Affordable Housing resources see Appendix A - Funding Sources)

To allocate these and other affordable housing monies (such as developer impact fees) and allocate resources such as public land and inclusionary units, the City Council is advised by no fewer than three different advisory boards, as required under each measure, and receives input from the Planning Commission and numerous additional entities. This report is intended to help provide these advisory bodies, and the City Council, which has the ultimate responsibility to allocate all of these funds and resources, with a coherent framework. The goal is for our housing programs and expenditures to have a unifying sense of direction: to deploy the optimal mix of City resources for each purpose, to maximize the leveraging of local funds, and to meet the expressed needs and desires of the community.

Measure O funds are limited to traditional types of capital expenditures: buildings, grounds and other “hardscape” elements of projects. Measure P funds are available for programmatic as well as capital needs, including mental health and other supportive social services, and rent subsidies or operating cost subsidies necessary to rehouse the homeless and to support people who are at immediate risk of homelessness. U1 funding can be used for anything that is necessary for the creation of permanently affordable housing, and as such is the most flexible source of regular affordable housing funds. Because of this flexibility, at least some (and possibly all) U1 funds should likely be reserved for use where other more restricted funds are not available.

Affordable Housing fees paid by developers of market rate projects are deposited into Berkeley’s [Affordable Housing Trust Fund](#) (HTF), and can only be used for those fund purposes. In general, these include pre-development expenses and long-term loans to cover the capital costs of building or rehabilitating permanently affordable housing. Developers are allowed the alternative of providing “inclusionary housing” (where a market rate project includes affordable units within the development itself) and policy makers must consider what the best role for those units might be, as one component of a much larger set of affordable housing resources. With significant local, County, State and Federal funds now available to support Berkeley’s deeply subsidized units for very low and extremely low income people, inclusionary housing requirements for market rate developments could be redirected towards production of housing for low and moderate income families - at higher inclusionary percentages than are currently in place for more deeply affordable units.

This proposed framework is not intended as a comprehensive statement of all the City’s housing goals, which are provided in the [General Plan Housing Element](#). Our focus is on the creation and retention of affordable housing in concert with Berkeley’s goals and values, taking maximum advantage of the opportunities created by the passage of Measures U1, O and P, combined with the City’s pre-existing affordable housing resources: affordable housing mitigation fees, inclusionary housing and public land.

In addition to these Berkeley resources, there are a great number of Federal, State and County programs, some of which require local matching funds and others of which do not. The City also has the potential to revise its land use regulations to create housing opportunities; these require more systematic analysis.

When State and Federal funds are used, Berkeley is limited to supporting housing and services that meet their program criteria. Monies provided by Berkeley’s own generous voters are more flexible than State and Federal funds and can be strategically deployed to accomplish a broader spectrum of City priorities. Our job is to optimize each funding

source and adjust our land use policies to support the community's expressed goals, ensuring that Berkeley moves decisively to implement programs and policies that advance us towards 10% reserved affordable housing by 2030, and embody our values of equity, opportunity, health and environmental sustainability.

This report provides an overview of an approach to affordable housing that we believe reflects Berkeley's values and diversity. It looks at the loss of affordability that Berkeley has undergone over the past 20 years and the sources of that loss. It lists and briefly explains the broad range of housing policies and programs that Berkeley might pursue. It lists the resources Berkeley has available to meet the current crisis and the limitations placed on the use of each resource. It then matches policies and resources, explaining how each can best be used.

## **II. HOUSING AND BERKELEY VALUES**

Berkeley values diversity. Interaction among diverse people fosters important community values, including equity, opportunity, learning, creativity, neighborliness, and democracy. Berkeley was once affordable to everyone, from the high-income residents of large single-family homes to the extremely low-income residents of single-room occupancy residential hotels, and to everyone in between. Berkeley was a national leader in inclusion, redrawing school attendance lines to integrate its schools, eliminating barriers for those with mobility and other physical limitations, preserving the affordability of rental housing by limiting rent while allowing landlords to receive a fair return on their investment, and protecting lower and middle income neighborhoods from the displacement of so-called Urban Renewal.

Now rising rents and home prices threaten to turn Berkeley into an enclave of mostly the well-to-do and university students, with a small number of low-income residents in subsidized units. Rent control enables tenants to remain in place as long as they can afford modest annual rent increases, but State law mandates that landlords can increase rents - even on rent controlled units - to current market rates when units turn over. Even in "inclusionary" apartments, rents have increased faster than the rate of inflation because the rent-setting formula for these units is based on the "area median income," (AMI) which increases as more high-income people move into Alameda County and low-income people are forced out.

We must do what we can to preserve the diversity of our City. A community that excludes most low and moderate income people is no longer a source of opportunity. A community no longer affordable to those who work for the common good rather than for profit-

maximizing companies will no longer be equitable. A community in which only a few of the most successful writers, researchers, artists and artisans are able to live will no longer be a creative, learning community.

Preservation of a diverse, equitable and creative Berkeley requires many different types of housing compatible with different neighborhoods to meet the housing needs of people with a range of incomes, family sizes, abilities and ways of life. It requires that we mobilize and carefully coordinate the use of our affordable housing resources to get the maximum benefit from each source, so that we continue to have housing affordable to our diverse residents.

Berkeley must create and preserve affordable housing at all scales - from accessory dwelling units to small scale multi-family, live-work and large apartment buildings. We also need to create units of various sizes, including units large enough for families to live long term, and for children to grow up in.

We need to make more of our housing work for people with varied mobilities and for the elderly, and to make more of our housing environmentally efficient. We are studying the concept of expanding housing beyond the Downtown and transit corridors by adding more duplex, triplex and quadruplex units within existing low density neighborhoods.

We must ensure that an important share of our City's housing is subject to social ownership that will keep it affordable; held by non-profit housing corporations, community land trusts and limited and non-equity cooperatives, and subject to deed restrictions. And we must establish community priorities for access to this scarce resource so that the affordable housing we create and preserve helps keep low and moderate income residents from being displaced, enables children to remain in school and low-wage workers to live near their jobs, and maintains our historic diversity.

