City of Berkeley

Program Year 2010
Consolidated Annual Performance and Evaluation Report (CAPER)

Prepared by the City of Berkeley
Housing and Community Services Department
for the U.S. Department of Housing and Urban Development

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I. EXECUTIVE SUMMARY

In PY 2010, the City of Berkeley received federal entitlement funds of $3,534,592 in Community Development Block Grant (CDBG), $1,375,482 in HOME, and $142,959 in Emergency Solutions Grant (formerly known as Emergency Shelter Grant, or ESG) funds, for a total of $5,053,033. The City used its adopted Public Participation Plan to encourage community input into funding priorities and proposed funding allocations.

Using these federal funds, the City funded a variety of housing, homeless, and community development activities. In PY 2010, the City continued to invest a significant amount of City General Funds into related priorities. Activities to further goals identified in the Consolidated Plan are described in *Section II: Three to Five Year Plan Assessment of Progress* of this document. Steps taken to affirmatively further fair housing and implement the current Analysis of Impediments to Fair Housing Choice are described in *Section III: Assessment of Annual Progress*.

So far, the City has achieved 45% of its production goal for new construction affordable housing and 100% of its production goal for rehabilitated affordable housing.[1] Due to the lingering recession, its impact on other affordable housing funding sources, and needs of Berkeley's existing housing stock, it is unlikely that the City will be able to meet the new construction goal by 2014, but likely that the rehabilitation goal will be significantly exceeded. The City also exceeded its other housing goals for the current year; in particular, changes to the Rental Housing Safety Program have allowed for an increase in the number of units addressed through Housing Code Enforcement.

In PY 2010, the City also exceeded its goals in maintaining emergency shelter and transitional housing capacity, and expanding permanent supportive housing opportunities. Obtaining a new Shelter Plus Care grant aimed at serving homeless seniors was a major accomplishment toward this goal.

Finally, the City continued a variety of anti-poverty, employment, and community development programs in PY 2010. A major accomplishment in this area during PY 2010 was adopting a Community Workforce Agreement which establishes a 30% local hiring goal for all publicly funded development projects of $1 million or more.

Summary of Resources and Distribution of Funds

In PY 2010, the City's entitlement funds from CDBG, HOME, and ESG totaled $5,053,033. ***Table 1*** presents the status of formula grants in PY 2010.

[1] Housing goals in the Consolidated Plan were taken from the City's current Housing Element and cover the period from 2007 to 2014, a longer period than that of the Consolidated Plan (2010 – 2014).

Table 1: Status of Formula Grants in PY 2010

	CDBG	HOME	ESG
PY 2010 Entitlement	3,534,592	1,375,482	142,959
PY 2009 Carryover	120,000	1,090,695	43,641
Program income	201,629	23,366	0
Committed	3,739,592	*0	186,600
Expended	3,479,957	558,790	186,575

*$1,425,482 committed to the Housing Trust Fund, but not to specific projects yet.

In PY 2010, the City continued to target funds to the area described in the Consolidated Plan under Neighborhood Strategy Area, south and west Berkeley. The competitive application for community agency funding indicated that south and west Berkeley are priority areas. Proposers are asked how they serve these areas, and applications that serve south and west Berkeley receive extra points in the competitive scoring process.

II. THREE - FIVE YEAR PLAN ASSESSMENT OF PROGRESS

1. Three - Five Year goals and objectives

Accomplishments during PY 2010 are summarized below, along with the priorities identified in the *2010 – 2014 Consolidated Plan*.

Following are the housing goals and objectives identified in the *Consolidated Plan* (goals in the *Plan* appear in **bold** below) and accomplishments during PY2010:

- **Create new affordable housing through acquisition, rehabilitation, and new construction**. In PY 2010, the City approved a funding reservation for one new construction affordable housing development (Prince Hall Arms Apartments). Construction proceeded on another (Harmon Gardens).
- **Continue a priority for low income households in allocation of resources.** In PY 2010, the majority of CDBG beneficiaries (63%) were extremely low income and 29% were low income.
- **Preserve existing housing, particularly existing affordable housing.** In PY 2010, the City approved funding reservations for the rehabilitation of five affordable housing developments. City-funded rehabilitation proceeded on another affordable housing development, funded previously, while construction was completed on two rehabilitation projects funded by the City.
- **Provide supportive services that help low income people obtain and retain housing.** In PY 2010, the City contracted with community based organizations to provide a variety of housing and homeless programs, and provided mental health, aging, supportive housing, and paratransit services. The City also adopted county-wide outcome measures that focus on obtaining and retaining housing. By the end of PY 2010, the City's Homeless Prevention and Rapid Rehousing Program (HPRP) had achieved a 90% placement rate into permanent housing.
- **Promote energy efficiency and sustainable practices in all housing.** The City's Housing Trust Fund guidelines promote energy efficiency, as does the City's Superweatherization program. In late PY 2010, the City of Berkeley launched, in partnership with the Cities of Oakland and Emeryville, the Building Energy Efficiency Solutions (BEES) Project, designed to research best practices in multifamily energy improvements, identify barriers, and pilot solutions.
- **Increase housing resources for the development of new and rehabilitation of older affordable housing.** This year, the City was unable to secure new sources of funding for new development and rehabilitation of affordable housing due to the lingering recession. City staff continue to monitor the environment for possible new funding sources.
- **Homeownership Opportunities.** The City continued to participate in the Alameda County Mortgage Credit Certificate program in PY 2010; however, no Berkeley buyers participated this year.

Continued operation of the following programs was key to making progress on housing goals in PY 2010:

- **Housing Trust Fund (HTF)** combines multiple sources of funding available for housing acquisition, rehabilitation, and development, including HOME, CDBG, City General Funds, and local Inclusionary Housing In-Lieu Fees and Condominium Conversion Fees. HTF guidelines prioritize low income households, promote energy efficiency and sustainability, and encourage supportive services that help people obtain and retain housing. PY 2010 Housing Trust Fund activities are described in detail under *III. Assessment of Annual Progress, 2. Affordable Housing* later in this report.
- **Super Weatherization,** supported by federal CDBG, LIHEAP, and Weatherization funds as well as City General Funds, provides assistance with utility bill payment and home weatherization services for low income renters and homeowners, promoting energy efficiency and sustainable practices.
- **Senior and Disabled Rehabilitation Loan program** provides low cost loans and project management services to rehabilitate homes owned by seniors and people with disabilities.
- **Housing Retention Program,** supported by City General Funds, coordinates assistance with back rent payments with social services reaching Berkeley's diverse population.
- **Mortgage Credit Certificate.** The City's participation in Alameda County's Mortgage Credit Certificate program provides access to interest rate savings for local homebuyers.
- **The City's Mental Health and Aging** Divisions provide health and social services for people with mental illness and seniors, respectively, supporting them to obtain and retain housing.

In PY 2010, the City continued to make progress on the homeless priorities in the *Consolidated Plan* (priorities from the *Plan* appear in **bold** below):

- **Increase permanent affordable housing opportunities for people who are homeless or at-risk of homelessness, with a goal of 90 new units in the next five years**. The Consolidated Plan established a goal of 18 new units per year. In PY 2010, the City increased the inventory of permanent supportive housing by 12 units, by securing a new Shelter Plus Care grant targeting older adults. In addition, the City's Shelter Plus Care COACH grant renewed with an increase of 12 units, from 21 to 33 units.
- **Sustain and increase supportive services that help people who are homeless or at-risk of homelessness obtain and maintain permanent housing**. In PY 2010, the City of Berkeley participated in a multi-jurisdictional effort to develop and implement a common set of outcomes that supports the HEARTH act. The goals focus on obtaining housing, increasing income, and shortening length of homelessness, with benchmarks set based on the HEARTH Act, local goals, and current community performance.

- **Sustain existing emergency and transitional housing resources, and ensure they link to permanent housing opportunities**. In PY 2010, monitoring of outcomes for the Winter Shelter increased. This emphasis is expected to improve outcomes during PY 2011. In PY 2010, the City continued to fund a variety of emergency and transitional housing, using both federal and City General Funds. All emergency and transitional housing continued operations at the same or higher capacity than the prior year.
- **Utilize the Homeless Management Information System (HMIS) and outcome reporting to research and evaluate homeless needs and programs**. By the end of PY 2010, the City started implementing a new requirement that homeless contractors participate in HMIS, and provide HMIS-produced reports to support the outcomes reports to the City. This initiative is expected to increase the quality of data in HMIS and its use in planning. An additional Berkeley contractor, YEAH! (Youth Engagement, Advocacy, and Housing) began using HMIS during PY 2010.
- **Continue participation in Everyone Home and collaboration efforts with other jurisdictions to address homelessness as a regional issue**. In PY 2010, City staff continued to participate in Everyone Home committees and the Leadership Board, and continued to work on aligning outcome measurement activities countywide. For example, at the end of PY 2010, Everyone Home began reviewing the City's Square One program for possible replication countywide.

The following programs specifically were instrumental in making progress on homeless goals:

- **Community agencies** continued to operate emergency, transitional, and permanent supportive housing and related services. The City provided $3.1 million to sustain homeless programs in PY 2010, as detailed in the Annual Action Plan. Of this, CDBG was 10%, CSBG 6%, ESG 4%, and City General Fund 80%.
- **Shelter Plus Care.** The City continued to operate its successful supportive housing program in partnership with a variety of social service agencies. The City also secured new Shelter Plus Care grant funding for the Housing for Older Adults Project (HOAP), which will house 12 formerly homeless people.
- **HMIS.** Berkeley Continuum of Care programs continued to participate in HMIS in PY 2010, and the City continued its financial support of this countywide program. City staff continued to participate in the administration of HMIS through Everyone Home's Data and Evaluation Committee.
- **Outcomes.** City staff and community agencies continued to work together on evaluating programs using outcomes, and participate in Everyone Home's initiative to implement countywide benchmarks.
- **Everyone Home.** Berkeley continued its financial support and participation in Everyone Home, including membership on the Leadership Board and multiple committees

In the Consolidated Plan, the City established the following community development priorities:

- Public facilities;
- Public services; and
- Economic development and anti-poverty programs.

In PY 2010, the City allocated CDBG and ESG funds for six public and community facilities projects: electrical upgrades at Alzheimer's Services of the East Bay, kitchen improvements for the City's three senior centers, Housing and Community Services staffing for rehabilitation activities, seismic and other interior upgrades at Lifelong Medical Care's West Berkeley Family Practice, Rebuilding Together's community facilities improvement program, and the Berkeley Food and Housing Project's Women's Shelter Improvements.

The City's anti-poverty strategy continues to be closely tied to the funding of over 60 community agencies to provide services as described above to enable people in poverty to attain self-sufficiency, support at-risk youth to succeed in school and graduate, and protect the health and safety of low income people. Services are targeted toward people with disabilities, child care for working parents, and job seekers.

In PY 2010, additional actions to reduce poverty included

- Continued the Berkeley Community Action Agency's **Skills –Opportunity – Success (SOS) Program through September 30, 2010.** Using American Reinvestment and Recovery Act (ARRA) Community Services Block Grant (CSBG) funds, this workforce development program prioritized the employment needs of historically hard-to-serve populations with incomes near or below poverty.
- Continued the City's **First Source local hiring policy** and worked closely with local workforce development programs to coordinate outreach to low-income, at-risk residents to ensure access to employment opportunities on publicly funded projects.
- Adopted a Community Workforce Agreement ordinance on January 18, 2011. This agreement includes a local hire goal of 30% for publicly funded construction projects of $1,000,000 or more.
- The YouthWorks **Employment Program** provided positive and meaningful youth-focused activities, addressing youth unemployment, crime and poverty, by teaching fundamental life and workplace skills, to help youth explore, prepare for, transition, and ultimately succeed in the adult world of work.
- The successful **YouthWorks** employment program, operated in partnership with the City of Emeryville, received additional funding from the Workforce Investment Board (WIB) for summer jobs.
- **Berkeley Youth Alternatives** (BYA) received WIA funds to serve Berkeley and Alameda youth year-round. YouthWorks and BYA collaborated on outreach, intake and referrals to reach the most eligible youth possible while reducing duplication.

