



HOUSING DEPARTMENT

City of Berkeley

Program Year 2006

**Consolidated Annual Performance
and Evaluation Report (CAPER)**

for Housing and Community Development

September 28, 2007

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City of Berkeley
Program Year 2006 Consolidated Annual Performance and Evaluation Report

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HOUSING DEPARTMENT

**CITY OF BERKELEY
PROGRAM YEAR 2006
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
(JULY 1, 2006 THROUGH JUNE 30, 2007)**

Executive Summary

This report is the City of Berkeley's Program Year 2006 Consolidated Annual Performance and Evaluation Report (CAPER) covering the second year of Berkeley's *Consolidated Plan for Housing and Community Development*, completed in May 2005, and revised in July 2005.¹

It contains three main parts: First, a set of narrative statements that discuss the City of Berkeley's achievements during Program Year 2006 (July 1, 2006 through June 30, 2007) in housing and community development in relation to its Consolidated Plan for Housing and Community Development (ConPlan). The second part provides narratives that focus on the financial and programmatic performances of the City of Berkeley's entitlement-formula grants, the Community Development Block Grant

Program (CDBG), the Emergency Shelter Grant Program (ESG), and HOME Partnerships for Investment Program (HOME); and of these performances in relation to the City's Annual Action Plan (AAP) for Program Year 2006. Other narratives in this part describe the abilities of the City and its community agencies to leverage additional resources for housing and supportive services activities. (The City of Berkeley is neither an entitlement grantee nor participating jurisdiction in the Housing Opportunities for People With AIDS Program [HOPWA].) A third part of this CAPER compiles attachments of supporting data for the narratives found in the first two parts.

This CAPER covers the second year in which the City of Berkeley implemented its 5-year Consolidated Plan adopted in 2005 and shows how Berkeley meets national goals and objectives

Recurring Acronyms Used in this Report:

- ❑ **AAP** = Annual Action Plan for housing and community development
- ❑ **CAPER** = Consolidated Annual Performance and Evaluation Report
- ❑ **ConPlan** = Consolidated Plan for Housing and Community Development
- ❑ **CDBG** = Community Development Block Grant
- ❑ **CSBG** = Community Services Block Grant
- ❑ **ESG** = Emergency Shelter Grant
- ❑ **HOME** = HOME Partnership for Investment Program
- ❑ **HTF** = Housing Trust Fund, a City of Berkeley housing loan program.
- ❑ **CCU** = Centralized Contracting Unit,

¹ This plan may be viewed online at <http://www.cityofberkeley.info/housing/publications/ConPlan2005-2010July2005revision.pdf>.

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in the areas of:

- Housing;
- Homelessness Programs;
- Anti-Poverty Strategy; and
- Community Development.

The CAPER also describes:

- Cumulative housing efforts from July 1, 2006 through June 30, 2007;
- The City's low income housing and community development activities carried out during the period July 1, 2006, to June 30, 2007;
- Funds made available for those activities; and
- The number of low-income persons and households assisted.

The CAPER further evaluates the City's overall progress in carrying out housing and community development priorities identified in the five-year Consolidated Plan. It also identifies issues and constraints faced in meeting Consolidated Plan goals.

The City's activities to meet its Program Year 2006 AAP goals were generally successful, especially in view of budgetary and agency capacity constraints faced. Despite another reduction in federal revenues, Berkeley committed to its housing, social services, and community development programs by allocating funding as it had done in previous year. Berkeley had available \$13.9 million in PY 2006 (see Table 22, Chapter VI, below) from local, state, and federal sources (not including the Housing Authority's Section 8 Housing Choice Voucher [HCV] Program funds). This was a slight increase over PY 2005 (\$13.8 million), but was down from \$19.5 million in resources during PY 2004. To cope with continuing reduced resources, Berkeley has become more strategic in its budget allocations; agency performances have come to the fore.

Berkeley exceeded its spending targets for low and moderate income beneficiaries of its affordable housing and public services and facilities programs during PY 2006. Berkeley also stayed under mandated caps on public services spending and expenditures for planning and administrative functions (see Table 19, Chapter VI, below).

In addition to striving to maintain funding for its most consistently performing community agencies, the City again combined different funding sources in its Request for Proposal (RFP) processes for services, and significantly reduced the number and frequency of reports and invoices submitted to the City beginning in FY 2004-05 (PY 2004). In addition, the City implemented outcome reporting for all community agency contracts, and integrated information about outcome reporting into its RFP process in November 2003. The categories for outcome reporting include housing, employment, health, education, recreation, infrastructure, and community access.

Berkeley had \$5.7 million available for housing activities (again, excluding Section 8). The City

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also had available about \$10.1 million for services to people with special needs and those who are homeless during PY 2006, an increase over PY 2005 that reflects the City's re-prioritization of local funds to special needs populations. Its civil rights program—including the spectrum of programs addressing housing discrimination and advocacy, supportive housing, housing assistance (the Section 8 HCV program), homelessness prevention, and eviction regulation—totaled \$27.4 million available resources during PY 2006, also an increase over PY 2005 of nearly \$3 million.²

The City of Berkeley Housing Department acts as the City's Centralized Contracting Unit (CCU) to take advantage of economies of scale using a cadre of staff skilled in routine contract processing for both City general funded programs as well as programs funded through federal formula grants. The CCU is responsible for contract creation, assembly, and processing of all required documentation, fiscal management of contracts, and processing of all contract amendments. In addition, CCU staff communicate with contractors, provide training, coordinate contracts and budgets, and collaborate with program monitors in other departments responsible for program implementation for each contract.

Environmental review and Section 106 historic resource review actions were carried out during PY 2006, including use of a tracking system for environmental review and Section 106 projects under way in each of the City's housing development and rehabilitation programs. Procedures were set down for the manual during PY 2004, and refined during PYs 2005 and 2006.

The City of Berkeley, like many other large and small jurisdictions, faces challenging fiscal and programmatic times in its efforts to implement housing, community development, anti-homelessness, and anti-poverty policies, programs, and strategies called for in federal, state and local laws. Berkeley and its energetic and committed phalanx of community agencies remains committed to realizing these goals and following these policies, while we recognize more must occur with less.

Berkeley as a community and a municipality creates affordable housing, maintains and improves the housing stock, fights poverty and homelessness, and develops healthy and well-socialized children, youth, and communities; it does more than many cities of comparable size. To accomplish these community-based commitments in Program Year 2006, Berkeley intake and support service agencies collaborated creatively with the City's Housing Department and Mental Health staff to ensure continuing successes of the City's Shelter Plus Care Programs. This federal program is the City's centerpiece for achieving its Consolidated Plan and Homeless Continuum of Care Plan goals. In PY 2006, the Housing Department and Planning Department continued interdepartmental coordinating meetings to address issues of permit streamlining, technical assistance, mutual information sharing, and training about housing programs and analysis, housing and development policy in Berkeley, code enforcement, and other issues. The spirit of

² These allocations do not add to \$13.9 million because they exclude Section 8 HCV funds, and double-count some services that may be construed as, for example, providing services for persons with special needs and performing a civil rights protection function.

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collaboration and coordination in provision of government services and use of scarce public taxpayer funds is alive and well in Berkeley.

Housing: Berkeley saw completion of 18 units of permanently affordable housing through an acquisition and rehabilitation of 2500 Hillegass Avenue during PY 2006 through the City's Housing Trust Fund program. Another 236 units were under construction under this Program. The City's Inclusionary Housing Program saw potential development of 105 inclusionary (below-market rate, restricted) housing units in 11 different private sector mixed use residential developments in Berkeley, involving development of a total of over 500 new units. Some 350 units of special needs housing was either completed or under construction during PY 2006, with another 1,386 units of special needs housing receiving utility bill payment assistance. Many of these households were low-income households of seniors or disabled individuals. Three permanently affordable senior housing developments were completed during PY 2006 in Berkeley adding 145 new units to Berkeley's special needs housing stock. The City of Berkeley continued operating several rehabilitation programs to maintain and improve the city's low-income housing stock.

As disclosed through HUD's Integrated Disbursement and Information System, there were 5,100 individual beneficiaries of CDBG-funded services in Berkeley, and another 403 households benefited from housing-related CDBG expenditures during PY 2006. Of the individual beneficiaries, approximately 40 percent were African-Americans, 30 percent were Whites, and about 20 percent are from multi-racial backgrounds.

The City of Berkeley reports (Table 11) spending about \$1.97 million on 17 different CDBG-related housing activities during PY 2006.

Homelessness: The City of Berkeley is deeply engaged in addressing the specific and unique characteristics of its homeless population through provision of a wide range of supportive housing and services, as well as emergency shelter and transitional housing. City departments (including Berkeley Mental Health and the Housing Department) and staff provide leadership in Alameda County to the Alameda County-wide Homeless Continuum of Care Council, and other state- and region-wide initiatives such as AB 2034 services and implementation of Mental Health Services Act programs during PY 2006. The City continues operating its Shelter Plus Care Program, providing 230 supportive housing slots with \$2.5 million housing assistance payments leveraged with \$2.8 million worth of supportive service matches to clients in Berkeley and north Oakland. A number of program indicators show that this program is not only successful but has become the cornerstone of the City's efforts to house chronically homeless individuals first so that they can establish regular contact with services that may enable them to regain personal self-sufficiency and lead productive lives once again. City-wide, Berkeley-based services once again proved successful in obtaining another \$4.9 million in HUD Supportive Housing Program grants during PY 2006, to go with another \$1.92 million from SHP awarded to county-wide supportive services of which a portion benefits Berkeley-based clients. In addition to these funds, the City provided \$142,000 in ESG funds to emergency shelters, transitional housing, and support for

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homeless management information systems at the County-wide level.

Anti-Poverty Programs: The City of Berkeley continues to fund several anti-poverty programs and services with about \$617,000 in CDBG public services fund. These programs provide employment training, adult education, life skills training, housing case management (to ensure housing retention) and fair housing services. In addition, Rubicon Programs coordinates directly with City of Berkeley's First Source, YouthWorks and WorkSource programs to provide a comprehensive employment training that addresses direct needs among Berkeley's low-income, youth, and homeless populations to find jobs, earn income, and avoid poverty.

Public and Community Facilities: The City of Berkeley allocated over \$1 million to pay for a variety of public and community facility improvements—including for parks, community center and other improvements—in low-income neighborhoods of Berkeley, as well as provision of nearly 200 disabled access sidewalk ramps throughout Berkeley, including south and west Berkeley neighborhoods where the city's low- and moderate-income households mostly reside.

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I. Introduction

This report is the City of Berkeley's Program Year 2006 Consolidated Annual Performance and Evaluation Report (CAPER) covering the second year of Berkeley's Consolidated Plan for Housing and Community Development, completed in May 2005, and revised in July 2005.³ This CAPER contains three basic parts: First, a set of narrative statements that discuss the City of Berkeley's achievements during Program Year 2006 (July 1, 2006 through June 30, 2007) in housing and community development in relation to its Consolidated Plan for Housing and Community Development (ConPlan). The second part provides narratives that focus on the financial and programmatic performances of the City of Berkeley's entitlement-formula grants, the Community Development Block Grant Program (CDBG), the Emergency Shelter Grant Program (ESG), and HOME Partnerships for Investment Program (HOME); and of these performances in relation to the City's Annual Action Plan (AAP) for Program Year 2005. Other narratives in this part describe the abilities of the City and its community agencies to leverage additional resources for housing and supportive services activities. (The City of Berkeley is neither an entitlement grantee nor participating jurisdiction in the Housing Opportunities for People With AIDS Program [HOPWA].) A third part of this CAPER compiles attachments of supporting data for the narratives found in the first two parts.

II. Goals and Objectives

The City of Berkeley's Consolidated Plan for Housing and Community Development, 2005-2010 (ConPlan) addresses the four strategic national objectives:

- Housing
- Homeless Priorities
- Anti-Poverty Strategy
- Community Development

These goals, objectives and priorities are summarized for each of these areas at the start of each discussion in Chapter IV, below. Each discussion also summarizes the City of Berkeley's progress toward meeting its ConPlan goals and objectives in PY 2006.

In Chapter V, the CAPER describes the City's low income housing and community development activities carried out during the period July 1, 2006, to June 30, 2007, the funds made available for those activities, and the number of low income persons and households assisted. The CAPER evaluates the City's overall progress in carrying out housing and community development priorities identified in the five-year Consolidated Plan and the Annual Action Plan, and identifies issues and constraints faced in meeting the Consolidated Plan goals.

³ This plan may be viewed online at <http://www.cityofberkeley.info/housing/publications/ConPlan2005-2010July2005revision.pdf> .

In its 2006 Annual Action Plan, Berkeley also identifies housing and community development goals and priorities that are consistent with its new 5-year Consolidated Plan as well as with City Council goals for PY 2006 to:

- Promote affordable housing for low income persons, persons with special needs, and those who are homeless;
- Promote fair housing;
- Provide healthy youth alternatives;
- Increase business opportunities for low income residents (General Funds are used for the City's WorkSource Program);
- Reduce poverty;
- Promote neighborhood stability;
- Ensure public safety;
- Implement and coordinate needed public/private improvements;
- Provide solutions for the health disparities problem in our community; and
- Rehabilitate/upgrade the BHA's low-income public housing units.

III. Background

Between July of 2006 and June of 2007, continued state and local fiscal crises, rising construction material (concrete, steel, wood) costs resulting from greatly increased demand from Chinese development efforts, and the war budget at the national level meant that funds remained scarce to undertake housing, public services, and other community development activities, even as the social need for affordable housing and services increased.

Unemployment, Poverty, and Household Income

Unemployment leveled out in Alameda County during 2006 and the first half of 2007 in Berkeley and Alameda County. In Berkeley, according to the California Employment Development Department (Table 1), the unemployment rate in Berkeley for June 2007 stood at 4.5 percent with 2,600 residents believed unemployed, down from 2,900 residents estimated to be unemployed; in June 2005, Berkeley's unemployment rate stood at 4.5 percent in June 2007, with an slight growth of 100 among the unemployed here over June 2006. These figures do not include those who are underemployed, working part-time, self-employed, or returning to school. They also do not record those who stopped seeking employment, since these individuals are neither counted as part of the labor force, nor do they receive unemployment benefits. Berkeley's unemployment rate is believed to be the slightly lower than Alameda County's (4.7 percent) in June 2007. These figures still compare favorably with unemployment as recent as 2004, and indicate that Berkeley and Alameda County's economies remain relatively strong.

Berkeley is home to an economically diverse resident population and household base. Berkeley's total population below the poverty line increased by over 3,000 persons between 1989 and 1999 from 16,370 to 19,495, with most of this increase occurring among those of working age, 18 to 64 years old. Berkeley's poverty rate increased slightly during this period

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from 18 to 19 percent, as compared with the Bay Area's poverty rate of 7 percent (between 2000 and 2002). Factoring out Berkeley's low-income college student-age population reveals that in 2000 there remain about 16,300 residents under the poverty threshold in Berkeley, up 18 percent from 13,700 residents in 1990 under the poverty line.

Table 1: Labor Force, Employment, and Unemployment Rate in Berkeley and Alameda County, 2000-2007				
Year	Labor Force	Employment	Unemployment	Unemp. Rate
Annual - Berkeley				
2006	57,800	55,400	2,400	4.2
2005	57,600	54,800	2,800	4.9
2004	57,900	54,700	3,200	5.6
2003	58,800	55,000	3,800	6.5
2002	60,000	56,200	3,800	6.4
2001	60,300	57,600	2,700	4.5
2000	59,500	57,500	2,000	3.4
June - Berkeley				
	58,500	55,900	2,600	4.5
2006	57,600	55,100	2,500	4.4
2005	57,400	54,500	2,900	5
2004	58,000	54,600	3,400	5.8
2003	58,800	54,600	4,200	7.1
2002	59,800	55,900	3,900	6.6
2001	60,200	57,500	2,700	4.5
2000	59,500	57,300	2,200	3.8
Annual - Alameda County				
2006	745,900	712,800	33,100	4.4
2005	743,200	705,100	38,100	5.1
2004	748,700	704,600	44,100	5.9
2003	760,800	708,600	52,200	6.9
2002	775,700	723,600	52,100	6.7
2001	778,400	741,200	37,200	4.8
2000	768,700	741,000	27,700	3.6
June - Alameda County				
2007	755,600	719,800	35,800	4.7
2006	743,900	709,200	34,700	4.7
2005	741,400	702,100	39,300	5.3
2004	748,500	702,600	45,900	6.1
2003	760,000	703,000	57,000	7.5
2002	773,400	719,700	53,700	6.9
2001	777,200	740,100	37,100	4.8
2000	768,500	738,100	30,400	4.0

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Table 1: Labor Force, Employment, and Unemployment Rate in Berkeley and Alameda County, 2000-2007				
Year	Labor Force	Employment	Unemployment	Unemp. Rate
Source: California Employment Development Department, www.labormarketinfo.edd.ca.gov, accessed 11 September 2007.				

With continued low unemployment regionally, the U.S. Department of Housing and Urban Development (HUD) announced new household income guidelines in March 2007, slightly decreasing the median household income for the Berkeley-Oakland Primary Metropolitan Statistical Area from \$83,800 in 2006 to \$83,000 in 2007.

Single-Family and Condominium Sale Prices

Rapid price appreciation continues to characterize Berkeley's single-family home market (see Table 2, below). Where the median home price in 1999 was \$310,000, by 2006 the median rose in Berkeley to \$750,000, a 142 percent increase during that period. The 10th percentile sale price during 2006 was \$515,000 up from \$450,000 in 2005.⁴

Table 2								
Summary of Residential Real Estate Sales in Berkeley, 1999 to 2006								
Type of Property	1999	2000	2001	2002	2003	2004	2005	2006
Single Family Units								
Total # of sales (units)	770	554	532	540	661	663	632	591
Median Sales Price	\$310,000	\$425,500	\$491,000	\$520,500	\$560,000	\$631,000	\$725,000	\$750,000
Condominium Units								
Total # of sales (units)	120	87	105	92	113	122	136	102
Median Sales Price	\$228,500	\$305,000	\$301,500	\$335,000	\$355,000	\$443,000	\$482,500	\$494,000
Source: RealQuest.com, vendor of Alameda County Assessor's Office data; City of Berkeley Housing Department.								

Sale prices of condominium units in Berkeley also increased but not as rapidly as prices in the single-family market. Since 1999, median condominium prices rose 111 percent by 2006 to \$494,000 (more than doubling over that 7-year period). This median price is also a 39 percent increase over condo prices in 2003.

With condominiums only somewhat more affordable home ownership alternative (although getting increasingly difficult), City staff observe a growing interest in the community in converting existing rental apartment buildings to condominium forms of ownership, and in

⁴ The 10th percentile sale price represents the lowest-priced single family homes selling in Berkeley's housing market for the year reported. It represents the threshold price at which first-time buyer households would have to be able to afford in order to purchase a single-family home in Berkeley.

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developing new condominium units. In August 2004, the *Tom* decision⁵ (which applied directly to San Francisco) invalidated Berkeley's ban on conversion of rental properties with four units or more to tenancy-in-common (TIC) ownership projects. This creates the potential for extensive conversion of rental housing to owner-occupancy, and while additional relatively lower-priced ownership housing is needed in Berkeley, there is a general policy consensus that this should not come at the expense of an even greater need for rental housing available to people who cannot afford to buy, and that TICs can be a problematic form of ownership for those who buy shares in them. In addition, unregulated conversions could be combined with wholesale eviction of tenants through use of the Ellis Ordinance (Berkeley Municipal Code Chapter 13.77) to withdraw accommodations from rent or lease in the housing market. (The City's responses to the challenges of balancing rental housing conversion to condominiums while maintaining incentives to avoid TIC conversions will be addressed below in the section on the City's use of its regulatory authority.)

Table 3: Change in Rental Housing Costs in the San Francisco Bay Area Since 2001		
Time period	Consumer Price Index	Price inflation/ (deflation)
From January 2001 to June 2005	240.6	10.7%
	266.4	
From September 2001 to June 2005	258.0	3.3%
	266.4	
From October 2002 to June 2006	262.5	1.5%
	266.4	

Source: U.S. Bureau of Labor Statistics.