### **III. THE AFFORDABILITY CRISIS**

Across the Bay Area, almost 1 million jobs have been created since 1990.<sup>8</sup> From 2009 to April 2019, the overall Bay Area job market increased by about 30%, while the tech industry increased by 56%.<sup>9</sup> In Berkeley, there are more students and staff at the University of California, more private sector jobs within easy commute, and more people who appreciate the walkable, transit-oriented lifestyle provided by Berkeley's compact

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<sup>8</sup> Plan Bay Area 2040: Final Plan, <http://2040.planbayarea.org/the-bay-area-today>

<sup>9</sup> "Tech employment in Bay Area reaches record highs.", <https://www.mercurynews.com/2019/06/14/tech-employment-bay-area-reaches-record-highs-google-apple-facebook-adobe/>



development and the wide range of cultural and social amenities. The diverse, open and forward thinking people of Berkeley and the Bay Area have made Berkeley a place where more people want to live, many of them with higher incomes than those already here.

This reality tracked by looking at average rents in Berkeley over time. At the end of 1998, just before State-mandated vacancy decontrol took effect, the average rent in the 20,000 apartments built before 1980 was \$720 a month. Twenty years later, at the end of 2018, it was \$1,956. If rents had increased only by the rate of inflation, they would instead average \$1,150 a month.<sup>10</sup> As older units are vacated, average market rents rise ever higher, reaching \$2,200 for a one-bedroom and \$3,000 a month for older two-bedroom apartments in 2018, with increases of around 50 percent in just the last five years. Owners of older housing stock in Berkeley are able to increase their profits as they ride the exploding demand from high-paid professionals and the increases in UC Berkeley's student population - squeezing lower-income tenants who must pay most of their incomes to find housing near jobs or family, or end up homeless. Similarly, In 2000 the median home price was \$380,000. By 2013 it was \$704,000 and by 2019 it had reached \$1,300,000.

Housing is expensive to build, requires land to build on and lasts a long time if properly maintained. This has important implications for affordability. With few vacant sites available in Berkeley, the supply of housing can only increase by increasing the density of development, as is currently underway Downtown and along major transit corridors, and is being contemplated in other areas. However, only a minority of tenants can afford to pay enough rent to repay the cost of new construction, typically \$3,000 - \$4,000 monthly for a one bedroom apartment.<sup>11</sup> Theoretically, this new market-rate housing is helpful in diverting some of the increased demand from high-income tenants into new construction and away from older, more affordable buildings, thus reducing displacement; but it does not help meet the significantly increased demand from middle and lower-income tenants.

Most Berkeley tenants live in older housing, where the cost of construction was paid off long ago and the building can be operated and maintained for a lower rent. But the supply of older housing is fixed and, with rising demand, this is the housing sector that is undergoing huge rent increases and rapid gentrification.

Proponents of market solutions claim affordability is simply a matter of supply and demand, and the problem can be solved by building new housing. But while increased rents at the high end of the market encourage production of new housing that high-wage

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<sup>10</sup> Inflation as measured by the San Francisco-Oakland area Consumer Price Index for All Items except Shelter, "shelter" meaning rent and owners equivalent rent.

<sup>11</sup> New Apartments for Rent in Berkeley, CA. Apartments.com, <https://www.apartments.com/berkeley-ca/new/>



workers can afford, rent increases in older housing simply generate windfall profits for their owners and fuel displacement of middle and lower income tenants. State-mandated “vacancy decontrol” allows landlords to raise rents to market levels each time a unit turns over, even in cities like Berkeley with traditionally strong rent controls. Ultimately, owners of older housing with significantly lower costs are under no obligation to keep their rents low as well, and in the immediate, higher demand for older housing can never produce more of it.

It typically takes ten to fifteen years before rents in newly constructed buildings have the potential to level off as buildings age and the initial costs of construction are paid off. This is what is often called the process of “filtering down.” But this process is self-limiting. Once enough new housing is built to meet demand from higher-income tenants and high-end rent rates peak, or slightly decline, market-rate construction slows or stops, despite continued high demand among middle and lower income tenants who can’t afford even somewhat reduced market rents for new housing.<sup>12</sup> In plain terms, a family that can only afford \$1,200 or \$1,500 per month for a two-bedroom apartment will never benefit from a reduction in new-build market rents from \$4,000 to \$3,500, or even to \$2,000 - a very unlikely scenario. If rents at older units have also risen, middle and lower income tenants have no place to go.

The supply of new market-built housing will also always be limited by the need to cover construction and other development costs. For-profit developers simply will not build housing that doesn’t generate the returns they require - for banks and investors to provide the capital to build, and for their own need to generate profits. This is true even when significant demand for housing persists. If those who need housing can’t pay rents that will cover the cost of construction, capital and profits, *no amount of demand will generate new for-profit development.*

In the Bay Area’s exploding job market, with people coming to the region to take jobs at both higher and lower wages, new market-rate construction will at best absorb some of the demand from high wage workers and may reduce pressure to gentrify older neighborhoods. But it will not result in a flood of new market rate units and deeply reduced prices to meet the increased demand from the growing numbers of lower-wage workers who also need to be housed, or from those who have been displaced through gentrification.

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<sup>12</sup> The State of the Nation’s Housing. Joint Center for Housing Studies of Harvard University (2018), p. 19-21, [http://www.jchs.harvard.edu/sites/default/files/Harvard\\_JCHS\\_State\\_of\\_the\\_Nations\\_Housing\\_2018.pdf](http://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2018.pdf)

High-wage jobs make up a majority of Bay Area jobs, but low-wage jobs are growing at a much faster rate. Approximately 90,000 low-wage jobs were added from 2016 to 2017 in the Bay Area, while the number of high-wage jobs decreased over the same time period.<sup>13</sup> This means that new market-rate construction will not result in lower rents for most tenants, and indeed market rents are likely to continue to increase in older housing as well. Only reserved affordable or subsidized housing can meet the needs of families and individuals with incomes at moderate and low levels.

*The question before us is whether we will let market forces decide who can reside in Berkeley, ultimately reserving it for those with high incomes and wealth, or whether we want to reshape the market so Berkeley can remain accessible to people of all backgrounds and incomes, who are essential to the life and vibrancy of our city.*

#### **IV. AFFORDABLE HOUSING IN BERKELEY - AN OVERVIEW**

Berkeley today has about 49,000 housing units. About 2,500 of these are required to be permanently affordable to low- and moderate-income people.