- Continued to focus on **South and West Berkeley at-risk transition age youth** for internships, job training and employment opportunities.
- Continued to explore ways to enhance the services available to **help day laborers** with learning English as a second language (ESL) or earning a General Education Diploma (GED), and to manage residential and commercial neighbors' concerns.
- Continued the **Mayor's Task Force on Youth**, comprised of representatives of the Berkeley Unified School District, the City, and community groups, to focus on youth and poverty.
- With support from the City's **Recreation Division of Parks, Recreation & Waterfront Department**, continued to operate the West Berkeley youth after-school program, as well as the Community Builders program.
- Continued the innovative strategic planning process titled **"2020 Vision for Youth"** in order to address the achievement gap, and providing leadership and coordination between City departments and local youth-serving agencies in this forum.
- As part of the **East Bay Green Corridor** partnership, continued to strengthen partnerships and programs that effectively address the workforce development needs of green industries, and provide opportunities for Berkeley residents to gain employment in green sectors.
- Continued implementation of the **California Enterprise Zone program** in West Berkeley which dates from December 2009.

Non-homeless Special Needs priorities:

- Housing that is affordable given income sources commonly available to seniors and people with disabilities;
- Home rehabilitation for maintenance and for accessibility;
- Supportive services that include enough flexibility in type, intensity, and duration to support people to stay stably housed;
- Services that help people who are eligible to access entitlements such as SSI and Medi-Cal, to increase their housing and service options; and
- Education and employment programs which help people increase their income.

In PY 2010, the City continued numerous programs targeting people who are not homeless and have special needs:

- **Senior and Disabled Rehabilitation Loan program** provides low cost loans and project management services to rehabilitate homes owned by seniors and people with disabilities, which allows people with special needs and fixed incomes to remain stably and safely housed.
- **Community agencies providing senior services** were funded with $41,388 in City General Funds for two programs, as detailed in the Annual Action Plan.

- **City's Aging Services Division** continued to operate three senior centers with daily classes and activities, a daily hot lunch program, and a meal delivery program.
- **Community agencies serving people with disabilities** received $1.1 million, a combination of CDBG and City General Funds, for nine programs as detailed in the Annual Action Plan.
- **Community agencies providing employment services** were funded at $347,196 in CDBG and General Funds for five programs, as detailed in the Annual Action Plan.

b. Provide a breakdown of the CPD formula grant funds spent in attaining the goals and objectives.

Table 2: HUD Community Planning and Development Funds, by Goals and Objectives in PY 2010

Priority Area	Funded**	Spent in PY 2010
Housing Development Projects (excluding non-homeless special needs projects)	$4,328,087	$1,509,118
Community Development Projects		
Public Facilities	$828,079	$344,232
Public Services (excluding homeless, employment and housing support Services)	$106,607	$106,607
Homeless Services (including HMIS)	$374,187	$374,163
Non-Homeless Special Needs Projects	$1,075,315	$1,031,237
Planning & Administration	$873,466	$859,966
Total	**$7,554,558**	**$4,225,323**

*See Outcomes Chart in ***Attachment B*** for details.
** Includes carryover projects.

c. If applicable, explain why progress was not made towards meeting the goals and objectives.

Not applicable

2. Describe the manner in which you would change your program as a result of your experiences.

No changes are proposed as a result of the activities in PY 2010. By awarding funding competitively and continually monitoring results, the City is able to make minor adjustments as needed from time to time. The goals and objectives as identified last year in the Consolidated Plan are still appropriate.

III. ASSESSMENT OF ANNUAL PROGRESS

1. Affirmatively Furthering Fair Housing

a. Actions taken to affirmatively further fair housing.

During PY 2010, the City affirmatively furthered fair housing by:

- Continuing to fund the community agency Housing Rights, Inc. (HRI) to provide fair housing outreach and education;
- Continuing to require all City-funded affordable housing developments to create and implement affirmative marketing plans; and
- Evaluating community agencies' responses in their applications for City funds on efforts made to ensure that services were accessible to people with mobility and other impairments and to people with Limited English Proficiency.

b. Summary of impediments to fair housing choice in the Analysis of Impediments (AI).

A variety of factors may form impediments to fair housing choice in Berkeley. There are several issues which relate primarily, although not exclusively, to people with disabilities. There is evidence that discrimination based on source of income, which includes Section 8 and Shelter Plus Care, has disproportionate impact on minorities and people with disabilities. Although Berkeley has made substantial investments into affordable and supportive housing, there is still, as in the rest of the nation, more people with disabilities in need of affordable and supportive housing than there is housing available, which can limit opportunities for people with disabilities to integrate into the community and stay out of institutional settings and homelessness.

According to HUD statistics, discrimination against people with disabilities is the most frequently reported fair housing complaint in Berkeley, as it is in the rest of the nation. It is unclear whether this type of discrimination is the most common or the most commonly reported. Berkeley has a very active disability community, and people have numerous places to turn for assistance with this type of discrimination. Another impediment to fair housing choice identified frequently by survey respondents was a lack of sufficient accessible housing units, including accessible units for families.

Other impediments relate more to racial or ethnic status. While promotion of fair housing choice encourages the development of affordable housing in areas with low concentrations of minorities, in Berkeley, most areas with low concentrations of minorities are predominately in the hills, which for the most part are zoned single family and also not in close proximity to public transit, which include bus routes and the BART system, grocery stores, libraries, and other services. Low income housing tax credits, a major funding source for new housing development, are only available to developments located in close proximity to public transit, grocery stores, libraries, and other services. Therefore, little City-assisted housing is built in these areas. Since people of color are more likely to have lower incomes, the limited dispersion of affordable housing may have a greater impact on minorities.

In addition, evidence suggests that Latinos may be underserved in Berkeley for a variety of housing and service needs. Most of the evidence comes from CHAS data calculated based on the 2000 Census, which is out of date now. The number of Hispanic/Latino residents of Berkeley increased by 22 percent from 2000 to 2010, and it is likely related information on housing and service needs has changed as well; more analysis will be needed as 2010 Census data becomes available. Finally, countywide lending data show that African Americans and Latinos in Alameda County face higher mortgage loan denial rates regardless of income, as is true in the rest of the nation.

Potentially affecting all residents, there may be a lack of knowledge by housing consumers and providers of Fair Housing Laws, discriminatory practices, and enforcement agencies and procedures.

c. Identify actions taken to overcome effects of impediments identified in the AI.

Table 3: Actions Taken To Implement Berkeley's Analysis of Impediments to Fair Housing Choice in PY 2010

Actions Identified in Analysis of Impediments to Fair Housing Choice	Action undertaken in PY 2010
Address "source of income" discrimination (Shelter Plus Care and Section 8)	Shelter Plus Care and Section 8 program outreach to property owners/managers; ongoing services for property owner/managers Continued to encourage Inclusionary Rental Housing property managers to accept Shelter Plus Care and Section 8
Encourage dispersion of affordable housing development.	Made the list of housing opportunity sites in the City available to the public online as part of the Housing Element. Includes the address, lot size, zoning, and General Plan designation of sites throughout the City http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=23512
Fund outreach and education about fair housing.	Continued contracts with Housing Rights Inc. (HRI) and East Bay Community Law Center (EBCLC). HRI provided education about fair housing at 8 events and conducted 22 investigations. EBCLC provided legal services related to housing and tenants rights advocacy to 100 households and assisted 73 households with eviction prevention assistance.
Include fair housing requirements, including affirmative marketing plans, in City contracts.	Continued to include affirmative marketing plans in Housing Trust Fund Development Loan Agreements.

Table 3: Actions Taken To Implement Berkeley's Analysis of Impediments to Fair Housing Choice in PY 2010

Actions Identified in Analysis of Impediments to Fair Housing Choice	Action undertaken in PY 2010
Collaborate with other jurisdictions and housing and service providers under the umbrella of Everyone Home on projects that increase fair housing choice. For example, the Supportive Housing Committee has groups working on screening criteria and other property management issues in supportive housing and on improving the quality of congregate living facilities.	Berkeley-based nonprofit housing developers and operators are participating in the Property Management Pilot Program.
Work with other jurisdictions through Everyone Home to provide unified and comprehensive sources of information regarding housing resources.	Continued to fund countywide 211 program operated by Eden I&R. City staff participated in the Everyone Home Research and Evaluation Committee is working to coordinate information about housing resources.
Evaluate opportunities for fair housing testing and auditing.	Met with one community agency to discuss options for contracting for fair housing services and testing. Discussed opportunities to provide outreach and assistance to homebuyers as well as renters.
Fully utilize Mental Health Services Act Housing Program funding available to create housing for people with serious mental illness who are homeless.	A proposal from Resources for Community Development for the rehabilitation of UA Homes was approved by Berkeley's MHSA Advisory Committee in February 2011. The proposal will be reviewed by City Council in October 2011, then submitted to the California Housing Finance Authority by the end of 2011. If approved, all of the MHSA Housing Program funds allocated to Berkeley will have been committed.
Support programs which increase opportunities for people with disabilities to live in a way that is integrated into the community.	Continued Measure E funding to Easy Does It. Easy Does It provided emergency services to 183 residents: 3,224 attendant services, 439 emergency rides, and 139 repair services.
Continue to fund the creation of new affordable housing through acquisition, rehabilitation, and new construction.	See detailed description of Housing Trust Fund activities under section 2, below.
Continue to encourage use of universal design in Housing Trust Fund funded projects.	Continued to encourage the use of universal design in Housing Trust Fund funded projects, by retaining discussion of universal design in the HTF guidelines.

Table 3: Actions Taken To Implement Berkeley's Analysis of Impediments to Fair Housing Choice in PY 2010

Actions Identified in Analysis of Impediments to Fair Housing Choice	Action undertaken in PY 2010
Support the rehabilitation of existing owner and tenant occupied units.	Continued operation and funding for rehabilitation programs: Condominium Conversion Ordinance, CESC Major Home Repairs, Rebuilding Together, Senior and Disabled Home Loans, Super Weatherization, and the Center for Independent Living Residential Access Program.
Support other strategies to increase affordable housing opportunities.	Continued enforcement of the Inclusionary Housing Ordinance for condominiums, Density Bonus program, and working with the Berkeley Housing Authority on project-based Section 8. Completed affordable housing impact fee nexus study, reviewed several times by HAC and City Council. City Council adopted an impact fee ordinance in June 2011.
Continue to provide housing and community services planning notifications in English, Spanish, and Chinese based on past evaluation of language needs.	Per Citizen Participation Plan, continued to provide housing and community services planning notifications in English, Spanish, and Chinese based on past evaluation of language needs.
Reevaluate Limited English Proficiency needs once 2010 Census data is available.	In PY 2010, City staff researched the availability of 2010 Census and ACS data to determine availability of related data. Collected information from community agencies about outreach to people who speak limited English.
Explore opportunities to provide interpretation services in languages in addition to Spanish and Chinese for people seeking services through the Housing and Community Services Department.	Obtained information from 311 about use of Language Line.
Evaluate 2010 Census data to better inform City strategies to meet Latino housing and community services needs.	Berkeley's Latino population increased by 22% or 2,208 people during the last decade. However, data that would allow for an analysis of housing and community services needs has not yet been released.

