



HOUSING DEPARTMENT

City of Berkeley

**Program Year 2007
Consolidated Annual Performance
and Evaluation Report
(CAPER)
for Housing and Community Development**

September 30, 2008

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HOUSING DEPARTMENT

**CITY OF BERKELEY
PROGRAM YEAR 2007
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
(JULY 1, 2007 THROUGH JUNE 30, 2008)**

Executive Summary

This report is the City of Berkeley's Program Year 2007 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 2007 (July 1, 2007 through June 30, 2008) 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 2007. 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.

Recurring Acronyms 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, monitoring community agency contracts for the City of Berkeley
- ❑ **COACH** =

¹ This plan may be viewed online at http://www.cityofberkeley.info/uploadedFiles/Housing/Level_3_-_General/Con_Plan_2005-2010_January_2008_revision.pdf.

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This CAPER covers the fourth 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 in the areas of:

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

The CAPER also describes:

- Cumulative housing efforts from July 1, 2007 through June 30, 2008;
- The City's low income housing and community development activities carried out during the period July 1, 2007, to June 30, 2008;
- 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 2007 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 \$17.8 million in PY 2007 (see Table 25, Chapter VI, below) from local, state, and federal sources (not including the Housing Authority's Section 8 Housing Choice Voucher [HCV] Program funds). Berkeley has become more strategic in its budget allocations; agency performances have come to the fore, a strategy Berkeley expects to take further in PY 2008 with its Systems Change initiative for homeless services.

Berkeley met 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 20, 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. The

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categories for outcome reporting include housing, employment, health, education, recreation, infrastructure, and community access.

Berkeley had \$3.7 million available for housing activities (again, excluding Section 8). The City also had available about \$8.3 million for services to people with special needs and those who are homeless during PY 2007, an increase over PY 2005 that forces 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 \$27.7 million available resources during PY 2007.

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.

Berkeley's pattern of investments did not change significantly in PY 2007 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. Berkeley also committed more funds to supportive services and housing in Berkeley in support of both EveryOne Home policies and Council adoption of the Mayor's Public Commons for Everyone Initiative (PCEI). 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 2007 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

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staff technical assistance.

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 2007, 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. Many of these same agencies now embark on the collaborative effort during PY 2008 that will implement the Housing Department's new Systems Change Initiative. This initiative will assist participating agencies with making the shift from a homeless continuum of care model of service to a stronger and more effective model of service and housing provision that is premised on housing homeless people first. Shelter Plus Care is an important part of this initiative, having been for many years now the centerpiece for achieving first the City's Continuum of Care Plan goals and more recently its EveryOne Home Plan goals for homeless and special needs housing. Numerous other collaborative efforts described in this CAPER attest to Berkeley's efficient, culturally-sensitive, and effective service provision as hallmarks of Berkeley governance.

In PY 2007, the Housing Department and Planning and Development Department continued interdepartmental coordinating meetings to address issues of permit streamlining, project prioritization and trouble-shooting, condominium conversion, technical assistance and training about housing programs, housing policy updating, inclusionary and density bonus procedures and policy, and code enforcement. Other interdepartmental coordination occurs between Housing staff and staff of Berkeley Mental Health Division regarding client support services, Mental Health Services Act planning and implementation (particularly articulation of the Mental Health Housing Fund Policy and RFP during PY 2007), Shelter Plus Care Program service coordination, and other issues. The spirit of co-equal 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.

Highlights of PY 2007

Housing. The City of Berkeley saw the following achievements in the area of housing activities during PY 2007:

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- HOME contributions to the Housing Trust Fund: \$1,046,854.
- CDBG rehabilitation funding available: \$1,459,562.
- HOME unit completions during PY 2007: 71 units.
- Total units under construction or completed during PY 2007 with Housing Trust Fund assistance: 254 units.
- CDBG Program housing beneficiaries: 656 households, including 356 owners, and 300 tenants.
- Inclusionary Housing Ordinance units completed or under construction: 192 units.
- New condominium units completed or under construction: 54 units in 2 properties.
- Converted condominium units approved: 25 units in 8 properties.
- Special needs housing units: nearly 1,800 units (including Shelter Plus Care Program's 230 units, and nearly 1200 receiving federal utility assistance).
- Units receiving rehabilitation and repairs: 258 units.

Homelessness: Berkeley saw dramatic revision and restructuring in how services to and housing of homeless people occurs during PY 2007. These changes are summarized in the sections on Changing Policy Frameworks. Other highlights during PY 2007 included:

- \$2 million in Supportive Housing Program funds directly awarded to Berkeley-based homeless and supportive housing services, as well as another \$3.3 million allocated to supportive services that benefit all homeless residents of Alameda County, including those in Berkeley. These resources leveraged in-kind and cash matches worth \$2.1 million for the Berkeley-based supportive services and another \$3.4 million for the County-wide services.
- Shelter Plus Care grant programs continue in Berkeley, with a granting capacity of 182 units (with the takeover from Alameda County by the City of the Collaborative Opportunities to Address Chronic Homelessness (COACH) grant during PY 2007. These grants actually serve about 230 formerly homeless individuals with disabilities. The grants continue to perform with strong indications of success (Table 17), with high capacity rates, generally positive net new participants, and high marks for sustained residential stability among program clients after 1 year in the program.
- Adoption of the City's first Mental Health Housing policy and issuance of its first Mental Health Housing Request for Proposals for \$500,000 available from the Mental Health Services Act (passed as Proposition 63 in November 2004) for permanently affordable housing for individuals with serious mental illness.

Anti-Poverty Programs: CDBG Public Services activities were allocated about \$605,000 for PY 2007 efforts, and served some 2,100 low and moderate income persons with a variety of services, including employment training, fair housing counseling and complaint investigation, drop-in services, and other social services.

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Berkeley continues to operate its YouthWorks and First Source programs, and Rubicon Workforce Services in Berkeley continues to serve very poor and homeless individuals with employment training and counseling, job placement, and job retention services.

Public and Community Facilities: Berkeley allocated \$195,000 in CDBG funds to rehabilitate community and public facilities in Berkeley, including funding for City staff technical assistance to agencies using these funds to fix up and re-occupy their facilities. The City funded four projects (see Table 20) in PY 2007:

- Waterside Workshops – interior renovation of electrical upgrade and kitchen/office improvements.
- BOSS's Harrison House improvements to existing bathroom facilities for single men and women.
- LifeLong Medical Care's dental clinic improvements.
- Rebuilding Together's volunteer coordination effort that repairs facilities occupied and operated by Asians for Job Opportunities, Women's Day-Time Drop-in Center, Berkeley Outdoor Recreation Program, and BAAP .

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I. Introduction

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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 2007.

In Chapter V, the CAPER describes the City's low income housing and community development activities carried out during the period July 1, 2007, to June 30, 2008, 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

² This plan may be viewed online at <http://www.cityofberkeley.info/housing/publications/ConPlan2005-2010July2005revision.pdf> .

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.

In its Program Year 2007 Annual Action Plan, Berkeley 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 2007 to:

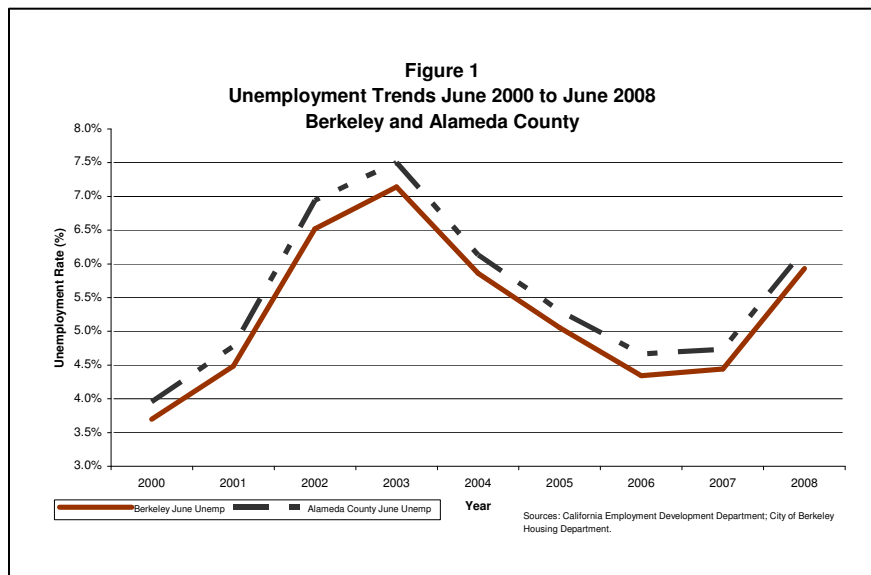
- Promote affordable housing for low income persons, persons with special needs, and those who are homeless;
- Promote fair housing;
- Provide healthy youth alternatives;
- Increase business opportunities for low income residents (General Funds are used for the City's WorkSource Program);
- Reduce poverty;
- 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 2007 and June of 2008, continued state and local fiscal crises, rising construction material (concrete, steel, wood) costs resulting from greatly increased demand from international 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.

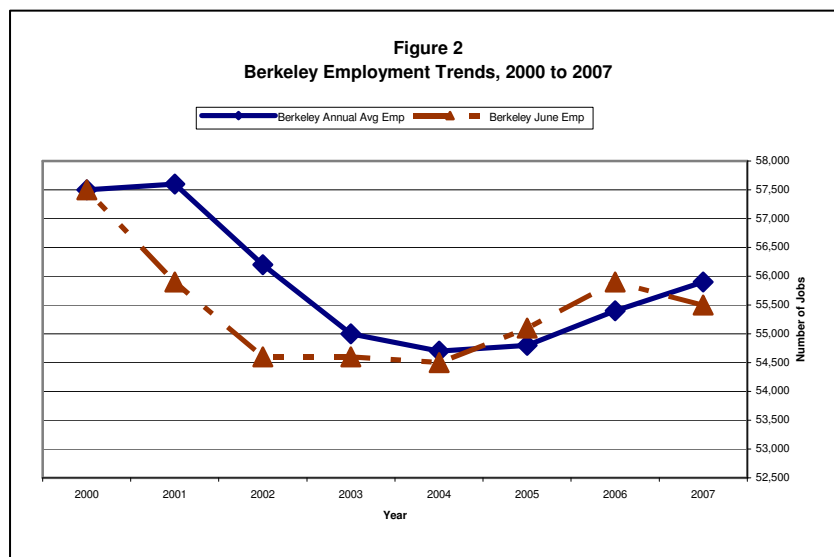
Unemployment, Poverty, and Household Income

Unemployment leveled out in Alameda County during 2006 and the first half of 2007 in Berkeley and Alameda County, but began to climb as the economy cooled in the second half of 2007. In Berkeley, according to the California



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Employment Development Department (Figure 1), the unemployment rate in Berkeley for June 2008 stood at 5.9 percent, up from 4.5 percent a year earlier. 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. Total employment of Berkeley's labor force reached an average of 55,900 in June 2007, and averaged 55,500 for all of 2007. Berkeley's unemployment rate is believed to be slightly lower than Alameda County's, which reached 6.2 percent in June 2008, according to state sources. These figures no longer compare favorably with unemployment as recent as 2004, and indicate that Berkeley and Alameda County's economies are weakening.



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 among individuals increased

slightly during this period from 18 to 19 percent, as compared with the Bay Area's poverty rate of 7 percent (between 2000 and 2002).³ 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.

With relatively low (but increasing) unemployment regionally, the U.S. Department of Housing and Urban Development (HUD) announced new household income guidelines in February 2008, increasing the median household income for the Berkeley-Oakland Primary Metropolitan Statistical Area from \$83,000 in 2007 to \$86,100 in 2008.

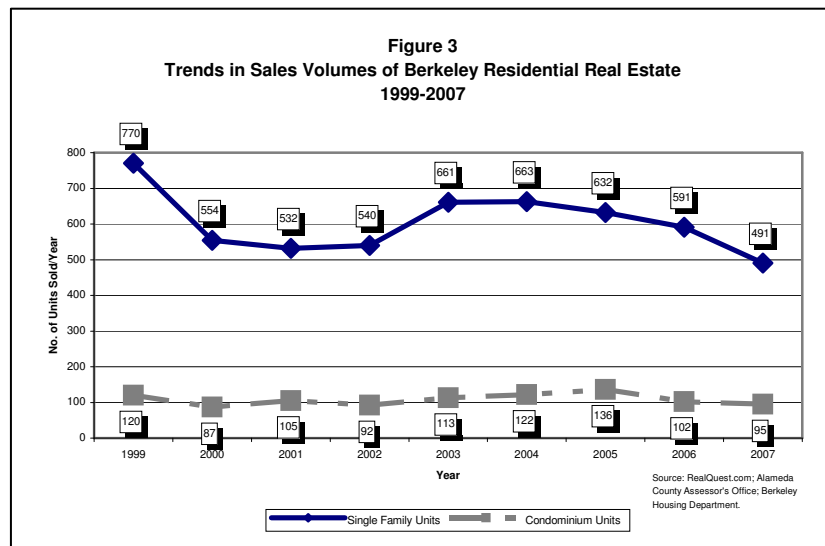
³ The American Community Survey for 2006 reports that Berkeley's poverty rate for individuals was 20.5 percent (plus or minus 3.4 percent).

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Single-Family and Condominium Sale Prices

Berkeley's market for single family and condominium units has shown some cyclical patterns of sales activity since 1999. Sales of single family units peaked in 1999 at about 730 sales before declining below 550 during 2000 through 2002. Since then, home sales have declined from a high of 661 in 2003 to 491 in 2007. Rapid price appreciation continues to characterize Berkeley's single-family home market (see Figures 3 and 4, below). Where the median home price in 1999 was \$310,000, by 2007 the median rose in Berkeley to \$780,000.

Sales of condominium units have exhibited a cyclic pattern similar to single family homes, but the market for condominiums in Berkeley is about 15 to 20 percent the size of the single family market in any given year. 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 by 2007 to \$510,000 (more than doubling over that 8-year period).



With condominiums only somewhat more affordable home ownership alternative (although getting increasingly difficult), there is a growing interest in the community in converting existing rental apartment buildings to condominium forms of ownership, and in developing new condominium units. In August 2004, the *Tom* decision⁴ (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. In the meantime, the City has undertaken to streamline processing procedures, clarify the policy purposes of the condominium conversion ordinance, and study alternatives to current mitigation fee policies and procedures. These alternatives will be reviewed by the Berkeley City Council in the fall of 2008.