This is done either through

- Government subsidies to create affordable apartments reserved for low-income residents at below-market rates and
- Land use regulations that require developers to set aside a certain percentage of apartments at rents affordable to low- and moderate-income families or individuals.

A fortunate minority of about 2,100 tenant households live in newer or recently renovated rental housing, mostly owned by non-profit housing organizations or limited or non-equity cooperatives, where the government has paid all or part of the cost of construction and rents greatly reduced. The non-profit organizations that own this housing have affordability as their mission, and in many cases rents only need to cover the ongoing costs of operation and maintenance and a set-aside for future repairs, typically \$600 to \$800 a month. Many of Berkeley's lowest-income residents can't afford even the greatly reduced "operating cost" rents offered by non-profit housing where government has paid the costs of construction. They require additional subsidy, either to the individual family or as an operating cost subsidy to the building owner. The Federal Section 8 program enables a family to pay 30% of its income for rent, with the government paying an additional amount to reach a "fair market rent". Several hundred of the Berkeley Housing Authority's Section 8 vouchers are currently allocated to non-profit housing to make units affordable to very low-income people.

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<sup>13</sup> MTC, Jobs by Wage Level, <https://www.vitalsigns.mtc.ca.gov/jobs-wage-level>

There are another approximately 400 “inclusionary” units within newer for-profit buildings that are set aside for low- and moderate-income tenants pursuant to City zoning regulations.<sup>14</sup> Nearly half of these units are set aside for very low-income tenants receiving assistance through the Section 8 program. Most of these apartments are required to be kept affordable for the life of the building, but the rent-setting formula they are subject to is based on the “Area Median Income” (AMI), which does not fully guarantee affordability. The formula, determined by the U.S. Department of Housing and Urban Development, results in rents that increase faster than the incomes of many low-income people.<sup>15</sup> This is because AMI, based on an average of all regional wages, increases rapidly when more high-income people move into the area and displace lower-income people, rather than, for example, tracking increases in wages for low income workers, which rise much more slowly over time than the average of all wages - if at all.<sup>16</sup>

In addition to buildings with below-market rents, about 1,500 tenant households in Berkeley receive monthly rental assistance through the Federal Government’s Section 8 program, which is administered by the Berkeley Housing Authority (BHA). Over 200 authorized Section 8 vouchers go unused because the Federal government does not fund the BHA at an amount adequate to enable tenants to pay market rents and cover the cost of all of its vouchers. Instead, the BHA has to choose between paying a competitive rent but restricting the number of households it can support, or subsidizing more households but falling behind the market and risking having landlords leave the program. About one quarter of the units occupied by tenants assisted through the BHA are in non-profit or inclusionary housing as described above, but three quarters are in for-profit housing. When Federal subsidies fall behind the market, owners of these units often leave the program and rent to much higher income residents at market rate.

Many extremely low-income people need ongoing social and health services in order to live independently. The term used to describe housing with services formally tied to or operated from the building, unit or tenant is “supportive housing.”<sup>17</sup> The Federal “Shelter Plus Care” supportive housing program administered by the City of Berkeley assists about 260 formerly homeless households with a combination of rent subsidy and ongoing social services. About half of the tenants assisted through the Shelter Plus Care program are

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<sup>14</sup> Apartment Buildings with City of Berkeley BMR Program Units, [https://www.cityofberkeley.info/uploadedFiles/Housing/Level\\_3 - General/2017-07%20BMR%20list%20of%20properties.pdf](https://www.cityofberkeley.info/uploadedFiles/Housing/Level_3_-_General/2017-07%20BMR%20list%20of%20properties.pdf)

<sup>15</sup> U.S. Department of Housing and Urban Development, Income Limits, <https://www.huduser.gov/portal/datasets/il.html>

<sup>16</sup> Low-Wage Work in California Data Explorer, UC Berkeley Labor Center, <http://laborcenter.berkeley.edu/low-wage-work-in-california/>

<sup>17</sup> United States Interagency Council on Homelessness, Supportive Housing, <https://www.usich.gov/solutions/housing/supportive-housing/>

placed outside of Berkeley due to the difficulty of finding places in Berkeley, but still receive services from Berkeley.

Berkeley thus has approximately 4,000 tenants who live in housing which is reserved for low- and moderate-income people at affordable rents or are provided with on-going subsidies that enable them to pay market rents. With the additional funding provided by measures O, P and U1, the City should be able to increase this number to over 5,000 and reach its goal of having 10% of its housing reserved affordable for low- and moderate-income people.

This goal does not include the tenants covered by rent stabilization (“rent control”). Due to the extraordinary rent increases of the last several years, there are several thousand tenants with rents that are now significantly below current market rates, but these units are only kept affordable for the tenant who lives there now.<sup>18</sup> Once the tenant moves out, the rent is reset to current market rates, so that apartments in Berkeley are increasingly rented to higher-income tenants who can better afford our rapidly increasing rents.

Under the vacancy decontrol provisions imposed on Berkeley by the State legislature, as tenants in deeply affordable rent controlled units move out, rents can be, and usually are, increased to current market levels. These apartments thus experience huge rent increases - reset to market rates - resulting in a significant loss of affordable housing for Berkeley. Pressure for landlords to evict or otherwise incentivize these long term rent stabilized tenants to move is strong; these are the kinds of vulnerable tenants whose stories we hear when Berkeley’s housing retention service providers testify before the City Council.

As a result of these and other pressures, Berkeley will have to work hard to maintain its current level of economic diversity.