The City of Berkeley was notified around June 15, 2011 that Housing Rights, Inc., the City's long-time fair housing service provider, would cease operations at the end of the fiscal year for budgetary reasons. The City immediately started evaluating opportunities for replacements for PY 2011 to minimize the unavoidable gap in services.

2. Affordable Housing

Evaluate progress in meeting its specific affordable housing objectives, including:
a. Comparison of proposed numeric goals (from the consolidated plan and annual action plan) with the actual number of extremely low income, low income, and moderate income renter and owner households assisted during the reporting period.

In PY 2010, Resources for Community Development's Oxford Plaza development in Berkeley was honored with an Honorable Mention in HUD's HOME Investment Partnerships Program's 20th Anniversary Door Knocker Awards, in the category of Producing Sustainable Housing.

The City of Berkeley's Consolidated Plan included affordable housing production goals that were originally established in the City's Housing Element for the period 2007 – 2014. The same goals were used for the sake of consistency, although the time periods of these mandatory plans differ. Progress on these goals is described below.

Table 4: Housing Trust Fund Affordable Housing New Construction Goals 2007 - 2014

	2007 - 2014 Goal	Number Completed Prior to PY 2010 *	Number Completed in PY 2010	Percentage of Goal Completed
Extremely low income	43	34	0	79%
Very low income	129	33	0	26%
Low income	43	29	0	67%
Total affordable	**215**	**96**	**0**	**45%**

* The units completed prior to PY 2010 were all in Oxford Plaza.

Table 5: Housing Trust Fund Affordable Housing Rehabilitation Goals 2007 - 2014

	2007 - 2014 Goal	Number Completed Prior to PY 2010 *	Number Completed in PY 2010 **	Percentage of Goal Completed
Extremely low income	7	0	60	100%
Very low income	21	26	4	100%
Low income	7	12	1	100%
Total affordable	**35**	**38**	**65**	**100%**

* Units prior to PY 2010 were in Allston House, completed in February 2007.
** Projects completed in PY 2010 were Regent House and Amistad House. Regent has SHP for 6 units, which enables housing people with extremely low incomes; the CoB regulatory agreement is for 2 ELI and 4 LI units. Amistad House has project-based Section 8 for 54 units, which enables housing people with extremely low incomes; the CoB regulatory agreement is for 12 ELI, 47 LI, and one market rate manager's unit.

At this point, it appears likely that the City will significantly exceed its rehabilitation goals but not meet its new construction goals in the Consolidated Plan period. There are several reasons for this. The new construction goal was very ambitious. It was based on the achievements of the seven years prior, a period of economic boom that produced

more new affordable housing in Berkeley than at any time in decades. With the continued recession, construction generally remains depressed. Funding sources that typically complement Housing Trust Fund investments, such as federal low income housing housing tax credits and the California Multifamily Housing Program (MHP), have experienced continuing problems, making assembling funding for new construction very challenging. At the same time, multiple previously-assisted housing developments in Berkeley have required rehabilitation to remain affordable.

Housing Trust Fund

The majority of affordable housing activities in Berkeley are conducted through the Housing Trust Fund (HTF), in which the City pools related funding.

On January 15, 2010 the Housing and Community Services Department (HCSD) released a Housing Trust Fund Notice of Funding Availability/Request for Proposals (RFP) and accepted applications through March 1, 2010. In response, the City received nine proposals from housing groups and a referral of Strawberry Creek Lodge's application for CDBG funding from the Housing Advisory Commission (HAC). In total, approximately $8 million in funds have been requested, while $1.4 million were included under the NOFA. In late 2009, HCSD issued an RFP for predevelopment loan assistance and as a result four applications were approved for $15,000 each in predevelopment loan assistance.

In 2010, Council approved funding reservations for six projects. Although not limited to rehabilitation, the 2010 NOFA was intended to target Berkeley's older affordable housing developments. As HCSD staff noted in last year's recommendation to Council, all of the projects for which we received funding requests were deserving of assistance. In December 2010, Council approved staff's recommendation to hold the current HTF funding round open for all projects which had submitted applications and allow HCS staff to continue to work with these pipeline projects and bring additional projects funding recommendations forward through December 31, 2011.

<u>PROJECTS WITH FUNDING RESERVATIONS APPROVED</u>

UA HOMES
Resources for Community Development received a $778,816 Housing Trust Fund commitment in 2010 to refinance and rehabilitate the University Avenue Homes (UA Homes) apartments. UA Homes contains a total of 74 single room occupancy units and five ground floor commercial spaces. The total development cost is approximately $14.2 million. The scope of rehabilitation will include new common area and service spaces, targeted replacements and upgrades of fixtures and finishes throughout the apartments, upgrades to the mechanical and plumbing systems, and energy efficient improvements such as window replacements, lighting repairs and upgrades, heater replacements, and installation of low-flow fixtures and water saving appliances.

SAVO ISLAND COOPERATIVE HOMES

Savo Island is a 57-unit affordable housing community located in South Berkeley. The property was built in 1979 on approximately 2.5 acres of land. Improvements consist of 8 two-story residential buildings, a single story community building and leasing office, mature landscaping, and a central open space area. Savo Island has an estimated total development cost of approximately $7.2 million to complete a renovation of the buildings and property improvements. Savo Island received a $300,000 HTF allocation in 2010. The scope of rehabilitation will include the replacement of windows, siding, and roofing, handicap accessibility alterations, energy upgrades, exterior site repair, and targeted interior improvements.

STRAWBERRY CREEK LODGE

Strawberry Creek Lodge (SCL) is a 150-unit property for seniors. The project was built in 1962 and includes 130 studio and 20 one-bedroom units. SCL has been well maintained, but the property is nearly 50 years old and has a number of capital improvement needs. The project's current HUD mortgage matures in July 2012, and at that time, SCL intends to secure a new HUD mortgage and rehabilitate the property. In 2010 the City Council awarded SCL $86,250 for predevelopment, and SCL has engaged an architect, project manager, and financial consultant to direct this process. Depending on the cost of the proposed rehabilitation and availability of other financing, SCL may need a further contribution of HTF funds.

UNIVERSITY AVENUE COOPERATIVE

Resources for Community Development (RCD) has worked with the UA Cooperative Board to develop an acquisition (of the property improvements) and rehabilitation strategy in order to preserve this 47 unit residential development as a multi-family affordable housing project. This plan to continue the property as a multi-family affordable rental housing project rather than a conversion to cooperative housing is supported by the residents. The total development cost is approximately $10.7 million dollars. The City has reserved $890,000 in HOME funds for the project.

PRINCE HALL ARMS APARTMENTS

In July of 2010, City Council approved an HTF funding reservation in the amount of $497,000, to assist Satellite Housing, a Berkeley-based not-for-profit, to gain clear title to the site of the former Prince Hall Arms Apartments development project. Although Satellite was able to negotiate an agreement with Buckley Real Estate to purchase the site clear of several existing liens, a legal dispute concerning the actual ownership of the site made acquiring clear title impossible. In the hope that this dispute might be resolved, the City, on three occasions, postponed a foreclosure sale scheduled for the property. The final foreclosure sale date of July 1, 2011 was stayed on June 29th as a result of a related legal action brought by Buckley Real Estate.

BERKELEY HOUSING AUTHORITY (BHA)
BHA is in the process of disposing of its public housing units to a nonprofit housing developer. BHA currently owns 61 units of federal Low Income Public Housing and 14 units of affordable housing funded through the state Rental Housing Construction Program. On December 22, 2010, BHA received disposition approval from HUD. Through an RFP process, BHA intends to select an owner/developer to acquire, rehabilitate, and operate its portfolio of 75 units. BHA received a $236,000 HTF fund reservation in May 2010 for roof repairs at its 61 federal public housing units. The City Council has also recommended that an additional $464,000 in HTF funds be reserved to support the disposition plan. Staff will continue to work with BHA to administer the $236,000 existing fund reservation and assess the funding needs of the disposition process.

PROJECTS UNDER CONSTRUCTION/REHAB

Erna P. Harris Apartments

The rehabilitation/renovation of the Erna P. Harris Apartments is anticipated to be completed by September 1, 2011. The project includes 35 units of one-bedroom and single room occupancy units in four buildings. Two buildings were originally constructed in 1952 and were used as a motel, later a small building was added to motel. In 1994 Resources for Community Development (RCD) purchased the property, completed limited renovations, and converted the development into permanent affordable housing for homeless and disabled adults and constructed a new community room and kitchen. The buildings house a community room with laundry facilities, services and resources office, and a manager's office. The target tenant population is low- and extremely low-income disabled persons who are homeless or previously homeless. The project receives Section 8 rental subsidies on 25 units and Shelter Plus Care rental subsidies on 7 units.

The comprehensive rehabilitation includes the construction of a site drainage system, bathroom upgrades, new windows, interior painting, new flooring, insulation, accessibility improvements, and replacement of kitchen cabinets and countertops. RCD will be taking a whole systems approach to the rehabilitation by including choices that will increase energy efficiency and improve the indoor health and comfort of the tenants. The City entered into a Development Loan Agreement on September 1, 2010 to provide $400,000 of CDBG funds as additional financing to a previous HOME loan of $590,000 on the old property.

Harmon Gardens Apartments

In July, 2011, Affordable Housing Associates (AHA) will complete the construction of a new four-story building providing 16 new apartments; 15 of these apartments will be for youth who are homeless or at serious risk of homelessness and the remaining unit will be the resident manager's unit. Harmon Gardens will provide Transition-age Youth with a permanent home where they can develop independent living skills, while receiving supportive services.

Each resident will have his/her own studio apartment with full kitchen and bath. The project includes approximately 2,400 square feet of open space, most of which is located in a garden and patio area adjacent to the community building. The community building includes a large community room which will be used as a social gathering space for group activities. In addition, the building design includes property management office, social services office, a computer room and laundry facilities.

Harmon Gardens will incorporate a Universal Design to ensure that the building is fully accessible/adaptable to all tenants and visitors regardless of their physical needs. The building will incorporate significant green building measures including a high efficiency boiler, high performance windows, Energy Star appliances, and photovoltaic electricity generating system. Supportive services will be provided to the project by Fred Finch Youth Center. The City entered into a Development Loan Agreement on June 1, 2010 to provide $400,000 of HOME funds as additional financing to a previous loan of $211,000 on the old property. Construction will be completed in August 2011.

Completed Projects:

Amistad House

The $1.25 million rehabilitation of Amistad House was completed in PY 2010. The City provided $300,000 in CDBG funds for the project. The scope of rehabilitation included upgrading the first floor community spaces, new landscaping and outdoor lighting, retrofitting all windows and sliding glass doors in the tenants' units with dual-glazed glass, and installing a new fire-life safety system.

Regent House

The $94,000 rehabilitation of Regent House was completed in PY 2010. The City provided $90,259 in CDBG funds for the project. The scope of rehabilitation included exterior painting (with lead based paint remediation), repair of the existing deck, electrical upgrades, new gutters, and the installation of a new roof.

Other Housing Goals

Table 6: Other Housing Goals by Housing Program Type

Housing Program	Need	Year 1 Goal	Year 1 Actual	5-year Goal	% of Year 1 goal achieved
Homeownership	11,993[2]	1	0	3	0%
Home rehab and accessibility improvements	2,498[3]	467	470	2,335	101%
Housing Code Enforcement	25,751[4]	300	519	1,500	173%
Fair Housing	44,938[5]	60	22	300	57%
Total	87,426	871	1,011	4,353	117%

Notes: These goals were established in the *2010-2014 Consolidated Plan.*
Homewnership goal based on home purchases through the Mortgage Credit Certificate (MCC) program.
Home rehabilitation and accessibility improvements projection based on the accomplishments of previously funded programs: Senior and Disabled Home Rehabilitation, Rebuilding Together, Superweatherization, Center for Independent Living Residential Access for the Disabled, Community Energy Services Corporation (CESC) major and minor home repairs.
Housing Code Enforcement projection based on average new cases per year 2006 – 2008.
Fair Housing project based on historical Housing Rights Inc. contract.
[2] Need includes 100% of renter households with incomes below 80% of median in the 2000 Census
[3] Need includes all homeowner households in the 2000 Census with an income below 50% of median
[4] Need includes all renter households in Berkeley
[5] Need includes all households in Berkeley

Homeownership: In PY 2010, no Berkeley buyers completed a home purchase using the Mortgage Credit Certificate (MCC) program. However, one began the process and is expected to close in PY 2011.