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

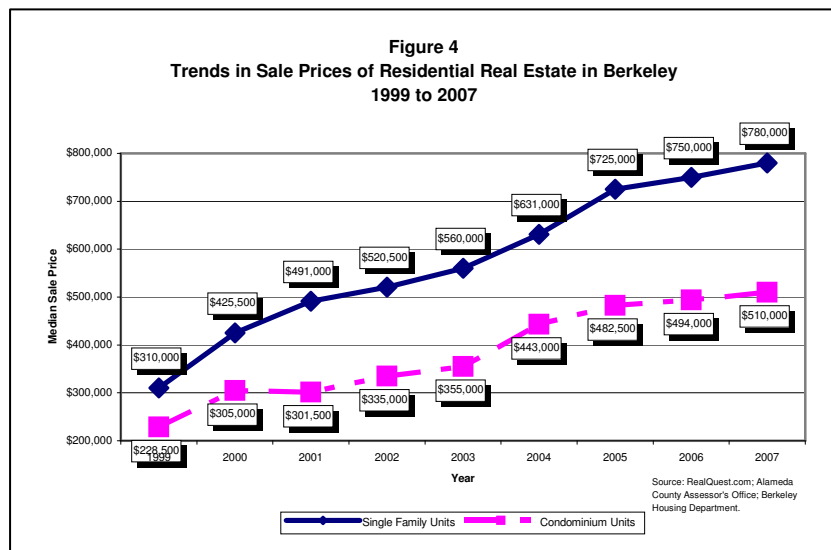
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Table 1: Changes in Berkeley's Residential Real Estate Market, 2007 to 2008	First Half, 2007	First Half, 2008	Percent Change
Condominiums			
Number of sales	46	37	-19.6%
Median Sale Price	\$535,000	\$455,000	-15.0%
Median Price, 1-Bedroom	\$427,000	\$440,000	3.0%
Median Price, 2-Bedroom	\$589,000	\$492,250	-16.4%
Median Price, 3-Bedroom	\$672,500	\$517,500	-23.0%
10th Percentile Condominium Price	\$389,000	\$285,000	-26.7%
90th Percentile Condominium Price	\$729,000	\$626,000	-14.1%
Single-Family Homes			
Number of sales	236	207	-12.3%
Median Sale Price	\$825,000	\$769,500	-6.7%
10th Percentile Single Family Home Price	\$510,000	\$430,000	-15.7%
90th Percentile Single Family Home Price	\$1,430,000	\$1,301,000	-9.0%
Source: Alameda County Assessor's Office; RealQuest.com; City of Berkeley Housing Department.			

Figure 4, below, indicates the long-term recent trend in both single-family and condominium housing markets in Berkeley. However, the deflation in ownership housing now occurring across the United States has reached Berkeley. Condominium sales decreased by 19.6 percent from the first six months of 2007 to the first six months of 2008, while single-family home sales decreased by 12.3 percent in that same interval. Also in that same interval, the median condominium price slipped 15 percent (from \$535,000 to \$455,000)

while the median single family home price decreased 6.7 percent (from \$825,000 to \$769,500).

Table 1 compares sales and price trends for condominiums and single family homes in the first half of 2007 (January to June) with the first half of 2008 a year later. The only segment of either market that saw any increase in median value was 1-bedroom condominiums, but this is such a small increase that it could be statistically neutral or even slightly negative in reality. On the whole, the median sale price of condominiums fell 15 percent in Berkeley, and sales decreased almost 20 percent over the same time a year ago. The single family market saw a 12 percent decrease in sales and a 7 percent decline in the



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median sale price. The lower segment of the market (the 10th percentile) of the condominium market saw a 27 percent decrease in value, while the lower segment of the single family market saw a 16 percent decrease. Higher value properties also saw decreases in value, but smaller in magnitude than at the lower end of the market.

Increasing Rents

Table 2: Historical Components of Change in Rent of Primary Residence in the San Francisco Bay Area Since September 2001

Time period	Consumer Price Index	Price inflation/ (deflation)
From September 2001 to June 2005	258.0	2.0%
	263.1	
From October 2002 to June 2005	262.5	0.2%
	263.1	
From June 2005 to December 2006	263.1	2.9%
	270.7	
From January 2007 to June 2008	272.7	5.7%
	288.1	
From September 2001 to June 2008	258.0	11.7%
	288.1	

Source: U.S. Bureau of Labor Statistics.

The Consumer Price Index for rent of primary residence varies widely depending on when it is measured. As shown in Table 2, since September 2001 Bay Area rental housing costs have risen nearly 12 percent. This increase has not been a steady linear rise over that period, but has seen periods of nearly no growth, slow growth, and then—most recently—quick growth in rental costs. Since January 2007, when sales of both condominiums and single-family homes slowed significantly, the cost of Bay Area rental housing spiked 5.7 percent

through June 2008.

Table 3: 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	2002-2008 (1st Half)
Studio	25.9%	2.9%	5.9%	14.7%
1 BR	42.9%	-4.3%	4.3%	8.7%
2 BR	26.9%	-3.1%	0.0%	12.2%
3 BR	27.3%	0.0%	4.7%	14.0%

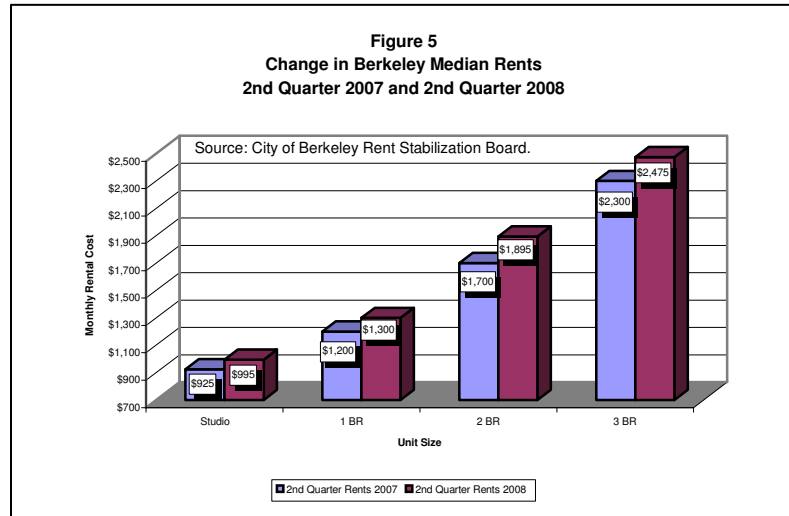
Source: Berkeley Rent Stabilization Board, September 2007.

Rents overall in Berkeley continue to increase when viewed from the onset of vacancy decontrol in 1999, but they increased more slowly since 2002. Between 2002 and 2006, median rents for 1 and 2-bedroom units actually declined 3 to 4 percent as shown in Table 3. Rents in early 2008 have spiked upward, more than doubling the change in rents from 2002 to 2007 versus the change in rents from 2002 to mid-2008. In other words, the slow-down and price deflation in ownership housing has

led to sudden and intense pressure on the Berkeley rental housing market. This may be due to a combination of households having been foreclosed out of ownership housing, and other households remaining in the rental market who are now forced to compete with more potential renters.

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Rents for all sizes of units saw increases between the 2nd quarter of 2007 and the 2nd quarter of 2008 city-wide, as shown in Figure 5. In the aggregate, rents have increased about \$200 per month over last year's levels. Median studio apartment rents increased \$70, while the median 1-bedroom unit increased \$100 from the 2nd quarter of 2007 to the 2nd quarter of 2008. The median 2-bedroom unit rent increased nearly \$200 (\$195) over this period, while the median 3-bedroom unit increased \$175.



IV. Meeting Consolidated Plan Goals and Priorities

The City of Berkeley adopted a total budget for Fiscal Year 2008 of \$314.6 million for all funds (net of dual appropriations and revolving/internal service funds). This budget included a Berkeley Housing Authority enterprise fund total of \$23.2 million for operating its Section 8 Housing Choice Voucher Program. The City also provided BHA with a \$507,000 General Fund operating subsidy for its first year of independent operations.

The City's activities to meet its Program Year 2007 Action Plan and ConPlan goals were generally successful, especially in view of the budgetary constraints faced. City employees in the last three fiscal years continue to participate in achieving savings to protect programs by participating in Voluntary Time Off (VTO) days. City management negotiated new labor contracts which will last for four years with some modest cost of living increases of less than 3 percent annually. Council policy is to pay at the median of Berkeley's comparable cities.

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), decreasing to \$8.67 million in FY 2007 (PY 2006). In PY 2007 (FY 2008), Berkeley increased its community agencies budget to \$8.78 million, with significant increases provided to homeless services (7%), disability services (4%), legal advocacy (3%), and economic development programs (13%).

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 2007 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).

A. Housing

Berkeley’s housing goals and priorities from its *Consolidated Plan for Housing and Community Development* (from July 2005) are summarized below in Table 4.

Table 4: 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

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all, the City of Berkeley has 254 units of permanently affordable housing in process or recently completed during PY 2007. 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; both were completed during PY 2007. Another 53 new affordable units neared completion at the end of PY 2007 at 1001 Ashby Avenue (Ashby Lofts). One other project, 3132-38 Martin Luther King, Jr. Way (Prince Hall Arms, 41 affordable units) remains in the permit process at this time.

Another 192 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 2007. Of these, 59 were completed in 2 projects, while another 133 inclusionary units scattered amongst 18 new developments were either continuing through the permit process or were under construction. These 20 developments account for a total of potentially 1,079 new units throughout Berkeley in the next few years. This represents an average of nearly 54 units per project. Because Berkeley is a built-out city, this average project size may decrease in future years as projects are completed and potential sites for new construction are used up.

Table 5			
Summary of Housing Developments and Programs Undertaken to Achieve Consolidated Plan Housing Goals, PY 2007			
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, restaurant, and conference space) and Oxford Plaza (affordable housing) atop a one-story retail and residential parking area and underground City-owned parking structure. Oxford Plaza will provide 96 units for low-income families and individuals with affordable downtown living, including units for individuals living with HIV/AIDS. Construction started in April 2007, expected to be completed in March 2009.
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, secured a use permit modification, and are near completing federal environmental review, as a result of new changes to the project as well as expiration of the old environmental review.

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Table 5			
Summary of Housing Developments and Programs Undertaken to Achieve Consolidated Plan Housing Goals, PY 2007			
Programs	Affordable Units	Status	Beneficiary/priority/comment
2121 7 th Street Affordable Housing Associates - Allston House	46	Completed.	AHA assumed ownership during PY 2006 and completed rehab work in PY 2007.
1001 Ashby Avenue AHA	53	Completed.	All 53 units are affordable to low-income families, plus one manager's unit. The project received its Certificate of Occupancy on 30 July 2007.
Subtotal, Through HTF	254		
Priority: Affordable Housing Development through City's Inclusionary Housing Ordinance Program and/or California Density Bonus Law			
2526 Durant Avenue	7	Continuing	44 total units; state density bonus project. Project initially denied use permit, but has revised project scope. Expects to develop as a condominium in Program Year 2008. Now has Use permit, but no building permit yet.
1201 San Pablo Avenue	5	Continuing	5 moderate income units. 27 units total. Received density bonus. Building permit issued recently.
2747 San Pablo Avenue	6	Continuing	3 very low and 3 low income units; 33 units total. Seeking a density bonus and use permit currently.
700 University Avenue	31	Continuing	16 very low and 15 low income units; 171 units total. Received density bonus, and has submitted a building permit application.
651 Addison Street	14	Continuing	7 very low and 7 low income units; 80 units total. Project currently seeking a use permit.
1200 Ashby Avenue	15	Continuing	8 very low and 7 low income units; 83 units total. Project is still seeking a use permit.
1809 Shattuck Avenue	5	Completed	29 total condo units. Property transferred, and will probably be treated as a rental development until eventual conversion to condominiums.
1116-32 University Avenue	13	Continuing	68 total units. 13 low-income units. Building permit issued in PY 2008. Condominium map recently approved. Building permit issued.
2701 Shattuck Avenue	5	Continuing	24 total units. Project use permit approved during PY 2006. Final action by City Council taken in early PY 2007. 4.8 units worth of in-lieu fees possible. Building permit application submitted.
2025 Channing Way	7	Continuing	30 total units. 7 inclusionary units a very low income threshold. State density bonus project. Condominium map approved. Building permit issued.
1885 University Avenue	22	Under construction	148 units total. 22 at below market rate thresholds. State and local density bonus project. Building permit issued, and project is under construction.
2041-67 Center Street – Seagate Project	23	Under construction	143 total units. 12 at very low income and 11 at low-income thresholds. Building permit issued and project is under construction.
2498 Martin Luther King, Jr. Way	3	Continuing	21 total units. Building permit issued, but may have expired. Building permit issued.
1800 San Pablo Avenue	5	Continuing	83 total units. Project is in the use permit process.

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Table 5			
Summary of Housing Developments and Programs Undertaken to Achieve Consolidated Plan Housing Goals, PY 2007			
Programs	Affordable Units	Status	Beneficiary/priority/comment
2138 Oxford Street	6	Continuing	23 total units. Project received use permit, but has not submitted building permit application yet.
3020 San Pablo Avenue	4	Continuing	29 total units. Project received use permit, but has not submitted building permit application yet.
1698 University Avenue	4	Continuing	25 total units. Project received use permit, but has not submitted building permit application yet.
2748 San Pablo Avenue	5	Continuing	27 total units. Project received use permit, but has not submitted building permit application yet.
2720 San Pablo Avenue	3	Continuing	18 total units. Project received use permit, but has not submitted building permit application yet.
1923 9th Street	3	Continuing	15 total units. Project seeking use permit.
2700 San Pablo Avenue	6	Completed.	30 total units. Received condominium+D7 map during PY 2006. Project completed during PY 2007. Units selling only slowly with change in market.
Subtotal, Inclusionary Units	192		
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 to house low-income persons disabled and living with HIV/AIDS (HOPWA funding through Alameda County). Number of units may be subject to change.
2577 San Pablo Avenue Jubilee Restoration and RCD, Inc. Margaret Breland Senior Homes	27	Completed.	Plus one manager's unit. The City provided \$2.7 million from HTF (including HELP loan) for acquisition and development costs and HUD awarded Section 202 capital advance and rent subsidy. Development completed and opened in fall of PY 2006.
1535 University Avenue Satellite Housing Helios Corner	79	Completed.	Plus one manager's unit. Project built in central Berkeley near Sacramento Street and University Avenue.
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)	1,186	Ongoing	Utility bill assistance program for low-income households, especially seniors on fixed incomes. State direct assistance of \$318,971 was leveraged by City program delivery costs of \$118,891 in PY 2007.
Shelter Plus Care Program (Citywide, scattered site model) Permanent supported housing for formerly homeless and disabled individuals. Tenant-based subsidies with case management and service provision for clients.	230	Ongoing	See discussion of Tables 16 and 17, below.
2500 Hillegass Avenue	18	Completed.	Property acquired during PY 2004, and is undergoing

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Table 5			
Summary of Housing Developments and Programs Undertaken to Achieve Consolidated Plan Housing Goals, PY 2007			
Programs	Affordable Units	Status	Beneficiary/priority/comment
Affordable Housing Associates			environmental review prior to commitment of Project-based Section 8 HCV assistance. Rehabilitation work completed in early PY 2008.
Subtotal, Special Needs Housing	1,589		
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	5 completed in PY 2007	Completed	City staff administer's 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	18 units assisted in PY 2007	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.
City of Berkeley Super-Weatherization Program	39 units assisted in PY 2007	Completed	Services include window and door replacements, wall and other envelope repairs and other related home repairs. Services provided are free of charge to low-income Berkeley residents.
Home Safety and Repair Program Community Energy Services Corporation	170 units assisted in PY 2007	Completed	See Housing Activities report, Table 14, below.
Section 108 Loan Repayment - Berkeley Housing Authority	75 units of public housing rehabbed through end of PY 2007	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)	26 units assisted in PY 2007	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 2007, the City provided 230 units through its Shelter Plus Care 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 2007, including the

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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 Reservations by Fund Source
During the Consolidated Plan Period, Program Years 2005, 2006, and 2007

Fiscal Year ending:	General Funds, Housing Mitigation, and Redevelop. 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
PY 2007 (as of June 2008)	\$1,054,730	\$0	\$1,046,854	\$0	\$2,101,584
Total Reservations, by Source	\$3,017,681	\$536,700	\$2,314,789	\$200,000	\$6,069,170

Source: City of Berkeley Housing Department.