*Maintaining diversity requires Berkeley to both increase the supply of housing overall and to remove a substantial part of our housing, new and existing, from the speculative market. This protected affordable housing should be allocated on the basis of need, using techniques ranging from non-profit and community ownership to regulation of rents (through traditional rent control and dedicated affordable units), and creation of new forms of home ownership that ensure homes will remain affordable now, and for future generations.*

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<sup>18</sup> Bursell, Lief and Fabish, Jen. Market Medians: January 1999 through December 2018. Rent Stabilization Board. 21 March 2019, [https://www.cityofberkeley.info/uploadedFiles/Rent\\_Stabilization\\_Board/Level\\_3\\_-\\_General/INFO\\_Market%20Medians%20Report%20for%20Q3%20and%20Q4%20of%202018.pdf](https://www.cityofberkeley.info/uploadedFiles/Rent_Stabilization_Board/Level_3_-_General/INFO_Market%20Medians%20Report%20for%20Q3%20and%20Q4%20of%202018.pdf)

## V. EXISTING AFFORDABLE HOUSING PROGRAMS AND NEW OR EXPANDED OPPORTUNITIES

### **Introduction:**

The City of Berkeley has the opportunity to build on its current programs and to expand in new directions to better deal with its housing affordability crisis. This chapter begins with a brief listing of current programs and new opportunities and then examines each in more detail. These goals are intended to allow Berkeley to make the changes it needs in order to preserve its character as a diverse and creative community, and meet its 10% affordability goal. As we move forward it will be important to maintain a balance between all of them.

### **Major Existing Programs - Recommend to Expand:**

#### **1. Constructing New Non-Profit Affordable Units**

Through the Housing Trust Fund the City provides capital to non-profit housing developers to construct multi-family buildings, usually on or near major transit corridors and downtown. These projects qualify for additional State and Federal subsidies and offer maximum leverage for Berkeley dollars while increasing the supply of modern, accessible, energy efficient and green housing affordable to lower-income residents.

New non-profit developments are currently the main housing affordability strategy in the City of Berkeley, and primarily serve very low-income people with incomes ranging from 30% to 60% of Area Median Income. For one person in Alameda County, 30% of AMI is \$26,050 and 60% is \$52,080, while for a family of four, 30% of AMI is \$37,150 and 60% is \$74,340.<sup>19</sup> These are predominantly lower-wage working people or people with low retirement or disability incomes, but there are many people with incomes even lower. Serving people with incomes below 30% of AMI requires additional subsidy. Some non-profit housing developments include supportive services on site for the formerly homeless, people with disabilities and seniors.

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<sup>19</sup> HUD Income Guidelines, Effective April 24, 2019, [https://www.cityofberkeley.info/BHA/Home/Payment\\_Standards,\\_Income\\_Limits,\\_and\\_Utility\\_Allowance.aspx](https://www.cityofberkeley.info/BHA/Home/Payment_Standards,_Income_Limits,_and_Utility_Allowance.aspx)

**Opportunities for Expansion:**

This method of achieving housing affordability is the easiest to expand with new resources from Measure O. The City already has the knowledge and experience to successfully execute these projects and there are several large, trusted local non-profit housing developers to work with. While new construction is extremely expensive, local funding can draw matching dollars from the Federal government (mostly [Low-Income Housing Tax Credits](#)), the State (from cap and trade revenue, state housing bonds, and many [other sources](#)), and from the Alameda County Housing Bond ([Measure A1](#)). Together, outside sources of funding can leverage Berkeley dollars up to 5:1, allowing Berkeley's investment of local dollars to generate significantly more units than would otherwise be possible.

In general, County, State and Federal funding sources require that the residents of subsidized housing have incomes at or below 60% of AMI, meaning these developments serve mostly low and extremely low income residents. In today's Bay Area economy, teachers (average annual salary \$71,738), personal care providers (average annual salary \$33,332), and administrative assistants, (average salary of \$51,991) would be eligible for this type of housing, as well as individuals living on Social Security for the elderly or disabled.

**2. Rent and Eviction Protections**

Berkeley has extensive regulatory protections for tenants of rental housing through the Rent Stabilization and Eviction for Good Cause Ordinance ("Rent Control") and the Rent Stabilization Board, which provides legal assistance to tenants facing eviction. The City also protects rent controlled units through restrictions on demolition, conversion of rental properties to condominiums and short-term rentals, and other protections.

**Opportunities for Expansion:**

Without changes to State laws, Berkeley is limited in its ability to achieve stability for renters and to increase protections for rent controlled housing and tenants. The Ellis Act allows landlords to go out of the rental business by evicting all the tenants in a building rather than selling it to another owner who will maintain the property as a rental. It serves no legitimate purpose and should be repealed. The State of California's Costa-Hawkins Act, which instituted "vacancy decontrol," allows rents to be reset to market rates upon conclusion of each tenancy, denying Berkeley and other cities the power to limit increases to a fixed percentage when units turn over. It also prevents regulation of rents in buildings constructed after 1979 and

regulation of rents in single-unit properties, even when owned by large corporate landlords. These prohibitions should be revised or repealed.

### **3. Affordable Housing Fees and Inclusionary Requirements for For-Profit Developments**

The Downtown and major transit corridors have been rezoned to encourage private construction that adds to the supply of market-rate housing while also requiring new rental developments to either include a certain percentage of apartments at below-market rents (formerly 10% and now 20% of units)<sup>20</sup> or pay into the Housing Trust Fund (HTF) to support non-profit housing development (\$37,962 per market-rate unit built as of July 2018).<sup>21</sup> There are similar inclusionary requirements and fees for condominiums<sup>22</sup>. Currently, for market rate rental developments, the 20% inclusionary units required must be affordable to people with very low incomes, no greater than 50% of AMI, and half of them (10% of all units in the building) must first be offered to tenants receiving Section 8 housing assistance or in Berkeley's Shelter Plus Care Program.

#### **Opportunities for Expansion:**

At present, the City offers developers a choice between paying an affordable housing mitigation fee or providing below-market rate units as part of the project. When fees were one of Berkeley's most important sources of revenue for the Housing Trust Fund it made sense to have both alternatives, and opinions have differed (with worthy arguments made on both sides) as to whether it was better for the City to obtain money for the Affordable Housing Trust Fund or for affordable units to be built on site.

The traditional argument in favor of obtaining the affordable housing fee from a market rate development rather than on-site inclusionary units is that local affordable housing dollars can be significantly leveraged with other public dollars to net many more affordable units within an all-affordable project built at another location. The argument in favor of obtaining the on-site inclusionary units has been that it ensures low-income residents are integrated within mixed-income neighborhoods and buildings, that affordable units are built right away, not at some future unknown time and location. In neighborhoods with few opportunity sites for affordable housing such as the Downtown, including affordable units within market rate developments is often the only way to achieve affordability.