Neighborhood Stabilization Program
The Housing and Economic Recovery Act of 2008 authorized awarding federal Neighborhood Stabilization Program (NSP) funds to local governments to purchase vacant and foreclosed properties in order to assist in addressing the nation-wide foreclosure crisis. As a “Tier 2” jurisdiction, the City of Berkeley entered into a joint agreement to file a joint application with other the Tier 2 cities of Berkeley, Fremont, Livermore, San Leandro and Union City in order to meet the $1 million threshold requirement and receive $2,230,495 in federal NSP1 funds. With the City of Livermore acting as the “lead agency”, the cities selected Hello Housing, formally known as Hallmark Community Solutions as the program contractor to use this pool of NSP1 funds to acquire, rehabilitate, and resell foreclosed and abandoned properties as well as process prospective income-eligible homebuyers for the purchased properties.

Hello Housing successfully purchased and sold four single family homes in the City of Livermore to NSP qualified families. Additionally, Hello Housing purchased one single family home in Union City which sold in June 2011. Program Income from the sale of these five NSP 1 homes has allows Hello Housing to purchase and renovate three additional single family homes. Two of these homes are located in the City of San Leandro and have completed construction; both will be listed for sale by the end of July 2011. One of these homes is located in the City of Fremont, which has completed construction and has been placed on the market as of July 18, 2011.

Hello Housing has also launched a NSP Regional Marketing Website (www.homehub.org) where all NSP homes are listed and information about the NSP program is available. This site includes lenders, home buying counseling agencies and real estate agents who are working with the NSP program. It also shares details about each of the jurisdictions and their developer partners that are working together to implement the NSP program. The goal is to better market the benefits of the NSP program operating across the Bay Area to prospective buyers, mortgage lenders and real estate agents. Hello Housing anticipates other NSP developers listing their homes on this site in the coming months at which time a larger marketing campaign of the new website, tailored to reach a broader audience, will take place. Until then, Hello Housing is ensuring that all of their homes are listed on this site and sharing this site with various lending and real estate communities.

Home rehab and accessibility improvements:
Table 6 above includes the number of home rehab and accessibility improvements completed by Senior and Disabled Home Rehabilitation, Rebuilding Together, Superweatherization, Center for Independent Living Residential Access for the Disabled, and Community Energy Services Corporation (CESC) major and minor home repairs.

Superweatherization is operated by the City of Berkeley. It combines Federal, State and local funds to provide free energy saving improvements to income-eligible residents. Services vary by program and building, and can include free attic insulation, weatherstripping, water heater blankets, low-flow shower heads, duct insulation, high efficiency lighting, window repairs/replacement, and ceiling fans. ***Table 7*** shows the number of units weatherized in PY 2010 by the source of funds used.

Table 7: Number of Units Weatherized in PY 2010, by Source of Funds

Home Energy Assistance and Energy Crisis Intervention Programs (HEAP/ECIP)	3
Low Income Home Energy Assistance Program Weatherization (LIHEAP WX)	38
American Recovery and Reinvestment Act Department of Energy (ARRA DOE)	77
Department of Energy Weatherization Assistance Program (DOE WAP)	20
Community Development Block Grant (CDBG)	30
Total	**168**

Housing Code Enforcement: In PY 2010, Housing Code Enforcement/the Rental Housing Safety Program opened 144 new reactive (complaint driven) and 375 proactive cases, for a total of 519 new cases.

Fair Housing: In PY 2010, the goal for fair housing services was only partially (57%) achieved. Housing Rights Inc. reported a decrease in calls this year, and speculated that many tenants are now fearful of reporting housing complaints because they are already behind on rent and dependent on the goodwill of their landlord to stay housed. Oakland City staff similarly reported a decrease in calls this year, although the Berkeley Rent Stabilization Board reported an increase in calls, so the reasons behind the decrease are unclear at this time.

Other energy efficiency and sustainability programs
In addition to the Superweatherization activities listed above under "home rehab and accessibility improvements," the City has a number of other energy efficiency initiatives that are aim not just at low income residents, but at the City as a whole. The City of Berkeley is committed to promoting an integrated strategy to help Berkeley residents make their homes energy efficient with income qualified weatherization programs, the Residential Energy Conservation Ordinance (RECO), requiring energy upgrades at time of sale or remodel and whole house upgrade incentives funded through the DOE's Energy Efficiency and Conservation Block Grant (EECBG), an ARRA-funded program, with the Money for Energy Efficiency (ME2) program offering rebates to all and subsidized direct install to moderate income qualified households.

- **RECO** requires residential property owners to increase the energy and water efficiency in their buildings upon transfer of property ownership or when renovations are made. Compliance with RECO measures saves money, increases the comfort of residents and reduces the amount of greenhouse emissions in every home.
- **Partially Subsidized Retrofit Services GETS Program** (moderate-income or neighborhood eligible residents)**.** The City of Berkeley offers partially subsidized direct installation of home energy improvements to moderate income or neighborhood eligible residents in partnership with Rising Sun Energy Center.
- **City-wide Rebates.** Using Federal Energy Efficiency Block Grant funds from the DOE, the City of Berkeley offers rebates to Berkeley property owners who retrofit their buildings to improve energy performance.

b. Report the number of households served meeting the Section 215 requirements of affordable housing (essentially meeting the definitions in 24 CFR 92.252 and 92.254 for renters and owners, respectively).

No HOME projects were completed and leased up in PY 2010, so there are no new households to report in PY 2010. The City regularly monitors completed HOME developments for compliance; monitoring activities are described in *Section 3: Assessment of Annual Progress, 8. Monitoring*.

c. Description of efforts to address worst case needs (defined as low-income renters with severe cost burden, in substandard housing, or involuntarily displaced).

During PY 2010, the City of Berkeley funded and/or operated a number of programs to address worst case housing needs:

- **Housing Retention Program**, which combines emergency housing assistance (payment of back rent) with existing case management services;
- **Priority Home Partnership**, a Homelessness Prevention and Rapid Rehousing Program (HPRP) under the American Recovery and Reinvestment Act;
- **Problem Properties Task Force**, which brings together multiple City departments to address properties with multiple problems, including code violations,
- **Rebuilding Together**, which completes home repairs;
- **Rental Housing Safety Program and Housing Code Enforcement**, which includes proactive and reactive housing inspections;
- **Senior and Disabled Home Rehabilitation Program**, which provides loans and project management services to home rehabilitation; and
- **Weatherization**, which provides energy bill payment assistance and home weatherization for low income renters and homeowners.

d. Description of efforts to address the accessibility needs of persons with disabilities.

During PY 2010, the City of Berkeley funded and/or operated a variety of programs which address the accessibility needs of people with disabilities:

- **Center for Independent Living**, which modifies homes for accessibility;
- **Measure E**, a local tax approved by Berkeley voters in 1998, provides funding for emergency attendant and transportation services to residents with severe physical disabilities, and incidental case management. Currently Measure E taxes provide approximately $900,000 per year and the City contracts with Easy Does It (EDI). EDI provides emergency attendants, wheelchair adjustments, and transportation services to Berkeley residents who are severely physically disabled, maintains a voluntary disaster registry of disabled Berkeley residents, and provides case-management to help with the recruitment, selection, training, and retention of quality attendants;
- **Rebuilding Together**, which completes home repairs for people with disabilities;
- **Senior and Disabled Home Rehabilitation Program**, which provides loans and project management services to home rehabilitation;
- **City of Berkeley Health and Human Services Department's Mental Health Division** provides services for people with mental illness, including helping people obtain and maintain permanent housing;

- **City of Berkeley Housing and Community Services Department's Paratransit Program**, funded by Alameda County Measure B funds and City General Funds, provides taxi scrip, wheelchair van scrip, Paratransit tickets, and subsidized taxi and van rides home from medical appointments;
- **City of Berkeley Public Works Department's Disability Services Specialist**, who provides information about City program, accessibility, and accommodations.

3. Continuum of Care

a. Identify actions taken to address the needs of homeless persons and persons with special needs who are not homeless but require supportive housing (including persons with HIV/AIDS). This description must include actions taken to implement a continuum of care strategy for homeless and new Federal resources obtained during the year.

The City of Berkeley participates in the Alameda County Continuum of Care. In 2006, the City adopted the Everyone Home Plan as its guiding policy on homelessness and special needs housing. The Everyone Home Plan is a countywide plan addressing homelessness and special needs housing, and functions as Alameda County's continuum of care strategy. Berkeley participants are deeply involved in Everyone Home's implementation: the Mayor serves as an Everyone Home Champion, City staff serve on the Leadership Board and multiple committees including the Jurisdictional Supportive Housing Committee, the Data and Evaluation Committee, and the Performance Management Committee. Berkeley-based housing developers and service providers and Berkeley community members also serve on the Leadership Board, the Data and Evaluation Committee, the Property Management Committee, and the Events Committee.

In PY 2010, the City provided a total of $3,103,720 for homeless programs at 20 organizations:

- $281,931 in CDBG,
- $173,556 in CSBG,
- $85,556 in ESG,
- $2,542,677 in General Funds, and
- $20,000 in other funds.

Through the coordination of Everyone Home, in PY 2009, the City of Berkeley, working in collaboration with other jurisdictions and many community agencies, successfully applied for renewed federal Continuum of Care (Supportive Housing Program (SHP)) funding, receiving $21.6 million to support 47 housing and services programs in Alameda County, many of them in Berkeley (see ***Attachment I: SHP List of Projects Receiving Funding*** for a complete list.). These funds leverage additional funds for homeless services, and are discussed below in the section on Leveraging Resources.

In PY 2009, the City submitted an application through the Alameda County Continuum of Care for a new Shelter Plus Care grant called the Housing for Older Adults Project (HOAP), which would combine Shelter Plus Care certificates with services provided by the City's Aging Services Division. The City was notified in July 2010 that this program would be funded with $824,700 for 12 subsidies for homeless and disabled seniors.

Table 8: Homeless Needs Table: Individuals (HUD's Consolidated Plan Continuum of Care Housing Gap Analysis Table 1A)

	From the Consolidated Plan					
	Needs	**Currently Available**	**Gap**	**Year 1 Goal**	**Priority (H, M, L)**	**Year 1 Actual**
Emergency Shelters*	279	279	0	279	M	275
Transitional Housing	59	59	0	59	M	59
Permanent Supportive Housing	351	**377	351	18	H	**24
Total	**698**	**724**	**351**	**356**	N/A	358

* The Emergency Shelter goal was based on the existing capacity in PY2009. The Year 1 Actual includes 130 year round beds, 125 seasonal beds, and 20 winter hotel vouchers. The decrease was due to slightly fewer adults (20) participating in the Winter Motel Voucher program compared to PY 2009 (24).

** Year 1 permanent supportive housing came from 12 units in the new Shelter Plus Care HOAP grant, and a renewal in the Shelter Plus Care COACH grant increasing the total units from 21 to 33 (an increase of 12 units).