Table 6 indicates that during PY 2007, a total of \$2.1 million was allocated from the Housing Trust Fund to cover project costs. Most of these costs were allocated to three main projects: Oxford Plaza, Ashby Lofts, Helios Corner, and Allston House. Cumulatively for the Consolidated Plan period so far (PYs 2005, 2006, and 2007) the City of Berkeley allocated \$6.1 million from its Housing Trust Fund with \$3 million coming from local funds and another \$2.85 million from HOME and CDBG sources. (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 seventh 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 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.

Early in PY 2007, the City Council conducted a public hearing and adopted Resolution No. 63,773-N.S. to increase the administrative lien fee charged to residential rental property owners who are delinquent in paying RHSP fees from \$75 to \$125 for each delinquent account. The RHSP Program staff is to be financially self-supporting, and this increase enables it to more fully recover the costs of program delivery, given projections of 500 delinquent accounts.

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 31, below.

Density Bonus Procedures and Zoning Ordinance Administration. Berkeley's most important regulatory program for housing development is its Zoning Ordinance. Most of Berkeley's zoning districts rely on performance standards with respect to height, setbacks, lot coverage, open space and parking requirements to determine building density. The State of California significantly revised its density bonus law in 2003, increasing the maximum available density bonus from 25% of a project's unit count to 35 percent. Along with reduction of affordability requirements and more complex sliding scale density bonus options for developers in the new state law, the challenge of implementing the new state density bonus requirements increased.

In 2005, the City Council appointed a Joint 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

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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.

During PY 2007, Planning staff completed a draft report evaluating the Joint Subcommittee's density bonus procedures and prepared a report to the City Council for April 22, 2008, time critical, which recommended adoption of procedures and development (density) standards for Berkeley that would sunset should Proposition 98 fail in the June election. Proposition 98 lost, and the adopted actions lost effect immediately.

Inclusionary Housing Ordinance. During PY 2005, 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 rather than sell twenty percent of the units at below-market prices to meet the City's inclusionary requirements.⁵ This in-lieu 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 developer receives a density bonus. In this

⁵ Ordinance No. 6,946-N.S.

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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. No other in-lieu fee revenue was received during PY 2007.

Condominium Conversions. Condominium conversions are a significant source of new home ownership opportunities for Berkeley home buyers. During PY 2007, the City of Berkeley approved the following tentative tract maps for new developments:

- 2700 San Pablo Avenue – 30 units (completed during PY 2007)
- 2701 Shattuck Avenue – 24 units

Several other new developments have indicated potential interest in obtaining subdivision maps prior to construction:

- 2526 Durant Avenue – 44 units
- 3020 San Pablo Avenue – 29 units
- 2748 San Pablo Avenue – 27 units
- 1037 Pardee Street – 4 units
- 1201 San Pablo Avenue – 30 units.

As many as 54 new condominium units are likely in the Berkeley market, with another 126 units potentially seeking subdivision maps for eventual conversion to condominiums. Newly constructed condominium owners tend to take advantage of a statute of limitations on construction defect liability of 10 years before selling off the separated units. Thus, these units could potentially convert as early as 10 years from their completion dates.

The City approved one tract map to convert an existing property to condominium ownership at 1912-16 7th Street (7 units) during PY 2007.

The City of Berkeley also approved 18 units through 7 parcel maps (for properties with two to four units in them) for condominium conversion during PY 2007:

- 1010 Cragmont Avenue (4 units)
- 2208 Derby Street (2 units)
- 1945 Francisco Street (2 units)

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- 2306-08 Haste Street (4 units)
- 1419 Northside Avenue (2 units)
- 1515 Prince Street (2 units)
- 1510-12 Ward Street (2 units).

Condominium Conversion Regulation. 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 from rising pressure on rental housing as much as possible.

After a property owner-sponsored initiative failed in November 2006, the City of Berkeley set out to improve the existing Condominium Conversion Ordinance (CCO), developing a working group to address administrative issues associated with the Ordinance. The interdepartmental Condominium Conversion Working Group (CCWG) includes representatives from the City Attorney's Office, and the Planning and Development, Housing, and Rent Stabilization Program departments. Together, these staff members troubleshoot implementation of specific applications, determine appropriate applicant contacts, revise and update forms as needed, and identify policy and strategic issues associated with administering the Ordinance.

In March 2008, the Berkeley City Council adopted revisions to the CCO that streamline the process applicants face when undertaking condominium conversion. These improvements include:

- Eliminating the three-step application process and replacing it with one application step.
- Streamlining the local law compliance process by limiting inspections to visible violations.
- Reorganizing the Ordinance so it properly and clearly describes the process to provide the public with transparent expectations.
- Clarifying mitigation fee, eviction disqualification, and other sections of the ordinance to foster simplicity and transparency.

Also in March 2008, the Council requested the City Manager and the Housing Department review the CCO's mitigation fee policies and return in early PY 2008 with recommendations.

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

Berkeley programs funded by CDBG benefited over 720 households and over 9,000 individuals during PY 2007, as summarized in Table 7, below. Of these households, 45 percent had extremely low incomes, and another 45 percent had incomes that were low (between 30 and 50 percent of area median income). Nearly 3000 extremely low

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income individuals, about one-third of all CDBG individual beneficiaries in Berkeley, were served during PY 2007, while nearly 6000 more individual beneficiaries had incomes between 30 and 50 percent of area median income. These individuals account for 99.2 percent of all individual beneficiaries in Berkeley.

Table 7						
CDBG Beneficiaries by Income Category for Program Year 2007						
	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	322	259	71	652	4	656
Owners	171	129	52	352	4	356
Tenants	151	130	19	300	0	300
Non-Housing Beneficiaries						
Persons	2,982	5,954	65	9,001	12	9,013
Households	0	67	0	67	0	67
Not Specified	0	0	0	0	0	0
Total Beneficiaries						
Persons	2,982	5,954	65	9,001	12	9,013
Households	322	326	71	719	4	723
Not Specified	0	0	0	0	0	0
Source: IDIS, Report C04PR23; City of Berkeley Housing Department. Note that PR23 reports 728 total household beneficiaries. The difference from 723 shown in Table 8 is due to the combination of data by income category captured under old requirements versus new requirements.						

Table 8 summarizes Berkeley's CDBG beneficiaries by disclosed race and ethnic categories during Program Year 2007. This table reveals that about 37 percent of individual beneficiaries were White, 43 percent were African-American, about 7 percent were Asian, and 12 percent described themselves as from other multi-racial backgrounds. These groups accounted for 99 percent of individual beneficiaries of Berkeley's CDBG-funded programs.

Table 8: Berkeley CDBG Beneficiaries by Disclosed Race and Ethnic Categories, Program Year 2007				
Disclosed Race of Beneficiary	Persons		Households	
	Number	Hispanic	Number	Hispanic
White	3,325	397	232	20
Black/African-American	3,889	31	384	1
Asian	603	0	52	0
American Indian/Alaska Native	29	15	2	2
Native Hawai'ian/Other Pacific Islanders	51	0	1	0
Other Multi-Racial	1,116	456	57	26
Total Beneficiaries	9,013	899	728	49
Sources: IDIS, Report C04PR23; City of Berkeley Housing Department.				

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Among household beneficiaries, Whites accounted for 32 percent, while African-Americans accounted for nearly 53 percent. Asian and other multi-racial households represented another 7 percent of the household beneficiaries each. These household groups accounted for 99 percent of Berkeley’s CDBG-funded programs.

HOME Unit Completions. As summarized in Table 9, the City of Berkeley’s investment of HOME entitlement funds resulted in 71 units completed during PY 2007. Berkeley targets its HOME funds mostly to the lower end of the income spectrum, completing 82 percent (58 completed units) to low and extremely low-income households (just 2 units were completed with HOME funds at the extremely low income level of 30 percent of area median income or below). In PY 2007, Berkeley completed a total of 71 units using HOME funds, with another 13 units funded to be affordable to households earning between 50 and 60 percent of the area median income.

	Extremely Low, <=30% of AMI	Low, >30% and <=50%	Moderate, >50% and <=60%	>60% and <=80%	Total, 0% to 60%	Total 0% to 80%	Reported as vacant
Rentals	2	56	13	0	71	71	0
Tenant-Based Rental Assistance Families	0	0	0	0	0	0	0
First Time Homebuyers	0	0	0	0	0	0	0
Existing Homeowners	0	0	0	0	0	0	0
Total, Rentals and TBRA	2	56	13	0	71	71	0
Total, Homebuyers and Homeowners	0	0	0	0	0	0	0
Total Beneficiaries	2	56	13	0	71	71	0

Sources: IDIS Report C04PR23; City of Berkeley Housing 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 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.

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 City of Berkeley Housing Department); 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 2007, 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

**Table 10: 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 Table 10) 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 revise its Consolidated Plan to reflect the policy changes that have been made. This PY 2007 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 2007, this collaboration yielded more than \$20,700,000 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.

The HOST Project (funded by the Mental Health Services Act and operated by Bonita House) has almost reached its program capacity of 90 clients enrolled 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. The City continued its second year of funding to agencies that were approved during the two year budget cycle in June 2007.

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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 retooled and renamed program, "Housing Retention Program" is now administered by eight agencies that provide services to low-income Berkeley residents at risk of losing permanent housing.

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

Homeless Persons Newly Assisted with Transitional and Permanent Housing
Berkeley's Shelter Plus Care Program (S+C) housed 46 new participants during PY 2007, including 11 people housed through the City's Collaborative Opportunities to Address Chronic Homelessness (COACH) program now in its third year. 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.

During PY 2007, YEAH! and the City of Berkeley Division on Aging joined the Berkeley Shelter Plus Care collaborative. YEAH! was allotted 4 certificates, placing two teenage youths in housing by the end of PY 2007. Aging was allotted 7 certificates and successfully placed 7 homeless seniors in housing, most of whom previously lived on the streets. Aging also strengthened its capacity to serve homeless seniors, add a full-time outreach worker for the streets, and case management for older adults who are homeless. To build upon this successful collaboration and further expand Aging's capacity, the Berkeley Housing Department requested more Shelter Plus Care funds in PY 2008 to add another 13 tenant-based subsidies for homeless older adults receiving services through Aging.

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

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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. This transfer of the COACH contract was completed near the end of PY 2007.

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.

PCEI was still in start-up phase at the end of PY 2007. The services include:

- outreach through Berkeley Mental Health,
- case management through LifeLong, and
- benefits advocacy through HAC.

The City is providing funds to subsidize 10-15 people to get them off the streets of Berkeley. Program policies have been developed in coordination with City Manager's Office, the Berkeley Police Department, and Berkeley Mental Health, and approved by City Attorney's office. People to be targeted for the housing component are suggested by the Police Department criteria, based on numerous complaints of problematic street behavior. The Police prioritized people to be served, and works with outreach staff to identify and engage them in services and the housing component if appropriate. Housing staff hopes to have 10 people fully enrolled housed by the end of PY 2008.

Management Information Systems for Homeless Service Provision

In Program Year 2007 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.

InHOUSE has been instrumental in streamlining data collection and creating consistency in data elements, particularly at intake, among twenty-four homeless housing and service providers throughout Alameda County, most of which receive HUD funding. Numerous other agencies or stand-alone programs utilize the trainings and standardized intake and exit forms and enter its data into InHOUSE . A mandatory Privacy and Security Certification helps to insure the protection and confidentiality of client information by the individual handler of data as well as by each agency. InHOUSE will begin to provide non-identifiable aggregate data that will be utilized to identify trends and inform homelessness resources and policy directions.

To date, 24 agencies and nearly 200 programs utilize HMIS. 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,

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- LifeLong Medical Care,
- City of Berkeley Shelter Plus Care Program,
- Rubicon, and
- Bonita House.

194 people countywide have software licenses for InHOUSE. Over 800 people have been certified in Privacy and Security. Both software and Privacy and Security trainings occur monthly with a variety of supplemental training on a quarterly basis.

In Program Year 2007, 10,691 unduplicated clients were served across Alameda County and recorded into HMIS. Over that same time period, 17,309 program entries were made, averaging 1.6 program entries per client in FY 08. During PY 2008, an additional software module called ShelterPoint will be rolled out to interested shelters and residential services programs to help optimize occupancy, quickly register clients into vacant beds, and generate useful programmatic bed night reports. In addition, the HMIS system will be the core data source for the generation of the sheltered homeless count (one-night point in time) which will be conducted in January 2009.

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 19, 2007 until April 15, 2008. Berkeley contributed \$66,000 for operating costs at the Oakland Army Base shelter. The City also purchased \$45,000 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 \$34,888 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 25 single adults, 3 couples without children and 23 families with vouchers for a total of 476 nights at lodgings in Berkeley.