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<sup>20</sup> Berkeley Municipal Code Chapter 23C.12 Inclusionary Housing Requirements

<sup>21</sup> Berkeley Municipal Code Section 22.20.065 Affordable housing mitigation fee

<sup>22</sup> Berkeley Municipal Code Chapter 21.28 Condominiums and Other Common Interest Subdivisions



With \$135 million in Measure O funds available to be leveraged with other public monies to support the creation and preservation of deeply affordable units (serving individuals with incomes up to 60% of AMI), the relatively small sums that mitigation fees generate are less important to the overall success of Berkeley's affordable housing strategies. By requiring market rate developments to include affordable units on site rather than pay a mitigation fee, Berkeley can achieve the goals of integration and dispersal without significant impacts to our ability to fund all-affordable projects.

In addition, with inclusionary units now just one part of a multifaceted affordable housing strategy, the possibility of requiring a different mix and number of on-site affordable units should be considered. One alternative or supplemental formula for inclusionary unit requirements in market rate developments would be to offer developers the opportunity to produce low- and moderate-income units (affordable to people with incomes between 80% and 120% of AMI) rather than the currently required deeply affordable units (below 80% AMI), but at higher percentages of the project than the current 20%. It is likely that market rate developments could include 30%, 40% and possibly higher percentages of units at low and moderate rates and still return a reasonable profit. Because there are fewer County, State and Federal funds for low- and moderate-income units than very- and extremely-low, *asking market rate developers to subsidize low and moderate income units may be a good strategy to achieve a greater mix of affordability levels Citywide and gain more permanently affordable units overall.*

#### **4. Direct Subsidies to Renters**

Berkeley provides individual rent subsidies through the [Berkeley Housing Authority](#), which assists 1,600 Berkeley households with Federally funded [Section 8 housing vouchers](#), and the City operates a Federally funded [Shelter Plus Care](#) program that provides monthly rental assistance and social service support to around 200 formerly homeless Berkeley residents, about half of them having chosen housing outside of Berkeley due to the difficulty of finding places in Berkeley.

#### **Opportunities for Expansion:**

Measure P funds could be used for this purpose if recommended by the Homeless Services Panel of Experts, and other City funds might be applied to expand direct renter subsidies and "rapid rehousing," as is proposed in the City's [1,000 Person Plan to Address Homelessness](#).



**Additional Important Programs - Recommend to Significantly Expand:**

There are several additional strategies that the City should expand substantially as they offer excellent opportunities to create and preserve affordable rental *and ownership* housing aligned with Berkeley values. Some of these strategies require capacity-building within City Departments and in non-profit partners. ***These programs should be significantly strengthened and expanded:***

**1. House and Support the Homeless**

In response to the Pathways Project, staff prepared a 1000 Person Plan to Address Homelessness, which considered resources and interventions required to house the currently unhoused population of Berkeley and to prevent inflow of future homelessness. According to the Plan, ending homelessness will require targeted investments in various interventions to ensure that each individual experiencing homelessness receives an appropriate, timely response according to their needs, including targeted homelessness prevention, light-touch housing problem-solving, rapid rehousing, or permanent subsidies. In addition, the Homeless Services Panel of Experts will provide an essential source of guidance in developing effective strategies to prevent and end homelessness in Berkeley.

In general, people with extremely low incomes (at or below 30% of AMI), are unable to afford even the below-market rent that a non-profit housing provider needs in order to cover operating and maintenance expenses. People living on Social Security for the elderly or disabled have incomes of 14% to 20% of AMI (\$932 a month for an individual, \$1,564 a month for a couple). This means that under Federal standards they can “afford” only \$280 to \$470 a month for housing, and even that is a hardship considering how little income they start with.

The Housing Trust Fund Guidelines call for 20% of housing funded through the HTF to be affordable to people with incomes at or below 30% of AMI, but non-profit housing organizations have had difficulty obtaining ongoing subsidies to create housing at this level of affordability.<sup>23</sup> The City has been forced to rely on limited Federal funding - especially project-based Section 8 through the Berkeley Housing Authority.

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<sup>23</sup> City of Berkeley Housing Trust Fund Guidelines, April 5, 2016, [https://www.cityofberkeley.info/uploadedFiles/Housing/Level\\_3\\_-\\_General/Revised%202016%20HTF%20GUIDELINES.pdf](https://www.cityofberkeley.info/uploadedFiles/Housing/Level_3_-_General/Revised%202016%20HTF%20GUIDELINES.pdf)

**Opportunities for Expansion:**

Measure P funding has the potential to fill this gap and to encourage non-profit housing providers to increase their service to the homeless, as discussed in the 1,000 Person Plan to address homelessness.

Measure P funding will vary somewhat from year to year because it is based on the value of the top 1/3 of real estate transactions in a given year. For this reason, the City should allocate only a portion of initial Measure P receipts to ongoing subsidies and supportive services, so that it can be sure it can sustain those commitments from year to year. The amount that is likely to vary from year to year, perhaps one-quarter to one-third (Finance Department staff may be able to provide an accurate estimate, based on historical data regarding fluctuations), should then go to one-time expenditures such as capital subsidies to expand the supply of permanently affordable housing available to the homeless. For example, in the Berkeley Way project, the City has agreed to provide a capital fund that will cover 10 years of operating subsidies.

The 1000 Person Plan covers in detail strategies necessary to rehouse Berkeley's homeless. Creation of deeply affordable housing is one element of this Plan. The Homeless Services Panel of Experts will make recommendations regarding the use of Measure P funds, which may be used to fund the "support" in Supportive Housing, and for many other purposes.