Increasing Rents

The Consumer Price Index for rent of primary residence varies widely depending on when it is measured. As shown in Table 3, the bulk of the increase in rents since January 2001 occurred in the first nine months of 2001, and the CPI-Rent data confirm that rents have been grown only slowly in the Bay Area since that time, registering only a slight increase between October 2002 (the first month in the Bay Area in which

rents declined) and June 2005.

Table 4: Percent Change in Median Rents with Vacancy Registration (Market) Rents, 1999 to the First Half of 2007			
	Percent Change		
	1999-2001	2002-2006	2002-2007 (1st Half)
Studio	25.9%	2.9%	7.6%
1 BR	42.9%	-4.3%	3.9%
2 BR	26.9%	-3.1%	3.1%
3 BR	27.3%	0.0%	5.8%

Source: Berkeley Rent Stabilization Board, September 2007.

Rents overall in Berkeley continue to increase when viewed from the onset of vacancy decontrol in 1999, but they increase more slowly since 2002 (see Table 4). Rents for 1- and 2-bedroom units fell slightly between 2002 and 2006. But rents for all sizes of units saw modest increases during the first half of 2007 over the median rents reported for 2002. Median monthly rents for newly rented (i.e., market rate) units through the first half of 2007 were \$915 for studios, \$1,195 for 1-bedroom units, \$1,650 for 2-bedrooms, and \$2,275 for 3-bedrooms.

⁵ *Tom v. City and County of San Francisco*, 2004, 120 Ca. App.4th 674.

IV. Meeting Consolidated Plan Goals and Priorities

The City of Berkeley adopted a total budget for Fiscal Year 2007 of \$296.7 million, which included the Berkeley Housing Authority's assistance payments of \$24.9 million. The budget increased over the FY 2006 budget of \$259.9 million.⁶

The City's activities to meet its Program Year 2006 Action Plan and ConPlan goals were generally successful, especially in view of the budgetary constraints faced. The past four years (FYs 2003 through 2006) marked the City's most difficult period of fiscal reduction, resulting from recurring reductions to the General Fund of close to \$20 million and the reduction of almost 10 percent of the City's workforce.

City employees in the last two fiscal years continue to participate in achieving savings to protect programs by participating in Voluntary Time Off (VTO) days. In the next several years, City management looks to prudent fiscal decisions with re-negotiation of the City's labor contracts. Council policy is to pay at the median of Berkeley's comparable cities. City management anticipates that by the time contracts expire, the City will be above median for most positions, and that there should be no increase in labor costs for the first two years following the conclusion of the labor contracts.

In this context, the City of Berkeley continues its commitment to local affordable housing, social services, and community development programs by allocating funding to most Berkeley agencies previously receiving funds. Overall, its community agencies budget allocation declined 7 percent from \$10.6 million in FY 2005 (PY 2004) to about \$9.9 million in FY 2006 (PY 2005), followed by a 17 percent decrease to \$8.2 million in FY 2007 (PY 2006). Funding for health and homeless-related services saw increases while most other services saw decreases for FY 2006.

This CAPER summarizes the City of Berkeley's Consolidated Plan for Housing and Community Development goals and objectives, and then describes what actions and programs the City used to address and meet these goals and objectives. The areas addressed include:

- ❑ Affordable housing
- ❑ Homelessness
- ❑ Anti-poverty strategies
- ❑ Community Development

Program Year 2006 has seen continued restructuring of City services and programs, particularly for the system of care addressing chronic homelessness and low-income households with special needs (including people with serious mental disabilities and those living with HIV/AIDS).

⁶ Prior budget years did not include BHA assistance payments and direct comparison is therefore not valid. However, removal of assistance payments from the City's FY 2007 budget shows that the budget increased by 4.6 percent over FY 2006.

A. Housing

Berkeley's housing goals and priorities from its *Consolidated Plan for Housing and Community Development* (from July 2005) are summarized below in Figure 1.

Figure 1: Housing Goals and Priorities from Berkeley's Consolidated Plan	
<ul style="list-style-type: none">• Assist approximately 1,500 households with their housing needs in the next five years (excluding homeless and households served by programs not covered by HQS).• Maintain effort of existing successful programs.• Make available additional funding for affordable housing.• Use City's regulatory authority to increase affordability and help residents remain in their homes.• Meet needs of poor and very low income tenants (at or below 50% of AMI) and residents with special needs. Priorities by income category:<ul style="list-style-type: none">• Highest priority: Residents with very low incomes (at or below 50% of AMI) and special needs.• Next highest priority: Tenant households with incomes between 51% and 65% of AMI.• Low priority: Households with incomes between 66% and 80% of AMI.• Homeownership programs have low priority due to high cost of providing assistance.• Maintaining and improving housing stock, and eliminating blight.	

Meeting Housing Needs

As illustrated by the trends in both rents and home and condominium prices in Tables 2 and 4 above, the City has much work to do to address the social need for affordable housing in Berkeley. Other housing needs include the need to promote preservation and conservation of housing stock, as well as overall housing accessibility, particularly for special needs populations including the homeless, seniors, and larger family households. Table 5 summarizes the City's efforts to provide affordable housing. In all, the City of Berkeley has 254 units of permanently affordable housing in process or recently completed during PY 2006. Of these, 65 units, such as those in 2121 7th Street (Allston House, 47 units) and 2500 Hillegass Avenue (Hillegass House, 18 units), were acquired and rehabilitated; Hillegass House was completed during PY 2006. Another 53 new affordable units neared completion at the end of PY 2006 at 1001 Ashby Avenue (Ashby Lofts). One other project, 3132-38 Martin Luther King, Jr. Way (Prince Hall Arms, 41 affordable units) is in the permit process at this time.

Another 105 inclusionary units, created under regulatory requirements of the City's Inclusionary Housing Ordinance (Berkeley Municipal Code Chapter 23C.12 *et seq.*) were completed or under construction during PY 2006; of these, 14 were completed in four projects, while another 91 units scattered amongst seven new developments were either continuing through the permit process or were under construction. These 11 developments account for a total of potentially 555 new units throughout Berkeley in the next few years.

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Table 5 Summary of Housing Developments and Programs Undertaken to Achieve Consolidated Plan Housing Goals, PY 2006			
Programs	Affordable Units	Status	Beneficiary/priority/comment
Priority - Development of Affordable Housing through the HTF - All projects assisted with HOME funds and other Housing Trust Fund monies are affordable at 60% of AMI and the majority is affordable to households at 30% - 50% of median income or below and special needs housing affordable to those at the extremely low income category			
David Brower Center/Oxford Plaza at 2200 Block of Fulton Street Resources for Community Development and Equity Community Builders	96	Under construction	One additional manager's unit; 97 total. Mixed use project on City-owned land comprising David Brower Center (office and conference space) and Oxford Plaza (affordable housing) atop a one-story City-owned parking structure. Oxford Plaza will provide 96 units for low-income families and individuals with affordable downtown living, including about 10 individuals living with HIV/AIDS. Construction started in April 2007.
3132-38 Martin Luther King, Jr. Way Prince Hall Arms	41	Continuing.	Mixed-use project in south Berkeley. All 41 units are for low-income seniors; also one manager's unit as well. Project received City and federal funding in 1999, and demolished existing buildings. Currently completing new financing structure, seeking a use permit modification, and completing federal environmental review.
2121 7 th Street Affordable Housing Associates	46	Nearing completion.	Property acquired during PY 2004, and completed environmental review prior to commitment of Project-based Section 8 HCV assistance. Project completed financing efforts and AHA assumed ownership during PY 2006.
1001 Ashby Avenue AHA	53	Nearing completion.	All 53 units will be affordable to low-income families, plus one manager's unit. Financing completed. Completion date scheduled for Summer, 2007.
2500 Hillegass Avenue Affordable Housing Associates	18	Completed	Property acquired during PY 2004. Rehabilitation work completed during PY 2006.
Subtotal, Through HTF	254		
Priority: Affordable Housing Development through City's Inclusionary Housing Ordinance Program and/or California Density Bonus Law			
2526 Durant Avenue	6	Continuing	44 total units; state density bonus project. Project initially denied use permit, but has revised project scope. Expects to develop as a condominium.
1809 Shattuck Avenue	7	Nearly complete	29 total condo units. Property transferred, and will probably be treated as a rental development until eventual conversion to condominiums.
1116-32 University Avenue	11	Continuing	65 total units. 11 low-income units. Building permit is under review. Condominium map recently approved.

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Table 5			
Summary of Housing Developments and Programs Undertaken to Achieve Consolidated Plan Housing Goals, PY 2006			
Programs	Affordable Units	Status	Beneficiary/priority/comment
2701 Shattuck Avenue	5	Continuing	24 total units. Project use permit approved during PY 2006, approaching appeal before City Council in early PY 2007. 4.8 units of in-lieu fees possible.
3075 Shattuck Avenue	2	Completed	10 total units approved. Condo units mapped and sold during PY 2006.
2076 Ashby Avenue	2	Completed	11 total units. Waiting on certificate of occupancy.
2025 Channing Way	7	Continuing	30 total units. 7 inclusionary units a very low income threshold. State density bonus project. Condominium map approved.
1885 University Avenue	33	Continuing	148 units total. 11 at low-income and 22 at very low income thresholds. State and local density bonus project.
2041-67 Center Street – Seagate Project	23	Continuing	143 total units. 12 at very low income and 11 at low-income thresholds.
2498 Martin Luther King, Jr. Way	3	Completed	21 total units.
2700 San Pablo Avenue	6	Under construction	30 total units. Received condominium map during PY 2006.
Subtotal, Inclusionary Units	105		
Priority: Meet Special Housing Needs of Poor, Elderly, Disabled and Others with Special Needs			
David Brower Center/Oxford Plaza at 2200 Block of Fulton Street	10	Under construction	10 units at Oxford Plaza are to be set aside for low-income persons disabled and living with HIV/AIDS (HOPWA funding through Alameda County).
2577 San Pablo Avenue	27	Completed.	Plus one manager's unit. \$2.7 million from HTF (including HELP loan replacement) has been approved and HUD awarded Section 202 capital advance and rent subsidy. Development opened in spring of PY 2006.
Jubilee Restoration and RCD, Inc. Margaret Breland Senior Homes			
1535 University Avenue Satellite Housing University Avenue Senior Housing	79	Completed.	Plus one manager's unit. Project built in central Berkeley near Sacramento Street and University Avenue. 40 units are supported with Project-Based Section 8 assistance.
2517 Sacramento Street, AHA, Inc. Sacramento Senior Homes	39	Completed.	Plus one manager's unit. All 39 units are Project-Based Section 8 units for seniors.
Low-Income Home Energy Assistance Program (LIHEAP)	1,386	Ongoing	Utility bill assistance program for low-income households, especially seniors on fixed incomes.

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Table 5			
Summary of Housing Developments and Programs Undertaken to Achieve Consolidated Plan Housing Goals, PY 2006			
Programs	Affordable Units	Status	Beneficiary/priority/comment
Shelter Plus Care Program Permanent supported housing for formerly homeless and disabled individuals. Tenant-based subsidies with case management and service provision for clients.	230	Ongoing	With addition of Berkeley's newest Shelter Plus Care grant, the COACH Program got under way in PY 2006. This program enabled Berkeley to serve 12 net new single adult participants. Combined Berkeley's Shelter Plus Care Programs served 21 net new single adults, and served a net of three less families. (Berkeley's homeless population is dominated by single adults.)
2111 McKinley Street BOSS, Inc.	6	Completed.	Transitional housing for homeless families
Subtotal, Special Needs Housing	1,777		
Priority: Maintain and improve housing stock: Housing Rehabilitation/Repair (All rehab/repair programs targeted at 50% of median income or below, at least half benefit those who are extremely low income (30% of median or below))			
Seniors and Disabled Rehab Loan Program	8 completed in PY 2006	Completed	City staff administers program for improvements and rehabilitation for low-income senior or disabled homeowners. CDBG loans of up to \$35,000 per homeowner were matched with state and local funding.
Rebuilding Together (Citywide) Safe Home Project	19 units assisted in PY 2006	Completed	Organizes volunteers to repair/renovate homes owned by low income elderly and disabled individuals. PY 2005 allocation was \$88,393. Assistance was provided to 18 units, serving 13 extremely low and 5 low-income households. In all, 28 persons benefited from this activity, 21 of whom were African-Americans.
Low-Income Home Energy Assistance Program (LIHEAP)	38 units assisted in PY 2006	Completed	Services include window and door replacements, wall and other envelope repairs, and other related home repairs. Services are provided free of charge to low-income Berkeley residents.
Home Safety and Repair Program Community Energy Services Corporation	147 units assisted in PY 2006	Completed	CESC provided 119 new minor or intermediate repair jobs and 30 new extensive repairs to low-income Berkeley residents. Worked closely with CIL and COB Senior and Disabled Improvements and Weatherization Programs.
Section 108 Loan Repayment - Berkeley Housing Authority	75 units of public housing rehabbed through end of PY 2006	Nearly completed	Repayment of Section 108 loan to repair 75 units of public housing owned by the Berkeley Housing Authority. Payment is \$120,000 per year from CDBG to HUD.
Residential Access for the Disabled Program (CIL, ramps and interior retrofit) (Citywide)	32 units assisted in PY 2006	Completed	Construction of ramps, lift installations, and interior modifications to ensure safe accessibility to homes for low-income disabled persons.
Source: City of Berkeley Housing Department			

Berkeley takes great pride in providing special needs affordable housing through its Housing Trust Fund. During PY 2006, the City provided 230 units through its Shelter Plus Care

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Program (S+C), in which formerly homeless, disabled individuals and families are housed with subsidies and receive ready access to supportive services aimed at facilitating their return to personal independence and productivity. Another 161 units were newly constructed or rehabilitated during PY 2006, including the completion of 145 permanently affordable senior housing units in three projects (1535 University Avenue, 2517 Sacramento Street, and 2577 San Pablo Avenue). Six units of permanently affordable transitional housing for homeless families were rehabilitated in central Berkeley. These projects suggest the degree to which affordable housing developments occur in geographically disparate neighborhoods in Berkeley, as well as demonstrating the City’s commitment to affordable senior housing. In addition, 10 units dedicated to housing low-income persons disabled and living with HIV/AIDS will be housed in Oxford Plaza, which has a central downtown location.

Table 6: Berkeley Housing Trust Fund Allocations					
During the Consolidated Plan Period, Program Years 2005 and 2006					
Fiscal Year ending:	General Funds, Housing Mitigation, and Redevelopment Funds	CDBG	HOME	State HTF and HELP Funds (site acquisition)	Total Allocations
PY 2005 (as of June 2006)	\$185,000	\$0	\$0	\$200,000	\$385,000
PY 2006 (as of June 2007)	\$1,777,951	\$536,700	\$1,267,935	\$0	\$3,582,586
Source: City of Berkeley Housing Department.					

Table 6 indicates that during PY 2006, a total of \$3.6 million was allocated from the Housing Trust Fund to cover project costs. Most of these costs were allocated to three main projects, which were already under construction but faced financial challenges during PY 2006: (See discussion of Table 12, below for additional details.)

Using the City’s Regulatory Authority

The City of Berkeley continues to use its regulatory authority to enforce the California housing code, to regulate evictions under its Eviction Control Ordinance, to regulate rents under its Rent Stabilization Ordinance, and to regulate new housing developments to provide affordable housing units through its Inclusionary Housing Requirements, contained in the City’s Zoning Ordinance (at Chapter 23C.12).

Rental Housing Safety. Established in August 2001 in Ordinance No. 6,651-N.S., the City has continued to monitor and improve its Rental Housing Safety Program (RHSP) vigilantly. The RHSP is in its sixth year of operation following implementation of major structural and fee-related changes to Berkeley’s housing code enforcement program. These changes sought to promote community awareness and responsibility for improving safety in Berkeley rental units; and to make the program financially self-supporting. It includes a proactive inspection agenda that identifies rental housing code violations for correction before they become serious health

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or safety risks for tenants occupying them. Owners are obliged to inspect their units annually to certify that specific standards are met, and to have the local utility company or a licensed mechanical contractor inspect their units every five years to certify that gas-heating appliances are in proper working order. To offset costs for inspections, and for administering owner compliance with the gas-heating certification program, owners are charged an annual fee for each rental unit or room.

The City's Housing Code Enforcement Unit, which manages the Rental Housing Safety Program, also conducts HOME unit inspections, as required under HOME Program regulations. Results of these inspections are summarized in Section VI, Table 28, below.

Berkeley Alcohol Policy Advisory Coalition (BAPAC) Activity. Historically, the City of Berkeley has demonstrated support for alcohol and drug abuse (AOD) prevention and treatment through adoption of many resolutions in recent years. During PY 2005, BAPAC began developing regulatory strategies for the City to consider to control alcohol availability in Berkeley. The City has also engaged in organizing a citywide approach to AOD services that responds to the broadest population of people in need, and includes both City and privately operated services.

The City's Health and Human Services Department (HHS) issued a report on behalf of BAPAC, *City of Berkeley Taking the Lead in Combating Alcohol and Other Drug Problems*, in July 2006 that made findings and recommendations addressing substance abuse issues among youth, adults, seniors, pregnant and parenting women, and individuals with dual diagnoses. The report also examined community perceptions of substance abuse problems. The City Council endorsed the report to give policy guidance to HHS for further actions.⁷ The report was subsequently revised to include specific regulatory proposals for addressing alcohol policy. These proposals during PY 2006 included:

- A "land use permit" ordinance amending the Berkeley Zoning Ordinance;
- Mandatory training for responsible beverage service (RBS);
- A social host ordinance;
- A "deemed approved" ordinance; and
- Fee-supported education and outreach.⁸

Council referred the permit ordinance to the Planning Commission, adopted the mandatory RBS training ordinance⁹, and directed the City Manager to report back on enforcement resources and approaches. Action on other new regulations was deferred.

Zoning Ordinance and Density Bonus. Berkeley's most important regulatory program for housing development is its Zoning Ordinance. In 2005, the City Council appointed a Joint

⁷ City Council Resolution No. 63,384-N.S., adopted July 18, 2006.

⁸ Further information on these proposals is available online at the City Council's web site for its January 30, 2007, meeting, item number 25.

⁹ Ordinance No. 6,967-N.S., adopted January 30, 2007.

Subcommittee on Density Bonus Procedures, consisting of members of the Planning Commission, Housing, Advisory Commission, and Zoning Adjustments Board, to make recommendations to the Council on possible changes to the City's existing Density Bonus procedures. The City's Inclusionary Housing Requirements (BMC Chapter 23C.12 of the Zoning Ordinance) trigger eligibility for a density bonus under State Density Bonus law (California Government Code Section 65915). Density bonus projects are typically larger than projects allowed only under jurisdiction of the City's Zoning Ordinance. Neighbors often oppose these larger projects. Additionally, the State's affordable housing laws limit the Board's discretion over ultimate size and shape of these projects. From August 2005 through June 2006, the Joint Subcommittee worked on recommendations related to development standards, the City's inclusionary requirements, and density bonus law implementation.

Recommendations from the Joint Subcommittee were brought to the City Council in September 2006 because Berkeley Planning and Development Department staff informed the Subcommittee that Proposition 90 on the November ballot in California may preclude several of their recommendations. When Proposition 90 failed in November, these ordinance changes sunsetted, and the Joint Subcommittee resumed work, concluding its work with recommendations to the Planning Department and Planning Commission concerning procedures for implementing the state Density Bonus in the framework of the City's Inclusionary Housing Ordinance. These procedures include two menu options: one providing concessions and incentives for development that do not require developers to disclose financial information relating to project feasibility, and a menu of concessions and incentives that do require disclosure to the City to evaluate financial feasibility. As of the end of PY 2006, the Planning Department has yet to complete its report to the Planning Commission evaluating the Joint Subcommittee's proposals for density bonus procedures.

Inclusionary Housing Ordinance. During PY 2006, the City of Berkeley amended its Inclusionary Housing Ordinance to allow developers of new condominium projects to pay a fee to the City's Housing Trust fund in place of selling twenty percent of the units at a below-market price while still meeting the requirements of the City's Ordinance.¹⁰ The fee is equivalent to 62.5 percent of the difference between the market price and the inclusionary price of the inclusionary units. Taking sales costs into account, this formula provides that approximately two-thirds of the economic gains go to the Housing Trust Fund and one-third to the developer.