The City of Berkeley also provided \$17,000 for an emergency overflow storm shelter run by Dorothy Day House (DDH) that operated only on particularly stormy nights and

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was located at St. Mark's Episcopal Church. DDH provided overflow shelter for a total of 25 dates during the winter storm season, serving 1,099 persons total at an average of 44 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. PCEI's goal is to make public areas of Berkeley—such as its parks, cultural venues, city sidewalks, and commercial districts—clean, safe, healthy, and welcoming environments for everyone who uses them. There has been a growing perception among many Berkeley residents, visitors, and merchants that these public commons areas are not inviting due to problematic behavior. This “problematic behavior” has been described in various ways, for example: behaving aggressively or anti-socially; urinating and defecating in public; defacing parks and sidewalks with needles and trash; using offensive, loud, or threatening language; and blocking use and access on sidewalks by lying on the sidewalks, sometimes with bulky items.

Much of the behavior that is considered problematic could probably be attributed to a relatively small number of people. A number of the individuals who cause problems suffer from mental disabilities, have alcohol or other drug addictions (AOD), or have a dual diagnosis of both mental illness and AOD addictions, and some may also be homeless.

After several months of public comment and deliberation, the Berkeley City Council passed the PCEI on November 27, 2007. Prior to the November Council meeting, an extensive public process was undertaken which included soliciting feedback from: nine Berkeley commissions (Community Health Commission, Homeless Commission, Housing Advisory Commission, Human Welfare & Community Action Commission, Labor Commission, Mental Health Commission, Parks & Recreation Commission, Peace and Justice Commission, and the Police Review Commission); service providers (Berkeley Food & Housing Project, Bonita House, Building Opportunities for Self-Sufficiency [B.O.S.S.], Homeless Action Center, LifeLong Medicare Care, Options Recovery Services, Rubicon, Youth Emergency Assistance Hostel [YEAH], System of Care Committee, Tobacco Prevention Coalition); community advocates and activists; neighborhood organizations (Berkeley Safe Neighborhoods Association, Downtown Business Association, Telegraph Business Improvement District, Berkeley Chamber of Commerce); City of Berkeley agencies and staff (Berkeley Mental Health, Homeless Outreach, Housing, Libraries, Mobile Crisis Team, Office of Economic Development, Parks and Recreation, Police, Public Works); and other cities (Santa Cruz, San Francisco, Santa Barbara).

In an effort to improve the quality of life for all people in Berkeley's public commons,

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PCEI seeks to (1) address the underlying causes of problematic behaviors with essential services, and (2) regulate specific objectionable behaviors with amended ordinances.

The Berkeley City Council adopted the following PCEI program and policy components on November 27, 2007:

- Increased accessibility to public toilets;
- Expanded permanent supportive housing opportunities for 10-15 formerly homeless individuals;
- Additional Supplemental Security Income (SSI) advocacy support;
- New centralized homeless intake system;
- Additional homeless outreach worker;
- More public seating and trash receptacles;
- Pilot Berkeley Host program;
- Increased parking meter fees to support new services;
- Amended ordinances on lying and lodging on sidewalks;
- Expanded smoking prohibitions.

The Council action authorized raising parking meter fees by 25 cents per hour to raise revenues to support the \$1 million budget for PCEI-related services. As of XXXXXXXX, the following PCEI have been implemented:

- Expanded hours of public toilets in three locations and installed additional portable toilet to increase accessibility to toilets
- Installed signage for public toilets to improve accessibility to toilets
- Purchased 46 benches to improve seating in public areas
- Implemented new ordinance that bans smoking in commercial zones, 50' from health centers, and 25' from public buildings to improve public health
- Implemented new lying and lodging ordinances to regulate objectionable behaviors
- Amended contract with Homeless Action Center to provide additional SSI benefits advocacy to underserved people
- Parking meter rate increase completed to fund increased services
- Hired additional homeless outreach worker and supportive housing administrator to contribute to implementation of programs

- Completed RFP process and selected contractors to provide intensive services for permanent supportive housing program and to implement Host Program; work expected to begin in early fall 2008
- Identified small cohort of individuals who would most benefit from supportive services and who are currently involved in problematic street behavior
- Began exploration of Community Courts program

C. Anti-Poverty Strategy

Table 11: 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. |
|--|

Anti-Poverty Programs

City of Berkeley employment programs consist of First Source and YouthWorks. The First Source Ordinance serves as a tool to ensure that local residents have access to jobs created by local development, including those developments that utilize public funding. The First Source Ordinance 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.

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. Berkeley's Neighborhood Services Program, through the Office of the City Manager, assisted merchants and residents 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 address overall quality of life issues in low-income neighborhoods.

In PY 2008 the City of Berkeley continued with the implementation of First Source comprehensive strengthening strategies. Table 12 summarizes participation in the First Source Program During PY 2007. Those strategies include streamlining

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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 adult jobseekers during PY 2008:

Looking forward, we anticipate being able to impact Berkeley's broader workforce development efforts utilizing an integrated approach that includes current and future efforts related to the Green Corridor Partnership, the Climate Action Plan, economic development (including job creation) and employment for younger and older youth.

Table 12 - First Source Program Year 2007	Total
Orientation	416
One to One counseling	269
Placements	57

The City of Berkeley will narrow the focus of its First Source strategies, and develop processes that tie the program into a city-wide set of employment strategies. An important first step to create improved collaborations between employment and training programs was implemented in FY 2004, by requiring those agencies to develop mutually beneficial Memoranda of Understanding with the local One Stop Career Center operator.

The outreach, screening and referral portion of First Source services was eliminated in June 2008. Those services are re-directed to the local workforce development system, and City of Berkeley staff convenes the system and ensured that Berkeley residents are accessing the jobs resulting from the First Source agreements. Community-based agencies that receive funding through the City of Berkeley are required to serve Berkeley residents, thus it is programmatically and fiscally practical to weave the First Source tools into a local continuum of workforce development services and programs

In the FY 2008 and FY 2009 budget process, the City augmented the YouthWorks budget in order to increase the number of subsidized employment opportunities for Berkeley youth. Key changes to the YouthWorks program also occurred, including changes in staffing, program design and collaboration with community partners. The most prominent addition to the YouthWorks summer program is the soft skills component. This was developed in partnership with Berkeley City College, a 8.5 hour course titled "Business Boot Camp", participants attend a 2-day class at BCC, taught by BCC instructors (with support from YouthWorks staff), covering such topics as: effective communication, customer service, thinking "green" on the job, conflict resolution, etc. Participants receive a certificate of completion plus .5 community college credits. 192 youth participated in the program prior to beginning their summer job. Table 13 below describes Youth employment activities for the past two summers, reflecting the increase in funding, programs, job opportunities and community partnerships.

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Youth receive orientation to world-of-work activities, hands-on training at worksites, and up to ten weeks' paid work experience (at \$8.00 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 7-day per week graffiti abatement throughout the year, supervised by the Public Works Clean City Program and subsidized entirely by the Department of Public Works.

Table 13		
Performance of Berkeley YouthWorks Programs, PY 2007		
Activity	Summer 2007	Summer 2008
General Fund Jobs in COB department & local agencies (Primarily 14-17 year olds)	150	166
UC Berkeley (non-GF, 17 yrs old and up)	22	32
Graffiti abatement in partnership with Public Works (non- GF) (18 -25 years old)	6	7
General Fund Green Scholar w/ BUSD (high school students)	0	3
General Fund Voices Against Violence (Recreation)	0	17
General Fund Biotech Partners Inc.	3	1
Private sector outreach & employment via contract w/ Rubicon	0	50
Private Sector via YouthWorks	22	0
Richmond Build trades training (slots for Berkeley residents funded thru December)	0	11
Youth Spirit Artworks Special Project	0	8
Total YouthWorks Placement/Activities	203	295
Other City Employment (HHS Public Health & PR&W Recreation Divisions)	110	217
BCC Business Boot Camp participants	0	192

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 2008, 32 youth were placed in jobs throughout the Berkeley campus, Other youth employment opportunities currently occur in the Department of Parks, Recreation & Waterfront and the Department of Health and Human Services hires young people for peer education and outreach on a seasonal basis.

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. 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 vocational training to CalWORKS participants developed in partnership with 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 Richmond Build to provide pre-apprenticeship older youth. The Richmond Build trades training program reflects the city's commitment to training in the high growth sector of green energy, the training includes a photovoltaic installation component.

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 2007, Council amended the Ordinance to create an administrative procedure by which City staff updates the wage rates annually. In PY 2007, wage rates were updated by the Finance Department to \$12.11 per hour (\$14.12 per hour if medical benefits are not provided by the employer) from \$11.77 per hour (\$13.73 per hour if medical benefits were not provided).

D. Community Development

Table 14: Berkeley's Consolidated Plan Goals and Priorities for Community Development
<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.

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

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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 2007, a public hearing on community needs was held on October 25, 2006, before the Housing Advisory Commission. 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>.

Neighborhood Services Coordination and Problem Solving

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 through 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

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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 that requires PPT interventions. Properties that cycle up and down in this manner will need to be 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.)

City of Berkeley Alcohol and Other Drugs Five-Year Work Plan. Berkeley continues its regulatory efforts in the area of pro-active preventive program development and implementation in the area of alcohol and other drugs (AOD) policy. In this policy area, the City combines its regulatory efforts with active funding and provision of services. The City is embarking on its five-year work plan addressing:

- Aiming to reduce illicit sales of all alcoholic beverages by mandating Responsible Beverage Service Training for all alcohol licensees, managers, clerks, and servers within 90 days of employment, with required re-certification every two years. Berkeley's Code Enforcement division is enforcing these requirements.
- Increasing the number of free and low-cost social and recreational activities for Berkeley youth. Five local agencies have been selected to provide these activities and they are now up and running.
- Working with Alameda County to develop a detoxification facility and sobering station. Cherry Hill Detox and Safe House sobering station opened for services in February 2008.
- Find a dedicated funding allocation for AOD services.
- A 1-year training program for PY 2007 was developed and HHS Aging Services staff receives monthly trainings in the area of older adults and AOD issues.
- Operation of a medical and screening educational project with LifeLong Medical Care and a License Nurse Practitioner currently providing monthly services to older adults at Berkeley senior centers.
- Allocation of 10 City-funded day care slots for parents in AOD treatment.
- Berkeley Mental Health currently working with a consultant to transform and improve services citywide for individuals with co-occurring disorders.
- Continue placing AOD issues before the community with year-round events and publicity, health fairs, and school events.

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:

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

The City of Berkeley also sponsored a workshop with community agencies concerning disaster preparedness. This is discussed further in Chapter V, Other Actions.

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 PY 2007, HRI received 45 disability complaints, 38 for reasonable accommodation requests, 4 family status complaints, 5 race-related complaints. 35 cases closed during PY 2007. 7 reasonable accommodation requests were granted.

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. 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. The City is also revising its condominium conversion ordinance to increase potential for mitigation fee revenue to accrue to the Housing Trust Fund.

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During PY 2007, the City reorganized its Homelessness Prevention Program to become its new Housing Retention Program. The City of Berkeley's Housing Retention Program provides grants to eligible Berkeley residents facing eviction. These grants allow individuals and families to pay overdue rent to maintain their housing. A collaborative of eight Berkeley based agencies, including three City programs administers the program. The collaborative includes City of Berkeley's Aging Services Division; Family, Youth and Children Mental Health Services, and Public Nurse services as well as community-based agencies that provide medical, legal, employment, and health services. Agencies conduct intakes, assess eligibility and approve applications based on eligibility criteria, which include having verifiable income showing ability to pay future rent and expenses and a notice of eviction. If approved, an agency contracted by the City to provide fiscal agent services issues a check in the amount of owed rent to the landlord within 3 business days. Participating community agencies include Women's Daytime Drop-in Center, LifeLong Medical Services, Toolworks, East Bay Community Law Center, and Rubicon Berkeley Services.

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 2007.

- *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 new ramps and lifts during Program Year 2007 at homes of disabled individuals in Berkeley using CDBG funds. CIL performed 30 interior modifications as well. 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.*

Competition for rental housing increased during the last half of PY 2007 as rents rose over the same time during PY 2006. Property owners continue to be willing to participate in the Section 8 and Shelter Plus Care programs. BHA Section 8 Fair Market Rent Payment Standards remained essentially unchanged for PY 2007, with the FMR for 2 and 3-bedroom units declining slightly.

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- *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 2007, HAC continued to be 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. 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 2007.

- *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.⁶ 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 (during PY 2007) and is fully leased up.

- *High unemployment among minority population.*

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 Richmond Build to provide pre-apprenticeship older youth. The Richmond Build trades training program reflects the city’s commitment to training in the high growth sector of green energy, the training includes a photovoltaic installation component.

⁶ 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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- *Anti-Displacement*

The City of Berkeley had one individual during PY 2007 who received a loan from the City's Seniors and Disabled Home Improvement Loan Program, and who was temporarily relocated for five days in May 2008 at a nearby motel while rehabilitation work was completed at the house. The project is now completed and the client is back at home.

B. Affordable Housing

Housing Actions Funded by CDBG, Program Year 2006

Table 15 provides a comprehensive summary of agencies funded in PY 2007 to undertake housing activities in Berkeley, primarily to benefit low-income Berkeley residents and the results of their performance of these activities during PY 2007. The Housing Department allocated \$1.5 million to housing activities during PY 2007, of which approximately 58 percent was allocated to the Berkeley Housing Department for delivery of various housing rehabilitation programs, relocation services, and loan repayments (to and by the City).

Table 15: City of Berkeley CDBG Housing Activities, Program Year 2007					
Agency	Description	PY 2007 Funding	Objective	Outcome	Performance
Affordable Housing Associates, Inc.	Expanded Housing Acquisition	\$63,340	Provide decent affordable housing	Availability/Accessibility	AHA renovated 4 existing buildings and worked to acquire Allston House (2121 7th Street, 48 units). Renovation projects included: Ashby Studios (1303-11 Ashby Avenue, 6 units); Ashby Apartments (1220-28 Ashby Avenue, 20 units); 2500 Hillegass Avenue; and 1534 Prince Street.
Center for Independent Living	Residential Access Program for the Disabled	\$142,675	Provide decent affordable housing	Availability/Accessibility	CIL provided 26 interior/exterior modifications to increase safety for people with disabilities, including many seniors. Improvements performed including grab bars, flexible shower hoses and handrails. CIL also installed 10 wheelchair ramps and lifts for 36 households served, some multiple times during the year as needs dictated.
City of Berkeley Housing Department	Housing Development Acquisition for New Construction	\$265,325	Provide decent affordable housing	Availability/Accessibility	City staff works with developers to assist projects with plan reviews, loan applications, agreements, etc.