**2. Transition some of Berkeley's existing rental housing to permanently affordable social ownership by expanding the Small Sites Program, accompanied by a Tenant or Community Opportunity to Purchase Act.**

Most of Berkeley's neighborhoods used to house people with diverse incomes, but the affordability crisis is reducing that diversity<sup>24</sup>. Preservation of neighborhood socioeconomic character will require transitioning some existing housing from the for-profit market to various forms of socially responsible ownership intended to maintain affordability. Last year the City Council allocated an initial one million dollars to start a Small Sites Program and begin the process of supporting acquisition and rehabilitation of properties with up to 25 units. The Small Sites Program will provide funds to non-profit developers to allow for the acquisition of small multi-unit properties vulnerable to real estate speculation, and reserve them

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<sup>24</sup> Romem, Issa and Elizabeth Kneebone, 2018. "Disparity in Departure: Who Leaves the Bay Area and Where Do They Go?" <https://ternercenter.berkeley.edu/disparity-in-departure>

for low-income individuals and families. This process is also an opportunity to expand limited equity cooperative ownership.<sup>25</sup>

The Small Sites program requires a different approach from the City's current focus on partnership with large non-profit housing developers. Two-thirds of the rental housing covered by rent stabilization has less than 20 units. The large non-profit housing organizations avoid properties with less than 20 units because these buildings have higher management costs and are generally more costly to finance than larger developments. In addition, non-profit developers tend to prefer new construction to the uncertainties of acquisition and rehabilitation of existing buildings. Cost-effective management of smaller properties *can be provided* when residents take on significant responsibility for the property and receive appropriate education and support.

Another current barrier to the Small Sites Program is that residents of small buildings often have a mix of incomes, which reduces the available subsidies under Federal and State programs that limit assistance to units occupied by people with incomes no greater than 60% AMI. *Local funding can make an important contribution to the Small Sites Program.*

### **Opportunities for Expansion:**

Measure O and Measure U1 both offer funds that can be used for small sites with mixed-income residents. The City should substantially increase its efforts to transition existing small apartment buildings to permanent affordability. The Small Sites Program should be tied to a Tenant or Community Opportunity to Purchase Act (TOPA or COPA) to enable groups of existing tenants or non-profit partners to buy and maintain this naturally occurring affordable housing and prevent displacement. Through a TOPA, landlords must provide legal notice to tenants of their opportunity to purchase a property when it is placed on the market. If a tenant or tenants decide to purchase, they must form a tenant organization to manage the building, and take on other management responsibilities. This model has seen success in other communities, including Washington D.C.<sup>26</sup>

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<sup>25</sup> City of Berkeley, Referral to City Manager, Establishment of Affordable Housing Small Sites Fund, [https://www.cityofberkeley.info/Clerk/City\\_Council/2015/12\\_Dec/Documents/2015-12-15\\_Item\\_54\\_Referral\\_to\\_City\\_Manager\\_Establishment\\_-\\_Rev.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2015/12_Dec/Documents/2015-12-15_Item_54_Referral_to_City_Manager_Establishment_-_Rev.aspx)

<sup>26</sup> Small Sites Acquisition Program and Tenant Opportunity to Purchase, February 14, 2017, [https://www.cityofberkeley.info/Clerk/City\\_Council/2017/02\\_Feb/Documents/2017-02-14\\_Item\\_18b\\_Small\\_Sites\\_Acquisition.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2017/02_Feb/Documents/2017-02-14_Item_18b_Small_Sites_Acquisition.aspx)

### **3. Provide innovative homeownership opportunities for moderate and low income residents, including cooperative ownership using the Community Land Trust model**

By taking on full or partial responsibility for management of a property, residents strengthen their community. In years past, Berkeley had programs to support both individual and cooperative homeownership. At a time when working families can no longer afford to buy homes in Berkeley, the City should give renewed attention to resident ownership and participation.

Berkeley currently has about 300 units in limited-equity and non-equity cooperatives, half of these established without City assistance at a time when real estate values were much lower. Encouraging residents to take ownership or responsibility for the operation and management of their housing, while keeping it permanently affordable, was an important part of Berkeley's housing programs in the 1970s through the 1990s. Unfortunately, since then this model has received little attention.<sup>27</sup> Current housing programs miss opportunities to build democratic organizations in which people learn organizational skills and collaborative problem solving, and have input into the management and physical condition of their homes, a model sometimes referred to as "social housing."

Berkeley has no currently active programs to create individual or cooperative homeownership opportunities, in part because it is difficult to combine the use of Low-Income Housing Tax Credits with resident ownership. Measure O and Measure U1 both provide funding that can be used to support cooperative homeownership and community land trusts.

**Individual homeownership opportunities:** Although they are few in number, Berkeley has some small parcels of publicly owned land embedded in neighborhoods that may be suitable for townhouse-style or other low-rise homes. In order to preserve affordability, the City should either retain ownership of the land or convey it to a community land trust, rather than selling it outright. Working with Habitat for Humanity or a similar organization could reduce the cost of construction and increase affordability for these units.

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<sup>27</sup> S. Barton, "From Community Control to Professionalism: Social Housing in Berkeley, California, 1976 – 2011", *Journal of Planning History*, May 2014, V.13:2, pp. 160 – 182.

**Cooperative homeownership opportunities:** Limited-equity and non-equity housing cooperatives provide an affordable, democratic version of homeownership in which a property is owned by a nonprofit cooperative corporation, made up of tenants of the property. Initial capital subsidy makes them permanently affordable to very low, low and moderate-income people. When the residents take responsibility for the management of their buildings they can keep costs down, which makes cooperatives suitable for small multi-family properties.

**Importance of affiliation with a Community Land Trust or larger cooperative:** Experience has shown that housing cooperatives need ongoing training, technical assistance and oversight from a larger organization. This larger organization can be a Community Land Trust, which owns the land under the cooperatively owned buildings or, in the case of the Berkeley Student Cooperative, a larger cooperative that maintains and renovates affiliated properties while supporting residents in operating their individual buildings. Measure U1 monies could be used to provide organizational support to strengthen the capacity of local land trusts, which at present are relatively small organizations. In 2018 the City Council used U1 funds to provide a small capacity-building grant to the Berkeley-based Bay Area Community Land Trust.