The fee is spread across all units in a project so that instead of paying 62.5 percent of the difference when designated inclusionary units are sold, the developer will typically pay one-fifth of that amount, (or 12.5 percent of the difference) as each unit is sold. When a developer receives a density bonus in return for providing below-market rate units, the units must be provided and the in-lieu fee may not be used. In some cases, the percentage of below-market units required by the Inclusionary Ordinance is greater than the percentage for which the

¹⁰ Ordinance No. 6,946-N.S.

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developer receives a density bonus. In this case the in-lieu fee may be used for the percentage of inclusionary units that were not part of the requirements for the density bonus.

The in-lieu fee provides a substantive economic benefit to the developer, but not as much as through use of the density bonus provisions of State law, which allows the developer to add an additional 35 percent to the size of the project (often through 35 percent more units). Thus, the in-lieu fee will provide benefits to those developers who choose not to use all or part of the density bonus to which they would otherwise be entitled by meeting the City's inclusionary requirement.

The City's Housing Department received its first in-lieu fee revenue of \$747,601 from 2628 Telegraph Avenue for the Housing Trust Fund by August 2007.

Developers show continuing interest in constructing condominiums as indicated in Table 5 above. There are approximately 555 new condominium units in the pipeline or under construction in Berkeley.

Condominium Conversions. Condominium conversions are a significant source of new home ownership opportunities for Berkeley home buyers. During PY 2006, the City of Berkeley approved the following tentative tract maps:

- 1406 San Pablo Avenue (8 units)
- 2020 Kittredge Street (186 units) – currently a rental, but will now have an underlying condominium map for eventual conversion. This property was recently completed as new construction.
- 1501 Oxford Street (5 units)
- 1414 Harmon Street (7 units)
- 2628 Telegraph Avenue (16 units) – currently a rental, but will now have an underlying condominium map for eventual conversion. This property was recently completed as new construction.
- 2700 San Pablo Avenue (35 units) – nearing completion of construction; expects to start out as a rental but will have an underlying condominium map for eventual conversion.
- 2616-2620 Telegraph Avenue (20 units).

From this list of tentative tract maps, a total of 56 condominium units came on the market during PY 2006, while another 237 units could convert at some point in the future. Newly constructed condominium owners are tending to take advantage of a statute of limitations on construction defect insurance of 10 years. Thus, these units could potentially convert as early as 10 years from their completion dates.

The City of Berkeley also approved seven parcel maps (for properties with two to four units in them) for condominium conversion during PY 2006, for a total of 22 newly created condominium units:

- 3016-3018 College (2 units)

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- 3116 Ellis (3-units)
- 3115 Eton (2-units)
- 2906-2908 Florence (2-units)
- 1516 Josephine (2-units)
- 1348-1350 Rose (4-units)
- 2817 Woolsey (3).
- 2306-2308 Hearst (4-units):

Condominium Conversion Policy. Overall, the City of Berkeley seeks to discourage conversion of multi-family units to tenancy-in-common (TIC) ownership forms. Consequently, the major objective of the City's condominium conversion policy is to balance the need to allow and encourage conversion to condominiums while protecting sitting tenants as much as possible.

In June 2006, the City Council received an initiative petition sponsored by Berkeley property interests that would further amend the City's condominium conversion regulations (Berkeley Municipal Code Chapter 21.28 *et seq.*).¹¹ This initiative was defeated by Berkeley voters by a nearly 3 to 1 margin in the November 2006 election.

Meanwhile, the City of Berkeley turned its attention to making the existing Condominium Conversion Ordinance more effective and easier to administer by amending the Ordinance and developing an interdepartmental working group to address administrative issues associated with the Ordinance. In October 2006, the City Council adopted a sliding scale approach to applying the Ordinance's affordable housing mitigation fee to properties with 2, 3, or 4 units.¹² With this amendment it is hoped that owners of smaller properties will convert more readily to condominium ownership while potentially reducing the fee burden associated with the conversion for properties of this size. The sliding scale approach takes account not only of the length of ownership of the applicant associated with the converting property, but also the applicant's continuity of residency in Berkeley (even as a tenant prior to purchasing the property). The 12.5 percent affordable housing mitigation fee *rate* may then be reduced by 1.25 percent for each year the owner-occupant of a unit has resided continuously in Berkeley. After 10 years of continuous residency, then, the owner-occupant's fee would be reduced to zero.

The City Council also adopted an amendment to extend the deadline from June 30, 2007, to December 31, 2007, by which existing TIC owners with sufficient demonstrated owner-occupancy in August 1992 may submit their applications to convert (i.e., filing map applications) and still qualify for a mitigation fee exemption.¹³

¹¹ The Berkeley Housing Department produced an impact study of the proposed initiative that may be viewed online at <http://www.cityofberkeley.info/citycouncil/2006citycouncil/packet/071806/2006-07-18 Item 36 Condo Conversion TBD.pdf>.

¹² Ordinance No. 6,950-N.S.

¹³ Ordinance No. 6,985-N.S.

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The interdepartmental Condominium Conversion Working Group is made up of representatives from the City Attorney’s Office, and the Planning and Development, Housing, and Rent Stabilization Program departments. Together, these staff members troubleshoot problems with specific applications to develop strategies for addressing them, review selections quarterly, and identify policy and strategic issues associated with administering the Ordinance.

Beneficiaries: Poor and Low-Income Tenants and Residents with Special Needs

During PY 2006, a total of 403 households were benefited directly from the availability of housing, public service, and community facilities activities under CDBG, as did about 5,000 individuals, as shown in Table 7. About 87 percent of low/moderate income beneficiary households were low or moderate income homeowners, while another 49 low or moderate income tenant households also benefited from housing and services activities under the City of Berkeley CDBG Program. About 60 percent of total individual beneficiaries were extremely low-income persons, and another one-third were low-income individuals. Only about 101 persons and 22 households that were not low or moderate income benefited from CDBG activities funded by the City of Berkeley during PY 2006. These beneficiaries represent just 5 percent of total individual and household beneficiaries, respectively. The sizable representation of home owners among Berkeley’s household beneficiaries is due to the efforts of the City’s rehabilitation programs. These programs target low-income senior and disabled homeowners for repair work, disabled access improvements, and energy conservation actions.

Table 7						
CDBG Beneficiaries by Income Category for Program Year 2006						
	Extremely Low, <=30% of AMI	Low, >30% and <=50%	Moderate, >50% and <=80%	Total, Low- Mod	Non Low- Mod	Total Beneficiaries
Housing Beneficiaries						
Total Households	150	158	73	381	22	403
Owners	120	143	69	332	21	353
Tenants	30	15	4	49	1	50
Non-Housing Beneficiaries						
Persons	3,113	1,627	221	4,961	101	5,062
Households	0	0	0	0	0	0
Not Specified	0	0	0	0	0	0
Total Beneficiaries						
Persons	3,113	1,627	221	4,961	101	5,062
Households	150	158	73	381	22	403
Not Specified	0	0	0	0	0	0
Source: IDIS, Report C04PR23; City of Berkeley Housing Department. Note that PR23 reports 480 total household beneficiaries. The difference from 381 shown in Table 8 is due to the combination of data by income category captured under old requirements versus new requirements.						

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Table 8 presents beneficiary data on individuals by race and ethnicity as reported to community agencies at the point of service. About 40 percent of individual and 62 percent of households benefiting from CDBG housing and public services and facilities activities were of African-American descent. Another one-third of individuals and households were of White descent, as indicated in Table 8. Asians made up about 6 percent of individual and 3 percent of household beneficiaries. Significantly, individuals self-reporting as multi-racial made up 20 percent of all individual beneficiaries in PY 2006. This group is thus over-represented in Berkeley’s CDBG beneficiary population relative to Berkeley’s census resident population by a factor of four.

Table 8: Berkeley CDBG Beneficiaries by Disclosed Race and Ethnic Categories, Program Year 2006				
Disclosed Race of Beneficiary	Persons		Households	
	Number	Hispanic	Number	Hispanic
White	1,616	225	150	29
Black/African-American	2,019	1	296	0
Asian	317	0	16	0
American Indian/Alaska Native	49	31	5	4
Native Hawai’ian/Other Pacific Islanders	12	0	2	0
Other Multi-Racial	1,049	476	11	0
Total Beneficiaries Disclosing Race and Ethnicity	5,062	733	480	33
Sources: IDIS, Report C04PR23; City of Berkeley Housing Department.				

HOME Unit Completions. The City of Berkeley had 19 HOME rental unit completions at 2517 Sacramento Street (Sacramento Senior Homes) which was completed and opened during PY 2006. The City does not use HOME Program funds for tenant based rental assistance, first-time homebuyer assistance, or to assist existing homeowners. As Table 5 above shows, there are a number of Housing Trust Fund projects under construction or nearing completion. Once completed in PY 2008, Oxford Plaza will add a large number of HOME unit completions which the City will report on at that time.

Certifications of Consistency with the Consolidated Plan

In order to receive federal funding for many HUD programs, applicants must receive a certification from the City that the activities proposed are consistent with the City’s Consolidated Plan. In PY 2006, the City again provided Certifications of Consistency with the Consolidated Plan for the McKinney SHP application (spearheaded by staff of the Alameda County Housing and Community Development Department).

Improving Housing Stock, Eliminating Blight, Weatherizing Homes

The City continues to address blight, seismic and personal safety, and energy efficiency issues through investment of CDBG funds into several housing rehabilitation programs that assist

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low-income disabled and senior residents with funds and active technical assistance in developing specifications for work, retaining contractors to address deteriorated conditions of their homes due to long-deferred maintenance, addressing structural deterioration, providing safety and security measures, and in some cases providing seismic strengthening measures. Much of Berkeley's private housing stock has been well-maintained over the last decade due in part to historically low mortgage rates, rising incomes, and availability of equity lines of credit (also at historically low interest rates) that enable many households to undertake repairs on their units, despite rising material costs, and home prices independent of government programs.

Trends in vacancy registrations of rental units under Berkeley's rent stabilization ordinance are discussed below.

Rehabilitation Programs. The City of Berkeley continues to operate six different rehabilitation programs, some of which have purposes overlapping with accessibility and energy conservation objectives. These programs include:

- Residential Access for the Disabled Program (operated by the Center for Independent Living under contract with the City);
- Safe Homes Project (operated by Rebuilding Together, Inc., under contract with the City);
- Community Facilities Project (operated by Rebuilding Together, Inc., under contract with the City);
- Senior and Disabled Home Improvement Loan Program (operated by the City of Berkeley Housing Department);
- Superweatherization Program (operated by the Community Energy Services Corporation, under contract with the City); and
- Home Safety and Repair Program (operated by the Community Energy Services Corporation, under contract with the City).

Reporting on these programs' activities is presented later in this report in Chapter V, Housing Activities.

Lead-based Paint Abatement. In PY 2006, the City of Berkeley's Health Department continued participating in State and County programs focused on lead poisoning prevention and lead hazard control. Activities include case management of lead-poisoned children and related environmental investigations, medical provider outreach, primary prevention education and events, and work on the development of an enforcement infrastructure. Services available to property owners included in-home consultations, HEPA vacuum cleaners available to loan, lead sampling test kits, and classes in lead-safe work practices.

B. Homelessness Priorities

Figure 2: Homeless Priorities of the Berkeley Consolidated Plan and the 1998 Berkeley Homeless Continuum of Care Plan

- 5-year goal to place an additional 250 households in transitional or permanent housing, 100 through Housing Trust Fund developments.
- Maintain effort of existing successful programs a high priority.
- Seek separation of Shelter Plus Care Program from Supportive Housing Program funding.
 - Management Information Systems (MIS) use by homeless service providers is a high priority.
- Adopt and implement standards of service for emergency shelters.
- Provide winter shelter to homeless people through collaboration with the City of Oakland at the Oakland Army Base.

Consolidated Plan goals (shown in Figure 2) for homelessness priorities were held over from the previous Consolidated Plan (May 2000). That Con Plan relied on Berkeley's *Homeless Continuum of Care Plan* (adopted September 1998). In light of new policy frameworks described in Chapter V, below, the City of Berkeley intends to amend its Consolidated Plan during the upcoming preparation of the PY 2007 Annual Action Plan to reflect the policy changes that have been made. This PY 2005 CAPER, however, will report on the City's efforts to address its existing Con Plan homelessness priorities as stated above.

Maintain Existing Successful Programs

The City of Berkeley continues to coordinate and collaborate with Alameda County's Department of Housing and Community Development, the City of Oakland, and numerous homeless service providers to prepare the annual application to HUD for Supportive Housing Program grants.

During PY 2006, this collaboration yielded more than \$20 million to programs serving homeless people in Alameda County. These grants will sustain current programs countywide, including permanent and transitional housing and provide additional support services to more than 3,000 homeless families and individuals throughout the County. One new program will provide rental subsidies for thirteen chronically homeless individuals in southern and eastern Alameda County.

The HOST Project (funded by the Mental Health Services Act and operated by Bonita House) enrolled its first participant in May 2007 and continues to enroll partners on a monthly basis, six per month, with a goal of reaching 90 participants. HOST is providing immediate employment opportunities for its participants through its Moving Assistance Team which helps new participants move into housing.

Through its budget allocations, the City continued its goal of maintaining the efforts of successful programs serving homeless people in Berkeley, and has reoriented its priorities to

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allocate funding to services that achieve positive housing outcomes and provide the support homeless people need in order to maintain housing.

In preparation for the City's Request for Proposals process, Berkeley's Homeless Commission met with representatives from the City's Housing Advisory Commission and Human Welfare and Community Action Commission to discuss funding priorities and evaluation criteria. The Commissions agreed to prioritize programs that serve the neediest populations in Berkeley, including the homeless population and that permanent housing and services that support permanent housing projects would continue to be a priority.

Through the City's two-year funding allocation process, the City and the Berkeley Homeless Commission prioritized housing supportive services programs as well as programs that have achieved good housing outcomes. This prioritization resulted in an overall recommendation to decrease funding for drop-in centers, emergency shelters and meal programs that were not achieving housing outcomes or had other compliance issues. However, the City was able to maintain baseline funding for most of the emergency services recommended for reduction on a one-time allocation basis to allow agencies to leverage other funding sources and to shift activities towards increased housing outcomes. While community agencies that provide emergency services were recommended for funding reductions, the City increased the overall funding level for homeless programs by approximately 13 percent. This increase includes one-time funding allocations for Program Year 2007.

The City decided to maintain the current funding level of \$166,123 for its Homeless Prevention Grants Program, yet decided to reconfigure the program to allow for an increase in the number of grants awarded and greater effectiveness in tenant selection. The City will be issuing a Request for Proposals for a fiscal agent to manage the grant-making portion of the program. The fiscal agent will issue payments to landlords on behalf of tenants selected by partnering with community based agencies, City case managers and public health nurses.

The Berkeley Homeless Commission continues to meet with representatives from the City's Housing Advisory Commission and Human Welfare and Community Action Commission, to increase collaboration and provide input regarding the City's community agency allocation policies and procedures

The City's Division of Mental Health (BMH) continues to provide immediate access to short-term hotel stays at The Menlo and other hotels for adults who are homeless and experience mental illness, as well as to subsidize immediate access to residential treatment and sober living homes. BMH uses State of California AB2034 grant funds for this purpose. Providing immediate access to housing helps engage and stabilize participants in AB2034 services, which are targeted toward adults who are homeless, have a serious mental illness, and have previously been unengaged in mental health services. The Berkeley's *Homeless Continuum of Care Plan* (adopted 1998) calls for implementing strategies that provide housing and intensive services for the homeless, and the state grant was obtained to help implement the City's Continuum of Care

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Plan. This planning framework was updated in 2006 with the City Council's adoption of the Alameda County-wide EveryOne Home Plan for the chronically homeless and special needs housing.

Homeless Persons Newly Assisted with Transitional and Permanent Housing

Berkeley's Shelter Plus Care Program (S+C) housed 38 new participants during PY 2006, including 12 people housed through the City's new COACH program. Based on a national competition, HUD awarded \$1,494,240 in grant funds for five years to the Alameda County Housing and Community Development Department for tenant-based rental assistance to support chronically homeless people who are seriously disabled and frequent users of health care services. Alameda County HCD initially subcontracted with the City of Berkeley Shelter Plus Care Program to provide tenant-based rental assistance to 11 single adults. The federal rent subsidies are matched by locally provided services to support homeless, disabled individuals in permanent, supportive housing units. LifeLong Medical Care, the City's Mental Health Division, and the Berkeley Food and Housing Project provide dedicated case management and money management services, and these services will fulfill the service match that is required by the HUD grant.

The grant began on January 1, 2006, and at the end of the operating year 12 chronically homeless individuals had been successfully housed. In November of 2006, Alameda County agreed to transfer full responsibility for the grant to the City of Berkeley, doubling the number of Shelter Plus Care subsidies available through this grant from 11 to 22, for chronically homeless individuals in Berkeley. In May of 2007, Alameda County HCD submitted a formal request to HUD to amend the contract in order for the City of Berkeley to become the grantee. HUD approval for this request is pending.

Including the COACH grant, the City of Berkeley operates five Shelter Plus Care grants, providing approximately 230 units of supportive housing for people who are homeless and disabled due to HIV/AIDS, mental illness, and/or drug and alcohol dependence.

Management Information Systems for Homeless Service Provision

The City of Berkeley continued to provide \$6,700 in ESG funds as match for a HUD Supportive Housing Program (SHP) grant to Alameda County for the County-wide Homeless Management Information System (HMIS) called InHOUSE.

At the end of Program Year 2006 (Fiscal Year 2007), twenty-four agencies, providing a broad range of homeless-dedicated housing and support services, were set-up and trained to operate the HMIS software. To date, nearly 800 staff members from participating homeless agencies have been certified in Privacy and Security Standards, 250 of whom were certified in PY2006 (FY 2007). As a result, more than 10,000 unduplicated clients have been entered into HMIS by June 30, 2007. The number of clients entered into the HMIS system has grown over the past three calendar years from zero in 2004, to 2,140 in 2005 to 5,483 unduplicated clients entered into HMIS in calendar year 2006.

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Alameda County's HMIS implementation has prioritized compliance with the HMIS Data and Technical Standards Final Notice (July 2004). Each InHOUSE implementation step was completed in compliance with the Data Standards; all policies and procedures, paper forms, contractual agreements, client assessments, system configuration, and agency hardware and physical set-up were based on the Standards, with some additional client protections added by our Continuum of Care Council.

Currently, the following Berkeley agencies are entering data into the InHOUSE database:

- Building Opportunities for Self-Sufficiency,
- Berkeley Food and Housing Project,
- Women's Daytime Drop-In Center,
- LifeLong Medical Care,
- City of Berkeley Shelter Plus Care Program,
- Rubicon, and
- Bonita House.

Operating Winter Shelter and Voucher Program, Winter of 2006-2007

During winter months, the City of Berkeley operates a winter shelter and voucher program. The winter shelter at the Oakland Army Base adds 100 beds to the year-round emergency shelter beds available in Berkeley and Oakland. Of these, 50 beds are reserved for homeless individuals referred from Berkeley service agencies. The shelter is a joint program organized and funded by the cities of Berkeley and Oakland, together with Alameda County. The shelter is operated by Anka Behavioral Health, a non-profit agency, which provides staffing for the shelter, breakfast and supper every day, and shuttle transportation to and from BART stations and drop-in centers.

The shelter operated from November 20, 2006 until April 30, 2007. Berkeley contributed \$56,000 for operating costs at the Oakland Army Base shelter, along with an additional contribution of \$14,000 for repairs and renovation necessary to make the shelter site habitable through the winter months. The City also purchased \$42,000 worth of BART tickets to dispense to homeless individuals for transportation to the winter shelter site, which is located near the West Oakland BART station.

The City also funded motel vouchers during the winter, making \$29,000 available for emergency vouchers. The winter motel voucher program assists single adults who, due to medical conditions or special needs, cannot be referred to the Oakland Army Base shelter; and families with special needs that prevent them from being placed in one of the family shelters. The winter voucher program served 42 single adults and 17 families with vouchers for a total of 432 nights at lodgings in Berkeley.

The City of Berkeley also provided \$15,000 for an emergency overflow storm shelter run by Dorothy Day House (DDH) that operated only on particularly stormy nights and was located at St. Mark's Episcopal Church. DDH provided overflow shelter for a total of 36 dates during the

winter storm season, serving 1,913 persons total at an average of 53 persons per date.