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Table 15: City of Berkeley CDBG Housing Activities, Program Year 2007

Agency	Description	PY 2007 Funding	Objective	Outcome	Performance
	Housing Trust Fund	\$0	Provide decent affordable housing	Affordability	Allocation used for Oxford Plaza.
	Single Family Housing Rehab (Seniors & Disabled)	\$200,683	Create Suitable Living Environments	Sustainability	Rehabilitation of 5 senior/disabled households accomplished during PY 2007.
	Loan Servicing	\$95,766	Create Suitable Living Environments	Sustainability	Staff provided ongoing loan servicing for 232 loans, of which 109 are loans directly to low-income homeowners for rehabilitation projects.
	Relocation Services	\$112,375	Create Suitable Living Environments	Availability/Accessibility	Relocation staff provided relocation information to 84 tenants and 8 property owners, during PY 2007. An additional 5 tenants facing eviction or at risk were also served. One elderly and disabled homeowner received a motel voucher, one family relocated due to mold, assistance provided to 51 tenants displaced by fire, and 6 residents in affordable housing were also assisted.
	Super Weatherization	\$51,806	Create Suitable Living Environments	Sustainability	Performed minor home repairs for 39 low-income owner and renter households in Berkeley.
	Public Housing Improvements (on behalf of Berkeley Housing Authority)	\$120,000	Objective/Outcome Not Necessary	Planning/Admin Activity	Annual repayment of Section 108 loan guarantee to HUD.
Community Energy Services Corporation, Inc.	Home Safety & Repair Program	\$319,199	Provide decent affordable housing	Sustainability	CESC's executive director left and new director appointed during PY 2007. City hired outside auditor to review CESC's financial records, resulting in significant improvements to the organization policies and procedures. CESC still able to serve 170 clients with major and minor home repairs. \$9,573 remained unspent as of 6/30/2008 due to accounting problems that have since been corrected. These funds will be recaptured.

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Agency	Description	PY 2007 Funding	Objective	Outcome	Performance
Rebuilding Together	Safe Homes Project	\$88,393	Create Suitable Living Environments	Sustainability	18 homes received repairs in PY 2007 using 495 volunteers. Improvements included rebuilding unsafe porches, repairing unsafe electrical systems, providing wheelchair accommodations, drainage repairs, and weatherization projects.
Total Housing Activity Allocations, PY 2007 =		\$1,459,562			

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 2007 (Table 16, below) to allocate about \$2.1 million to four ongoing housing proposals for 277 new units (176 of which would be new, in Oxford Plaza and the recently opened Helios at 1535 University Avenue). About \$1.6 million (about three-quarters of PY 2007 reservations) would go to the Oxford Plaza project.

- 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**

Project Description	Housing Trust Fund Reservation, PY 2007	Total Units Involved
2200 Block of Fulton Street (Oxford Plaza)	\$1,581,584	97
2121 7th Street (Allston House)	\$252,000	47
1001 Ashby Avenue (Ashby Lofts)	\$68,000	54
1535 University Avenue (Helios Corner)	\$200,000	79
Totals	\$2,101,584	277

Source: City of Berkeley Housing Department.

- structure, retail space, office space targeted for non-profit organizations and environmental groups, and a major new conference center and restaurant downtown. The project is expected to cost about \$82 million, and about \$41 million of project costs are allocated to the affordable housing development.
- 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 in the street in front of 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 \$130,000 of which \$68,000 was in General Funds and the remainder was paid by the Developer. 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. The project is now complete and leased up.

- **Allston House**, 2121 7th Street in west Berkeley, was completed in December 2007. The project involved acquisition and rehabilitation of 47 rental units, all of which are permanently affordable. The project also involved converting one of the units into an accessible community room, equipped with furniture and kitchen and will provide a space for tenant meetings, services and events. This property housed 8 households victimized by Hurricane Katrina in 2005, and of those one household continues to reside at the property. 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 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 2006, 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.
- **Helios Corner**, 1531 University Avenue, was completed in July 2007. The project involved new construction of 80 units, including one non-restricted two-bedroom unit for an on-site manager. Forty of the seventy-nine units receive Project-Based Section 8 assistance from the Berkeley Housing Authority. Ten of the seventy-nine units are fully accessible and all eighty units are adaptable. The building features green building elements, including a photovoltaic system, hydroponics heating system and Energy Star equivalent windows and appliances. The building was also designed to maximize natural lighting in the common areas and individual apartments. To assist the project, the City awarded a Housing Trust Fund loan of \$1,900,000, including approximately \$460,000 in CDBG funds. The City also provided a short-term HELP loan of \$600,000 which the project repaid in February 2008. In December 2007, the City increased the HTF loan by \$200,000 to cover a permanent financing gap that was a result of occurrences completely out of the project's control: (1) a

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decrease in the Fair Market Rents for the 40 Project-Based Section 8 units reduced the amount of the permanent loan available to the project by \$150,000; and (2) rain delays during the first four months of the construction period resulted in an increase in the contractor's general conditions of \$50,000.

Seniors and Disabled Home Rehabilitation Loan Program (SDHRLP) Audit

The City of Berkeley Housing Department operates this program. During PY 2005, the City Auditor's office audited the Program to determine whether it was in compliance with its program guidelines, HUD's CDBG guidelines, and state CalHOME funding requirements, and if the program has adequate internal controls. Results of the audit indicate the SDHRLP serves its purpose of assisting senior and disabled Berkeley homeowners to perform needed repairs to their homes and allow them to have healthier and safer places to live. The Auditor recommended that the program needed to update its program guidelines in order to improve its performance. The Berkeley City Council adopted new guidelines for the program in October 2007, and should increase the program's consistency across funding sources and minimize project delays.

The need for the SDHRLP is apparent as Berkeley's population continues to age. In order for many low-income seniors and disabled homeowners to age in place at home, their homes must be restored to meet Housing Code, upgraded, or modified as needed for continuing accessibility. Since homes are owned outright in many cases, allowing the owner to remain in the home provides them with ongoing affordable housing.

Berkeley Housing Authority Performance in PY 2007

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 the existing agency head 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. The City of Berkeley Housing Department continues coordinating program efforts and sharing of information.

During PY 2007, BHA achieved minimum 95 percent reporting rate for Section 8 family recertifications and maintained this level throughout the year. The Section 8 Housing Choice Voucher Program maintained its 1,781 voucher appropriation.

BHA achieved 100 percent occupancy of its 14 state-funded Rental Housing Construction Program (RHCP) public housing units. Vacancies still exist in the 61 Low Income Public Housing (LIPH) units. BHA also reports improving its management of Low Income Public Housing and RHCP units, including rent collection and lease enforcement.

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

The Berkeley City Council continued its commitment to this special needs population, even expanding its commitment in important ways through adoption of the Public Commons for Everyone Initiative (PCEI, described above). 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 Everyone Home, the countywide plan to end homelessness. 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 15 below summarizes the HUD Supportive Housing Program grants awarded to Berkeley homeless service providers during PY 2007.

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 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),

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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 2007, MHSA housing resources were used primarily for short-term hotel stays as well as residential alcohol and other drug treatment programs. The City is currently assessing 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. All of these activities had been initiated by 2007.

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.

In PY 2006, BMH established a Housing Trust Fund using \$300,000 of MHSA funds and in PY 2007 identified another \$200,000 in MHSA funds that could potentially be used for housing development, subject to applicable approvals. At the end of PY 2007, the City issued a Request for Proposals for this funding to be used in developing affordable housing for people with serious mental illness.. A funding recommendation is likely to be submitted to City Council in fall 2008.

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 to the California Housing Finance Agency (CalHFA) between July 2007 and December 2009. Alameda County Behavioral Health Care Services (BHCS) has access to a set-aside of about \$14 million in this program. As a result of the priority placed on countywide coordination in Everyone Home, the Alameda countywide plan to end homelessness, BMH and BHCS in 2007 established a joint committee, with membership representing people with serious mental illness and their family members as well as mental health service providers countywide, to comment on proposals prior to submission to CalHFA.

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. In adopting the Plan, Berkeley committed to a specific related action plan with 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

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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 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.

(3) Deliver Flexible Services to Support Stability and Independence

-
- Health and Human Services has increased its capacity by adding a Social Services Manager and a Homeless Outreach Worker.

(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. In 2007, the Alameda County Continuum of Care dissolved itself to allow Everyone Home to take over many of its functions. This was the result of an organizational analysis and strategic planning process with the goal of identifying the best option to support implementation of Everyone Home, the Alameda countywide plan to end homelessness. As described

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above, Berkeley staff provides ongoing leadership to and participation in Everyone Home, in participating in the Leadership Board and on its committees. In addition to staff time, the City contributes \$15,545 to help staff-related activities on a countywide basis.

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 below). These funds leverage additional funds for homeless services, and are discussed below in the section on Leveraging Resources.

Continuum of Care Council priority activities in 2007 included:

- 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.

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 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

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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.

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Supportive Housing Activities

Shelter Plus Care. As summarized in Table 17, the City of Berkeley has received and operates five Shelter Plus Care Program grants, amounting to \$2.66 million in annual housing assistance payments on behalf of program clients to help keep them permanently and affordably housed. These clients are formerly homeless individuals who have various physical or mental disabilities and possibly a co-occurring diagnosis as well. Program grants were planned to cover 182 units' worth of subsidies.

Table 17: City of Berkeley Shelter Plus Care Grants, PY 2007

Grant	HUD Grant Number	Annual Renewal Term	Units	Award Amount - PY 2007
Shelter Plus Care Tenant Based Rental Assistance	CA01C602042	5/24/07 to 5/23/08	129	\$1,985,736
Pathways - Bonita House	CA01C602043-SRA	6/1/07 to 5/31/08	11	\$112,908
Supportive Housing Network - RCD	CA01C002022-SRA	5/28/03-5/27/08	6	\$62,568
COACH	CA01C402001	12/14/05-12/13/10	21	\$285,264
AIDS Collaborative - with Alameda County	NA	3/1/07-2/29/08	15	\$216,394
Totals			182	\$2,662,870

Source: City of Berkeley Housing Department.

Table 18 summarizes three program indicators: participation, program capacity, and residential stability of participants after 1 year. Across the five grants, Berkeley assisted 20 net new participants during PY 2007 and two less families than Berkeley's

Table 18: Shelter Plus Care Program Indicators of Participation, Capacity, and Housing Retention After One Year, PY 2007

Indicators	City of Berkeley TBRA #1	AIDS Collaborative	Pathways - Bonita House	Supportive Housing Network - RCD	COACH
Single Individuals					
Net new participants	4	2	-2	2	14
Capacity rate	122%	117%	118%	183%	124%
Residential stability after 1 year	98%	100%	93%	91%	100%
Families					
Net new participants	-2	0	NA	NA	NA
Capacity rate	116%	133%	NA	NA	NA
Residential stability after 1 year	84%	100%	NA	NA	NA

Source: City of Berkeley Housing Department, Shelter Plus Care Program. The City took over the COACH grant from Alameda County in PY 2007. Net new participants in COACH reflects lease-up as program got under way in PY 2006. This figure includes new participants from the latter half of PY 2006.

capacity rate for both single individuals and families was over 100 percent for all grants, meaning that Berkeley was able to efficiently serve more participants than

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each grant originally contemplated. The programs also saw consistently high performance for residential stability after 1 year for both program singles and families—over 84 percent, exceeding targets (usually set at 70 or 80 percent, depending on the grant).

Supportive Housing Program Grant Awards, PY 2007. Berkeley agencies continue to compete successfully for Supportive Housing Program Grants from the U.S. Department of Housing and Urban Development (HUD) in PY 2007. Table 19 lists supportive housing and support services programs that received \$5.3 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.

Nearly \$2.2 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.

In addition, another \$2.04 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 Supportive Housing Program requires leveraged in-kind and cash matches for these proposals. The Berkeley-based programs will bring to bear \$2,129,891 in in-kind and cash matches, while the count-wide programs will bring to bear another \$3,419,661 in matching contributions.

Victims of Domestic Violence

Family Violence Law Center (FVLC), along with a contribution of \$13,049 from the City of Berkeley General Fund, received \$43,176 in ESG funds in FY 2008 toward running its Family Violence & Homelessness Prevention Project, which resulted in civil legal

Table 19 Supportive Housing Program Awards to the City of Berkeley and Berkeley Community Agencies, Program Year 2007	
Program	Funding
Bonita House - Channing Way Apartments	\$33,080
BFHP - Russell Street Residence	249,999
AHA - Peter Babcock House	36,665
RCD - Regent House	75,528
BFHP - Transitional House	242,217
BFHP - North County Women's Center	141,019
BOSS - McKinley Family Transitional House	74,500
RCD - Ashby House	55,392
BOSS - Harrison House Family Services	114,997
Rubicon Berkeley Services	1,016,786
Total	\$2,040,183
Other Awards that serve Berkeley and other communities:	
Program	Funding
InHOUSE (HMIS) - County-wide	\$384,582
BOSS - Self-Sufficiency Project	\$736,155
COB Shelter Plus Care Programs	2,172,528
Total of Other Awards serving Berkeley and other communities	\$3,293,265
Source: Alameda County Department of Housing and Community Development.	

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services to 39 Berkeley residents, emergency housing services to 31 Berkeley residents, and crisis intervention and safety planning to over 300 callers from Berkeley. FVLC staffs a 24-hour telephone crisis line and runs an In-Court Attorney Assistance Project, providing immediate in-court advice and support for self-represented litigants at restraining order hearings. In addition, with a City of Berkeley General Fund contribution of \$35,068, FVLC stations a domestic violence advocate at the Berkeley Police Department. FVLC's advocate follows up on all domestic violence police reports by providing crisis intervention and safety planning to victims of domestic violence within the city of Berkeley, and partners with law enforcement to conduct trainings on topics related to domestic violence with cadets in the police academy and patrol officers in the field.

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 PY 2007, WDDC received \$73,192 in CDBG public services funding to provide housing case management to their Drop-In Center clients, a program which provides respite and meals to nearly 1,100 women and children, the vast majority of whom have incomes that are extremely low.

Building Opportunities for Self-Sufficiency

During PY 2007, Building Opportunities for Self-Sufficiency (BOSS) continued to work with HUD on reducing the organization's debt related to their HUD grants. BOSS was able to renegotiate a substantial portion of private debt owed to Wells Fargo Bank.