Notes: These goals were established in the *2010-2014 Consolidated Plan*. Numbers for needs and annual goals for emergency shelter and transitional housing reflect continued operation of existing programs. The number of transitional housing beds (needs, currently available, and goal) for individuals in the *2010-2014 Consolidated Plan* was based on the current inventory in PY2009 but reported incorrectly at 68 due to mathematical error. It has been corrected to 59. Since "available units" are generally full, they are not counted against the need.

Table 9: Homeless Needs Table: Families
(HUD's Consolidated Plan Continuum of Care Housing Gap Analysis Table 1A)

	From the Consolidated Plan					
	Needs	**Currently Available**	**Gap**	**Year 1 Goal**	**Priority (H, M, L)**	**Year 1 Actual**
Emergency Shelters*	30	30	0	30	M	54
Transitional Housing**	104	104	0	104	M	106
Permanent Supportive Housing	29	**35	29	4	H	0
Total	**163**	**169**	**29**	**116**	N/A	160

Note: emergency shelter and transitional housing goals reflect the continued operation of existing programs.

* The goal was based on existing capacity in PY 2009. The Year 1 Actual includes 6 emergency shelter beds and 49 seasonal hotel vouchers. The change was due to a one-time expansion of the Winter Hotel Voucher to serve 49 families in PY 2010 compared to 22 in PY 2009, and a slight decrease (to 6 from 8) in emergency shelter beds at Berkeley Food and Housing Project (BFHP) due to reconfiguring several programs.

** Increase due to reconfiguration at BFHP.

***includes the portion of Berkeley's tenant-based Shelter Plus Care certificates held by families in April 2009. Since both singles and families are eligible, number held by families will change over time.

Note: These goals were established in the *2010 – 2014 Consolidated Plan*. Numbers for emergency shelters and transitional housing reflect continued operation of existing programs. Since the City adopted the Everyone Home Plan in 2006, the priority for new programs is for permanent supportive housing. Since "available units" are generally full, they are not counted against the need, which reflects 2/3rds of the homeless families identified in the homeless count.

b. Identify actions taken to prevent homelessness and to help homeless persons make the transition to permanent housing and independent living.

Preventing and ending homelessness are central strategies for ending homelessness in the Everyone Home Plan.

The City continued two homeless prevention programs that were described in the Annual Action Plan:

- Continued operation of the **Housing Retention** program, which provides up to $2,000 in assistance with back rent for Berkeley residents experiencing a temporary financial setback in order to prevent homelessness.
- Continued operation of the **Housing Resource Center**, launched in 2009 with American Recovery and Reinvestment Act (ARRA) **Homelessness Prevention and Rapid Rehousing (HPRP)** funds. The Housing Resource Center is component of a network of centers developed through inter-jurisdictional planning and coordination.

In PY 2010, the City continued funding a wide range of homeless services and housing programs using federal and local resources. Associated staff activities include administering the contracts, paying out funds, and monitoring agency performance. In addition to a wide variety of services, City funding helps support the City's network of emergency shelter, transitional housing, and permanent housing (detailed in the Consolidated Plan):

- 138 year-round emergency shelter beds,
- Another 184 seasonal shelter beds,
- 172 transitional housing beds, and
- 271 units plus 141 rooms (in congregate housing including SROs) of permanent housing.

Every type of homeless service program in Berkeley plays a part in getting people who are homeless into permanent housing. The City, local housing and service providers, and jurisdictions across Alameda County have been working together since the adoption of the Everyone Home Plan locally and of the HEARTH Act nationally to emphasize exits to permanent housing as a primary goal.

In PY 2010, the City also continued to provide supportive housing through:

- Administration of 5 **Shelter Plus Care** grants, in partnership with numerous Berkeley housing and service providers, to serve an estimated 220 people in total during PY 2010. The City has also applied for a new Shelter Plus Care grant through the Continuum of Care process and is waiting to hear whether it will be funded.
- Operation of the locally-funded **Square One** program, which provides outreach, intensive services, and a housing subsidy to participants who are largely chronically homeless and have been living in commercial spaces in the city.

c. Identify new Federal resources obtained from the Homeless SuperNOFA.

In PY 2010, the City obtained a new Shelter Plus Care grant in the Homeless SuperNOFA. The City will provide case management services through its Aging Services Division to go with the certificates in a program called the Housing for Older Adults Project (HOAP). The City was notified in July 2010 that this program would be funded with $824,700 for 12 subsidies for homeless and disabled seniors. In addition, the Shelter Plus Care COACH grant renewed with an increase of 12 units, from a total of 21 units to a total of 33 units.

Supportive Housing Program Grant Awards, PY 2010

Berkeley agencies continue to compete successfully for Supportive Housing Program Grants from the U.S. Department of Housing and Urban Development (HUD) in PY 20010. *Table 10* lists supportive housing and support services programs in Berkeley that received more than $2 million in direct funding. HUD also awarded $4.8 million to programs that benefit people who are homeless in Berkeley as well as in other parts of Alameda County (particularly Oakland).

Berkeley's supportive services and housing programs obtain in-kind and money matches that leverage HUD's grant awards through SHP. *Table 10* lists Supportive Housing Program awards.

Table 10: Supportive Housing Program (SHP) Renewal Awards to the City of Berkeley and Berkeley Community Agencies in PY 2010

Program	Funding
Bonita House - Channing Way Apartments	$33,080
BFHP - Russell Street Residence	253,627
AHA - Peter Babcock House	36,665
RCD - Regent Street	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	1,018,766
Total	**$2,045,791**
Other Awards that serve Berkeley and other communities:	
InHOUSE (HMIS) - County-wide	$384,582
BOSS - Self-Sufficiency Project	736,155
COB Shelter Plus Care Programs	2,657,124
Total	**$3,777,861**

Source: US Department of Housing and Urban Development. Dated January 19, 2011. Available online: http://www.hud.gov/offices/cpd/homeless/budget/2010/10_california_renewals.pdf Accessed August 31, 2011.

Note: This table of renewed grants does not reflect the $824,700 in the new HOAP grant, a 5-year award starting in PY 2010.

4. Describe Other Actions in Strategic Plan or Action Plan Taken To:

a. Address obstacles to meeting underserved needs.

One of Berkeley's major obstacles to meeting underserved needs is the limited amount of federal, state, and local resources available given the diversity of needs in the community and high cost of housing in the Bay Area. In PY 2010, the City of Berkeley continue to pursue new resources as available to meet underserved needs. For example, in PY 2010 the City adopted an ordinance authorizing an affordable housing impact fee. This fee would apply to new units of market rate housing. Fees received would be deposited into the City's Housing Trust Fund.

b. Foster and maintain affordable housing.

Monitoring Housing Trust Fund developments is an important strategy for fostering and maintaining the City's portfolio of affordable housing. Regular monitoring will help identify possible problems earlier, so that appropriate preservation strategies can be developed. The City's monitoring plan is described in more detail below, under Monitoring.

The City's last Request for Proposals for the Housing Trust Fund emphasized the rehabilitation and preservation of the City's aging affordable housing stock. Rehabilitation projects in PY 2010 included Amistad House, the Berkeley Housing Authority's federal public housing units, Erna P. Harris Apartments, Regent House, Savo Island Cooperative Homes, Strawberry Creek Lodge, University Avenue Cooperative and UA Homes. More detail on each of these appears in *III. Assessment of Annual Progress, 2. Affordable Housing*, above.

c. Eliminate barriers to affordable housing.

The principal barriers to affordable housing in Berkeley continue to be the high costs of new development, partly due to high land costs but also to costs of many building materials, including concrete, wood, and steel. In addition, reduced funding at the federal and state level contributes to the difficulty of building new affordable housing. Local barriers to affordable housing are the increased costs resulting from obtaining a balance between addressing neighborhood concerns and acting on applications in a timely way to complete and make available affordable units.

The recession has not alleviated the problems of housing affordability in the Bay Area housing market. While home prices are deflating in some neighborhoods, particularly in outlying communities of the Bay Area, which would make homes more affordable, increases in unemployment in the region may undercut effective demand for such

housing, and place greater pressure on the rental market, thereby increasing market rents. In Berkeley, once tenants obtain a rental unit, then future rent increases are regulated, but the initial rent is often relatively high.

In PY 2010, the City continued administering its Condominium Conversion Ordinance, which has fee revenue sources that may help the City increase the number of affordable units created in Berkeley through the Housing Trust Fund Program. In PY 2010, the Condo Conversion program generated $81,500 for the Housing Trust Fund.

In the past, the City's Inclusionary Housing Ordinance resulted in the production of affordable rental and ownership units. Because 2009's Palmer vs. City of Los Angeles decision rendered the City's Inclusionary Housing Ordinance unenforceable in rental housing, during PY 2010, the City evaluated alternatives for an affordable housing mitigation fee to be charged on new residential construction. The Council actually adopted an ordinance authorizing a fee at the start of PY 2011.

d. Overcome gaps in institutional structures and enhance coordination.

As described in the Consolidated Plan, the City's lead entity for implementation of the Consolidated Plan is the Housing and Community Services Department. The Department consists of four divisions:

- The Office of the Director;
- Community Services and Administration;
- Housing Services; and
- Aging Services.

The Housing & Community Services Department works closely with other City departments involved in housing and community services issues. These include:

- Health Services Department: Joint participation in the Everyone Home Leadership Board continued in PY 2010.
- Planning Department: Monthly coordinating meetings continued in PY 2010.

In PY 2010, Housing and Community Services Department staff continued to work with staff of other public agencies, such as the Berkeley Housing Authority and the Berkeley Rent Stabilization Board, addressing housing as topics of mutual interest arise.

Most of the housing and community services programs described in the Consolidated Plan are delivered by nonprofit community based organizations. In PY 2010, the City contracted with a wide range of housing and service providers using CDBG, HOME, ESG, Community Services Block Grant (CSBG), General Fund, and other sources of funding. These organizations leverage significant financial and in-kind support from individual community members, foundations, and private organizations that help meet the needs identified in this plan. The City continued to work closely with these agencies in PY 2010.

In PY 2010, staff met regularly with staff of agencies in other Alameda County jurisdictions on the Everyone Home Leadership Board and in a variety of committees working to implement the Everyone Home Plan. Agencies routinely consulted include:

- Alameda County Housing and Community Development Department.
- Everyone Home.
- City of Oakland Department of Human Services.
- Alameda County Social Services Agency.
- Alameda County Behavioral Health Care Services.

In PY 2010, the City of Berkeley continued working with the Berkeley Unified School District (BUSD), the Planning and All-City Equity Taskforce Team, Berkeley Alliance, and other planning team members in the 2020 Vision planning process. Berkeley has one of the largest achievement gaps, meaning disparity of education performance between groups of students, along race lines in the State of California. The 2020 Vision aims to reduce disparate health and education outcomes for African American and Latino children and youth in Berkeley.

e. Improve public housing and resident initiatives.

The Berkeley Housing Authority (BHA), which has a board appointed by the City Council, accomplished the following in PY 2010:

- Assisted a minimum of 1,841 families throughout year in the Section 8 program;
- Processed 34 reasonable accommodations;
- Awarded 119 project-based vouchers to four rehabilitation projects including the historic Strawberry Creek Lodge and Oregon Park Apartments;
- Presented a quarterly affordable housing seminar for Children's Hospital pediatric interns;
- Completed one Section 3 hire of a public housing resident;
- Launched a public housing resident garden project in collaboration with Acta Non Verba;
- One of 20 public housing authorities in the country, and one of three in California to partner with APT Associates HUD-funded "homeless intervention" program, and received an allocation of the new housing vouchers;
- Partnered with the Berkeley Police Department to address crime/ nuisance behavior associated with 22 residences;
- Awarded Public Housing Authority of the Year by the HUD San Francisco Regional office;
- Approved 15 security deposit loans for new families in the Section 8 voucher program;

- Issued a Request for Proposals to select a developer to own and manage the 75 units of BHA-owned large family rental units;
- Developed a *Resident Guide to Relocation* publication to answer and/or address concerns raised by residents; and
- Implemented handheld inspection module, eliminating the need for hard copy reports.

f. Evaluate and reduce lead based paint hazards.