It will be necessary to expand the organizational capacity of Berkeley's land trust to support a larger program utilizing this model. Community Land Trusts receiving support from the City of Berkeley should be required to meet the Federal definition of a Community Land Trust (Housing and Community Development Act of 1992, Section 213, Housing Education and Organizational Support for Community Land Trusts), which ensures that residents of affiliated properties serve on the land trust governing board.<sup>28</sup>

**Other models - Challenges:** Berkeley has an inclusionary requirement for condominium developments and there are currently a small number of below-market condominiums reserved for low-income owners. *Caution is needed in creating low-income condominiums because rising monthly assessments and occasional special assessments for major renovations can become unaffordable for lower-income owners.*

In addition, residents can misunderstand the condominium form of ownership and underestimate the need to work cooperatively with other owners. Cooperatives are

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<sup>28</sup> HR 5334- Housing and Community Development Act of 1992, Section 213.  
<https://www.congress.gov/bill/102nd-congress/house-bill/5334/text>

less likely to have this problem. In the past, the City provided down-payment assistance on a shared-equity basis (meaning that the owners of the cooperatives had to repay a portion of the property's value at sale), but the cost of single-family homes has far surpassed the City's ability to provide effective down-payment assistance. As described above, several useful models exist to support homeownership without these challenges, and should be included in Berkeley's affordable housing mix.

**4. Significantly increase the supply of affordable live-work housing for artists and artisans.**

Berkeley has a long tradition of live-work housing, mostly located in West Berkeley, and much of it lacking legal recognition. There are only a few units of permanently affordable live-work housing citywide. In part this is because it is difficult to use State and Federal subsidies for this purpose. In addition, certain subsidy program regulations make it difficult to allocate live-work housing to the artists and artisans that it is intended for.

As an alternative, live-work housing can easily be organized to include resident ownership or resident participation in property management.

**Opportunities for Expansion:**

Live-work units are allowed in most of Berkeley's Commercial and Manufacturing districts. Measure O and Measure U1 both provide funding that can be used for affordable artists and artisan live-work housing using ownership or other participatory models. The City also has the potential to require affordable live-work units, or provision of land for such units, as part of development approvals throughout Berkeley.

**5. Encourage adding incremental units, such as accessory dwelling units (ADUs) or low-rise multiplex units, that complement neighborhood character.**

There are many opportunities to add one, two or more units to existing properties at relatively modest cost. When sold as condominiums such units can be affordable to middle-income families who have difficulty entering the current market for single-family homes. Accessory dwelling units (ADUs), even rented at market rate, can also be affordable to middle income individuals. In addition, low-rise multi-family housing such as duplexes, triplexes, courtyard apartments, and multiplexes can also be inserted into existing neighborhoods, and may provide additional opportunities for middle-income families to enter the housing market.

**Opportunities for Expansion:**

Where possible, the City should encourage addition of family-sized units as well as smaller ADUs. The City Council recently approved a referral to study the possibility of allowing up to four-plexes into areas currently zoned for a single family home and ADU. These housing types are already allowed in most other zones. Modest incentives such as expedited review of applications, low interest loans or small capital subsidies may be sufficient to persuade property owners who add such units to reserve them for lower-income families. These incentives should be explored, and a program developed to support the reservation of additional neighborhood units for affordable housing.

**6. Partner with UC Berkeley to support creation of housing appropriate and affordable to students, faculty and staff.**

Enrollment increases that far exceed UC Berkeley's Long Range Development Plan have resulted in an extreme shortage of student housing and a very high incidence of student housing insecurity and homelessness, while the general housing affordability crisis forces faculty and staff to live far from campus.

The University of California should take greater responsibility for housing its students. This will require the Regents to allocate more funding for student, faculty and staff housing and the State legislature to include this funding in the State budget. In addition, the Regents must stop the practice of increasing enrollment without regard for the carrying capacity of both UC Berkeley and the City of Berkeley.

**Opportunities for Expansion:**

The Berkeley Student Cooperative serves students in community college and the Cal State system as well as at U.C. Berkeley. It is eligible for funding through the Housing Trust Fund and some Measure O funding could be used to help purchase existing buildings near campus to make them permanently affordable to their student residents, who predominantly come from low-income families. While the City of Berkeley may choose to allocate some Housing Trust Funds to student housing, the University of California should provide the vast majority of funding for this important type of housing, as it is the University's responsibility to ensure their students are housed.

### **Policies to Ensure Equity and Sustainability:**

Finally, while pursuing these strategies, there are several principles of equity and sustainability that the City should apply to all of its affordable housing programs:

#### **1. Ensure equitable access to scarce affordable housing, including accessible units with universal design features.**

Berkeley makes very limited use of City-established priorities in the allocation of affordable housing. In part this is due to the rules attached to State and Federal funding and in part to potential City administrative costs. A lack of State or local definitions of universal design also makes it difficult to adequately review projects for accessibility.

#### **Opportunities:**

Housing units with universal design elements that ensure access for those with mobility limitations should be included in all City-supported affordable housing. To support this, Berkeley should codify both baseline and enhanced universal design housing elements. In addition, to the extent legally allowable, Berkeley should establish a set of priorities for access to below-market rate housing. These priorities could include (but not be limited to):

- People at risk of displacement or who have been displaced from Berkeley, in particular those who have been subject to redlining or other discriminatory housing and lending practices in the past, including foreclosures;
- People who formerly experienced homelessness in Berkeley;
- Artists and artisans who need live-work spaces;
- Families with children in Berkeley schools; and
- People who work in Berkeley; in particular those who work for the Berkeley Unified School District or in emergency services (firefighters, doctors, police, nurses, etc.).

#### **2. Codify Deep Green Building standards for healthy and sustainable buildings, and emphasize other measures to increase environmental sustainability.**

Berkeley Deep Green Building is an ambitious program designed by building and clean energy professionals and environmentally-minded citizens as part of the Berkeley Zero Net Energy++ Working Group. It sets forward a detailed plan to incentivize these and other green and healthy building practices. The five goals of Berkeley Deep Green Building are to:

1. Support zero-net energy at the individual building and community scale;
2. Reduce embodied energy in building materials and practices;



3. Reduce toxicity in building materials;
4. Source sustainability produced materials from fair trade, fair wage and culturally and environmentally friendly suppliers; and
5. Conserve water.

Some of these goals are already addressed in City codes and policies; some require expansion or codification.