Public Commons For Everyone Initiative (PCEI)

Mayor Tom Bates unveiled his Public Commons for Everyone Initiative (PCEI) in March 2007 to find solutions to problematic street and sidewalk behavior in Berkeley that respect the rights of all people—the rights of those hanging out on the streets, the rights of people visiting Berkeley’s diverse commercial areas, and the rights of merchants and businesses. The Mayor’s strategy includes:

- Generating revenue through increased parking meter rates, and additional meters throughout the City.
- Develop plans for diversion, street outreach, and community policing.
- Expand no smoking ordinance in commercial zones.
- Install public signage and extend hours of public restrooms
- Increase the offenses of public urination and defecation.
- Adhere to and enforce all existing laws and reduce warnings.
- Assess seating in public areas.
- Support City’s efforts through its Office of Economic Development to market Berkeley, attract to and retain businesses in Berkeley.
- Develop a campaign to divert street-level donations to non-profit service organizations.
- Explore how to expand supportive housing opportunities.
- Solicit feedback and recommendations from relevant commissions and key community stakeholders.

The Mayor’s proposal will be reviewed by several commissions during PY 2007, including the Mental Health Advisory, Housing Advisory, Homeless, Human Welfare and Community Action, Police Review, and Community Health commissions, and the Berkeley City Council is scheduled to consider PCEI proposals at its November 20, 2007 meeting.

C. Anti-Poverty Strategy

Figure 3: Berkeley’s Consolidated Plan Anti-Poverty Strategy

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| <ul style="list-style-type: none">• Funding and refinement of anti-poverty programs (including WorkSource and First Source Hiring).• Implement new Workforce Investment Act programs (which replaced JTPA programs).• Participate actively and effectively with CalWORKS programs (federal TANF).• Adopt and implement the City of Berkeley Living Wage Ordinance (LWO).• Foster regional coordination on economic development to direct benefits of Bay Area growth to low-income Berkeley residents. |
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Anti-Poverty Programs

City of Berkeley employment programs consist of First Source and YouthWorks. First Source, which targets adults 18 years of age and older, provides employment referral services for

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Berkeley businesses (including construction jobs), linking the jobseekers with local businesses seeking to fill vacancies. Enabled by ordinance, First Source requires new development over 7,500 square feet, and new jobs created by the new development (both construction and long-term jobs), to enter into a First Source Agreement, which requires that Berkeley residents be given first opportunity to compete for jobs created by the new development. Additionally, any contractor receiving over \$100,000 in City funding, is also required to enter into a First Source agreement. Marketed as a business service, First Source invites voluntary participation by area businesses, and will assist in:

- Developing and assessing job descriptions and salary schedules;
- Conducting outreach and recruitment specific to the needs of the employer;
- Accessing on-the-job customized training funds available under the Workforce Investment Act (WIA) through a partnership with the local One Stop Operator.

First Source is administered through the City of Berkeley Office of Economic Development, which also provides support and technical assistance to small businesses and micro-enterprises located in low-income neighborhoods. In 2006, the Office of Economic Development, in collaboration with UC Berkeley CalCorps, assisted South Berkeley merchants in the Sacramento Avenue corridor with assessing business needs to improve their customer base. Berkeley's Neighborhood Services Program, through the Office of the City Manager, assisted merchants with neighborhood clean-ups and abatement of blighted properties, with the goal of reducing property value impacts and creating a more welcoming environment to customers. Neighborhood Services works closely with all City departments to overall quality of life issues in low-income neighborhoods.

In PY 2006 the City of Berkeley also conducted an assessment of the First Source program resulting in comprehensive strengthening strategies, which are currently underway in PY 2007. Those strategies include streamlining interdepartmental efforts to secure First Source agreements on eligible projects, improving outreach efforts to local companies for voluntary participation in the program and upgrading the First Source database for improved data collection. First Source accomplished the following outcomes with its clients during PY 2006:

Table 9 - First Source Program Year 2006/07	Total
Orientation	184
One to One counseling	158
Placements	71

YouthWorks currently provides subsidized employment for up to 176 youth in the summer and 100 youth during the school year. Youth are placed in jobs with various City departments, AC Transit, local businesses and community-based organizations including Berkeley Biotech Inc. They receive orientation to world-of-work activities, hands-on training at worksites, and up to ten weeks' paid work experience (at \$7.50 per hour, for up to 30 hours per week) in the summer component. Up to six older youth (18–25 years of age) at any given time will work on weekend graffiti abatement throughout the year, supervised by the Public Works Clean City Program and subsidized entirely by the Department of Public Works.

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YouthWorks also collaborates with the University of California (UC) Berkeley for summer jobs, which are paid directly by UC. Each UC department that hires youth provides funding for the youth wages. In the summer of 2006, 22 youth were placed in jobs throughout the Berkeley campus, and efforts are on-going to increase UC departmental participation in this component of the summer program.

Other youth employment opportunities currently occur in the Department of Parks, Recreation & Waterfront with approximately 70 youth hired each summer, and the Department of Health and Human Services with approximately 30-40 high school youth and 5-10 older youth (18-25 years old) hired for peer education and outreach on a seasonal basis.

Additionally, YouthWorks provides job placement in the private sector for more long-term employment opportunities. So far this year, 22 youth have been placed in jobs with private businesses in non-subsidized employment.

The list below describes current youth employment in the City of Berkeley:

Table 10: Youth Works Participants During PY 2006	
Summer (including AC Transit)	176
After school (also called year-round)	100
UC Berkeley summer program	22
Graffiti	6
Bio-tech	3
Private sector employment	22
Other City departments (approximate)	110
Total	439

Regional Coordination: Workforce Investment Act, CalWORKS, CDBG
The One Stop Career Center for the North Cities area of Alameda County is operated by Rubicon Workforce Services, and the City of Berkeley maintains a strong collaborative partnership with the current operator, allowing cross-referrals and maximizing resources, including access to Workforce Investment Act (WIA) funds for Berkeley residents seeking intensive training services. Berkeley businesses may also access on-the-job training and customized training funds via the One Stop operator. First Source staff will facilitate those business referrals since First Source works closely with local businesses. Rubicon combines the one Stop services with vocational and employment services targeting the chronically homeless and mentally ill. Additionally, the City of Berkeley contracts with Rubicon's landscaping program to provide landscaping services to city properties. Rubicon's program trains and hires local residents with multiple barriers to employment to perform the landscaping duties.

Employment and training programs funded by the City of Berkeley, either through its General Fund or CDBG, are all required to partner with the local One Stop Operator in a manner which is mutually beneficial to each agency. Additionally, the City evaluates City-funded programs

utilizing the four common performance measures, as set forth by the federal Office of Management and Budget and U. S. Department of Labor, intended to institute uniform definitions for performance.

Berkeley City College participates in CalWORKS by providing support to student participants who in turn may access employment services from First Source and/or the North Cities One Stop Career Center.

High Minority Unemployment

In an effort to address high unemployment among older youth/young adults with multiple barriers to employment, the City works closely with community agencies and youth advocates to maximize existing youth-serving programs. The City of Berkeley contracts with the Cypress Mandela/Women in Skilled Trades program to provide pre-apprenticeship training to South and West Berkeley older youth. Four individuals were in this training program during PY 2006/2007. While there is capacity in the City’s contract with Cypress Mandela for up to 12 participants, their program is challenging and regimented. For example, the program locks its doors at 7:00 A.M. and if apprentices are not there, training goes on without them. The City prefers flexibility on how many are referred as it is not the only tool in the City’s anti-poverty “toolkit” of referral options for those who are not immediately college-bound

In March 2007, Berkeley City Council recommended additional program funding, which will support city-wide efforts to provide positive and meaningful youth-focused activities that address youth unemployment, crime and poverty.

Berkeley Living Wage Ordinance Implementation

In 2000, the Berkeley City Council adopted a Living Wage Ordinance (Berkeley Municipal Code [BMC] Chapter 13.27 *et seq.*) with which all City vendors and contractors must comply. The Ordinance provides that the living wage be adjusted automatically commensurate with the change in the Consumer Price Index published in April of each year, and in July 2005, Council amended the Ordinance to create an administrative procedure by which City staff updates the wage rates annually. In PY 2006, wage rates were updated by the Finance Department to \$13.28 per hour (\$13.73 per hour if medical benefits are not provided by the employer) from \$11.39 per hour (\$11.77 per hour if medical benefits are not provided).

D. Community Development

**Figure 4: Berkeley’s Consolidated Plan Goals and Priorities
for Community Development**

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| <p>Figure 4: Berkeley’s Consolidated Plan Goals and Priorities
for Community Development</p> <ul style="list-style-type: none">• Continue commissions that facilitate grassroots identification of needs and policies• Implementation of neighborhood services coordination and problem-solving.• Continue use of non-profit community-based organizations to meet social services and affordable housing needs. |
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Commissions Identify Needs and Policies

The City of Berkeley Housing Department continues to staff boards and commissions that provide input to the Department and the City Council regarding City needs and policies contained in the City's Consolidated Plan. During PY 2003, a formerly homeless Section 8 homebuyer was appointed to the Housing Advisory Commission, and she continues participating on the commission through PY 2005, including participating in subcommittee recommendations to the full HAC on CDBG, ESG, and Housing Trust Fund allocation decisions in PYs 2004 and 2005.

To inform decision-making on the Annual Action Plan for PY 2006, a public hearing on community needs was held on October 25, 2006, before a joint meeting of the Housing Advisory, Homeless, and Human Welfare and Community Action commissions. The meeting was held at the South Berkeley Senior Center. The minutes for this meeting may be viewed at <http://www.cityofberkeley.info/commissions/housing/2006housing/minutes/102506MJ23.htm>.

Problem Property Team (PPT)

PPT is a multi-departmental team composed of staff from Police, Fire, Codes, Building and Safety, City Manager's Office and Housing. Staff from other departments (Public Works, Planning etc) may rotate into the team periodically depending on the issues at hand with a particular property.

Problem properties come to the attention of the team thru referrals from within the city itself, Council and Mayor, Neighborhood Associations, Neighborhood Watch groups, merchant and business groups or individual members of the public. Single issue properties are handled by individual departments whereas a property referred to PPT minimally has 2 or more issues involving more than one department, but typically properties referred to PPT need the attention of 4 or 5 of the major city departments.

PPT addresses a variety of different issues, including but not limited to drug houses, blighted properties, crime, unsafe and substandard properties, BMC code violations, rental housing safety program violations, zoning violations, at-risk children and the elderly, abandoned properties, homeless encampments at abandoned properties, environmental health violations including inoperable vehicles and rodent harborages, dangerous animals, animal care, unpermitted building activity and fire code violations.

Depending on the severity of problems at a particular property, the range of interventions at the disposal of the team includes everything from providing verbal or written warnings, Notices of Violation, Stop Work Orders, Notice and Orders, administrative and criminal citations, Red Tag Notices for Unfit for Human Occupation, and Drug House letters issued by the City Manager's Office.

The team conducts monthly inspections (1st Wednesday mornings of every month) in which 6-8 properties are visited by the team. This is followed with an action plan meeting in the afternoon

of the same day. Seasonal fluctuations in the volume of problem properties necessitates periodic special inspections. Additionally, City Manager staff will call for a special inspection in the event that a particular property poses a significant threat to the public that cannot wait for the regular monthly cycle of inspections.

The team handles approximately 100 properties per year. The majority of problems are resolved within 2-3 months, while others require on-going and escalating levels of interventions, including fines. There are usually 10-12 properties per year that are abated to the extent that the team has used all the tools at its disposal, but the property is still a “problem” to the community. These primarily include properties in a state of “arrested decay” in which there are no overt code violations, are either vacant or occupied and periodically slip over a threshold into a state the requires PPT interventions. Properties that cycle up and down in this manner are currently the subject of discussions with elected officials to determine if additional tools can be legislated (e.g. vacancy tax, environmental health policies on inoperable vehicles etc.)

Berkeley’s Rent Stabilization System

Berkeley’s Rent Stabilization Board continues to contract with three community agencies to provide direct services that intervene on behalf of tenants to prevent needless evictions and counsel tenants on their rights in housing matters. These agencies include the Eviction Defense Center, Housing Rights, Inc., and the East Bay Community Law Center. These contracts are administered by the City of Berkeley Housing Department as part of its Centralized Contracting Unit functions (CCU).

Community-based Organizations to Meet Social Services and Affordable Housing Needs

Community-based non-profit organizations continue to be the backbone of Berkeley’s affordable housing, continuum of care and social service delivery system. Some of Berkeley’s agencies provide more than one kind of community service (e.g., affordable housing, child care, food, homeless or support services). This inventory suggests that Berkeley remains well-served by community agencies providing services that address the City’s Consolidated Plan and Annual Action Plan goals and priorities:

- 8 disabled services agencies
- 5 anti-poverty agencies
- 6 affordable housing providers
- 12 homeless service providers
- 6 agencies whose missions include activities to further fair and accessible housing
- 29 social service agencies (including health, meal programs, life skills, child care, etc.); and
- 7 affordable child care providers.

In Berkeley, some agencies provide more than one category of support services and so may be counted twice (and in certain cases, three times) in this list.

V. Performance and Evaluation Report for Program Year 2005

A. Affirmatively Furthering Fair and Accessible Housing

Impediments to Fair Housing continued to be similar to those in previous years. The high cost of rental and for-sale housing makes it increasingly difficult for low-income persons, who are disproportionately part of the “protected classes” under anti-discrimination regulations, to live in Berkeley. One continuing area of concern last year was predatory lending practices (i.e., charging higher mortgage and refinancing rates to certain individuals, who are primarily included as “protected classes”). Although figures are not available for Berkeley, existence of predatory lending practices are documented at the national, state, and county level and can be assumed to exist at the local level as well. They figure as part of the “sub-prime” mortgage credit crisis that has generated recent instability in the stock market and gotten the attention of the Federal Reserve Bank, the President, and Congress. Both federal and state legislation have been passed to reduce such practices with the actual impact of legislation not clear, but given the recency of the crisis, it seems these measures have had little effect.

Below is a summary of the principal impediments contained in the City of Berkeley’s Analysis of Impediments to Fair Housing Choice as well as actions taken to address impediments.

- *Continuing discrimination based on race and other protected classes.*

Housing Rights, Inc. (HRI) serves both Berkeley and Oakland with services promoting fair access, providing housing dispute mediation, outreach and prevention activities, and investigating housing discrimination complaints. In Program Year 2006, HRI reported assisting 81 households with investigation of fair housing complaints, out of a total of 264 households contacted. Of these 81 households, 46 percent of cases were related to a person’s disability, 22 percent were related to race, and 16 percent were related to familial status. HRI provided outreach and prevention activities to the Berkeley community, UC Berkeley, and Fair Housing trainings to Berkeley Housing Authority and John Stewart Management Company. HRI also trained YMCA staff and staffed a booth at the Juneteenth celebration in south Berkeley.

The City of Berkeley Rent Stabilization Board continues to contract with the East Bay Community Law Center (EBCLC) to provide low- or no-cost legal services to Berkeley and Oakland’s low-income communities, and legal advocacy in the areas of housing, benefits access, and HIV-related issues. EBCLC assisted 14 people with avoiding eviction as part of its “direct representation” service activity wherein tenants are trained to represent themselves during eviction proceedings, and 10 others received stays or delays in their eviction proceedings. Berkeley no longer uses CDBG or other federal funds for this service.

- *Lack of housing affordability and the loss of low and moderate income housing.*

The City Council continues to fund the Housing Trust Fund (HTF) for creation of below market housing. Efforts addressing housing affordability through production and acquisition of permanently affordable units are described in Section IV, Affordable Housing, above.

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During PY 2006, the City continued to contract with Eden Council for Hope and Opportunity, Inc., to operate the City's Homelessness Prevention Program to help prevent unnecessary incidences of homelessness. However, the City decided to issue a new Request for Proposals to operate the program during PY 2007, and will report changes to the program in the next CAPER.

The BHA continued implementing a Section 8 Security Deposit Revolving Loan Program aimed at providing limited housing assistance grants to help Section 8 tenants move into subsidized housing. One Section 8 tenant household was assisted by the program during PY 2006.

- *Lack of sufficient disabled accessible or adaptable housing.*

CIL works in tandem with HRI, Inc. to inform the public about anti-discrimination laws (including fair housing laws) protecting those who are disabled. CIL, Rebuilding Together, CESC, University Student Housing Co-op, and Bonita House were all funded by the City to undertake projects to increase housing accessibility.

The Center for Independent Living has also long been a leader in the Berkeley community promoting accessible housing. CIL contracts with the City of Berkeley to operate its Residential Access for the Disabled Program, which provided 9 new ramps and lifts during Program Year 2006 at homes of disabled individuals in Berkeley using CDBG funds. CIL performed 26 interior modifications for 32 different households. CIL also provided a workshop on universal design and accessibility design to UC Berkeley students, and a workshop for people with Parkinson's disease on how to modify the home for safety.

- *Landlords' reluctance to rent to Section 8 Certificate and Voucher holders.*

Continuing elevated vacancy rates in Berkeley contributes to property owners' ongoing willingness to participate in the Section 8 and Shelter Plus Care programs. BHA Section 8 Fair Market Rent Payment Standards remained essentially unchanged for PY 2006, with the FMR for 2 and 3-bedroom units declining slightly.

- *High rent to income ratios.*

The Homeless Action Center (HAC) provides Supplemental Security Income (SSI) advocacy to homeless and mentally ill people. Benefits advocacy is a critical service for redressing fair and accessible housing issues facing those who are homeless and mentally ill; SSI is a reliable source of income that helps pay for their housing. But the application process for SSI is so complicated that mentally ill people need advocates to be successful in their applications. HAC provides legal representation at all stages of the SSI application process. In Program Year 2006, HAC was funded with local general funds to continue these operations.

The City continues to implement its "living wage ordinance" which assists low-income employees of organizations receiving City of Berkeley funding or renting space from the City.

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The City's Work Center also tries to connect those who are under-employed or unemployed with living wage jobs. The City funds non-profit agencies which assist those eligible to get SSI or other benefits to which they are entitled. The Rent Board monitors to ensure that owners charge only legal rents.

- *Possible displacement from demolition of affordable housing.*

There was no City-assisted demolition of affordable units in PY 2006.

- *Land use controls that downzone neighborhoods.*

During PY 2003, the Berkeley City Council placed a moratorium on new applications for housing development along the University Avenue Strategic Plan corridor (a 4-block-wide corridor with the entire length of University Avenue as its spine). The Council exempted from the moratorium proposed projects already having submitted applications.¹⁴ Among the projects exempted from the moratorium were Satellite Housing's 1535 University Avenue and three other for-profit, unsubsidized housing developments. This project was completed July 2007 and is now leasing up.

- *High unemployment among minority population.*

The City continued to fund the WorkSource Center and the First Source Hiring Program, the One-stop Employment Center, and job training/placement agencies. CDBG monies were used to fund the Multi-Cultural Institute to provide services to day laborers seeking construction jobs as well as job training/placement community agencies.

- *Anti-Displacement*

The City Relocation Specialist responded to direct requests for information from 71 tenants and property owners, and apprised them of their rights and responsibilities regarding temporary relocation under Section 13.84 of the Berkeley Municipal Code, when the tenants needed to be temporarily relocated as a result of repairs necessary to bring the unit into code compliance. During this reporting period, an additional 8 tenants facing eviction or otherwise at risk of becoming homeless contacted the Relocation Specialist for assistance, and were provided with referrals for legal and advocacy services.

In addition, the City Relocation staff completed the following activities:

- Coordinated relocation assistance to 1 elderly and disabled homeowner who had received low-interest loans through the City of Berkeley Senior Rehab Program for critical structural repairs. The homeowner was provided financial assistance to stay in a hotel while the work on their homes was completed.

¹⁴ State law requires that there should be no net loss to a zoning ordinance's capacity to produce new housing when zoning changes are adopted. The UASP zoning changes did alter density-related development standards somewhat, but staff concludes that the proposed changes lowering density on some sites within the Corridor would be offset with development of additional sites in the corridor as well, and that the UASP zoning changes are consistent with the UASP and state law. As noted above, the UASP zoning changes were adopted by the Berkeley City Council in November 2004.