Lead Poisoning Prevention Program. The City of Berkeley Public Health Division and the Alameda County Lead Poisoning Prevention Program worked together to increase awareness and knowledge about lead poisoning prevention in Berkeley including providing lead-safe painting outreach and education, in-home consultations, garden soil lead sampling kits, presentations, educational materials, and other services and resources. Rebuilding Together worked with the City of Berkeley and Alameda County Lead Poisoning Prevention Programs to increase awareness of lead issues among their clients and volunteers and to incorporate lead safe work practices into their activities.

The City of Berkeley Childhood Lead Poisoning Prevention Program collaborates with the Berkeley Housing and Community Services Department's State lead-certified Risk Assessor/Inspector, Project Designer, and Project Monitor. The Alameda County Lead Poisoning Prevention Program also has a HUD Lead Hazard Control grant to remediate lead hazards in approximately 10 qualifying Berkeley housing units with low-income families per year. Berkeley's program also provides case management services to families with children who have elevated blood lead levels. If the child is found to have a blood lead level above 14.5 mg/dL, he/she will receive case management from a Public Health Nurse.

g. Ensure compliance with program and comprehensive planning requirements.

Compliance activities are detailed under the specific programs below.

h. Reduce the number of persons living below the poverty level.

In Program Year 2010 Berkeley funded various Public Services at the allowed cap of $583,100. The City's Anti-Poverty Strategy relies on funds in the Public Services category of the CDBG Program.

The City's anti-poverty strategy continues to be closely tied to the funding of over 60 community agencies to provide services as described above to enable people in poverty to attain self-sufficiency, support at-risk youth to succeed in school and graduate, and protect the health and safety of low income people. Services are targeted toward people with disabilities, child care for working parents, and job seekers. In PY 2010, the City

continued funding from federal entitlement sources job creation/job placement agencies such as Inter-City Services, the Women's Daytime Drop-In Center, Housing Rights, Inc., Resources for Community Development's social services, and the Berkeley Food and Housing Project's Men's Overnight Shelter. With local funds, the City funded a large number of community service agencies that serve Berkeley's poorest residents, and who represent other key components of Berkeley's overall anti-poverty strategy for health care, disabled services, senior and youth services, and workforce development. These services are in addition to the array of homeless services described earlier.

In PY 2010, the City contracted with Rubicon Workforce Services social enterprise program for landscaping services (which provides jobs for program participants) for five City facilities operated by the Health Department. Rubicon was also awarded $1,016,786 from the federal Supportive Housing Program for its Rubicon Berkeley Services' operation of its Homeless One-Stop Center. Rubicon operates the North Cities One Stop Career Center, receiving Workforce Investment Act funding through the Alameda County Workforce Investment Board (ACWIB).

Inter-City Services continued to serve veterans as funded under the Governor's 15% Discretionary pool of Workforce Investment Act (WIA) funds. Berkeley Youth Alternatives (BYA) receives WIA funding through ACWIB to provide workforce development services to in-school and out-of-school youth. Workforce development is a focus area for increased coordination, including establishing methods to maximize and leverage resources.

In PY 2010, additional actions to reduce poverty included

- Continued the Berkeley Community Action Agency's **Skills –Opportunity – Success (SOS) Program through September 30, 2010.** Using American Reinvestment and Recovery Act (ARRA) Community Services Block Grant (CSBG) funds, this workforce development program prioritized the employment needs of historically hard-to-serve populations with incomes near or below poverty. The goal of SOS was to create pathways to high-growth, high-demand occupations that result in long-term self-sufficiency, by providing work readiness, employment training, job placement and wrap-around services in a case management model. SOS leveraged training and education resources available in the community. The Berkeley Community Action Agency administered and monitored the program, and expanded opportunities for program participants by developing a network of participating community agencies. Community agency partners served as entry points into the SOS Program with a Workforce Services Coordinator providing outreach at community agency sites. This program ended when ARRA CSBG stimulus funds were fully expended.
- Continued the City's **First Source local hiring policy** and worked closely with local workforce development programs to coordinate outreach to low-income, at-risk residents to ensure access to employment opportunities on publicly funded projects. Past assessments of the First Source Hiring Program have resulted in improved data collection and operating systems. The First Source local hiring policy reinforces collaboration between City departments such as Finance, Planning, and Public

Works. This policy helps to establish and strengthen access to jobs created by large-scale, privately funded developments.

- Adopted a Community Workforce Agreement on January 18, 2011. This agreement includes a local hire goal of 30% for publicly funded construction projects of $1,000,000 or more.
- The YouthWorks **Employment Program** provided positive and meaningful youth-focused activities, addressing youth unemployment, crime and poverty, by teaching fundamental life and workplace skills, to help youth explore, prepare for, transition, and ultimately succeed in the adult world of work. Youth from South and West Berkeley are targeted in this program. The program operates on a year-round basis, employing up to 230 youth each summer and after-school employment for up to 120 youth in winter. Youth worked in city departments and with local community agencies.
- The successful **YouthWorks** employment program, operated in partnership with the City of Emeryville, received additional funding from the Workforce Investment Board (WIB) for summer jobs. This ARRA-funded program targeted low-income, at-risk youth from South and West Berkeley who had at least one barrier to employment. The program also provided workplace skills workshops. The program ended in September 2011 after serving 90 low-income, at risk youth in Berkeley and Emeryville.
- **Berkeley Youth Alternatives** (BYA) received WIA funds to serve Berkeley and Alameda youth year-round. YouthWorks and BYA collaborated on outreach, intake and referrals to reach the most eligible youth possible while reducing duplication.
- Continued to focus on **South and West Berkeley at-risk transition age youth** for internships, job training and employment opportunities. City of Berkeley Employment Programs worked closely with Berkeley Adult School, Berkeley City College, Berkeley Youth Alternatives, the Bread Project, Biotech Partners, Inter-City Services, Rising Sun Energy Center and Rubicon's the North Cities One-Stop Career Center, operated by Rubicon Workforce Services.
- Continued to explore ways to enhance the services available to **help day laborers** with learning English as a second language (ESL) or earning a General Education Diploma (GED), and to manage residential and commercial neighbors' concerns. Laborers now receive on-site primary healthcare by Alameda County Healthcare for the Homeless, Vocational English-as-a-Second Language, various labor-related trainings, such as lead-based paint educational workshops, and weekly "staff meetings" facilitated by Multicultural Institute staff.
- Continued the Mayor's Task Force on Youth, comprised of representatives of the Berkeley Unified School District, the City, and community groups, to focus on youth and poverty.
- With support from the City's **Recreation Division of Parks, Recreation & Waterfront Department**, continued to operate the West Berkeley youth after-school program, as well as the Community Builders program, an after-school targeting at-risk South Berkeley youth which addresses violence, self-esteem, and community service. Community Builders is a partnership with YouthWorks.

- Continued the innovative strategic planning process titled **"2020 Vision for Youth"** in order to address the achievement gap, and providing leadership and coordination between City departments and local youth-serving agencies in this forum. The Berkeley Alliance, a partnership of the City of Berkeley, Berkeley Unified School District, and the University of California at Berkeley are partners in addressing critical issues facing youth and families. The design of this process will simultaneously build community engagement in creating a public education system that builds equity for all students while creating a concrete accountability framework that enables all stakeholders to align their resources in the most effective way possible.
- As part of the **East Bay Green Corridor** partnership, continued to strengthen partnerships and programs that effectively address the workforce development needs of green industries, and provide opportunities for Berkeley residents to gain employment in green sectors. A Green Career Pathways program has been developed and Regional Workforce Development training programs have been successful in leveraging resources to provide training in green and clean technologies to local residents, with expansion of the programs underway.
- Continued implementation of the California Enterprise Zone program in West Berkeley which dates from December 2009. Local workforce development programs utilize the Enterprise Zone program as a tool to provide incentives, in the form of tax credits, for hiring of their program participants by West Berkeley businesses. In PY 2010, Berkeley businesses received tax credits for employing:

Table 11: West Berkeley Enterprise Zone Hiring by Category of Worker in PY 2010

Workers by category	Number
Economically disadvantaged	35
Qualifies for Work Opportunity Tax Credit (WOTC)	14
Ex-offenders	6
Previously dislocated due to workforce reduction or closure	5
Resident of a Targeted Employment Area (TEA)	3
Qualified Veterans	2
Receiving Public Assistance	1
Total	**66**

5. Leveraging Resources

a. Identify progress in obtaining "other" public and private resources to address needs.

In addition to leveraging at the individual agency level, the City has historically matched the investment of CDBG, HOME, and ESG dollars with the investment of General Funds. In PY 2010, over two-thirds of the funding for community agency programs came from General Funds. Specifically, of a total of $8.3 million invested in community agency contracts,

- $1.6 million were federal funds, including Community Services Block Grant (CSBG).
- $5.8 million were City General Funds
- $919,029 came from other sources

b. How Federal resources from HUD leveraged other public and private resources.

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. Each application for City funding requires both an agency and a program budget so that the diversification of funding sources and leveraging can be evaluated.

In PY 2010, CDBG-, ESG- and HOME-funded agencies reported a total of $16,543,079 in leveraged funding as detailed in the table below:

Table 12: Funds Leveraged by CDBG-, ESG-, and HOME- Funded Agencies in PY 2010

Source	Amount
Other Federal Funds	$1,979,990
State Funds	$5,033,789
Local Funds	$1,801,399
Private Funds	$1,904,292
Other Funds	$5,823,609
Total Non-HUD Funds	**$16,543,079**

6. Citizen Comments

The availability of the draft Consolidated Annual Performance and Evaluation Report (CAPER) was published in the *Oakland Tribune*, a local Alameda County daily, on September 6**,** 2011; letting the public know that the CAPER would be available for review at the Berkeley Public Library Reference Desk and the Berkeley Housing & Community Services Department. Chinese and Spanish translations of the notice were included in the *Oakland Tribune* advertisement. The public comment period will run until September 27, 2011, a total of 21 days. The CAPER was discussed at the Housing Advisory Commission's September 8, 2011, meeting; and it was also placed on the City's Housing & Community Services Department website on September 6th at http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=15574. The CAPER was made available for review by the general public at the Housing & Community Services Department, at the Berkeley Public Library Reference Desk to be readily available to low income and minority populations.

Comments: (list here)

7. Self Evaluation

The City of Berkeley continued to make progress on housing and community services goals in PY 2010, despite the ongoing recession. The recession has reduced the amount of funding available for housing and community services from other public and private sources. The City has continued to implement successful strategies while adjusting others to the current climate. For example, the City continues to work at implementing the use of performance outcomes in homeless services contracts, partnering with other jurisdictions including Alameda County. Outcome measurement allows housing and service providers to better evaluate and adjust their services to align more tightly to their goals. At the same time, the City changed its focus in affordable housing development funding from new construction to emphasize rehabilitation, which can more readily be completed with fewer funding sources. Finally, the City continued to pursue new resources for housing and community services in PY 2010, both obtaining a new Shelter Plus Care and working toward adopting an ordinance authorizing a new affordable housing mitigation fee.