City of Berkeley staff continued working with BOSS to identify service delivery improvements needed. City staff performed on-site monitoring of all BOSS Berkeley programs in October 2007. City staff was particularly concerned with the frequency of case management for most programs and the provision of services at BOSS's 9th Street Transitional Housing Program. Follow-up monitoring is scheduled in the fall of 2008 to determine progress made in addressing City concerns. City staff issued a letter to BOSS in June 2008 that accepts staffing with certain conditions which contravenes the City's nepotism policy.

BOSS was awarded \$85,595 in CDBG funds for continued renovation of the Harrison House Shelter. Funds are being used for substantial renovations to the family dorm including new floors, windows, electrical upgrades, new stucco and a reconfiguration of the space. Renovations began in July 2008 and are expected to be completed by October 1, 2008.

The City of Berkeley also adopted Ordinance 7,006-N.S., on November 27, 2007, to authorize the City Manager to execute a lease with BOSS on a separate parcel of land created for 711 Harrison Street.

Rubicon Berkeley Services

Rubicon Berkeley Services provides 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 in Alameda County.

In PY 2007, they saw an additional 103 single individuals and 8 net new families, and achieved a successful 235% capacity rate (serving over twice the number of individuals they have the granted capacity for). Most program users rely on it from one month to a year, with a small number relying on the program for up to two years.

Rubicon's objectives and progress included:

- Objective 1: 100 homeless participants (67% of those prepared) will obtain permanent housing.
 - *Progress: 84 homeless participants obtained housing during the project year.*
- Objective 2: 75 formerly homeless participants (75% of 100 expected participants placed during 12/1/06-11/30/07) will retain housing at least 26 weeks.
 - *Progress: 32 formerly homeless persons (56% of 57 placed into housing 12/1/06-11/30/07) are known to have retained housing for 26 weeks. Follow-up on the remaining 25 (44%) is pending.*
- Objective 3: 150 participants will obtain employment.
 - *Progress: 123 participants obtained unsubsidized jobs during the project year.*
- Objective 4: 75 participants (50% of 150 obtaining jobs) will retain jobs for at least 13 weeks
 - *Progress: 93 of 145 persons placed between 3/1/07 and 2/28/08 (64%) retained employment for at least 13 weeks.*
- Objective 5: 50% of participants who exit during the program year will show a net gain in monthly income while in the program, with the average net gain exceeding \$1000/month.
 - *Progress: 66 of 240 persons who exited during the program year (28%) achieved a net gain in monthly income. The average net gain was \$1658.*
- Objective 6: 75% of participants who respond to consumer satisfaction surveys administered throughout the year will indicate that they are satisfied or very satisfied with services received.
 - *Progress: 98% of participants who responded to consumer satisfaction survey indicated that they were satisfied or very satisfied with the services received*

The Berkeley City Council also authorized the City Manager in Resolution No. 64,001-N.S., adopted in March 2008, to execute a \$65,000 contract with Rubicon to provide private sector outreach and job placement to Berkeley transition age youth between April 1 and December 31, 2008. Rubicon currently operates the North Cities One Stop Career Center in Berkeley, which includes a Business Services component as part of the contract with Alameda County Workforce Investment Board. Rubicon integrates outreach to businesses and job placement to older youth into their existing program, which should help strengthen the private sector component of Berkeley's YouthWorks program by maximizing employment opportunities for Berkeley youth.

Mental Health Services for Transition-Age Youth

Early in PY 2007, the City Council adopted a revenue agreement with Alameda County Behavioral Health Care Services Agency (BHCS) to enable the Berkeley Mental Health Division of the Health and Human Services Department to provide clinical outpatient mental health services to transition-age youth using \$1,391,749 coming from throughout Alameda County over a three-year period. This contract represents a significant expansion of Berkeley Mental Health's capacity to assess and address the outpatient clinical needs of transition-aged youth on a county-wide basis. The funds came from the County's allocation of California Mental Health Services Act monies.

The City of Berkeley also entered into a contract with Rubicon Workforce Services to provide private sector outreach and job placement to Berkeley transition age youth between April 1, 2008 and December 31, 2008.

Continuing Supportive Services at MLK House

MLK House, at 2942-44 Martin Luther King, Jr. Way in south Berkeley, houses a number of Shelter Plus Care Program tenants. The property is owned by Resources for Community Development (RCD). In February 2008, the City Council authorized the City Manager to sign onto a memorandum of understanding with RCD, LifeLong Medical Care, Inc., and the John Stewart Company to coordinate roles in continuing provision of supportive services. The Berkeley Housing Department expects that the MOU will ensure that organizational roles are institutionalized and remain clear even when individuals involved change in the future.

Berkeley Mental Health Housing Fund Policy

The Berkeley City Council adopted Resolution No. 63,931-N.S. on December 18, 2007, to guide policy for the City's use of Mental Health Services Act funds for affordable housing development that benefits transition age youth, adults, and older adults with severe emotional disturbance or serious mental illness. The adopted policy guided the City's subsequent issuance of a Request for Proposals in December 2007.

The Policy calls for MHPA funds to be used for new construction, acquisition, rehabilitation, and/or subsidized operation of permanent housing affordable by and targeted to people with serious mental illness who are homeless or at risk of homelessness. The funds will be provided in the form of a loan, as the City's Housing Trust Fund and other sources of affordable housing finance are, and limited to \$100,000 per unit set-aside for the target population. Any loan repayment funds will be available for local uses, subject to the Mental Health Services Act.

The City received one response to its December RFP, from Affordable Housing Associates, Inc., for a 16-unit project at 3240 Sacramento Street called Harmon Gardens. This proposal is currently under review by Berkeley Mental Health and Housing Department staff.

Systems Change Initiative

The City has also undertaken an initiative at the end of PY 2007 to engage the expertise and creativity of Berkeley's community agencies in co-creating a system of care to end homelessness by shifting the dynamics of the funding allocation process toward an emphasis on collaboration among agencies. This initiative, called the "Systems Change Initiative" supports priorities established in the EveryOne Home Plan adopted by Council in May 2006. This plan reflects dramatic changes that have taken place in the field of homeless services over the past five years, and an increasing body of research that demonstrates the outcomes and cost effectiveness of emphasizing permanent housing for the homeless. Agencies are concerned that flatline funding for existing services will be the source of funds for these new initiatives to implement EveryOne Home. The initiative will take a number of years to implement the strategy to end homelessness. The end result is one that retains the capacity to address the crisis of homelessness through provision of food and shelter, and at the same time reduces the need for these services. While we must continue to develop housing opportunities affordable to homeless people and expand our capacity to prevent residents from losing their housing, we must also take advantage of new approaches that emphasize ending homelessness for the people we serve, thus reducing the need for emergency services. The initiative contains the following recommendations:

- System change initiatives (\$50,000) that will:
 - Clearly identify housing outcome expectations.
 - Engage leadership of community agency partners in planning for system change.
 - Provide technical assistance on organizational change to community agencies.
 - Design tools that enable the City to fund programs that meet our goals.
 - Link permanent housing outcomes to funding.
- One-time Community Agency Allocations (\$258,391) in which about a dozen agencies received additional one-time funding for agreeing to engage in the

systems change process.

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 2007, the City of Berkeley continued funding community agencies serving the poor at approximately the same level as in previous years. The City 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 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 20 presents a summary of public services projects funded with CDBG during PY 2007 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 \$605,576 to seven projects in PY 2007, and these services reported providing over 30 moderate income, 38 low income, and over 2,060 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.

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Table 20: City of Berkeley CDBG Public Services Allocations, PY 2007

Agency	Program Activity	PY 2007 Funding	Total Low/Mod Assisted	Moderate Assisted	Low Assisted	Extremely Low Assisted	Comments
Asians for Job Opportunities in the Bay Area	Employment, Training & Bilingual Social Services	\$145,282	91	3	7	81	Vocational ESL, job placement assistance and support services were provided to 91 clients. Outcomes included 60% of clients found a job while enrolled in the program 30% of clients had earnings that were 30% more than their annual earnings at enrollment.
Berkeley Food & Housing Project	Men's Overnight Shelter	\$184,156	717	5	1	711	BFHP provides shelter and services to single men. Of 717 served in PY 2007, 31 men were placed in transitional housing, 33 moved into permanent housing, and 149 men improved their incomes. The shelter has moved from a 30 to 60-day stay facility to provide more comprehensive case management services and improve outcomes.
Housing Rights, Inc.	Fair Housing Services	\$35,544	67	3	5	54	5 other persons that were above low/mod income levels were also assisted. HRI received 45 disability complaints, 38 for reasonable accommodation requests, 4 family status complaints, 5 race-related complaints. 35 cases closed during PY 2007. 7 reasonable accommodation requests were granted.
Inter-City Services	Employment, Education, and Training	\$132,819	105	2	0	102	1 other person above low/mod income was served by this program. ICS provided services to 24 students in vocation training classes for PC microcomputer repair; 43 students received training in office automation; 22 received GED preparation or ABE classes; 138 clients received job placement assistance. Outcomes: all GED/ABE students increased their grade level by one or more grades. 50% of clients found a job; 80% of placed clients had annual earnings 6 months after program exit; 62% of clients who found a job six months earlier are still employed; 50% of clients earned a Berkeley living wage.

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Table 20: City of Berkeley CDBG Public Services Allocations, PY 2007

Agency	Program Activity	PY 2007 Funding	Total Low/Mod Assisted	Moderate Assisted	Low Assisted	Extremely Low Assisted	Comments
Resources for Community Development	Social Services at Special Needs Housing	\$10,000	70	0	6	64	RCD provides supportive services to residents in their affordable housing through a resident services coordinator at Mable Howard and Margaret Breland Apartments. In PY 2007 70 residents were provided with community building activities, referrals, a nutrition program, and supportive services, including money management, educational workshops on financial literacy, disaster preparedness, etc.
Women's Daytime Drop-in Center	Drop-in Services	\$24,583	759	17	13	726	3 other persons above low/mod income were served by WDDC, providing respite, meals and nutrition education to at least 936 individuals, women, and children, resulting in data on 759 of them. 210 participated in support groups including smoking cessation, women's health and HIV prevention, substance abuse prevention, mental health support, and domestic violence prevention. 28 clients obtained employment with WDDC assistance.
Women's Daytime Drop-in Center	Housing Case Management	\$73,192	330	0	6	324	WDDC served 330 women and children, representing 222 households during PY 2007. This program provides intensive case management and resulted in: 90 placed in shelter, 14 into transitional housing; 34 into permanent housing. 15 clients were also placed into the Shelter Plus Care Program.
Total Public Services Allocations, PY 2006 =		\$605,576	2,139	30	38	2,062	

Source: IDIS Report #C0PR03; City of Berkeley Housing Department.

Improvement of Public/Community Facilities

Table 21 presents a summary of public and community facilities investments funded with CDBG during PY 2007 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.

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Table 21
City of Berkeley Public/Community Facilities CDBG Allocations
in Program Year 2007

Agency	Activity	Objective	Outcome	PY 2007 Funding	Achievements
Waterside Workshops	Interior renovation of electrical upgrade and kitchen/office improvements	Create Suitable Living Environments	Sustainability	\$13,000	Activities were completed, including installation of new energy efficient window in the building.
BOSS	Harrison House Improvements	Create Suitable Living Environments	Sustainability	\$85,595	upgrades to existing bathroom facilities for single men and women.
City of Berkeley Public/Community Facilities	Staff technical assistance to implement public and community facilities projects.	Create Suitable Living Environments	Sustainability	\$40,337	Staff assisted subrecipients in assessing rehabilitation needs, developing scopes of work, reviewing bids, monitoring payrolls to ensure compliance with federal labor standards for 5 community facilities projects. See GPR for more details.
LifeLong Medical Care	Dental Clinic Improvements	Create Suitable Living Environments	Sustainability	\$34,348	LLMC obtained another \$15,000 in CDBG PY 2008 funding to augment scope of the flooring replacement and purchase/install a green flooring product which delayed the project from PY 2006. Should be completed during PY 2008.
Rebuilding Together	Community Facilities Improvements	Create Suitable Living Environments	Sustainability	\$22,000	RT mobilized 230 volunteers in October 2007 and April 2008 to provide repairs to 5 facilities. AJOB received repairs to improve accessibility, WDDC received external/internal painting and various interior repairs. BORP received replaced siding gutters/ downspouts; Chaparral House received exterior painting. BAAP received new flooring. All agencies serve low-income clientele.
Total Public/Community Facilities Allocations, PY 2007 =				\$195,280	
Source: City of Berkeley Housing Department; IDIS Report C04PR03.					

The City of Berkeley spent nearly \$200,000 on five projects during PY 2007. Projects included electrical upgrades, emergency shelter improvements, staff technical assistance to community agencies undertaking facilities improvements, and community volunteer efforts to rehabilitate and repair homes of low-income seniors and disabled individuals.

E. Other Actions

Citizen Participation Plan Amendment to the 2005 Consolidated Plan

The Berkeley City Council adopted Resolution No. 63,694-N.S. on January 29, 2008, to rescind the prior Citizen Participation Plan and adopt a final Citizen Participation Plan (CPP) for the Berkeley Consolidated Plan for Housing And Community Development, 2005-2010. This resolution authorized the City Manager to incorporate the CPP into Berkeley's Consolidated Plan.⁷ Housing Department staff deemed the CPP inadequate because it did not meet the requirements of 24CFR 91.105, and had been rather a recitation of the process employed by the City in previous years to provide public access to and comment upon the Consolidated Plan. The City was concerned that a CPP lacking necessary components could jeopardize its future use and retention of HUD entitlement grants which require a CPP that complies with federal regulations.

Community Alliance to Respond to Disasters (CARD)

On June 30, 2008, the Housing Department partnered with the City's Public Health Department to hold a disaster training workshop for community agencies. Twenty representatives from 14 different agencies attended. Public Health hired CARD, Community Agencies Responding to Disaster, to run this half-day training, which included an overview of City of Berkeley efforts to prepare for a disaster, examples of partnerships between other jurisdictions and community-based organizations, and information on how to prepare an agency for an emergency, including pandemic flu. Public Health staff are working on developing an emergency notification system that would include notifications via telephone to participating agencies.

Measure G Climate Action Plan Process

In November 2006, Berkeley voters issued a call to action on the climate challenge by overwhelmingly endorsing ballot Measure G. The mandate was simple but bold: reduce our entire community's greenhouse gas emissions by 80 percent by the year 2050. The measure directs the Mayor to develop a Climate Action Plan to reach that target.

⁷ It may be viewed online at <http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=12160>, and go to page 68.

Berkeley Measure G:

Should the People of the City of Berkeley have a goal of 80% reduction in greenhouse gas emissions by 2050 and advise the Mayor to work with the community to develop a plan for Council adoption in 2007, which sets a ten year emissions reduction target and identifies actions by the City and residents to achieve both the ten year target and the ultimate goal of 80 percent emissions reduction?