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- Coordinated relocation assistance to a low-income family residing in a public housing unit, who had to be relocated due to a severe mold problem in their unit.
- Monitored relocation plan implemented by Affordable Housing Associates for Allston House Apartments, a 47-unit complex that AHA acquired in 2004. AHA obtained a combination of local, state, and federal funding to renovate the building, so that all of the tenants needed to be temporarily relocated while their units were rehabilitated. In May of 2007, HUD's Relocation Specialist for Region IX conducted a monitoring visit to review the relocation activities regarding the Allston House Apartments; there were no findings or concerns identified through the site visit.
- Attended inter-departmental meetings to address problem properties, when tenants may be displaced due to City code enforcement action.
- Continued to coordinate with the City Fire Department to provide relocation assistance to tenants displaced by fire. During this period, 17 tenants who had been displaced from their units as the result of fires in the buildings where they had been residing, received relocation counseling and assistance.

Other continuing activities undertaken to further fair housing include:

- Continuing to fund mediation services (East Bay Community Mediation) to help resolve issues that would otherwise result in possible loss of housing for tenants.
- Continuing to fund Easy Does It, which provides low-income disabled residents of Berkeley with attendant care on an as-needed basis.
- Having a Rent Stabilization Board that controls rents and evictions.
- Providing information/counseling on the City's Relocation Assistance Ordinance.
- Funding during PY 2006 of wheelchair curb cut ramp accessibility improvements that would add about 200 new ramps primarily in south and west Berkeley, but throughout other neighborhoods as well.
- The City's ADA Compliance Officer provided training about ADA and fair housing requirements for disabled persons.
- Also during PY 2006, the City continues to participate in the Countywide Homeless Continuum of Care Council, AB 2034 program implementation, and Mental Health Services Act (MHSA) planning and implementation efforts, addressed collaboratively by the City's Housing Department and Mental Health Division.

For more information, see also Chapter VI below on the funding of Berkeley's civil rights activities.

B. Affordable Housing

Housing Actions Funded by CDBG, Program Year 2006

Table 11 provides a comprehensive summary of agencies funded in PY 2006 to undertake housing activities in Berkeley, primarily to benefit low-income Berkeley residents. The Housing

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Department allocated \$1.97 million for housing activities from its Community Development Block Grant Program in PY 2006 to 17 separate activities. Nine of these activities were operated directly by the City of Berkeley Housing Department, including funds for the Housing Trust Fund Program, repayment of the Section 108 loan for public housing unit rehabilitation, rehab and weatherization programs, and relocation activities. About three-fifths of CDBG housing activities funds (62.4 percent) were used directly by City of Berkeley Housing Department programs, about \$1.2 million. The remainder were used by non-profit housing and services providers to deliver housing benefits directly to clients.

Table 11: City of Berkeley CDBG Housing Activities, Program Year 2006					
Agency	Description	PY 2006 Funding	Objective	Outcome	Performance
Affordable Housing Associates, Inc.	Renovation of Family Housing	\$39,593	Provide decent affordable housing	Sustainability	Renovations in PY 2006 included several Berkeley properties. 2500 Hillegass (interior hallways repainted, subfloor replaced, carpeting installed); Ashby Apartments (1317 Ashby, handrails replaced); planned for substantial rehab of Sacramento Gardens (3240 Sacramento Street).
Affordable Housing Associates, Inc.	Expanded Housing Acquisition	\$39,594	Provide decent affordable housing	Availability/ Accessibility	Activity paid for costs associated with acquisition and rehabilitation of Allston House (2121 7th Street), including: common area improvements, parking lot lighting, disabled access at entrance and curb, painting, carpeting, new fencing and repairs to balconies. \$9,898 to be carried over into PY 2007.
Center for Independent Living	Residential Access Program for the Disabled	\$142,675	Provide decent affordable housing	Availability/ Accessibility	CIL completed installation of 9 disabled access ramps and performed over 26 interior modifications for 32 different households. CIL also provided workshop on universal design and accessibility design to UC Berkeley students and a workshop for people with Parkinson's disease on how to modify the home for safety.
City of Berkeley Housing Department	Housing Development Acquisition for New Construction	\$271,291	Provide decent affordable housing	Availability/ Accessibility	City staff work with nonprofit developers to perform duties eligible under acquisition, e.g., preparation of legal documents, surveys, appraisals. Projects assisted included Oxford Plaza (2200

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Table 11: City of Berkeley CDBG Housing Activities, Program Year 2006					
Agency	Description	PY 2006 Funding	Objective	Outcome	Performance
					Fulton Street, Activity #478), Ashby Lofts (1001 Ashby, Activity #480), Prince Hall Arms (3132-38 MLK Way, Activity #193), and other projects moved forward. For Oxford Plaza, staff assisted in ensuring financial agreements, approvals, and contracts were in place. Ashby Lofts is expected to lease up in September 2007. Prince Hall Arms is expected to receive a use permit modification in Fall 2007. \$37,015 remains unspent and will be recaptured.
	Housing Trust Fund	\$0	Provide decent affordable housing	Affordability	Activity canceled. The \$135,000 in funding will be used for Allston House, Activity #662.
	Housing Development/ Multi-Family Rehab	\$161,956	Provide decent affordable housing	Affordability	Staff seek housing development opportunities, facilitate development, rehab or preservation of affordable housing by working with developers, lenders, and other public agencies. Projects included Allston House.
	Single Family Housing Rehab (Seniors & Disabled)	\$202,818	Create Suitable Living Environments	Sustainability	8 low-income senior or disabled households were helped to remain in their homes with rehabilitation and repairs that were otherwise unaffordable. CDBG loans were matched with state and local funding. \$11,949 unspent in PY 2006 and will be recaptured.
	Rehab Loans	\$200,000	Create Suitable Living Environments	Availability/ Accessibility	8 low-income senior or disabled households were helped to remain in their homes with rehabilitation and repairs that were otherwise unaffordable. \$200,000 remains unspent and will be carried over into PY 2007.
	Loan Servicing	\$105,560	Create Suitable Living Environments	Availability/ Accessibility	Activity services 279 active housing rehab loans, including accounting/processing of monthly loan payments, deeds of reconveyance, lien

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Table 11: City of Berkeley CDBG Housing Activities, Program Year 2006					
Agency	Description	PY 2006 Funding	Objective	Outcome	Performance
					release. 257 loans were serviced in PY 2006. This includes 136 loans to individuals and other loans from Housing Trust Fund, economic development and redevelopment loans (of which 117 were with low and extremely low income households). \$14 in PY 2006 funds unspent & recaptured.
	Relocation Services	\$113,287	Create Suitable Living Environments	Availability/ Accessibility	Relocation staff help tenants avoid displacement and ensures that City assisted permanent or temporary relocation of persons or businesses is carried out in compliance with applicable regulations. City's relocation specialist responded to direct requests for information from 71 tenants and property owners. An additional 8 tenants facing eviction or at risk of becoming homeless were provided with referrals for legal and advocacy services. Work also included monitoring AHA's relocation plan at Allston House (2121 7th Street).
	Super Weatherization	\$51,806	Create Suitable Living Environments	Sustainability	Program installs extensive home weatherization measures and needed home repairs for low-income households, including window and door replacements and other envelope repairs.
	Public Housing Improvements (on behalf of Berkeley Housing Authority)	\$120,000	Objective/ Outcome Not Necessary	Planning/ Admin Activity	In PY 2006, projects to rehab two public housing units were bid out and construction began on 3016 Harper Street #B and 1521 Alcatraz Avenue #B. Projects will be completed in PY 2007. PY 2005 funds were used for repayments in PY 2006.

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Table 11: City of Berkeley CDBG Housing Activities, Program Year 2006					
Agency	Description	PY 2006 Funding	Objective	Outcome	Performance
Community Energy Services Corporation, Inc.	Home Safety & Repair Program	\$338,097	Provide decent affordable housing	Sustainability	CESC performs needed minor and major repairs, e.g., safety upgrades and energy efficiencies to ensure habitability of housing. CESC provided 119 new minor or intermediate repair jobs and 30 new extensive repairs to low-income Berkeley residents. CESC works closely with CIL, the City's senior/disabled rehab and weatherization programs to provide bathroom ventilation, stove hoods, mold remediation, plumbing, electrical, and carpentry.
Rebuilding Together	Safe Homes Project	\$88,393	Create Suitable Living Environments	Sustainability	RT provides home repairs, access modifications, and safety upgrades, focusing on heating, safety, and access. RT completed improvements to 19 homes in Berkeley utilizing volunteers for needed home repairs.
Housing Rights, Inc.	Fair Housing	\$35,544	Create Suitable Living Environments	Availability/Accessibility	HRI provides investigation of housing discrimination complaints, counseling, and outreach & prevention activities. HRI provided information and referrals to 268 households; 81 of these received fair housing investigations. 46% of cases were related to disability; 22% to race; and 16% to familial status. HRI also engaged in outreach and prevention activities.
Resources for Community Development	Acquisition for New Construction	\$10,813	Create Suitable Living Environments	Availability/Accessibility	RCD coordinates provision of supportive services at 9 housing sites that provide 225 beds/units of affordable housing. 251 residents of these sites were assisted with money management and health services, community meetings, and tenant rights training. Information and referral for education food assistance benefits, and health care. One community garden was established. Other services were brokered for tenants.

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Table 11: City of Berkeley CDBG Housing Activities, Program Year 2006					
Agency	Description	PY 2006 Funding	Objective	Outcome	Performance
University Students' Cooperative Association	Hillegass-Parker House ADA Accessibility	\$45,000	Create Suitable Living Environments	Availability/Accessibility	Funding for construction of a ramp, gate, and doorway to allow disabled access and access bathroom and bedroom on 1st floor of student housing cooperative at 2545 Hillegass.
Total Housing Activity Allocations, PY 2006 =		\$1,966,427			
Source: IDIS, Report C04PR03; City of Berkeley Housing Department.					

A summary of beneficiaries of CDBG program activities is provided in Section IV above.

Non-Profit Community-Based Housing Developers

The City used its Housing Trust Fund in PY 2006 (Table 12, below) to allocate about \$3.6 million to four housing proposals for nearly 200 new units (97 of which would be new, in Oxford Plaza). About \$2.7 million of these allocations (about three-quarters) would go to the Oxford Plaza project.

These projects faced financial challenges during PY 2006:

- **Oxford Plaza and David Brower Center**, 2200 block of Fulton Street, the largest and probably the most complex downtown development in recent

Berkeley history, began construction in April 2007 during PY 2006. When completed, the project will consist of 97 units of housing (96 affordable), an underground parking structure, retail space, office space targeted for non-profit organizations and environmental groups, and a major new conference center and gallery downtown. The project is expected to cost about \$69 million, and about \$40 million of project costs are allocated to the affordable housing development. A disposition and development agreement for the project was executed in January 2007, and subsequently amended in order to complete financing in March 2007.

- **Allston House**, 2121 7th Street in west Berkeley, continued toward completion during PY 2006. The project involves acquisition and rehabilitation of 47 rental units, all of which will become permanently affordable at project completion. The project was originally constructed as a 221(d)(3) project that received Section 8 subsidies directly from the U.S. Department of Housing and Urban Development. Its owner prepaid the

Table 12: Berkeley Housing Trust Fund Reservations During PY 2006		
Project Description	Housing Trust Fund Reservation, PY 2006	Total Units Involved
2200 Block of Fulton Street	\$2,725,040	97
2121 7th Street	\$789,546	47
1001 Ashby Avenue	\$68,000	54
Totals	\$3,582,586	198
Source: City of Berkeley Housing Department.		

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HUD loan in 1997, converting the development to private market-rate housing, until 2006 when Affordable Housing Associates took possession of the property to undertake extensive rehabilitation of the units. To assist the project, the City awarded a Housing Trust Fund loan of \$789,546 in November 2006¹⁵, and granted a fee deferral in December 2006 worth approximately \$50,000. The HTF loan became necessary when HUD required the Berkeley Housing Authority to rescind award of 12 Project-Based Section 8 Housing Vouchers for Allston House. Housing Trust Fund Loan documents for Allston House were subsequently executed in January 2007. Finally, to complete financing of the project, the City amended its PY 2006 Annual Action Plan to state that Allston House could receive CDBG funds that had been allocated to the Housing Trust Fund for the purpose of completing the project.¹⁶

- **Ashby Lofts Apartments**, 1001 Ashby Avenue, neared completion at the close of PY 2006, but late in its construction phase, the project encountered storm water connection problems across the street from the project. The original plan was that the project's storm water drainage would tie in to an existing catch basin on 9th Street, but it was subsequently discovered that several of the City's storm pipes under 9th Street were grouted with cement and therefore unusable. The connection had to be redesigned at a cost of an additional \$68,000 in General Funds. The City Council provided \$68,000 to defray these additional costs and approved this amendment to the project's Housing Trust Fund Development Loan Agreement in June 2007.¹⁷

Berkeley Housing Authority's Section Housing Choice Voucher Program

As reported in PY 2005, over the past several years the Berkeley Housing Authority (BHA) has been classified as "troubled" under HUD management indicators in both the Public Housing and Section 8 Housing Choice Voucher programs. During this time, the BHA made significant changes in its internal organization and procedures in order to meet HUD requirements. BHA put in place a new internal management team with over 60 years of experience at other housing authorities, including several that were high performers by HUD standards. They have made substantial improvements at BHA as outlined in a Corrective Action Plan (CAP) and Memorandum of Agreement (MOA) with HUD during PY 2005 and worked to upgrade BHA's computer software to a Windows-based system.

BHA also made progress toward lifting its Section 8 HCV program out of its troubled status and during PY 2005 presented a plan to HUD to complete the process by the end of PY 2005. Concurrently with this process, BHA entered into discussions with HUD regarding future management of BHA. Berkeley maintained attention to its critical interests in the BHA, and the City acknowledged during PY 2006 that it would be possible to preserve most of these interests under an alternative management structure. These interests include preservation of the allocated 1,841 vouchers for use in Berkeley; priority in allocating these vouchers to people who live or work in Berkeley; and coordination between the Section 8 voucher program.

¹⁵ Berkeley City Council Resolution No. 63,487-N.S.

¹⁶ Berkeley City Council Resolution No. 63,631-N.S.

¹⁷ Berkeley City Council Resolution No. 63,760-N.S.

However, the Berkeley City Council decided in May 2007 to sever ties with the Berkeley Housing Authority, arrange for appointment of a new Housing Authority Board independent of the City of Berkeley, designate Tia Ingram as the Executive Director of the Housing Authority, and contract with a consulting firm (CGI) to operate the BHA on a temporary basis until at least the end of October 2007. In addition, existing staff of the BHA were laid off and either flexibly placed into other vacant City of Berkeley positions, or were rehired to help staff the newly independent Housing Authority. The City of Berkeley now provides only minimal administrative support, such as fiscal systems and web content management until the newly reconstituted BHA obtains these services directly on its own. Specific content of the City Council's decision to reconstitute the Berkeley Housing Authority may be viewed at the City Council's web site at:

<http://www.cityofberkeley.info/citycouncil/housingauthority/2007housingauthority/packet/052207/05-22s-bha.htm>. The City of Berkeley Housing Department looks forward to continued coordination of program efforts and sharing of information as possible.

Berkeley's Rent Stabilization System

Berkeley's Rent Stabilization Board continues to contract with three community agencies to provide direct services that intervene on behalf of tenants to prevent needless evictions and counsel tenants on their rights in housing matters. These agencies include the Eviction Defense Center, Housing Rights, Inc., and the East Bay Community Law Center. These contracts are administered by the City of Berkeley Housing Department as part of its Centralized Contracting Unit functions (CCU).

C. Berkeley's Homeless Continuum of Care

Despite budgetary difficulties, the City Council continued its commitment to this special needs population. The proposed activities/goals to assist those who were homeless or to reduce homelessness were generally successfully met as was the City's participation in the implementation of the Countywide Continuum of Care Plan. Many of these activities were carried out through the Berkeley Housing Department's Homelessness Prevention and Services Planning activity. Below are more details on accomplishments and problem areas. Table 12 below summarizes the HUD Supportive Housing Program grants awarded during PY 2005.

Changing Homelessness Policy Frameworks

Mental Health Services Act Planning and Implementation. In November 2004, California voters passed Proposition 63, the Mental Health Services Act (MHSA), which aimed to transform California's mental health system to a "wellness and recovery model," which is based on the idea that people living with a mental illness can recover, experience measurable improvements in their quality of life, and participate positively in their family and community. Throughout California, counties are responsible for the provision of mental health services. Berkeley is one of just two California cities that is authorized as a mental health jurisdiction. Berkeley Mental Health conducted an extensive community-based planning process, starting in

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the last quarter of PY 2004, to develop its Community Services and Supports (CSS) Plan. The state approved Berkeley's CSS Plan in June 2006, funding it at over \$1 million annually for the first three years.

A centerpiece of all MHSA CSS programs are "Full Service Partnerships" (FSPs), intensive services programs linked to housing resources and targeted to specific unserved and underserved populations with serious mental illness or serious emotional disturbance. Both Berkeley's and Alameda County's MHSA plans targeted their FSPs to serve individuals who are also homeless or at risk of homelessness. BMH's CSS Plan created a new FSP for 18 homeless adults, including targeted numbers of adults, older adults, and transition age youth (16-25). BMH began enrolling FSP participants in spring 2007. The FSP includes funding to support housing for participants. In PY 2006, MHSA housing resources were used primarily for short-term hotel stays, similar to Berkeley's AB 2034 program, but BMH is currently working to assess the feasibility of providing tenant-based rental subsidies in permanent housing funded by the MHSA. Berkeley's MHSA plan also included contracting with a community agency for more services for transition age youth, adding an employment specialist, hiring peer counselors, and increasing capacity for culturally competent services to Asian, Latino, and African-American communities. In PY 2006, nearly all these positions or programs were hired or contracted and began implementation.

BMH also contracted to provide an FSP targeting 20 transition age youth under Alameda County's MHSA program. This program is called the Transition Age Youth Transition to Independence Process, or TAY TIP. Transition age youth were identified as a seriously underserved population in both Berkeley and Alameda County's MHSA planning processes, as well as in the Alameda Countywide Homeless and Special Needs Housing Plan, and providing the needed support services and housing to this age group will be an important strategy in ending homelessness. The budget for TAY TIP includes \$96,000 annually for subsidizing housing payments for the youth enrolled in services. BMH anticipates enrolling participants starting August 2007.

In PY 2006, BMH established a Housing Trust Fund using \$300,000 of MHSA funds. This fund will be used to support the development of more housing for the MHSA target population. In PY 2006, BMH also received notice that the state MHSA Housing Program includes a set-aside of nearly \$1.3 million for new housing development projects linked with BMH services, for applications submitted between July 2007 and December 2009. In PY 2007, BMH will focus on establishing processes for selecting projects for both of these funding sources, and on allocating the funds. Under the umbrella of Everyone Home, the Alameda Countywide Homeless and Special Needs Housing Plan, BMH is working to coordinate these supportive housing activities with those of Alameda County Behavioral Health Care Services.

BMH will continue to plan for and implement use of MHSA funds in categories established by the state, including education and training, capital facilities and technology, and prevention and early intervention.

Everyone Home, the Alameda County Homeless and Special Needs Housing Plan. In May 2006, the Berkeley City Council approved Resolution No. 63,301-N.S., adopting Everyone Home, the Alameda County-wide Homeless and Special Needs Housing Plan and directing the City Manager to use it as a guide for allocation of available resources within programs assisting those who are homeless or living with serious mental illness and/or HIV/AIDS.¹⁸ In adopting the Plan, Berkeley committed to a specific action plan derived from the Multi-Plan that lays out five major goals:

- End homelessness by avoiding it in the first place, by making appropriate services accessible when needed.
- Increase housing opportunities for targeted populations.
- Deliver flexible services to support stability and independence.
- Measure success and report outcomes.
- Develop long-term leadership and build political will.

Berkeley stands to benefit from implementation of Everyone Home because the needs of chronically homeless people, the majority of Berkeley's homeless population, are significantly prioritized in the Plan. The Plan's adoption will position Berkeley and Alameda County to garner additional resources for supportive housing and services not previously available in the years ahead. At the time of adoption, the City Council approved an Action Plan consisting of 13 related strategies to increase the financial and administrative resources necessary to implement Everyone Home and to target existing resources toward plan implementation. The City has made significant strides in implementing these initial strategies.