8. Monitoring

Housing Trust Fund – Monitoring Housing Development

Monitoring Completed Developments

Background
The Housing and Community Services Department is responsible for monitoring affordable housing developments funded with Housing Trust Fund (HTF) money to ensure ongoing compliance with federal regulations under the HOME and CDBG programs and other local requirements. The City's HTF Program pools funds from various sources—including federal HOME and CDBG, General Fund, Inclusionary Housing in-lieu fees, condominium conversion fees—to achieve the City's General Plan and Consolidated Plan goals of developing and preserving long-term affordable housing. To achieve this purpose, the City provides loan and grants to qualified developers to undertake activities which create, preserve and expand the City's affordable housing stock. The federal and local requirements are incorporated in the development loan agreements and regulatory agreements associated with each project. Currently, there are a total of 43 rental properties and 6 homeownership properties in the City's HTF portfolio. Thirty projects have HOME-assisted units.

Accomplishments
In PY 2010, the Housing and Community Services Department completed the 2009 monitoring cycle in the Fall of 2010 and initiated the 2010 monitoring cycle in January 2011.

Monitoring Activities PY 2010: Using the *City of Berkeley Monitoring Procedures Manual (July 2008)* as a guide, staff implemented annual monitoring activities as follows:

- *August through December 2010*: Staff conducted on-site monitoring visits of developments with HOME-assisted units. The on-site monitoring visits included a physical inspection of the common areas and a sample of units (20% of all residential units). The City of Berkeley Asset Manager/Compliance Monitor (COB Monitor) also conducted reviews of a sample of the tenant files at the property. The housing inspectors did not find major structural problems with most of the properties and found the structures to be safe. For the properties that resulted in findings with respect to health and safety issues, the owners have been responsive and addressed the issues within the deadlines provided.

  In general, the newer developments (completed in the last 5-7 years) are in good shape, and owners have done well in maintaining the properties. The older properties (especially the developments that were rehabilitated or developed prior to 2000) are in need of repair and updating, and will require investment from the owners. This presents a challenge for the smaller developments (less than 20 units) where the rental income is barely enough to cover ongoing operations. Some of the more established housing development groups have multiple properties in their portfolio and are able to utilize cash flow from the larger properties to cover costs of

improvements for the smaller properties. The small, stand-alone projects require more time to complete the improvements they need to make and are limited by their budgets. The COB Monitor will prioritize these smaller, stand-alone projects and will monitor these developments more frequently.

The COB Monitor made sure the properties have a preventive maintenance schedule in place and that property management staff are implementing the preventive maintenance program as planned. The monitor also made sure property management staff are following the procedures for addressing tenant requests and work orders in a timely manner and that annual inspections are consistent and done on time.

The monitor found the projects are in compliance with respect to verifying eligibility of tenants. The project files contained information required to verify tenant eligibility and rent. There were several properties that needed to improve their filing system and the COB monitor provided recommendations on how that could be achieved. COB monitor followed up on outstanding issues in the spring of 2011and closed out the files in July 2011.

- *January 2011:* COB Monitor distributed the Annual Monitoring Report (AMR) to all Housing Trust Fund-assisted properties. The Housing Department received AMRs from 89% of the projects. Only 5 properties out of 43 did not submit their AMRs and the COB Monitor is working with the owners to make sure they comply in the next cycle. The AMR provided updated information on each property's tenancy, affordability, financial performance and property management practices.
- *Spring 2011:* Staff conducted on-site monitoring visits of non-HOME assisted projects in the City's portfolio.
- *July 2011 to present:* COB Monitor is evaluating implementation of 2009 and 2010 monitoring activities and will implement changes to the monitoring procedures as needed. Staff is preparing for on-site monitoring visits of the HOME-assisted projects for Fall 2011.
- Staff attended compliance monitoring trainings throughout the year and is involved in an inter-agency effort to develop a compliance training program for CHDO's and owners of HOME-assisted affordable developments. Program planning will begin in September 2011.

<u>Monitoring During Construction</u>
During PY 2010, the City continued to follow the protocol for monitoring during construction that was described as follows in the *2010-2014 Consolidated Plan*:

Consistent with federal requirements and good lending practices, the City is very involved in monitoring funded developments during construction. Individual projects may require a varying degree of City staff involvement depending upon the following variables:

1. <u>Project Size</u>: In some cases, large projects may be managed by the Subrecipient (Developer/Owner) with the City in more of an oversight role. In smaller, City funded projects, the City staff may take on the role of construction manager.

2. Complexity of the Construction Activity: Staged construction of large projects may require different construction management skills than those required to oversee small projects. This may affect choices about who undertakes particular construction management activities.
3. Type of Sponsor: If a particular subrecipient or Developer/Owner is very experienced or has hired a professional construction manager, the City staff may wish to play an oversight, rather than direct role in the construction process.
4. Subrecipient Development Expertise and Process: If a particular subrecipient or Developer/Owner is new or is inexperienced with construction management, the City staff may want to play a substantive role in managing its initial construction activities.

Usually there are three levels of City staff involvement in the construction process (Intensive, Moderate, or Minimal). The level selected will depend on how much responsibility the City staff relinquishes to the property Developer/Owner, Subrecipient, and/or General Contractor. Usually in most large HTF affordable housing projects with experienced Developer/Owners, the City staff typically opts for "Moderate" involvement.

The three levels of staff involvement in the construction monitoring process are defined below:

1. Intensive City Staff Involvement: A city staff member is assigned or put on-site during all or much of the construction process to oversee construction (bid, hire, oversee contractors, verify compliance, coordinate inspections, and mediate on-site disputes). The City staff will:
    A. Require the Developer/Owner or Contractor(s) to submit weekly or bi-weekly construction progress status reports.
    B. Hold bi-weekly meetings with the architect, owner, and other funding agencies to discuss any construction problems, disputes and change orders.
    C. Review all payment requests and releases the payments according to local disbursement policies.
    D. Review all change order requests and the City's Project Manager will sign change order request as necessary and as outlined in the Development Loan Agreement.
    E. Tract adherence to the budget as needed.
    F. Conduct or schedules "as needed" and/or final inspections to ensure compliance with codes and federal regulatory requirements.
    G. Document site and inspection visits and construction completion in the project files.

2. Moderate City Staff Involvement: A City staff member conducts periodic inspections throughout the construction stage and prepares documentation ensuring compliance with federal program rules. The City staff will:

A. Require the Developer / Owner to submit monthly construction progress status reports.
B. Attend monthly construction draw meetings with the architect, owner, general contractor, and other funding agencies to discuss any construction problems, disputes and change orders.
C. Review all payment requests and releases the City payments according to local disbursement policies.
D. Review all change order requests and the City's Project Manager will sign change order request as necessary and as outlined in the Development Loan Agreement.
E. Tract adherence to the budget as needed.
F. Document site and inspection visits and construction completion in the project files.

3. Minimal City Staff Involvement: A City hires a third party to conduct periodic inspections throughout the construction phase and verify compliance with loan and federal program rules. The City staff will:
   A. Require the third party to submit periodic construction progress status reports.
   B. Meet with the architect, owner, general contractor, and third party on an as-needed basis to discuss, and assisting in resolving any construction problems, disputes, and change orders.
   C. Give the third party the authority to review all payment requests and change orders.
   D. Tract adherence to the budget periodically.
   E. Review City payment requests and releases according to local disbursement policies.
   F. Document site and inspection visits and construction completion in the project files.

Prior to the start of construction, City staff will conduct a pre-construction conference of the parties who staff believes are essential to the construction process. This typically includes, but is not limited to the Developer/Owner (Project Manager and Construction Manager), the General Contractor's representative(s), Architect, and a local representative from the City's First Source Office. At the Pre-construction conference it is important that staff outline and review the City's "HTF Contracting and Draw Process" with both the Developer/Owner and the General Contractor.

Through the City's HTF Development Loan Agreement, the Borrower is required to permit and facilitate, and shall require the General Contractor to permit and facilitate, observation and inspection at the Project by the City and by public authorities (during reasonable business hours) for the purposes of determining compliance with its loan

agreements. The City's Housing staff can conduct inspections, or a third party designated by the City staff, may also conduct such inspections. However, the City is ultimately responsible per the federal requirements.

Community Agency Services Contract Monitoring

The City's community agency contract monitoring functions have been centralized in the City's Housing and Community Services Department. The City combined its Request for Proposal (RFP) processes for different services funding sources, and reduced the number and frequency of reports and invoices submitted to the City beginning in FY 2005 and continuing to present. This streamlined approach reduces administrative time for both community agencies and City staff.

Housing and Community Services Department staff both prepare and monitor more than 50 community agency contracts for services annually. Contracts include CDBG, CSBG, ESG, and General Funds. Services provided include a wide range: nutrition, child care, health care, benefits advocacy, legal and advocacy services, homeless services, disability services, employment training, and services for seniors and youth.

The City requires outcome reporting for all community agency contracts, and has drawn on outcome reporting information in the RFP process since November 2003. Categories for outcome reporting include housing affordability and retention, income and employment, health, education, recreation, infrastructure, and community access. Berkeley analyzes agencies' performance and provides support for potential improvements in order to ensure and increase the effectiveness of its funding allocations. Both staff and commissions draw on performance information in order to make funding recommendations to City Council.

Staff provides technical assistance on accounting and program compliance to ensure that program goals are being met. Monitoring staff review status reports and invoices regularly and process payments. The frequency of on-site monitoring visits is determined by an Agency Risk Assessment tool. The level of risk, which is dependent on type and amount of funding, and prior concerns related to program delivery or fiscal and accounting systems, determines whether the agency will be visited every one, two or three years. In addition, however, staff frequently make informal visits to agencies, and desk audits of program and fiscal reports are performed on an annual basis. The monitoring staff works with the community organizations to resolve any program or accounting findings or other problems that may keep an organization from meeting its contractual obligations. In PY 2010 reporting on all contracts was shifted from a paper-based system to online reporting. The City contracted with City Data Services to develop and implement a web-based application for contracting and reporting for community agency contracts. The new online application has allowed both City staff and staff of community agencies to better track reporting. The system will be used in future to generate reports based on performance and monitoring results.

Community Facilities Improvements Administration and Monitoring

In the recent past, the City of Berkeley has allocated approximately $260,000 in CDBG and ESG funding every year for community facilities improvements projects. Non-profit organizations and City Departments apply on an annual basis to access the funding, and anywhere from five to ten projects are underway every year. The CDBG Coordinator and Assistant Architect are involved in the direct implementation of improvements, including crafting the scope of work, bidding out the projects and providing construction management, particularly when City property is undergoing rehabilitation. The CDBG Coordinator is in charge of administering the contracts, and is responsible for labor compliance monitoring, including monitoring payrolls for compliance with Davis Bacon and Section 3.

The City's contract with the non-profit passes on all federal requirements, including insurance and bonding requirements attached to CDBG and ESG funding, and the contract scope of work includes detailed information on the steps that are required for the non-profits to follow to ensure compliance. The CDBG Coordinator supplies the non-profit with the appropriate Wage Decision at the time the project is put out to bid, and reviews the bid language and resulting choice of general contractor. The CDBG Coordinator reviews the contract between the non-profit and the general contractor to ensure that all local and federal requirements are passed on. The CDBG Coordinator holds pre-construction conferences with the non-profit and the general contractor to review all federal requirements and solicit information from the general contractor related to subcontractors and information on salaries and wages of all trades used in the project. The CDBG Coordinator and Assistant Architect make site visits at various points in the construction process, to monitor performance and interview workers to complete the Record of Employee Interview form (HUD 11) required for Davis Bacon monitoring.

Progress payments are made with the use of a standard Payment Voucher Form, submitted to the CDBG Coordinator by the non-profit which includes a checklist of documentation required to process payments. The documentation, including detailed invoices, lien waivers, copies of checks issued (in the case of ESG funding) and payrolls, is reviewed and the request for payment is processed. Final payment of a 5% retainage is held for any outstanding payroll issues, the HUD Form 2516 – Contractor and Subcontractor Activity, and any other documentation required to close out the contract.