--Passed with 81 percent of the
vote in November 2006

A full draft of the Berkeley Climate Action Plan was released for public review on September 18, 2008. The plan was designed under the premise that local governments and the communities they represent are uniquely capable of addressing the main sources of the emissions that cause global warming: the energy consumed in buildings and automobiles and the solid waste sent to the landfill.

The purpose of the plan is to guide the development, enhancement, and ultimately the implementation of actions that aggressively cut Berkeley's greenhouse gas emissions. The plan does the following:

- Describes where Berkeley's GHG emissions come from
- Provides an estimate of how those emissions could be expected to grow
- Recommends goals, policies and actions that we as a community can implement to achieve GHG reductions and other community benefits such as increased green job opportunities and improved public health
- Provides a timeline for the plan's implementation, including identifying existing and potential costs and funding sources
- Defines a strategy for turning this plan into action

Coordinated through the City's Office of Energy and Sustainable Development, a cross-departmental team of city staff persons collaborated throughout Program Year 2007 to produce the plan. The City Council allocated enough funding to enable extensive research on potential climate protection strategies and to conduct a robust community input process. The public process was designed to maximize the opportunities community members have to contribute ideas, learn more about the various components of the climate issue, and get involved in existing sustainability efforts. It involved multiple public workshops; an online forum on which members of the public could share ideas and ask questions; and numerous public meetings and other events hosted by various community-based organizations interested in contributing to developing and implementing the Climate Action Plan.

Specific climate protection strategies that the City developed over Program Year 2007 include:

- *The Berkeley FIRST (Financing Initiative for Renewable and Solar Technology) program for financing decentralized renewable energy systems and energy efficiency improvements.* The program will enable the City to provide financing for the upfront cost of major energy improvements in privately owned buildings and recoup that cost through a 20-year assessment on the building owner's tax bill. The plan is to launch Berkeley FIRST as a pilot program in October 2008. At that time, Berkeley FIRST financing will be available for solar PV installations as a test of the concept. If successful, the goal is to expand the program to support solar thermal installations and energy efficiency measures. Berkeley FIRST is designed to address the financial hurdles facing property owners that wish to "go solar" and make significant investments in energy efficiency.
- *The Berkeley Solar Initiative (BSI).* The purpose of the program is to make it as easy and inexpensive as possible to make a home (or business) energy efficient and to utilize a solar photovoltaic (PV) and/or solar thermal system. The program achieves this purpose by removing market barriers that inhibit the widespread adoption of these technologies.

Through the BSI, community agencies will conduct marketing and outreach and offer personalized consultations for potential customers. The consultations will provide guidance and resources to help property owners navigate through the multitude of technology options and incentives that are available. Qualified energy service providers that have experience and in-depth knowledge of the solar and energy efficiency markets will conduct the consultations. Customers will take away from each consultation a better understanding of the cost and benefits associated with potential energy saving solutions.

BSI is modeled after the highly successful Smart Lights Program, operated locally by the Community Energy Services Corporation. BSI is being funded through the U.S. Department of Energy's Solar America Initiative and will be launched in PY 2008.

In PY 2007, City staff also worked to expand and better integrate the energy services provided to low-income households. Examples of efforts currently being developed include:

- *Combine the delivery of PG&E's Energy Partners program with other income-qualified assistance programs.* An integrated suite of low-income programs would provide increased potential for energy and cost savings as well as more cost-effective program delivery. Existing programs that have the potential to be better integrated include:
 - Community Development Block Grant (CDBG) funded programs: A program provided by the U.S. Department of Housing and Urban

Development (HUD), CDBG funding supports the Home Safety & Repair program, administered locally by Community Energy Services Corporation (CESC). Eligible low-income customers are entitled to free home repair services such as plumbing, electrical and carpentry repairs; mobility and access installations (grab bars, hand rails, lifts, ramps, etc.); and fire and earthquake safety measures.

- Senior and Disabled Home Rehabilitation Loan program: This program assists low-income senior and disabled homeowners in repairing their homes, to eliminate conditions that pose a threat to their health and safety, and to help preserve the City housing stock. Qualified borrowers can receive interest-free loans of up to \$35,000. Financial assistance is in the form of a deferred payment loan that is due and payable upon the sale or transfer of title to the property.
- City of Berkeley SuperWeatherization Program: As described above, this program offers energy services to low-income residents.
- *An energy efficiency revolving loan fund for low-income households.* The fund would be administered by the City and intended to provide low-income tenants with no-interest loans for installing performance-based energy efficiency upgrades in their home. The loan would be repayable upon the sale or transfer of the property. The program should be implemented on a pilot basis for a relatively small number of homes for the first year and then, if successful, be expanded to include a larger number of homes.

City of Berkeley Response to Foreclosure Crisis

The number of defaults and trustee sales has stayed fairly constant in Berkeley since December 2007 through May 2008, despite the likelihood of additional rate resets in adjustable rate mortgages. Furthermore, the number of defaults and trustee sales are not out of line with the City's overall historical default rate on property taxes, which was 2.2 percent in 2007. These data do not indicate a significant upward trend in foreclosure activity in the Berkeley community.

With respect to tenant occupied properties, the Rent Stabilization Board prepared a robust outreach program to tenants regarding their rights in the face of foreclosure by the owner of the property where they rent. Because of Berkeley's Good Cause for Eviction Ordinance (contained in BMC Chapter 13.76), as long as they have paid their rents, tenants generally cannot be evicted if the property they occupy has been foreclosed upon. Foreclosure upon the landlord is not a good cause for eviction under Berkeley's Ordinance. Unlike in cities without good cause for eviction protections, when a bank or mortgage company becomes the new owner of property in Berkeley, the situation is no different from the situation in which a building owner sells the property to someone else. The fact someone else owns the building is not a lawful reason to evict a tenant. The Rent Board has a counseling program to assist tenants in a foreclosed

property to understand their rights under Berkeley's local laws.

2-1-1 Phone Services: Social Services Hotline

On September 11, 2007, the Berkeley City Council adopted Resolution No. 63,807-N.S. authorizing the City Manager to contract with Eden Information and Referral (I&R) for \$35,000 to provide 2-1-1 phone service from the period July 1, 2007, to June 30, 2008. Prior to creation of this service citizens in Alameda County needing health, housing, and human services information had to contact the city government where they reside or a county department for this information. City managers for all 14 cities in Alameda County, along with the County Administrator and Eden I&R developed the 2-1-1 system to provide 24-7 current information on health, housing, and human services throughout the County. When a person dials 2-1-1 from a landline phone anywhere in Alameda County, at any time of day or night, they will be connected to a live resource specialist who can connect the caller with requested information. For callers who do not speak English, they will be connected to a resource specialist who is fluent in their native language or they will be assisted by a "real time" interpreter who will translate between the caller and the resource specialist.

Eden I&R will maintain a current database on all health, housing, and human services information so the 2-1-1 system's services will be up-to-date. The City of Berkeley publicizes the system on its web site, in connection with the Housing Department's Housing Retention Program (described above, <http://www.cityofberkeley.info/ContentDisplay.aspx?id=16136>), through its web page on referrals to listings of available housing (<http://www.cityofberkeley.info/ContentDisplay.aspx?id=16350>), and through its web page for housing listings for seniors (<http://www.cityofberkeley.info/ContentDisplay.aspx?id=16354>).

F. Leveraging Resources

Affordable Housing Development

Table 22 summarizes details of leveraging in total project costs by City loans from its Housing Trust Fund. Because Berkeley has a Housing Trust Fund Program and an active community of committed non-profit housing developers, we see sizable use of funds from sources other than public funding for affordable housing developments. In PY 2007, projects under way or completed had a total project cost of about \$115 million. The ratio of total costs to loan amounts from the City of Berkeley in PY 2007 was 9.02 (that is, for every dollar of loan amount contributed by the City, these projects received another \$9 from non-City-controlled funds, excluding funds from HELP, a state program for site acquisition). When HELP funds are included, the ratio of total project costs to all public-source loans (including HOME, CDBG, and HELP, as well as other HUD funding sources), declines to \$6 of non-City-controlled funds for every dollar from public sources of funds for affordable housing. Either measure

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represents a significant amount of non-public funding leverage for City of Berkeley affordable housing developments.

Table 22: Leveraging by Berkeley Housing Trust Fund of Other Funding Sources in PY 2007						
Address/ Project Name	Project Status	Loan Amount from City	Section 108	BEDI	Total Project Cost (including federal funds)	HELP
Affordable Housing Associates (AHA):						
2121 7th Street (Allston House)	completed in in PY 2007 (February 2008)	\$814,546	\$0	\$0	\$9,241,209	\$500,000
1001 Ashby Ave. (Ashby Lofts)	completed in PY 2007	\$3,023,964	\$0	\$0	\$21,492,362	\$500,000
Total AHA		\$3,838,510	\$0	\$0	\$30,733,571	\$1,000,000
Resources for Community Development (RCD):						
2200 Block of Fulton Street (Oxford Plaza)	under construction	\$6,244,546	\$2,000,000	\$1,767,000	\$47,114,654	\$0
Total RCD		\$6,244,546	\$2,000,000	\$1,767,000	\$47,114,654	\$0
Other Developers						
1535 University (Helios Corner)	completed in PY 2007	\$2,100,000	\$0	\$0	36,754,123	\$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		\$2,694,935	\$0	\$0	\$37,349,058	\$600,000
TOTAL		\$12,777,991	\$2,000,000	\$1,767,000	\$115,197,283	\$1,600,000
Leveraging Ratio - Total Costs to Loan Amounts from City					9.02	
Leveraging Ratio - Total Costs to All Public Sources (including HELP)					6.35	
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 18, above, Berkeley homeless services and housing providers obtained \$2.04 million in federal Supportive Housing Program grant awards. These grant funds from HUD are further leveraged in the aggregate by another \$2.13 million in matching funds and in-kind services included by all programs receiving grants from HUD. These matches result in a leveraging ratio of 1.04 for programs directly serving Berkeley (that is, for every dollar HUD provided in grant awards, another \$1.04 worth

of value was obtained from matching funds and in-kind services). In addition, another \$3.42 million in matching funds and in-kind services helped leverage the \$3.3 million received by programs that provide regional supportive housing and services in both Alameda County and Berkeley, yielding a ratio of 1.04 for these programs (or \$1.04 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 11, 2008; letting the public know that the CAPER would be available for review at the Berkeley Public Library Reference Desk and the Berkeley Housing Department. A Chinese translation of the notice was provided to run in Sing Tao Daily, the regional Chinese-language Bay Area newspaper. The public comment period will run until September 26, 2008, a total of 15 days. This was also announced at the Housing Advisory Commission's September 4, 2008, meeting; and it was also placed on the City's Housing Department website on September 11th at <http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=15574>. 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 CAPER was also made available for review by the general public at the Housing Department, at the Berkeley Public Library Reference Desk 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. In all, some 2,200 individuals received the mailing.

No comments were received from the public by September 26, 2008.

H. Self-Evaluation

The City of Berkeley meets its goals to provide and preserve permanently affordable housing, house and support homeless people towards independence, 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 2007, 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. Many of these same agencies now embark on the collaborative effort during PY 2008 that will implement the Housing Department's new Systems Change Initiative. This initiative will assist participating agencies with making the shift from a homeless continuum of care model of service to a stronger and more effective model of service and housing provision that is premised on housing homeless people first. Shelter Plus Care is an important part of this initiative, having been for many years now the centerpiece for achieving first the City's Continuum of Care Plan goals and more recently its EveryOne Home Plan goals for homeless and special needs housing. Numerous other collaborative efforts described in this CAPER attest to Berkeley's efficient, culturally-sensitive, and effective service provision as hallmarks of Berkeley governance.

In PY 2007, the Housing Department and Planning and Development Department continued interdepartmental coordinating meetings to address issues of permit streamlining, project prioritization and trouble-shooting, condominium conversion, technical assistance and training about housing programs, housing policy updating, inclusionary and density bonus procedures and policy, and code enforcement. Other interdepartmental coordination occurs between Housing staff and staff of Berkeley

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Mental Health Division regarding client support services, Mental Health Services Act planning and implementation (particularly articulation of the Mental Health Housing Fund Policy and RFP during PY 2007), Shelter Plus Care Program service coordination, and other issues. The spirit of co-equal 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, Program Year 2007

Table 23 discloses Berkeley's CDBG financial summary for PY 2007. Total CDBG available resources was about \$6.2 million, of which the City expended \$4.77 million. There was an unexpended balance at year's end of about \$1.4 million. HUD's Integrated Disbursement and Information System calculates a ratio of low and moderate income benefit for expended funds, and in PY 2007, the City of Berkeley had a "low/mod" ratio of 100 percent.⁸

Table 23	
CDBG Financial Summary for PY 2007, July 1, 2007 to June 30, 2008	
Summary of CDBG Resources	
Unexpended CDBG Funds at End of Previous Program Year	\$2,488,382
Entitlement Grant	\$3,343,911
Surplus Urban Renewal	\$0
Section 108 Guaranteed Loan Funds	\$0
Current Year Program Income	\$345,898
Returns	0
Adjustment to Compute Total Available	(\$3,968)
Total Available Resources	\$6,174,223
Summary of CDBG Expenditures	
Disbursements other than Section 108 Repayments and Planning/Administration	\$4,004,890
Adjustment to compute total amount subject to low/mod benefit	
Amount subject to low/mod benefit	\$4,004,890
Disbursed in IDIS for Planning/Administration	\$645,467
Disbursed in IDIS for Section 108 repayments	\$120,000
Adjustment to compute total expenditures	\$0
Total Expenditures	\$4,770,357
Unexpended Balance	\$1,403,866
Low/Mod Benefit This Reporting Period	
Expended for Low/Mod Housing in Special Areas	\$0
Expended for Low/Mod Multi-Unit Housing	\$789,966
Disbursed for other Low/Mod activities	\$3,214,924
Adjustment to compute total Low/Mod credit	\$0
Total Low/Mod Credit	\$4,004,890
Percent Low/Mod Credit	100.00%

⁸ The ratio is calculated by dividing total actual expenditures and disbursements for low and moderate income housing and other activities (about \$4 million) during PY 2007 by the amount of available resources that are allocated for PY 2007 to benefit low and moderate income persons and households (about \$4 million) in PY 2007.