In addition to the Mental Health Services Act outlined elsewhere in this report, actions undertaken in the previous year to support Everyone Home goals include (by goal):

(1) Prevent Homelessness and Other Housing Crises

- Increased funding for Homeless Action Center to provide benefits advocacy services by 35% in FY08-09.
- Held Project Youth Connect one-day events in April 2006, December 2006, and May 2007 to engage transition age youth in a variety of supportive services.
- City staff worked with project sponsors on a proposed permanent supportive housing project for transition age youth and participated in application for Alameda County Mental Health Services Act funding.
- Increased funding for YEAH! transition age youth shelter by 35% to support and grow organizational infrastructure during FY08-09. YEAH! is also in discussion with a private donor regarding expanding seasonal shelter by one month per year.
- City-funded emergency rental assistance program was analyzed and reconfigured to provide better access to community-based services organizations and more effective

¹⁸ The Plan is available online at <http://www.cityofberkeley.info/housing/specialneeds/Multi-PlanHome.html>. The City's Action Plan may be viewed currently online as Attachment 2 of Item 44.a, starting on page 13 at <http://www.cityofberkeley.info/citycouncil/2006citycouncil/packet/051606/2006-05-16%20Item%2044a%20Alameda%20County%20Homeless%20Special%20Needs%20-%20CM.pdf>.

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use of resources. (An RFP will be issued in September 2007).

(2) Increase Housing Opportunities for Targeted Population

- Implemented COACH program Shelter Plus Care grant. As of 6/30/07, 12 chronically homeless individuals had been successfully housed, and an additional 8 clients engaged in services and looking for suitable housing.
- Reached agreement with Alameda County to transition 10 COACH grant Shelter Plus Care certificates to Berkeley with services from Berkeley Mental Health, increasing Berkeley's capacity to house chronically homeless adults.
- Developed partnership between Housing Department and Health and Human Services for HHS to provide services for chronically homeless seniors under the COACH grant.
- City staff joined Alameda County's MHSO Ongoing Planning Council to participate in decisions about on-going MHSO funding and promote coordination between jurisdictions.
- Berkeley Housing staff convened meetings of all public housing authorities in Alameda County to discuss opportunities to transition Shelter Plus Care "graduates" into Section 8; discussions are still in progress.
- Housing Department staff participated in planning a City of Oakland-initiated process to introduce affordable housing developers to service providers, in an effort to increase the pipeline of proposed permanent supportive housing projects in Alameda County and to increase capacity and coordination to develop permanent supportive housing projects.

(3) Deliver Flexible Services to Support Stability and Independence

- Participation in the development of Alameda County Behavioral Health Care Services' new Detox and Sobering Center: Health and Human Services Dept. Director serves on the County's advisory panel for this project. Housing staff is participating in HUD-funded technical assistance requested by the Continuum of Care Council related to discharge planning.
- Health and Human Services has increased its capacity by adding a Social Services Manager and a Homeless Outreach Worker.
- Berkeley Food and Housing Project received City funding for a new supportive services program, to assist 25 families in danger of being evicted from Berkeley Housing Authority housing during FY08-09.

(4) Measure Success and Report Outcomes

- The community agency funding allocation process for FY08-09, conducted during the program year, emphasized supportive housing outcomes in allocating funds, combined with an overall increase in funding.

(5) Develop Long Term Leadership and Political Will

- City staff participated in Everyone Home Sponsoring Agency Group analysis and decision making around a permanent countywide structure for Everyone Home

implementation.

- City staff also participate and lead the working committees of Everyone Home, which help form new relationships as well as support the implementation of Everyone Home.

Continuum of Care Council Collaboration. Berkeley staff provides ongoing leadership to and participation in the Alameda County-wide Continuum of Care Council. In addition to staff time, the City contributes \$15,545 to help staff the Council in PY 2006. A Berkeley staff member is jurisdictional co-chair of the Council. The Council completed an organizational analysis and strategic planning process to redesign the structure of the Council to best support implementation of the Alameda Countywide Homeless and Special Needs Housing Plan (Multi-Plan). Once the Multi-Plan puts in place a leadership structure that to oversee Plan implementation and has sufficient staffing to take over current functions of the Continuum of Care Council, the Council will merge with the Multi-Plan leadership structure. City of Berkeley staff will continue to provide leadership and support to this emerging body.

The City of Berkeley and many of its community agencies successfully applied for the federal Supportive Housing Program (SHP) and received \$22 million to support 59 housing and services programs in Alameda County, many of them in Berkeley (see Table 15, page 51, below). These funds leverage additional funds for homeless services, and are discussed below in the section on Leveraging Resources.

Issues facing the Continuum of Care Council in PY 2006 included:

- Implementation of the Alameda Countywide Homeless and Special Needs Housing Plan in collaboration with Alameda County, the City of Oakland, and the Continuum of Care Council. In addition, Berkeley adopted its own Action Plan for specific steps it will take which are within the framework of the Plan.
- Continued implementation of a Homeless Management Information System (HMIS). The City of Berkeley's Shelter Plus Care Program and six community agencies are now entering data into the system. Our goal in the next few years is to increase our ability to use HMIS to increase programmatic coordination and to provide reliable data about individuals and families who use our services and housing.
- Continued evolution of a community-appropriate response to the Federal Government's increased focus on the chronic homeless population.
- Participation of Council members in development of the county-wide and Berkeley-specific Mental Health Services Act implementation plans for Alameda County and the City of Berkeley.
- Continued efforts to work regionally with other Bay Area counties to increase coordination and ability to well serve homeless populations who seek services across jurisdictional lines.

Counting the Homeless Population of Alameda County

On January 29, 2007, eight City of Berkeley staff and three community members participated in Homeless Count activities as part of the Alameda County-wide homeless count. Staff was

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stationed throughout the day at various program sites in Berkeley, including meal programs, drop-in centers and locations where homeless people, particularly transition aged youth, congregate. Staff and community members interviewed more than 100 homeless people at the various locations in Berkeley. While a minimum of 100 surveys were needed for Alameda County, interviewers were able to collect data from approximately 466 individuals. Survey results for 2007 showed a 10 percent decrease in the number of homeless people and a 16.5 percent decrease in the number of chronically homeless county-wide.

Homeless Youth Strategies and Programs

Youth homelessness is a serious issue in Berkeley. In the City's planning process for implementing the Mental Health Service Act (MSHA) funding during PY 2006, City of Berkeley residents identified homeless youth between the ages of 18 and 25 (transition aged youth) as a high priority group desperately in need of dedicated services. This prioritization for MSHA funds combined with the City's ongoing commitment to target transitioned aged youth, through its two-year community agency funding allocations, resulted in increased funding to Youth Emergency Assistance Hostel (YEAH!) and United for Health-Youth Suitcase Clinic, two agencies that provide services to this population. The allocation of these increased funds are meant to increase housing and intensive case management services and to continue to support a youth winter shelter and a weekly drop in clinic for youth to access a variety of services including medical, legal, and mental health assistance.

To mobilize the community to respond to youth homelessness and to provide a range of immediate services, the City of Berkeley continues to host its biannual "Youth Connect" event. A community-based event featuring on-site services, Homeless Youth Connect helps ensure that these vulnerable young people obtain the critical services they need to begin to address their problems and get back on track for healthy, productive lives. The most recent Homeless Youth Connect was held on May 21, 2007. Fifty-six homeless young men and women received services and/or information related to housing, food, medical care, substance abuse, mental health, education, employment, transportation, etc. from numerous local and regional agencies, volunteers, and the City of Berkeley. Prior to the May 2007 event, the City held a Youth Connect event on December 4, 2006, which was attended by 55 youth and 21 service providers. The City's next Homeless Youth Connect will take place in January 2008.

A Better Way, which provides counseling, support, and reunification services to foster children, was able to acquire its building with the assistance of a City of Berkeley loan during PY 2004. By the end of PY 2006 the agency was obtaining building permits to remediate the building's unreinforced masonry wall and work is getting under way during August of PY 2007.

Supportive Housing Activities

Shelter Plus Care. The City of Berkeley continues operating three of its own Shelter Plus Care Program grants (the original 1995 grant, the Bonita House grant, and the Supportive Housing Network grant), and collaborates on two others with Alameda County Department of Housing and Community Development (COACH and the AIDS Collaborative grants). These programs

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target Section 8-style housing assistance payments to landlords on behalf of program clients who are formerly homeless and disabled. Many of program clients have mental and physical disabilities, and some may also have co-occurring substance abuse disorders.

Table 13: City of Berkeley Shelter Plus Care Program Grants (PY 2006)			
Grant	HUD Grant #	Annual Renewal Contracts	Award Amount in PY 2006
City of Berkeley TBRA	CA01C402063	5/24/06-5/23/07	\$1,954,452
Alameda County Collaborative	(Subcontract with Alameda County)	2/1/06-1/31/07	\$218,652
Pathways Project (Bonita House)	CA011C902001	6/1/06-5/31/07 <i>(Annual hereafter)</i>	\$115,068
Supportive Housing Network (Resources for Community Development)	CA01C002022	(2008)	\$62,568 annually)
COACH Project	(Subcontract with Alameda County)	(2011)	(\$149,424 annually)
Source: City of Berkeley Housing Department, Shelter Plus Care Program.			

Table 13 presents a summary of Berkeley’s Shelter Plus Care Program involvement during PY 2006. In all, about \$2.5 million in Shelter Plus Care Program funds was provided to Berkeley and Oakland clients served by Berkeley’s programs by the end of PY 2006. A total of about 230 clients were served with housing subsidies (the “Shelter” part) made available with these grant funds. Another \$2.8 million in service and in-kind match assistance (the “Care” part) was organized to leverage the housing subsidies in this program on behalf of its clients.

Table 14 summarizes indicators of the grants’ activities during PY 2006. With addition of Berkeley’s newest Shelter Plus Care grant, the COACH Program got under way in PY 2006. This program enabled Berkeley to serve 12 net new single adult participants.¹⁹ Combined, Berkeley’s Shelter Plus Care Programs served 21 net new single adults, and served a net of three less families. (Berkeley’s homeless population is dominated by single adults.)

¹⁹ “Net new program participants” refers to the number of new participants taking account of new entries and participants who exited the program during the Program Year.

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Table 14: Shelter Plus Care Program Indicators of Participation, Capacity and Housing Retention After One Year, PY 2006					
Indicators	City of Berkeley (1st Grant)	AIDS Collaborative	Bonita House	Supportive Housing Network (RCD)	COACH
Singles					
Net new participants	4	-1	3	3	12
Capacity rate	116%	100%	136%	183%	57%
Residential stability after 1 year	99%	100%	100%	100%	100%
Families					
Net new participants	-4	1	NA	NA	NA
Capacity rate	132%	133%	NA	NA	NA
Residential stability after 1 year	86%	100%	NA	NA	NA
Source: City of Berkeley Housing Department, Shelter Plus Care Program. Note: COACH program's first year was PY 2006, so the relatively low capacity rate reflects the Program's early lease-up as of June 2007. The City subcontracts with Alameda County on the AIDS Collaborative and COACH.					

Supportive Housing Program Grant Awards, PY 2006. Berkeley agencies continue to compete successfully for Supportive Housing Program Grants from the U.S. Department of Housing and Urban Development (HUD) in PY 2006. Table 15 lists supportive housing and support services programs that received \$4.86 million in funding from HUD in the most recent funding cycle. Berkeley's supportive services and housing programs obtain in-kind and money matches that leverage HUD's grant awards through SHP and is reported in aggregate in the section below on leveraging.

Just over \$2 million was awarded to City of Berkeley Shelter Plus Care Programs as extensions of existing supportive housing and services provided to formerly homeless, disabled individuals who qualify for these programs. Another \$670,000 was awarded to Alameda County and the City of Berkeley's Shelter Plus Care Collaborative, which provides housing assistance and supportive services to low-income, formerly persons who are specifically disabled by HIV/AIDS during PY 2006.

In addition, another \$1.92 million in supportive services grant awards were made by HUD to programs that benefit Berkeley homeless clients, as well as clients throughout other parts of Alameda County (particularly Oakland). The aggregate leverage match for these programs is also described below in the section on Leveraging.

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Table 15 Supportive Housing Program Awards to the City of Berkeley and Berkeley Community Agencies, Program Year 2006	
Program	Funding
Regent House	\$75,528
Russell Street Residence	\$249,999
Channing Way Apartments	\$33,080
Peter Babcock House	\$36,665
North County Women's Center	\$141,019
Ashby House	\$55,392
Bridget Transitional House	\$68,975
Turning Point (Youth House, 3404 King Street)	\$649,863
McKinley Family Transitional House	\$74,500
Transitional House (BFHP)	\$242,217
Harrison House Family Services Program	\$114,997
Rubicon Berkeley Services	\$1,016,786
City of Berkeley Shelter Plus Care Program	\$1,985,736
City of Berkeley Shelter Plus Care Program - Pathways	\$112,908
SHP Berkeley Services	\$4,857,665
Other Awards that serve Berkeley and other communities:	
Program	Funding
Housing Stabilization Team	\$326,988
InHouse (HMIS)	\$384,582
Alameda County Health Housing and Integrated Services	\$539,398
Alameda County and City of Berkeley Shelter Plus Care Collaborative	\$669,120
Total of Other Awards serving Berkeley and other communities	\$1,920,088
Source: Alameda County Department of Housing and Community Development	

Berkeley Mental Health Housing and Services Coordination. Since 2000, Berkeley Mental Health (BMH) has operated a state-funded program called AB 2034 (after the bill which authorized it) focused on making real, measurable improvements in the quality of life for people who are homeless and have a mental illness. AB 2034 combines intensive services with flexible spending for basic needs. It emphasizes tailoring services to an individual's needs, rather than offering a one-size-fits-all approach.

AB 2034 services have made measurable improvements in the quality of life for people

with serious mental illness and histories of homelessness. Truly remarkable results have been persistent combining intensive services with the flexibility to pay for food, shelter and other needs can have for people with long histories of homelessness and serious mental illness. From the outset, the AB 2034 program statewide has focused on quality-of-life measurements, keeping careful records that show the impact of this investment. The most recent outcomes available are from June 2007 (www.ab34.org). For the 93 adults then enrolled in AB 2034:

- 83 (89 percent) were maintaining housing by June 2007, although 90 (97%) had been homeless during the 12 months prior to enrollment in 2034;
- 27 (29 percent) had started receiving SSI or SSDI since enrollment, dramatically increasing their opportunities for securing stable housing;
- Only 9 (10 percent) had been incarcerated since enrollment, compared to 36 (39 percent) who had been incarcerated during the 12 months prior to enrollment. In addition to quality of life improvements, this reflects less use of publicly funded services;

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- Only 15 (16 percent) had experienced psychiatric hospitalization since being enrolled, compared to more than half who had been hospitalized in the 12 months prior to enrollment;
- 8 (9 percent) were employed in paid or unpaid work. BMH has partnered with Rubicon Programs Inc., a nationally recognized community nonprofit providing workforce services to provide vocational opportunities for AB 2034 participants;
- 11 (12 percent) were participating in an educational program, including college (4).

AB 2034 has gotten participants off the street by combining mental health services with affordable housing and partnerships with local nonprofits. Most participants in AB 2034 services have Supplemental Security Insurance (SSI) as their only form of income. SSI provides just \$836 per month for rent, food, clothing, transportation, and other expenses, while most studio and one-bedroom apartments in Berkeley rent for \$900 a month or more. So housing assistance is critical, and many of these housing success stories are a result of the partnerships Berkeley Mental Health has developed and maintains with local nonprofit organizations. These include:

- **The Russell Street Residence.** Collaboration between BMH and the Berkeley Food and Housing Project (BFHP) kept this previously privately operated facility from closing. Operated by BFHP, this program houses 17 adults in need of intensive supports, providing 3 meals a day, laundry, and group activities, and houses an additional four adults who live more independently in a separate house immediately adjacent to the facility.
- **Martin Luther King House.** A collaboration between BMH and Resources for Community Development (RCD), a local housing nonprofit, this program is home to 12 adults in a shared setting. The rents for most tenants at MLK House are subsidized through a sponsor-based Shelter Plus Care grant to the Housing Department. RCD is the program sponsor.
- **King House and Temescal Apartments.** A partnership between the Housing Department, BMH, and Bonita House, a well-known residential treatment agency for individuals with co-occurring severe mental health and substance abuse problems. King House is an 8-bedroom congregate living facility in which dually diagnosed homeless individuals support each other toward achieving greater self-sufficiency. Temescal Apartments is a small apartment building that includes three apartments for consumers enrolled in AB 2034. Both programs are also subsidized under a sponsor-based Shelter Plus Care grant to the Housing Department. Bonita House is the sponsor..

In addition, BMH actively partners with the City of Berkeley's Shelter Plus Care program. BMH provides services, frequently through the AB 2034 program, to a total of 46 participants in the City of Berkeley's tenant-based Shelter Plus Care grants. The most recent grant, COACH, specifically targets chronically homeless adults with multiple disabilities and histories of frequent medical and/or psychiatric hospitalizations.

National studies have shown that when people with disabilities and long histories of homelessness are in affordable housing with supportive services, they go to emergency rooms for

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medical care much less often. Although data is not available to measure emergency room use for Berkeley Mental Health's AB 2034 program participants accurately, there are probably significant savings in medical care as well.

Victims of Domestic Violence

The City of Berkeley continued funding Women's Day-time Drop-in Center (WDDC) and Family Violence Law Center (FVLC) to provide drop-in services, legal counseling, and support for victims of domestic violence. In PY2005, WDDC received \$71,060 in CDBG public services funding to provide housing case management to their Drop-In Center clients, a program which provides respite and meals to over 1,100 women and children. WDDC staff engaged over 200 adults in housing case management and other services which resulted in 118 positive housing and employment outcomes. FVLC received \$42,584 in ESG funds in PY2005 to run its Family Violence and Homelessness Prevention Project, which resulted in direct legal assistance to 48 Berkeley residents. FVLC also staffs a crisis counseling call service and runs an In-Court Attorney Assistance Project, providing immediate, in-Court advice and support for self-represented litigants at restraining order hearings. FVLC stations a victim advocate at the Berkeley Police Department. Both WDDC and FVLC are also funded with local sources, and represent additional leveraging of resources to support Homeless Continuum of Care activities operated by homeless service providers in Berkeley.

Building Opportunities for Self-Sufficiency

During PY 2006, Building Opportunities for Self-Sufficiency (BOSS) continued to wait for a response from HUD on negotiations with HUD on the organization's debt and amounts billed to HUD for services but not yet reimbursed by HUD. Early in 2006, BOSS sent HUD its estimate of debt owed by BOSS to HUD. BOSS has streamlined its billing system that links directly with their financial accounting software.

City of Berkeley staff continued working with BOSS to identify service delivery improvements needed, especially as regards improvements to the Self-Sufficiency Program HUD grant, which provides funding for Harrison House shelter. City staff performed on-site monitoring of BOSS programs in February 2006. Desk reviews of program reports indicate that the outcomes of the BOSS transitional housing programs (including the Harrison House SAFAH Grant which funds services at the family shelter) are low compared to the HUD target of transitioning 61 percent of clients on to permanent housing. These concerns were voiced to the Homeless Commission during their deliberations on the City's allocation of funding for community agencies for PY 2007 and PY 2008. BOSS was initially recommended for cuts based on program performance and a lower priority for emergency services. The City Council partially restored these cuts. City staff will continue to work with BOSS to resolve BOSS's violation of the City's nepotism policy.

BOSS continues to subcontract one of its HUD grants to the Women's Daytime Drop-In Center (WDDC) and has a detailed MOU which spells out roles and responsibilities of each agency and method of service delivery and reimbursement.

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BOSS was awarded \$85,595 in CDBG funds for continued renovation of the Harrison House Shelter. The Shelter accommodates both single adults and families. In PY 2006 CDBG and ESG funds were spent to finish installation of a new sprinkler system and of new windows in the men's and women's dormitory areas.