The City of Berkeley has a variety of programs and Building and Zoning Code provisions that seek to address green building. These include energy efficiency audits under the Building Energy Saving Ordinance (BESO), LEED gold standards for larger downtown buildings, Bay-friendly landscaping for projects over a certain size, and stormwater and waste management during construction.<sup>29</sup> In addition, a number of solar, energy efficiency and other green building proposals have been referred to the City Manager over time, but have not yet been implemented. Pending codification or implementation, affordable projects should strive to meet all Deep Green Building and other state of the art green building practices.

Building affordable units near transit is also an environmental strategy. This is especially true when parking is reduced or eliminated. Because lower-income people use transit at significantly higher rates than people with higher incomes, siting affordable housing near transit can yield increased ridership - and reduce the displacement of lower-income households. A UCLA study of the effects of Transit Oriented Development on transit use in Los Angeles found that allowing market-rate housing with parking near transit contributed to a significant reduction in transit use. , Lower income people who previously rode transit were displaced to the outer reaches of the region, and were forced to commute long distances, often by car. They were replaced in their previous transit-rich neighborhoods with more affluent people who can afford cars and use transit much less frequently, resulting in large reductions in transit use citywide, despite massive public transit investments and the creation of significant new transit-oriented housing.<sup>30</sup>

### **3. Prioritize the use of public land for the creation of affordable housing.**

Land is expensive in Berkeley and securing appropriate sites for affordable housing is costly and difficult. The City owns several sites which may be appropriate for affordable housing development. Other parcels may also be eligible for housing but

<sup>29</sup> Building Energy Saving Ordinance, <https://www.cityofberkeley.info/BESO/>.

<sup>30</sup> "Transit-oriented development? More like transit rider displacement," L.A. Times, Feb. 20, 2018, <https://www.latimes.com/opinion/op-ed/la-oe-roenthal-transit-gentrification-metro-ridership-20180220-story.html>

would require remediation. In 2017, the City purchased a property at 1001 - 1011 University Avenue, with the express intention of converting the property for use as affordable housing.<sup>31</sup> The City should take steps to offer whatever public land is available, appropriate and safe to qualified affordable housing projects.

**4. Ensure those who build and rehabilitate our housing are paid fair wages and have access to health insurance, and support local apprenticeship programs.**

As in the entire Bay Area, there is a severe shortage of skilled construction workers in Berkeley, partly because their wages are often insufficient to allow them to live in the very buildings they help construct. Berkeley contributes to solving this problem by requiring builders of City-assisted housing to pay their workers prevailing wage (the hourly wage paid to the most workers in an area working on similar jobs) and through project labor agreements in areas of the City with community benefit requirements. Labor organizations are, for their part, supporting construction of modular, factory-built housing that can modestly reduce construction costs. Additional approaches should include stronger protections against wage theft, expanded apprenticeship programs that help local residents start careers in construction and policies ensuring that workers on large projects receive adequate benefits. Healthcare is particularly important for construction workers; by its nature construction work is physically demanding. Injuries and physical stress are frequent, even on well-managed sites.

**5. Make changes to the City of Berkeley Zoning Code and project approvals processes to incentivize, facilitate and reward the production of affordable housing.**

The City has taken a number of steps to incentivize and facilitate the production of affordable housing. Affordable projects receiving Housing Trust Fund monies are automatically expedited and prioritized for permits, inspections, and other City of Berkeley administrative processes.<sup>32</sup> Additional referrals have been made to reduce development fees for affordable projects, create additional density bonuses for affordable projects, and otherwise ease restrictions on affordable projects. The State Density Bonus program provides significant benefits to projects that build

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<sup>31</sup> Acquisition of Real Property at 1001 University Avenue, 1007 University Avenue, 1011 University Avenue, and 1925 Ninth Street, March 27, 2017  
[https://www.cityofberkeley.info/Clerk/City\\_Council/2017/03\\_Mar/Documents/2017-03-28\\_Item\\_32\\_Acquisition\\_of\\_Real\\_Property.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2017/03_Mar/Documents/2017-03-28_Item_32_Acquisition_of_Real_Property.aspx)

<sup>32</sup> Berkeley Municipal Code Chapter 19.62 Priority Permit Processing for Housing for Low and Moderate Income Persons

inclusionary units, and affordable projects meeting specific criteria are approved “by right” under SB 35.

In addition to these supports and incentives for affordable projects, the Berkeley City Council recently increased the affordable housing mitigation fee to \$37,962 per market-rate unit. The fee had been set at \$28,000 in 2012, “discounted” by the City Council to \$20,000 in 2013, raised to \$34,000 in 2016, and then to the current rate in 2017.<sup>33</sup><sup>34</sup><sup>35</sup> The City also doubled its inclusionary requirement from 10 to 20% of units in all developments with five or more units.<sup>36</sup> The City should continue to develop and implement policies, programs and regulatory mechanisms to expedite, maximize, incentivize and reward the creation and preservation of affordable housing.

## **VI. CONCLUSION**

The **Framework for a Diverse, Equitable and Creative Berkeley** is a high-level roadmap to guide the many City entities involved in moving our affordable housing goals forward. As each navigates its own path, all must be headed to the same destination.

Berkeley has an unprecedented opportunity to significantly increase the City’s stock of affordable housing and to preserve the limited affordability that already exists. Housing is a human right, and the severity of the Bay Area’s housing crisis calls us to action. We must ensure that our homeless can be rehoused, our vulnerable seniors, youth and disabled neighbors remain housed, our dedicated public and not-for-profit workers can make homes in our community, and our artistic, activist and academic residents can thrive. We have a duty to ensure that people of all backgrounds, ethnicities, ages, religions, gender identities, occupations, and abilities can be, and are, housed in Berkeley.

We are embarking on a path to achieve 10% reserved affordable housing in Berkeley, and to lay the institutional and policy foundations for a future with 30% and eventually up to 50% affordable or “social” housing. It’s an exciting and demanding venture, but essential to preserve and expand all that makes Berkeley an exceptional place to live, work, learn, play and thrive.

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<sup>33</sup> Resolution No. 66,809, October 7, 2014

<sup>34</sup> Resolution No. 67,614-N.S., July 12, 2016

<sup>35</sup> Berkeley Municipal Code Section 22.20.065 Affordable Housing Mitigation Fee

<sup>36</sup> Berkeley Municipal Code Chapter 23C.12 inclusionary housing Requirements