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Table 23	
CDBG Financial Summary for PY 2007, July 1, 2007 to June 30, 2008	
Low/Mod Benefit for Multi-Year Certifications	
Program years covered in certification	PY 2005, PY 2006, PY 2007
Cumulative Net expenditures subject to low/mod benefit calculation	\$4,004,890
Cumulative expenditures benefiting Low/Mod persons	\$4,004,890
Percent Benefit to Low/Mod Persons	100.00%
Public Service Cap Calculations	
Disbursed in IDIS for Public Services	\$605,576
PS unliquidated obligations at end of current PY	\$0
PS unliquidated obligations at end of previous program year	\$0
Adjustment to compute total PS obligations	\$0
Total PS obligations	\$605,576
Entitlement Grant	\$3,343,911
Prior Year Program Income	\$186,300
Adjustment to compute total subject to PS cap	\$0
Total subject to PS cap	\$3,530,211
Percent funds obligated for PS activities	17.15%
Planning and Administration (PA) Cap	
Disbursed in IDIS for Planning/Administration	\$645,467
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	\$645,467
Entitlement Grant	\$3,343,911
Current Year Program Income	\$345,898
Adjustments to compute total subject to PA cap	(\$3,968)
Total subject to PA cap	\$3,685,841
Percent funds obligated for PA activities	17.51%
Source: IDIS, Report C04PR26; City of Berkeley Housing Department.	

CDBG program expenditures are subject to two caps: public services spending (17.83 percent of the entitlement plus program income) and planning and administration expenditures (20 percent of entitlement plus program income). As shown in Table 22, in PY 2007 Berkeley spent 17.5 percent (or \$605,576) of applicable funds on public services, which is less than the 17.83 percent cap for this category. Similarly, Berkeley spent just 17.51 percent of its funds (or \$645,467) on planning and administrative activities in the City, also below this category's 20 percent cap.

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Table 24 summarizes Berkeley's CDBG expenditures by activity for the last three program years. It shows a steady increase in spending on housing activities over the period, a slight decrease in public services spending and planning/administrative activities. A significant jump in public/community facilities spending is reflected in disbursement

Table 24 Berkeley CDBG Expenditures by Activity, Program Years 2005 through 2007			
Activity	Program Year 2007	Program Year 2006	Program Year 2005
Housing Activities	\$2,042,333	\$1,663,550	\$1,477,285
Public Services	605,576	617,262	695,832
Public/Community Facilities	1,356,981	197,535	107,188
Planning and Administration	645,467	656,119	736,628
Economic Development	0	0	0
Total, All Activities	\$4,650,357	\$3,134,466	\$3,016,933
Source: IDIS, Report C04PR23; City of Berkeley Housing Department.			

to the City's Public Works Department for completion of storm drain street resurfacing, and curb-ramp installation improvements throughout south and west Berkeley (curb ramps were installed throughout the city to benefit all disabled and residents). These improvements were initiated during PY 2005.

Table 25 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).

Table 25: Berkeley Activities Counted Toward the Planning and Administration Cap, Program Year 2007		
CDBG Planning and Administrative Activities	Program Year 2007	
	Funds Allocated	Funds Drawn Down
Program Planning & Contract Administration	366,441	366,441
Homelessness Prevention & Services Planning	95,588	83,123
City Support Costs	179,903	179,903
Single Audit	16,000	16,000
Total, Planning and Administrative Costs, PY 2007 =	\$657,932	\$645,467
Source: IDIS Report C04PR03; City of Berkeley Housing Department.		

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. Support costs also include services provided by the City's finance, legal, city manager, and planning departments.

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 2007

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

As shown in Table 26, during PY 2007, the City of Berkeley had available about \$17.98 million in federal, state, and local funds for housing and community development purposes. About \$10 million was available from federal sources, while another \$7.77 million was available for these uses from local funds, including the City's allocation of funds to support operations of EveryOne Home (which replaced the County-wide Continuum of Care Council during PY 2007), as well as the Rent Board's support of eviction prevention and counseling services.

Table 26 Housing and Community Development Resources Program Year 2007	
Federal Resources (CDBG, HOME, ESG, CSBG Total – includes carryover)	
PY 2007 CDBG entitlement and program income:	\$3,689,809
CDBG carryover (for completion of Projects funded with prior years' funds)	1,861,810
PY 2007 HOME entitlement and program income:	1,301,221
PY 2006 HOME carryover	106,433
PY 2007 ESG:	130,598
PY 2006 ESG carryover	94,106
CSBG (administered by the State)	173,556
Federal Energy Assistance Programs (estimated)	181,891
Shelter Plus Care (estimated)	2,662,870
Federal Resources Total	\$10,202,294
Local Funds	
Childcare	608,920
Community Media	230,710
Disability Programs	1,156,181
Employment Training	229,584
Health	470,579
Homeless Services	2,220,766
Legal/Advocacy	493,311
Other Community Development (animal rescue, community mediation, community gardening, nutrition and meals)	200,355
Recreation	84,872
Seniors	78,263
Youth	1,072,831
Total, Local Housing and Community Development Allocations, FY 2008	\$6,846,372
General Funds to Alameda County for operation of the Alameda County-wide Continuum of Care Council/EveryOne Home	12,545
Rent Stabilization Board funds to Community Agencies for eviction counseling and tenant assistance services (estimated)	414,000
Local Funds Total	\$7,272,917
State & Other Programs	
Mental Health Services Act Supportive Housing Funds	500,000
State HELP Monies committed during PY 2007	0
State & Other Programs Total	\$500,000
Grand TOTAL, All Resources	\$17,975,211
Source: City of Berkeley Housing Department.	

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2. Resources Available for Housing

Table 27 presents PY 2007 funding that was applied to housing activities by the City of Berkeley. In all, about \$3.7 million was available for housing activities in Berkeley in PY 2007. Housing resources were routed through the CDBG program (over one-third; see Table 15 above), with nearly two-thirds going to housing from the Housing Trust Fund (see discussion of Table 6, above), and about 4 percent allocated to the reorganized Housing Retention Program.

Table 27		
Funding Available for Housing by City of Berkeley Program, PY 2007		
Source	Amount	Administering Entity/Comments
CDBG Program	\$1,459,562	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	\$2,101,584	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).
Housing Retention Program (replacing 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	\$3,727,269	
Source: City of Berkeley Housing Department.		

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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 28 summarizes resources that Berkeley put toward assisting persons with special needs during PY 2007. The City allocated just over \$5.3 million for special needs services and supportive housing during that time from federal sources, including CDBG, ESG, Community Services Block Grant, and Shelter Plus Care resources, and another \$3 million in local sources for special needs services for a variety of populations. In total, Berkeley allocated nearly \$8.3 million for services to persons with special needs and those who are homeless in PY 2007.

Table 28		
Funds Available to the City of Berkeley in PY 2007		
For Services to Persons with Special Needs and Those Who are Homeless		
Funding	Amount	Administering Agency/Comment
CDBG	\$367,526	PPMB Division. Activities include Disability, homeless, and legal/advocacy services from Community Agency budget.
ESG	130,598	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	1,962,279	Service match leveraged for all four grants, PY 2007.
Shelter Plus Care subsidies	2,662,870	Available for direct housing assistance payments on behalf of clients to landlords during PY 2007.
Total Federal Funds Available	\$5,296,829	
General Funds in connection w/ CSBG	\$1,583,203	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	\$414,000	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	\$2,978,469	
Total All Sources	\$8,275,298	
Source: City of Berkeley Housing Department.		

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4. Civil Rights Program Narrative

Table 29 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 nearly \$25 million spent on direct housing

Table 29			
City of Berkeley Civil Rights Program Activities Funded by CDBG, Other Federal Funds, and Local Funding Sources			
Program Year 2007			
Agency	Description	PY 2007 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	\$112,375	CDBG
CDBG Subtotal		\$290,594	
East Bay Community Law Center	Housing advocacy, legal services to low/mod persons	\$34,243	Local General Funds
BHA Security Deposit Revolving Loan Program	Assists new applicants with securing new Section 8 units once tenant receives Housing Choice Voucher	\$1,000	Local Funds (recycled)
Alameda County Homeless Action Center	SSI advocacy	\$76,858	Local General Funds, \$20,000 in MHSA Funds
Shelter Plus Care Program	Match value for tenant supportive services.	\$1,962,279	Local Other Funds and In-Kind Valuation
Housing Retention Program	Subsidy funds	\$166,123	Local General Funds
City of Berkeley Rent Stabilization Board	Eviction Control Ordinance Administration (estimated)	\$414,000	Local Rental Registration Fees
State and Local Funding Sources Subtotal		\$2,654,503	
Section 8 Housing Choice Voucher Program	Tenant-based housing assistance	\$22,124,816	Other HUD funding
Shelter Plus Care Program	Tenant-based housing assistance linked to supportive services	\$2,662,870	Other HUD funding
Subtotal, Other HUD funding		\$24,787,686	
Total Funding for Civil Rights Program in PY 2007 =		\$27,732,783	
Source: City of Berkeley Housing Department.			

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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).

C. Expenditures and Use of Funds

1. ESG Program

Table 30 summarizes Berkeley's Emergency Shelter Grant Program expenditures by activity during PY 2007. The City's ESG-funded activities saw expenditure of \$142,780 during PY 2007. This was possible despite the City's ESG entitlement grant allocation of just over \$130,000 because some ESG funds from PY 2006 were carried over and spent during PY 2007, as noted in Table 29 (BOSS's 9th Street transitional housing improvements, and the City's HMIS funds, totaling \$49,917). During PY 2007, Berkeley Food and Housing Project's building improvement funds totaling \$44,735 were not yet expended.

Activity	Use of Funds
Lutheran Church of the Cross - YEAH! Shelter	\$32,561
9th Street Improvements - BOSS - PY 2006 funds	\$43,217
Harrison House Community Recovery Program - BOSS	\$10,126
Family Violence and Homelessness Prevention	\$43,176
Homeless Management Information Systems - PY 2006 funds	\$6,700
Program Planning and Administration - Admin costs	\$7,000
Total Expenditures, PY 2007	\$142,780
Source: IDIS Report No. C04PR20. City of Berkeley Housing Department.	

2. HOME Program

Table 31 summarizes the City of Berkeley's HOME Program net position for PY 2007. The City had HOME resources available of about \$1.09million. \$1.047 million was reserved for the Oxford Plaza affordable housing development, while \$18,052 was repaid on HOME program loans in PY 2007. The City's net position of HOME funds was \$77,856 in PY 2007.

HOME Program Activity	Funds Allocated
PY 2007 HOME Monies into the HTF	\$1,090,695
PY 2006 Loan Repayments to HOME	15,963
Total HOME Program Resources Available in PY 2007	\$1,106,658
HOME Reservations in PY 2007	Use of Funds
2200 block Fulton Street - Oxford Plaza/Brower Center	1,046,854
Total HOME Reservations, PY 2007	\$1,046,854
PY 2007 Loan Repayments as of 6/30/2008	\$18,052
Net Position of HOME Funds during PY 2007 (Resources Available less Reservations)	\$77,856
Source: IDIS; City of Berkeley Housing Department.	

D. Other Federal Formula Grant Program Requirements

1. HOME Program Requirements

CHDO Set-Aside. Berkeley met its 15% CHDO Set-Aside requirement of \$192,475 by allocating all of its HOME allocation available to Resources for Community Development for use as part of Oxford Plaza’s project financing.

HOME Match. As noted in the HOME Match Report, the City of Berkeley’s HOME match liability was \$292,883 in PY 2007. Through the City’s Housing Trust Fund, five affordable housing developments are counted to the City’s match contributions in PY 2007, amounting to \$722,850. Berkeley has \$5.15 million in excess match that it will carry over into PY 2008.

HOME Loan Repayments. As noted above for Table 31, \$18,052 was repaid on HOME Program loans during PY 2007.

Use of Minority and Women Business Enterprises (MWBE). Four minority and women-owned business enterprise contractors were used on five projects of the City of Berkeley Seniors and Disabled Home Rehabilitation Loan Program, and three MWBE contractors were used on two projects in current (PY 2006-funded) community facilities projects by A Better Way and the 9th Street Transitional House’s improvements.

Affirmative Marketing. Berkeley’s Housing Trust Fund Guidelines require that HTF recipients undertake affirmative market practices when leasing up 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 2007, no displacements resulted from construction or rehabilitation of HOME-assisted units. 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.

Table 32: Housing Code and HQS Inspections During PY 2007, Housing Trust Fund Program						
Address	Total Units	Inspected Units	HOME Inspection Cycle	Inspection Date	Completed/P ending?	HOME Funded?
3404 King Street	9	6	Tri-Annual	28-Nov-07	Completed	Yes
1900 Alcatraz Avenue	9	4	Tri-Annual	26-Nov-07	Completed	Yes
1534 Prince Street	7	3	Tri-Annual	26-Nov-07	Completed	Yes

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Table 32: Housing Code and HQS Inspections During PY 2007, Housing Trust Fund Program						
Address	Total Units	Inspected Units	HOME Inspection Cycle	Inspection Date	Completed/Pending?	HOME Funded?
3240 Sacramento Street	7	4	Tri-Annual	26-Nov-07	Completed	Yes
834 Allston/2203-07 6th Street	20	6	Bi-Annual	20-Sep-07	Pending	Yes
2213 Byron Street	1	1	Tri-Annual	10-Sep-07	Completed	Yes
1340 Blake Street	5	3	Tri-Annual	29-Nov-07	Completed	Yes
2425 California Street	6	3	Tri-Annual	29-Nov-07	Completed	Yes
2418 8th Street	4	3	Tri-Annual	24-Oct-07	Completed	Yes
1431-33 Oxford Street	4	3	Tri-Annual	8-Nov-07	Completed	Yes
2500 Hillegass Avenue	18	8	Bi-Annual	14-Sep-07	Completed	Yes
Subtotal, HOME Unit Inspections	90	44				

Source: City of Berkeley Housing Department.

Inspection of HOME Properties. City of Berkeley Housing Code Enforcement staff undertook HOME unit Housing Quality Standard (HQS) inspections of 44 units in 11 properties during PY 2007, as summarized in Table 32.

2. ESG Program Match Requirement

The City's ESG allocation in PY 2007 of \$130,598 requires a dollar for dollar match to be compliant with HUD ESG program regulations. The match requirement was exceeded when the City of Berkeley allocated \$200,750 in local General Funds to the Men's Overnight Shelter operated by the Berkeley Food and Housing Project in PY 2007.

E. Pattern of Investments

Berkeley's broad pattern of investments did not change significantly in PY 2007 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. Berkeley also committed more funds to supportive services and housing in Berkeley in support of EveryOne Home policies, Council adoption of the Mayor's Public Commons for Everyone Initiative (PCEI), and the upcoming Systems Change Initiative. 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

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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 2007 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.