Rubicon Berkeley Services

Rubicon Programs Inc. operated its Rubicon Berkeley program under a HUD Supportive Housing Program grant as well as DOL Workforce Investment Act funds, to provide workforce services (vocational counseling, job preparation, job search assistance, paid transitional work in Rubicon businesses and work experience with community employers and job retention support services), case management (housing counseling, housing readiness, service and mainstream resource planning, housing placement and housing retention support services) and substance abuse services to 450 eligible homeless persons annually. Rubicon's strategy was to integrate homeless services with WIA funds. Rubicon had several stated objectives, and achieved these outcomes:

- To serve 484 total persons were served, including those served in the DOL program
- To prepare 150 homeless participants to enter housing (based on income obtained through employment and/or mainstream resources, plus completion of workshop components and counseling goals).
Outcome: Of the 396 homeless persons served, 195 (49 percent) were prepared to enter housing (or retain permanent supportive housing for formerly homeless persons) with either mainstream resource income (47 or job income (148).
- That 100 homeless participants would obtain permanent housing.
Outcome: 65 homeless participants obtained housing during the project year.
- That 150 participants would obtain employment.
Outcome: 148 participants obtained jobs during the project year.
- That 75 participants would retain jobs for at least 13 weeks.
Outcome: 101 of 166 persons (61 percent) placed between 1 April 2006 and 28 February 2007 retained employment for at least 13 weeks.
- That half of participants exiting during the program year would show a net gain in monthly income while in the program, with the average net gain exceeding \$1,000/month.
Outcome: 147 of 267 persons who exited during the program (55 percent) achieved a net gain in monthly income. The average net gain was \$1,656.
- That 75 percent of participants who respond to consumer satisfaction surveys administered throughout the year would indicate they are satisfied or very satisfied with services Rubicon provided them.
Outcome: More than 75 percent of participants in job readiness activities indicated that they were satisfied or very satisfied.

Shelter, Transitional Housing, and Drop-In Services

Additional ESG Funds to Berkeley Food and Housing Project. HUD requires that ESG

funds be used no later than two years after the initial allocation is made. Funds from the Harrison House shelter, Youth House on King Street and ESG program administration funds from FY 2004 and 2005 (PYs 2003 and 2004) were reallocated for use by the Berkeley Food and Housing Project (BFHP). A total of \$24,797 in unused Emergency Shelter Grant funds were provided to BFHP for office space expansion, improvement of a staff bathroom at the Men's Shelter at 1931 Center Street, and installation of a kitchen exhaust fan at the Independent House on 2140 Dwight Way. BFHP accomplished these items, leaving just \$378 in unused ESG funds at the end of PY 2005.

Berkeley Drop-In Center Status. The Berkeley Drop-In Center (BDIC) continues to operate under the direction of the Alameda County Network of Mental Health Clients, and there have been some program improvements. Currently, Housing Department Staff continue to monitor the contract with input from Berkeley Mental Health Division. Quarterly meetings continue to be held with neighborhood stakeholders and the number of reported grievances has been reduced.

Though the Center has improved its programming, its housing outcomes are still poor and as such, the Homeless Commission recommended reduced funding. The City approved a one-time funding allocation restoring full funding to this program for FY08. Housing and Mental Health staff will continue to provide technical assistance to Center.

D. Anti-Poverty Programs

The deep roots of poverty require actions on many levels to be effectively reduced. The City's WorkSource Center provides job counseling, training, and referrals, and is discussed above under this CAPER's Anti-Poverty discussion in Chapter IV, Section C.

In PY 2006, the City of Berkeley continued funding community agencies serving the poor at approximately the same level as in the previous year. Although community agencies had two-year contracts, the City could have chosen to re-open those contracts in view of reduced revenues, but did not do so. It subsidized—with both federal CDBG and local general funds—over 50 community agencies to support social services outlined in the ConPlan that help address the special needs of that population (e.g., child care centers, food programs, health services, and other services). It slightly reduced funding this year (although the City's budget tentatively made up for the reduced funding contingent upon the level of further possible state cuts to localities).

In addition to the general services that are available to assist poor households, the Latino community is also the focus of coordinated services between social services agencies and the City Health and Human Services Department. The Latino Families in Action Program is an educational and preventive health campaign to reduce the stigma of mental illness, and support Latino families in their social, emotional, physical, and spiritual problems. Funded with General Funds, this program provided free workshops (with free child care) in Spanish on such

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topics as anger management, couples communication, adjustment by parents and children to new culture and understanding youth. About 50-60 households were assisted.

Readers should also refer to the narrative about Rubicon Berkeley Services in the previous section for additional information about anti-poverty services in the context of Berkeley's homeless priorities and service activities.

Public Services Projects Funded with CDBG

Table 16 presents a summary of public services projects funded with CDBG during PY 2006 by the City of Berkeley. These projects are intended to facilitate objectives of creating suitable living environments and achieve outcomes of providing availability and accessibility of services and housing to low and moderate income Berkeley residents and service users. The City allocated \$617,262 to seven projects in PY 2006, and these services reported providing over 2,150 moderate income, 277 low income, and over 1,800 extremely low income individual beneficiaries with services that address anti-poverty objectives for Berkeley, including providing employment training, housing case management, supportive services at special needs housing sites, shelter for homeless men, and fair housing services.

Table 16: City of Berkeley CDBG Public Services Allocations, PY 2006								
Agency	Program Activity	PY 2006 Funding	Objective	Outcome	Mod	Low	Ext	Comments
Asians for Job Opportunities in the Bay Area	Employment Training & Bilingual Social Services	\$145,282	Create suitable living environments	Availability/Accessibility	97	26	71	These Berkeley residents were enrolled in employment training and bilingual services, most of those served were limited English speakers from China. 20 clients were placed in jobs.
Berkeley Food & Housing Project	Men's Overnight Shelter	\$132,210	Create suitable living environments	Availability/Accessibility	846	98	748	BFHP provided almost 16,000 bednights to 846 men. 147 men moved into transitional housing, while 39 moved into unsubsidized permanent housing. 40 men improved their income in the 2nd half of the fiscal year. Client population consists of over 50 percent disabled and/or chronically homeless single men.

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Table 16: City of Berkeley CDBG Public Services Allocations, PY 2006

Agency	Program Activity	PY 2006 Funding	Objective	Outcome	Mod	Low	Ext	Comments
Housing Rights, Inc.	Fair Housing Services	\$35,544	Create suitable living environments	Availability/ Accessibility	260	42	175	HRI provided information and referral services to 268 households. 81 were provided fair housing investigations. 46% of cases were related to a person's disability, 22% related to race, and 16% related to related to familial status. HRI also performed outreach and prevention activities.
Inter-City Services	Employment Education, and Training	\$132,819	Create suitable living environments	Availability/ Accessibility	101	1	100	ICS provided vocational training in PC microcomputer repair, word processing and office automation, and job readiness/workshops and job placement assistance to 80 clients. 95 clients received vocational and personal counseling to determine job readiness or appropriateness for GED preparation. ICS also offered basic adult education and GED classes.
Multi-Cultural Institute	Life Skills, Employment Preparation, and Placement	\$76,529	Create suitable living environments	Availability/ Accessibility	241	0	241	MC provided job placement, GED preparation and information and referral services to 241 day laborers. In PY 2006 MCI facilitated 347 jobs. More than 100 day laborers received medical or dental care. 20 clients participated in GED courses and all successfully passed the GED exam as a result.
Resources for Community Development	Social Services at Special Needs Housing	\$21,686	Create suitable living environments	Availability/ Accessibility	251	101	150	RCD provided supportive services to these residents of 9 service-enriched housing

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Table 16: City of Berkeley CDBG Public Services Allocations, PY 2006								
Agency	Program Activity	PY 2006 Funding	Objective	Outcome	Mod	Low	Ext	Comments
								sites in Berkeley. Services include money management and health resources, community meetings, and tenant rights training. Information and referrals for education, food assistance, benefits, and health care were also provided. A community garden was established at one site. Other services were brokered for tenants.
Women's Daytime Drop-in Center	Housing Case Management	\$73,192	Create suitable living environments	Availability/Accessibility	358	9	349	156 positive housing outcomes resulted from WDDC's efforts: 69 women were placed in shelter, 42 were placed in transitional housing, 41 placed in permanent housing and 4 were placed into a treatment program. 47 clients also improved their income or education, while 11 women enrolled in treatment services. The program worked with a total of 365 individuals, 359 of whom provided demographic information.
Total Public Services Allocations, PY 2006 =		\$617,262			2,154	277	1,834	
Source: IDIS Report #C0PR03; City of Berkeley Housing Department. L = Low-income persons assisted; M = Moderate income persons assisted; E = Extremely low-income persons assisted.								

Improvement of Public/Community Facilities

Table 17 presents a summary of public and community facilities investments funded with CDBG during PY 2006 by the City of Berkeley. These projects are intended to facilitate objectives of creating suitable living environments and achieve outcomes of providing availability, accessibility, and sustainability on behalf of low and moderate income residents, neighborhoods, and service users and beneficiaries in Berkeley. The City of Berkeley spent just

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over \$1 million on eight projects during PY 2006. Projects including ADA curb ramps, parks and recreation facilities improvements, and the seismic retrofit of a building wall at A Better Way's facilities in south Berkeley will continue into PY 2007.

Table 17					
City of Berkeley Public/Community Facilities CDBG Allocations in Program Year 2006					
Agency	Activity	Objective	Outcome	PY 2006 Funding	Achievements
A Better Way	Office Building Restoration and Safety Upgrade	Create suitable living environments	Availability/Accessibility	\$136,782	Total funding \$236,000, including PY 2005 allocation. Project to be carried over into PY 2007 and construction to begin September 2007. All permits have been obtained and most engineering work completed for this seismic retrofit project.
Building Opportunities for Self-Sufficiency	9th Street Improvements	Create suitable living environments	Availability/Accessibility	\$10,119	Project will continue into PY 2007. Environmental review completed and contract is in process. Work specifications have been developed, bids received, and a contractor chosen. Project will include renovations to 2 bathrooms and possibly 2 kitchens at this City-owned duplex. Property is run by BOSS as a transitional housing facility for homeless persons.
Rebuilding Together	Community Facilities	Create suitable living environments	Sustainability	\$26,000	Due to an increase in volunteers, RT made improvements to 7 facilities: Men's Shelter, BUiLD House, Malcolm X School, Chaparral House, Lifelong Medical Care, Child Education Center, and Affordable Housing Associates Apartments at 2121 7th Street. Benefitted nearly 1700 low and moderate income persons, and 93 non-low/mod persons during PY 2006.
City of Berkeley Housing Department	Public Facilities Improvements	Create suitable living environments	Availability/Accessibility	\$79,880	City staff work with nonprofits A Better Way and BOSS to complete public facilities improvements at A Better Way's offices and BOSS's 9th Street Transitional House.

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Table 17					
City of Berkeley Public/Community Facilities CDBG Allocations in Program Year 2006					
Agency	Activity	Objective	Outcome	PY 2006 Funding	Achievements
City of Berkeley Parks and Recreation Department	ADA Parks Improvements	Create suitable living environments	Availability/ Accessibility	\$472,100	Bidding process opened in PY 2006 (May 2007) and a contract was awarded in June. Construction expected to begin in July 2007 and be completed in August.
City of Berkeley Parks and Recreation Department	Frances Albrier Community Center Improvements	Create suitable living environments	Sustainability	\$11,000	Projects are still under way and scheduled for completion by December 2007.
City of Berkeley Parks and Recreation Department	MLK Youth Center, 1730 Oregon Street	Create suitable living environments	Sustainability	\$6,846	
City of Berkeley Public Works Department	Street reconstructions , ADA curb cuts, and stormwater improvements	Create suitable living environments	Availability/ Accessibility	\$260,300	13 curb cuts completed during PY 2006. 1,114 persons in census tracts where these cuts were made benefited (based on 2000 census data). 12 additional curb ramps are currently under construction and will be reported in PY 2007. This project expects to complete up to 192 ramps, funds permitting.
Total Public/Community Facilities Allocations PY 2006 =				\$1,003,027	

E. Other Actions

Annual Action Plan Amendment

The City Council adopted an amendment to Berkeley's PY 2006 Annual Action Plan in order to enable the City to reserve CDBG funds from the Housing Trust Fund to Affordable Housing Associates, Inc., to complete rehabilitation work at 2121 7th Street.²⁰ The City identified \$136,700 in CDBG funds available in the Housing Trust Fund that could be available to complete rehabilitation work at the site, but they had not previously been identified for use on this project by the PY 2006 Annual Action Plan. As of the end of PY 2006, those funds had not yet been firmly committed through contract.

²⁰ City Council Resolution No. 63,631-N.S., adopted March 20, 2007.

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F. Leveraging Resources

Affordable Housing Development

Table 18 summarizes details of leveraging of total project costs by City loans from its Housing Trust Fund.

Table 18: Leveraging by Berkeley Housing Trust Fund of Other Funding Sources in PY 2006						
Address/ Project Name	Project Status	Loan Amount from City	Section 108	BEDI	Total Project Cost (including federal funds)	HELP
Affordable Housing Associates (AHA):						
2517 Sacramento (Sacramento Senior Housing)	completed in in PY 2006	\$2,057,072	\$0	\$0	\$12,138,303	\$526,000
2121 7th Street (Allston House)	under construction	\$814,546	\$0	\$0	\$9,241,209	\$500,000
1001 Ashby Ave. (Ashby Lofts)	neared completion at end of PY 2006	\$3,023,964	\$0	\$0	\$21,492,362	\$500,000
Total AHA		\$5,895,582	\$0	\$0	\$42,871,874	\$1,526,000
Resources for Community Development (RCD):						
2200 Block of Fulton Street (Oxford Plaza)	under construction	\$6,244,546	\$2,000,000	\$1,767,000	\$40,964,839	\$0
2577 San Pablo (Margaret Breland Sr Housing)	completed in in PY 2006	\$2,719,108	\$0	\$0	\$7,313,590	\$379,000
Total RCD		\$8,963,654	\$2,000,000	\$1,767,000	\$48,278,429	\$379,000
Other Developers						
1535 University (Univ Ave Senior Housing)	completed in in PY 2006	\$1,900,000	\$0	\$0	36,154,123	\$600,000
3132 MLK, Jr. Way (Prince Hall Arms Apts)	seeking use permit modification and federal funding	\$594,935	\$0	\$0	\$594,935	\$0
Total Other		\$2,494,935	\$0	\$0	\$36,749,058	\$600,000
TOTAL		\$17,354,171	\$2,000,000	\$1,767,000	\$127,899,361	\$2,505,000
Leveraging Ratio - Total Costs to Loan Amounts from City					7.37	
Leveraging Ratio - Total Costs to All Public Sources (including HELP)					5.41	
Source: City of Berkeley Housing Department. "BEDI" refers to HUD grants from its Brownfields Economic Development Initiative.						

Leveraging Supportive Services Through SHP

As shown in Table 15, above, Berkeley homeless services and housing providers obtained \$4.86 million in federal Supportive Housing Program grant awards. These grant funds from HUD are further leveraged in the aggregate by another \$4.517 million in matching funds and in-kind services included by all programs receiving grants from HUD. These matches result in a leveraging ratio of 0.93 for programs directly serving Berkeley (that is, for every dollar HUD provided in grant awards, another 93 cents worth of value was obtained from matching funds and in-kind services). In addition, another \$1.351 million in matching funds and in-kind services helped leverage the \$1.92 million received by programs that provide regional supportive housing and services in both Alameda County and Berkeley, yielding a ratio of 0.70 for these programs (or 70 cents worth of matching funds and in-kind services for every dollar of SHP grant funds in these county-wide programs).

Community Agency Leveraging

Few if any agencies are largely dependent on City CDBG, ESG or HOME funding to maintain their operations. Most agencies providing community services are non-profit organizations which raise funds from a variety of sources including individual donations, foundation grants, and other governmental sources of funds besides those allocated by the City of Berkeley.

G. Citizen Participation and Outreach to Protected Classes

The availability of the draft Consolidated Annual Performance and Evaluation Report (CAPER) was published in the *Daily Californian*, a local daily, on September 10, 2007; letting the public know that the CAPER would be available for review at the Berkeley Public Library Reference Desk and the Berkeley Housing Department. The public comment period will run until September 25, 2007, a total of 15 days. This was also announced at the Housing Advisory Commission's September 6, 2007, meeting; and it was also placed on the City's Housing Department website on September 10th at <http://www.cityofberkeley.info/housing/publications/CAPER/CAPER.html>. The notice was provided via electronic mail to the City's community agency list as well with a request to post the notice in a prominent place in their facilities. The public was given a 15-day period to comment on it, ending September 25, 2007. The CAPER was also made available for review by the general public at the Housing Department, at the Berkeley Public Library Reference, and at the South Berkeley and West Berkeley branches of the public library to be readily available to low income and minority populations.

The CAPER notice was also mailed to a mailing list of residences made up of addresses from the Berkeley Housing Authority's Section 8 Housing Choice Voucher list (without names), and to its address list for public housing units (75 in all). This overall list included members and secretaries of several commissions, including the Commissions on Disability and Aging, the Housing Advisory Commission, the Homeless Commission, the Parks and Recreation Commission, and the Human Welfare and Community Action Commission.

The City of Berkeley Housing Department also forwarded the notice of release of the public review draft of this CAPER on September 10, 2007, to community agencies requesting that they post the notice in their premises so that low-income and special needs persons and households would have additional opportunity to be aware of the CAPER and the opportunity provided by the City of Berkeley to comment on it. No comments were received from the public by September 25, 2007.

H. Self-Evaluation

Overall, the City of Berkeley strives to meet its goals to provide and preserve permanently affordable housing, house and assist the homeless, fight poverty, and promote community development with the resources it has available. (Please see Section VI for additional data on the City's fiscal resources and spending patterns).

The City of Berkeley Housing Department's role within the City includes fulfilling the City's obligations as responsible entity and grantee to the U.S. Department of Housing and Urban Development for the Community Development Block Grant, Emergency Shelter Grant, and HOME Partnership for Investment Programs. Housing staff constantly review community agencies' performances, including providing annual report cards to the four commissions involved in developing budget recommendations for these programs. They perform site visits, interview clients and staff of service agencies to ascertain conditions on the ground as a means of assessing whether the City's contractors are fulfilling the terms of their contracts for these program funds.

As a community and a municipality, Berkeley creates affordable housing, maintains and improves its housing stock, fights poverty and homelessness, and develops healthy and well-socialized children, youth, and communities by leveraging its federal grant funds from CDBG, HOME, and ESG; it does more to achieve these tasks than many other cities of comparable size. To accomplish these community-based commitments in PY 2006, Berkeley community service agencies continued collaborating with the City's Housing Department and Mental Health Division staff to ensure continuing successes of the City's Shelter Plus Care Programs. This federal program is the City's centerpiece for achieving its Berkeley's Action Plan for Homeless and EveryOne Home Plan goals (as Berkeley's part of the Alameda County-wide Homeless and Special Needs Housing Plan). Numerous other collaborative efforts described here attest to Berkeley's efficient, culturally-sensitive, and effective service provision as hallmarks of Berkeley government.

In PY 2006, the Housing Department and Planning and Development Department continued interdepartmental coordinating meetings to address issues of permit streamlining, project prioritization and trouble-shooting, technical assistance and training about housing programs and analysis, housing and development policy in Berkeley, and code enforcement. Other interdepartmental coordination occurs between Housing staff and staff of Berkeley Mental Health

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Division regarding client support services, Mental Health Services Act planning and implementation, Shelter Plus Care Program service coordination, and other issues. The spirit of collaboration and coordination in the provision of government and social services and the use of scarce public taxpayer funds is alive and well in Berkeley.

Despite challenges and cutbacks, Berkeley is a community successfully pursuing its housing, anti-poverty, anti-homelessness, and community development goals with a creative and varied fusion of financing sources; professional commitment, creativity and insight; and active community support.

VI. Programmatic Narratives

A. Summary of CDBG Financial Performance

Table 19 discloses Berkeley's CDBG financial summary for PY 2006. Total CDBG available resources was about \$5.8 million, of which there was an unexpended balance at year's end of just under \$2.5 million. HUD's Integrated Disbursement and Information System calculates a ratio of low and moderate income benefit for expended funds, and in PY 2006, the City of Berkeley had a "low/mod" ratio of nearly 119 percent.²¹

Table 19	
CDBG Financial Summary for PY 2006, July 1, 2006 to June 30, 2007	
Summary of CDBG Resources	
Unexpended CDBG Funds at End of Previous Program Year	\$2,311,693
Entitlement Grant	\$3,336,924
Surplus Urban Renewal	\$0
Section 108 Guaranteed Loan Funds	\$0
Current Year Program Income	\$186,300
Returns	\$0
Adjustment to Compute Total Available	\$4,472
Total Available Resources	\$5,839,389
Summary of CDBG Expenditures	
Disbursements other than Section 108 Repayments and Planning/Administration	\$2,478,347
Adjustment to compute total amount subject to low/mod benefit	\$0
Amount subject to low/mod benefit	\$2,478,347
Disbursed in IDIS for Planning/Administration	\$656,119
Disbursed in IDIS for Section 108 repayments	\$216,541
Adjustment to compute total expenditures	
Total Expenditures	\$3,351,007
Unexpended Balance	\$2,488,382
Low/Mod Benefit This Reporting Period	
Expended for Low/Mod Housing in Special Areas	\$0
Expended for Low/Mod Multi-Unit Housing	\$930,721
Disbursed for other Low/Mod activities	\$2,012,011
Adjustment to compute total Low/Mod credit	
Total Low/Mod Credit	\$2,942,732
Percent Low/Mod Credit	118.74%
Low/Mod Benefit for Multi-Year Certifications	
Program years covered in certification	PY 2004, PY 2005, PY 2006

²¹ The ratio is calculated by dividing total actual expenditures and disbursements for low and moderate income housing and other activities (about \$2.94 million) during PY 2006 by the amount of available resources that are allocated for PY 2006 to benefit low and moderate income persons and households (about \$2.48 million) in PY 2006.

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Table 19	
CDBG Financial Summary for PY 2006, July 1, 2006 to June 30, 2007	
Cumulative Net expenditures subject to low/mod benefit calculation	\$2,953,423
Cumulative expenditures benefiting Low/Mod persons	\$2,953,423
Percent Benefit to Low/Mod Persons	100.00%
Public Service Cap Calculations	
Disbursed in IDIS for Public Services	
PS unliquidated obligations at end of current PY	\$617,262
PS unliquidated obligations at end of previous program year	\$0
Adjustment to compute total PS obligations	\$0
Total PS obligations	\$617,262
Entitlement Grant	\$3,336,924
Prior Year Program Income	\$163,708
Adjustment to compute total subject to PS cap	(\$26,709)
Total subject to PS cap	\$3,473,923
Percent funds obligated for PS activities	17.77%
Planning and Administration (PA) Cap	
Disbursed in IDIS for Planning/Administration	\$656,119
PA unliquidated obligations at end of current program year	\$0
PA unliquidated obligations at end of previous program year	\$0
Adjustment to compute total PA obligations	\$0
Total PA obligations	\$656,119
Entitlement Grant	\$3,336,924
Current Year Program Income	\$186,300
Adjustments to compute total subject to PA cap	\$4,472
Total subject to PA cap	\$3,527,696
Percent funds obligated for PA activities	18.60%
Source: IDIS, Report C04PR26; City of Berkeley Housing Department.	

CDBG program expenditures are subject two caps: one for public services, the other for planning and administration. Both caps require that spending for activities in these areas not exceed approximately 20 percent of total entitlement grant allocation each year. In PY 2006, Berkeley spent just \$617,000 on public services, just 17.77 percent of the total entitlement grant. Just 18.6 percent of the entitlement grant for PY 2006 was spent for planning and administrative activities at the City.

Table 20 summarizes Berkeley's CDBG expenditures by activities from PYs 2004 through 2006. This table indicates that, overall, the City's CDBG resources remain significantly reduced compared with its PY 2004 allocation. Its PY 2006 entitlement grant represents a 24.2 percent reduction in overall CDBG funds compared with PY 2004. The City has overseen declines in all categories of funding since PY 2004. The \$118,000 increase in CDBG expenditures for all CDBG activities in PY 2006 over PY 2005 went largely to fund an increase in housing and public facilities activities, together with about \$160,000 in decreased expenditures for public services and planning and administrative activities (since spending for these activities also is capped under HUD CDBG regulations). To cope with spending

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decreases, the City of Berkeley also allocated additional General Funds to maintain services, but has also instituted more rigorous monitoring and outcomes evaluation procedures to ensure that all funds are spent as wisely as possible. The City is also exploring options to increase revenue sources for program delivery and monitoring activities through its Inclusionary Housing in-lieu fee and Condominium Conversion mitigation fee programs.

Table 20
Berkeley CDBG Expenditures by Activity, Program Years 2004 through 2006

Activity	Program Year 2006	Program Year 2005	Program Year 2004
Housing Activities	\$1,663,550	\$1,477,285	\$2,554,349
Public Services	617,262	695,832	701,374
Public/Community Facilities	197,535	107,188	112,188
Planning and Administration	656,119	736,628	768,475
Economic Development	0	0	0
Total, All Activities	\$3,134,466	\$3,016,933	\$4,136,386

Source: IDIS, Report C04PR23; City of Berkeley Housing Department.

Table 21: Berkeley Activities Counted Toward the Planning and Administration Cap, Program Year 2006

CDBG Planning and Administrative Activities	Program Year 2006	
	Funds Allocated	Funds Drawn Down
Program Planning & Contract Administration	367,041	367,041
Homelessness Prevention & Services Planning	93,175	93,175
City Support Costs	179,903	179,903
Single Audit	16,000	16,000
Total, Planning and Administrative Costs, PY 2006 =	\$656,119	\$656,119

Source: IDIS Report C04PR03; City of Berkeley Housing Department.

Table 21 specifies activities the City of Berkeley counts toward the Planning and Administration Cap in CDBG. The Program Planning and Contract Administration activity funds the Housing Department's efforts to ensure that the City of Berkeley complies with HUD requirements pertaining to the federal grant programs CDBG, ESG, and HOME, including the development of the Consolidated Plan and Annual Action Plans, and the Consolidated Annual Performance and Evaluation Report (CAPER).

The Homelessness Prevention and Services Planning activity funds Housing Department staff overseeing homeless programs through active coordination efforts among City departments, other jurisdictions, and with community-based homeless service providers.

City support costs activity reflect the Housing Department's need to rely on other City

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departments for services and facilities ranging from personnel transactions, payroll, benefits management, financial systems support, legal counsel, information technology services and support, use of facilities, and other resources the City as a whole provides its constituent departments. For example, these costs help support the South Berkeley Senior Center, operated by the Health and Human Services Department, which is the site of Housing Advisory Commission meetings where CDBG, ESG, and HOME program public hearings and allocation recommendations are formulated for the City Council.

The Single Audit activity pays for the Housing Department's share of the overall cost of a consulting accountant to produce an annual single audit of the City's administration of federal entitlement grant programs.

B. Resources for Consolidated Plan Implementation, Program Year 2005

1. All Activities – CDBG, ESG, HOME, Other

As shown in Table 22, during PY 2006, the City of Berkeley had available about \$13.9 million in federal, state, and local funds for housing and community development purposes.

Table 22	
Housing and Community Development Resources	
Program Year 2006	
<i>Federal Resources (CDBG, HOME, ESG, CSBG Total – includes carryover)</i>	
PY 2006 CDBG entitlement and program income:	\$3,523,224
CDBG carryover (for completion of Projects funded with prior years' funds)	885,073
PY 2006 HOME entitlement and program income:	1,387,442
PY 2005 HOME carryover	48,308
PY 2006 ESG:	142,291
PY 2005 ESG carryover	60,049
CSBG (administered by the State)	173,556
Federal Energy Assistance Programs (estimated)	447,500
Shelter Plus Care (estimated)	2,500,164
<i>Federal Resources Total</i>	\$9,167,607
<i>Local Funds</i>	
Childcare	587,215
Community Media	213,210
Disability Programs	172,571
Employment Training	100,109
Health	302,789
Homeless Services	1,728,755
Legal/Advocacy	55,798
Other Community Development (animal rescue, community mediation, community gardening, nutrition and meals)	204,432

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Table 22	
Housing and Community Development Resources	
Program Year 2006	
Recreation	84,872
Seniors	103,757
Youth	978,867
Total, Local Housing and Community Development Allocations, FY 2006	\$4,532,375
General Funds to Alameda County for operation of the Alameda County-wide Continuum of Care Council	15,545
Rent Stabilization Board funds to Community Agencies for eviction counseling and tenant assistance services (estimated)	215,000
Local Funds Total	\$4,762,920
State & Other Programs	
State HELP Monies committed during PY 2006	0
State & Other Programs Total	\$0
Grand TOTAL, All Resources	\$13,930,527
Source: City of Berkeley Housing Department.	

2. Resources Available for Housing

Table 23 presents PY 2006 funding that was applied to housing activities by the City of Berkeley. Housing resources were routed through the CDBG program (about one-third; see Table 11 above), with nearly two-thirds going to housing from the Housing Trust Fund (see discussion of Table 5, above).

Table 23		
Funding Available for Housing by City of Berkeley Program, PY 2006		
Source	Amount	Administering Entity/Comments
CDBG Program	\$1,966,427	Administered by PPMB Division. Monies given to community agencies and City for housing development, rehab of senior homes, accessibility, relocation/displacement, and code enforcement programs.
Housing Trust Fund	\$3,582,586	Administered by the City's Housing Services Division. Includes HOME, General Funds, Housing Mitigation, and Redevelopment monies, and loan payment revenues. Funding reservations were also made from anticipated HOME entitlement grants in coming years, for which Berkeley's Consolidated Plan was amended.
HELP	\$0	Administered by the City's Housing Services Division. Reviewed by the HAC and approved by the City Manager. Allocations coordinated with HTF monies (some monies repaid and reallocated to other projects).
Homelessness Prevention Program	\$166,123	Contract administered by PPMB Division with ECHO. General Funds for assistance to those with HIV/AIDS and HPP.
Grand Total	\$5,715,136	
Source: City of Berkeley Housing Department.		

3. Resources for Services to Persons with Special Needs

Berkeley prides itself on providing housing and resources for persons and households with special needs: the disabled, seniors, families with children, the homeless. Table 24 summarizes

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the resources that Berkeley put toward assisting persons with special needs during PY 2006. The City allocated just over \$6 million for special needs services and supportive housing during that time, and another \$4 million in local sources for special needs services for a variety of populations.

Table 24		
Funds Available to the City of Berkeley in PY 2006		
For Services to Persons with Special Needs and Those Who are Homeless		
Funding	Amount	Administering Agency/Comment
CDBG	\$393,740	PPMB Division. Activities include Disability, homeless, and legal/advocacy services from Community Agency budget.
ESG	128,591	PPMB Division - includes Family Violence Law center homelessness prevention activities (included below).
Community Services Block Grant	173,556	Allocated to BOSS MASC and Harrison House operations.
Shelter Plus Care services	2,806,035	Service match leveraged for all four grants, PY 2006.
Shelter Plus Care subsidies	2,500,164	Housing assistance payments on behalf of S+C clients, PY 2006.
Total Federal Funds Available	\$6,002,086	
General Funds in connection w/ CSBG	\$2,860,576	PPMB Division. Activities include Disability, homeless, health, legal/advocacy, seniors, and youth services from Community Agency budget.
Homeless Prevention Programs	\$179,172	Contracted to community agencies ECHO and Family Violence Law Center.
Rent Board Eviction Defense Activities	\$215,000	Eviction Defense Center, East Bay Community Law Center, Housing Rights, Inc.
Easy Does It	\$802,094	Emergency transportation services for disabled population
Total Local Sources	\$4,056,842	
Total All Sources	\$10,058,928	

Source: City of Berkeley Housing Department.

4. Civil Rights Program Narrative

Table 25 summarizes the City of Berkeley's civil rights program activities and their associated funding sources during PY 2006. Excluding Shelter Plus Care Program and Section 8 Housing Choice Voucher Program housing assistance spending, the City saw \$3.2 million on direct and in-kind activities that attempt to further the civil rights of Berkeley's low- and moderate-income residents, by addressing fair and accessible housing issues, eviction, displacement, and homelessness prevention, and supportive service matches for Shelter Plus Care clients. The locations of these services are primarily in south Berkeley (CIL's program is located in eastern Berkeley, and City of Berkeley relocation services are located downtown).

Through its Shelter Plus Care Program and the Berkeley Housing Authority's Section 8 Housing Choice Voucher Program, Berkeley saw another \$23.8 million spent on direct housing assistance payments on behalf of approximately 2,000 households, most of whom reside in housing in south and west Berkeley, as well as north Oakland (in the case of some Shelter Plus Care clients).

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Table 25			
City of Berkeley Civil Rights Program Activities Funded by CDBG, Other Federal Funds, and Local Funding Sources			
Program Year 2006			
Agency	Description	PY 2006 Funding	Source of Funds
Housing Rights, Inc.	Counseling and referral regarding housing discrimination	\$35,544	CDBG
Center for Independent Living	Residential Access Project for the Disabled	\$142,675	CDBG
City of Berkeley/Housing Department	Relocation Services to prevent displacement	\$113,287	CDBG
CDBG Subtotal		\$291,506	
East Bay Community Law Center	Housing advocacy, eviction defense, legal services to low/mod persons	\$20,730	Local General Funds
BHA Security Deposit Revolving Loan Program	Assists new applicants with securing new Section 8 units once tenant receives Housing Choice Voucher	\$975	Local Funds (recycled)
Alameda County Homeless Action Center	SSI advocacy	\$56,858	Local General Funds
Shelter Plus Care Program	Match value for tenant supportive services.	\$2,806,035	Local Other Funds and In-Kind Valuation
Eden Council for Hope and Opportunity, Inc.	Subsidy funds for homelessness prevention.	\$166,123	Local General Funds
City of Berkeley Rent Stabilization Board	Eviction Control Ordinance Administration (estimated)	\$215,000	Local Registration Fees
Local Funding Sources Subtotal		\$3,265,721	
Section 8 Housing Choice Voucher Program	Tenant-based housing assistance	\$21,303,652	Other HUD funding
Shelter Plus Care Program	Tenant-based housing assistance linked to supportive services	\$2,500,164	Other HUD funding
Subtotal, Other HUD funding		\$23,803,816	
Total Funding for Civil Rights Program in PY 2006 =		\$27,361,043	

Source: City of Berkeley Housing Department.

Table 26	
Berkeley ESG Expenditures by Activities, Program Year 2006	
Activity	Use of Funds
Harrison House Improvements - BOSS	\$43,217
Harrison House Community Recovery Program - BOSS	\$10,126
BFHP Quarter Meal	\$32,561
Family Violence and Homelessness Prevention	\$42,687
Homeless Management Information Systems	\$6,700
Program Planning and Administration – Admin costs (\$7000 budgeted)	\$6,442
Total Expenditures, PY 2006	\$141,733

Source: City of Berkeley Housing Department. Fund figures are fully expended except where noted.

C. Expenditures and Use of Funds

1. ESG Program

Table 26 summarizes Berkeley's Emergency Shelter Grant Program expenditures by activity during PY 2006. Of the \$142,291 available for spending, the City's ESG-funded activities saw expenditure of \$141,733 during PY 2006. A small portion of ESG administrative funds (\$558) also went unexpended during PY 2006.

Table 27: Berkeley HOME Program Investments Net Position, Program Year 2006	
HOME Program Activity	Funds Allocated
PY 2006 HOME Monies into the HTF	\$1,387,442
PY 2006 HOME Program Administration	(138,744)
PY 2005 Loan Repayments to HOME	139,183
Total HOME Program Resources Available in PY 2006	\$1,387,881
HOME Reservations in PY 2006	
Use of Funds	
2200 block Fulton Street - Oxford Plaza/Brower Center	1,292,566
Total HOME Reservations, PY 2006	\$1,292,566
PY 2006 Loan Repayments as of 6/30/2007	\$15,963
Net Position of HOME Funds during PY 2006 (Resources Available less Reservations)	\$111,278
Source: IDIS; City of Berkeley Housing Department.	

2. HOME Program

Table 27 summarizes the City of Berkeley's HOME Program net position for PY 2006. The City had HOME resources available of \$1.387 million, of which \$1.293 million were reserved for the Oxford Plaza affordable housing development. The City received another \$15,963 in loan repayments to HOME during PY 2006, for a net position of HOME funds of \$111,278.

D. Other Federal Formula Grant Program Requirements

1. HOME Program Requirements

CHDO Set-Aside. Berkeley met its 15% CHDO Set-Aside requirement (\$193,116) by allocating all of the City's HOME allocation available to Resources for Community Development for use as part of Oxford Plaza's project financing.

HOME Match. IDIS report C04PR33 shows the 2006 match requirement to be \$690,881. The City of Berkeley entered the year with excess match of \$2,478,794. The City of Berkeley spent \$887,618 in General Funds, \$98,193 in Housing Mitigation Fees, and \$1,944,506 in Redevelopment Funds, for a total of \$2,930,317 in PY2006 on the Oxford Plaza project. After the PY2006 match requirement was satisfied, there remained a total of \$4,718,230 in excess match.

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HOME Loan Repayments. In PY 2006 a total of \$14,366 was repaid to the HOME account of the City of Berkeley Housing Trust Fund Program.

Use of Minority and Women Business Enterprises (MWBE). Minority and women-owned contractors were used in projects of the City of Berkeley Seniors and Disabled Home Improvement Loan Program and on rehabilitation work on the McKinley Family Transitional Housing during PY 2006.

Affirmative Marketing. Berkeley's Housing Trust Fund Guidelines require that HTF recipients undertake affirmative marketing of their units. These requirements are incorporated directly into the City's Development Loan Agreements that are executed with developers to provide development funding.

Anti-Displacement. In PY 2006, there were no displacements as a result of HOME-assisted programs or projects. See also Chapter V, Section A, for a discussion of the City's relocation efforts and programs whose purposes are prevention of displacement from acquisition and rehabilitation projects, major repairs, or from new development.

Inspection of HOME Properties. City of Berkeley housing code enforcement staff undertook HOME unit HQS inspections of 56 units in five HTF properties during PY 2006, as indicated in Table 28 below.

Table 28: HQS Inspections During PY 2006 City of Berkeley Housing Trust Fund Program						
Address	Total Units	Inspected Units	HOME Inspection Cycle	Inspection Date	Completed/Pending?	HOME Funded?
1133-39 Hearst Avenue	32	13	Annual	16-Mar-07	Completed	Yes
1330 University Avenue	35	13	Annual	28-Feb-07	Pending	Yes
1970 San Pablo Avenue	26	11	Annual	19-Jun-07	Pending	Yes
3222-24 Adeline Street	19	7	Bi-annual	7-Jun-07	Completed	Yes
2425 Shattuck Avenue	27	12	Annual	26-Feb-07	Pending	Yes
Subtotal, HOME Unit Inspections	139	56				
Source: City of Berkeley Housing Department.						

2. ESG Program Match Requirement

The ESG allocation of \$142,291 requires a dollar for dollar match. The match requirement was exceeded by allocating \$200,750 in City of Berkeley General Funds to the Berkeley Food and Housing Project's Multi-Service Center. It was also nearly met by allocating \$136,713 to the Multi-Agency Service Center operated by Building Opportunities for Self-Sufficiency.

Together, these two General Fund allocations to multi-service centers substantially exceeded the ESG match requirement during PY 2006.

E. Pattern of Investments

Berkeley's pattern of investments did not change significantly in PY 2006 in the aggregate, but in attempting to maintain services with falling federal, state, and local funds, the City of Berkeley responded by restructuring how certain services were paid for, and eliminated funds for agencies that performed inadequately. At all times, the City of Berkeley and its advisory commissions (the Housing Advisory, Homeless, and Human Welfare and Community Action commissions) focused on assisting those who are homeless, low income, and have special needs in the midst of making difficult funding decisions. CDBG, ESG, HOME monies were combined with Housing Trust Funds, and General Funds, as well as funds from other sources, to help meet the City's top housing and community development priorities as contained in the Consolidated Plan and PY 2006 Annual Action Plan. The pattern of investment also emphasized coordination between agencies and leveraging of government funds with use of private resources and donations.

The City continued to encourage non-profits as well as partnerships between for-profit and non-profits for development of affordable housing. The City also used its regulatory power and state density bonus procedures to encourage development of affordable housing through its inclusionary zoning program, fee deferrals, and City staff technical assistance.

Housing Development staff continued coordinating with other key City programs to use housing development projects to achieve important City goals.

Assistance to first-time homebuyers has not been a high priority because the level of subsidy needed to make such housing affordable is prohibitive given the range and magnitude of the City's other housing subsidy needs. However, the City of Berkeley, with leadership from the Housing Advisory Commission and Planning Commission, has revised its condominium conversion and inclusionary housing ordinances to encourage greater access to homeownership and affordable rental housing opportunities for low-income sitting tenants and residents of Berkeley.