The CDBG Coordinator is responsible for submitting the Semi-Annual Labor Enforcement Report (HUD 4710) and the Annual Contractor and Subcontractor Activity Report (HUD 2516). These reports include both information from the community facility improvement projects and information from any other construction activity undertaken by the Housing Services Division of HCSD.

Senior and Disabled Home Rehabilitation Loans Administration and Monitoring

In PY 2010, the Senior and Disabled Home Rehabilitation Loan program continued administration and monitoring as follows, also described in the PY 2010 Annual Action Plan:

The City of Berkeley allocates CDBG and CalHome funding every year to income qualified residents for residential rehab. The City Housing and Community Services Department staff fund between five and seven projects every year with a maximum loan allocation of $70,000 per project. The Program Analyst reviews the homeowners application and determines their eligibility. Approved applicants are referred to the Assistant Architect who meets with the property owner. The assistant and the client(s) determine the scope of work addressing code, health and safety violations, deferred maintenance and household energy efficient upgrades. A bid walk is scheduled when the scope of work is approved by the client and staff. The hand delivered bids are opened and recorded by the Program Analyst. The client selects the most responsible bid which typically is the lowest bid. Staff requests funds and develops the City loan documents and the owner/contractor agreement. Construction is supervised by the Assistant Architect, also responsible for all change orders, pay requests and notifications. Department staff reviews the work performed and submits confirmation the work was completed in accordance to the scope of work and the quality of work complies with the standards of the trades.

The City's contracts include insurance and permitting requirements, payment instructions, the construction drawings and the scope of work detailing the work to be executed. The payment schedules and change orders document the procedure employed to implement payments, changes to the scope of work and time schedules. All pre 1978 properties must employ lead-safe work practice and are tested when the work is completed to ensure there has not been contamination during the construction process.

The Program Analyst processes the progress payments for work completed. The progress payments are based on 90% of the cost associated in the line item breakdown for the work completed. The progress payment includes the pay request, payment tabulation, lien waivers and approved permit signatures. All payments require the owner(s), Contractor, Assistant Architect and the Program Analyst signatures to approve the payment. The final 10% retainage payment is held for 35 days after the Notice of Completion has been recorded and any documentation that may be required to close out the contract. The property owner is sent a program evaluation form after all portions of the project are completed to assess the program. The feedback obtained from the evaluation form provides information to staff to refine the program to improve services offered to our property owners.

b. What is the status of your grant programs?

As of August 1, 2011, unexpended CDBG funds as a percent of the City of Berkeley's total PY 2010 allocation was 0.64, according to IDIS report PR01. This is less than the allowed 1.5 times our entitlement amount. There are $72 in ESG funding available to commit at the end of PY 2010. We expect these funds to be utilized in PY 2011 on eligible activities. The City is obligated to commit $1,153,056 in HOME funds before September 30, 2011. Staff is currently processing two Development Loan Agreements with non-profit developers to commit approx $1,190,000 to two non-profit housing developers which will be approved before the deadline.

• Are any activities or strategies falling behind schedule?

Two Community Facilities Improvement projects funded in PY2008, A Better Way and the City of Berkeley Parks Improvements, are still open. These projects experienced delays in the start of construction. A Better Way was delayed due to a prolonged environmental review process and delays in developing and approving architectural plans. The City of Berkeley Parks Improvement project was delayed because the project was leveraged by Regional Parks funds, which only recently became available. It is expected that both of these projects will be completed in PY 2011.

• Are grant disbursements timely?

During PY 2010, 69% of funds committed to activities were drawn. Of 37 projects funded in PY 2010, 7 are not fully drawn. Two of these are community facility improvement projects, four are housing development projects that will span more than the program year and one is a Section 108 Loan repayment, delayed due to the HUD billing cycle.

• Do actual expenditures differ from letter of credit disbursements?

No

IV. CDBG

All Grantees Receiving CDBG Funds Must Submit the Following Narrative Information:

1. Assessment of Relationship of CDBG Funds to Goals and Objectives

a. Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.

Progress on high priority activities is discussed above in *Section 11. Three to Five Year Plan Assessment of Progress*. Projects funded by CDBG appear on the table below:

Table 13: CDBG Funded Activities in PY 2010, by Agency, Program, and Amount

Agency	Program	Amount
Center for Independent Living	Residential Access Project for Disabled	142,675
COB/Housing	Housing Trust Fund	554,601
COB/Housing	Relocation Services	70,354
COB/Housing	Loan Services	121,969
COB/Housing	Senior and Disabled Rehab Program	150,910
COB/Housing	Housing Development: Multifamily Rehab	296,943
COB/Housing	Super Weatherization	214,180
COB/Housing	BHA Public Housing Improvements	120,000
Community Energy Services	Home Safety & Repair Program	319,199
Rebuilding Together	Safe Home Project	96,000
	Subtotal Housing Projects	**2,086,831**
Berkeley Food & Housing Project	Men's Overnight Shelter	184,156
Biotech Partners	Biotech Academy at Berkeley High	71,063
Housing Rights, Inc.	Fair Housing	35,544
Inter-City Services	Employment, Education and Training	132,819
Resources for Community Development	Social Services at Special Needs Housing	10,000
Rising Sun Energy Center	Green Energy Training Services	51,743
Women's Daytime Drop-In	Housing Case Management	73,192
Women's Daytime Drop-In	Safety Net Services	24,583
	Subtotal Public Services Projects	**583,100**
Alzheimer's Services East Bay	Electrical Upgrades	7,200
COB Aging Services	Senior Center Kitchen Upgrades	74,000
COB/Housing	Public Facilities Improvements	142,226
LifeLong Medical Care	West Berkeley Seismic Retrofit	95,020
Rebuilding Together	Community Facilities	22,000
Berkeley Food & Housing Project	Women's Shelter Improvements	5,297
	Subtotal Public Facilities Projects	**345,743**
COB/Housing	CDBG Planning and Administration	544,015
COB/City Manager's Office	Support Costs	179,903
	Subtotal Planning & Admin Projects*	**723,918**
	GRAND TOTAL ALL CDBG PROJECTS	**$3,739,592**

See ***Attachment B: Community Development Block Grant Program Goals, Objectives, and Outcomes*** for a matrix of accomplishments in PY 2010.

b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.

In PY2010, a variety of programs were funded with CDBG to provide 1) single family home repairs, including emergency repairs and access modifications (CIL Residential Access for the Disabled, Senior and Disabled Rehab Program, Community Energy Services Corporation (CESC), Rebuilding Together Safe Homes), 2) multi-family housing renovations (Regent Street Rehab), 3) single family home weatherization measures (COB Super Weatherization Program), and 4) housing services (COB Loan Services, COB Multi-Family Rehab, and RCD Project Management for Rehab). A total of 668 households were served. Race/ethnicity, household type and income level of these households is shown in the table below.

Table 14. Number and Type of Households Served by CDBG-Funded Housing Programs in PY2010

Race	Total	% of Total	Hispanic
White	193	29%	29
Black/African American	320	48%	—
Asian	29	4%	—
American Indian/Alaskan Native	1	0%	—
Native Hawaiian/Other Pacific Islander	4	1%	—
American Indian/Alaskan Native & White	1	0%	—
Asian & White	4	1%	—
Black/African American & White	36	5%	—
American Indian/Alaskan Native & Black/African American	1	0%	—
Other multi-racial	79	12%	8
Total	**668**	**100%**	**37**
Hispanic as a percentage of Total			6%
Household Type			
Female Headed Household	445	67%	
Elderly	494	74%	
Income Levels			
Extremely Low (<=30% AMI)	349	52%	
Low (>30% and <=50% AMI)	205	31%	
Mod (>50% and <=80% AMI)	91	14%	

Total Low-Mod	**645**	**97%**	
Non Low-Mod (> 80%AMI)	23	3%	
Total Beneficiaries	**668**	**100%**	

Source: City of Berkeley Housing & Community Services Department.
Note: This table does not match the IDIS-generated PR23 Table, which appears to be incorrect.

2. Changes in Program Objectives

a. Identify nature of and reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.

No changes in program objectives or the program have been identified as a result of activities conducted in PY 2010.

3. Assessment of Efforts in Carrying Out Planned Actions

a. Indicate how you pursued all resources indicated in the Consolidated Plan.

The housing, homeless, community development, and special needs goals and objectives identified in the Consolidated Plan are important priorities for the City of Berkeley, so despite the persistent recession and its impact on many sources of funding, the City continued to pursue related resources. Specifically, the City:

- Continued its revenue contracts with Alameda County in order to provide nutrition programs for seniors through the Aging Services Division.
- Obtained a new Shelter Plus Care grant linked with services provided by the Aging Services Division for homeless adults.
- Participated in the application for renewed Continuum of Care funding for homeless program.
- Continued its revenue contract with the State of California for Mental Health Services Act funding for mental health services.

b. Indicate how you provided certifications of consistency in a fair and impartial manner.

All requests for certifications of consistency are carefully reviewed by staff against the goals and objectives of the Consolidated Plan. If a proposed project is consistent with the goals and objectives of the Consolidated Plan, certification is provided. In PY 2010, no requests for certification were denied. In PY 2010, the City again provided Certifications of Consistency with the Consolidated Plan for the McKinney SHP application (spearheaded by staff of the Alameda County Housing and Community Development Department).

c. Indicate how you did not hinder Consolidated Plan implementation by action or willful inaction.

Implementing the housing, homeless, community development, and special needs goals of the Consolidated Plan using both federal and local resources has been and continues to be a high priority for the City of Berkeley. No City actions or willful inactions hindered Plan implementation.

4. Use of CDBG Funds for National Objectives

a. If CDBG funds were not used exclusively for activities benefiting low/mod persons, for slum/ blight activities, or to meet urgent community needs, explain why?

Not applicable

b. If you did not comply with certification to expend no less than 70% of your CDBG funding during the specified period on activities that benefit low/mod person, explain why?

Not applicable

5. Anti-displacement and Relocation -- for activities that involve acquisition, rehabilitation or demolition of occupied real property:

a. Steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.

In PY 2010, no permanent displacement occurred due to CDBG-assisted activities. The CDBG-funded rehabilitation of one existing affordable housing development, Erna P. Harris, required temporary relocation of existing tenants during the rehabilitation, as outlined below under question 5b.

Overall, the City regulates demolition of dwelling units to protect the affordable housing supply and existing tenants. In general, the Zoning Adjustments Board (ZAB) may approve a use permit to demolish dwelling units only if the units are replaced by new construction or if the structure is hazardous, unusable or infeasible to repair. However, if elimination of a rent-controlled unit is proposed, the requirements are more stringent. In particular, the use permit may only be approved if the dwelling unit to be eliminated is neither occupied nor has a rent set at a level that is affordable to a very low, low, or moderate income household, if its elimination will not adversely affect the supply of housing, and if the applicant cannot make a fair return on investment by maintaining the dwelling unit. There is an exception to allow elimination of a controlled rental unit if (1) it is seriously deteriorated, (2) the replacement unit will be provided to a very-low or lower-income household, and (3) no tenant opposes the displacement.

The issue is further complicated by interpretation of other ordinances, including the Rent Stabilization and Eviction for Good Cause Ordinance, the Relocation Ordinance, and the Ellis Ordinance. Due to the restrictive nature of these exceptions and their interaction with other City ordinances, the controls on demolition of rent-controlled units

can be a constraint to development.

In PY 2010, the City reviewed possible revisions to the demolition controls that would provide better coordination designed to protect tenants and also continue to meet affordable housing needs.

b. Steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.

Applicants to the City's Housing Trust Fund are asked whether their proposed projects include any temporary or permanent relocation. If so, applicants must submit a detailed relocation plan. If a project proposing relocation receives a funding allocation, City staff will work closely with the project sponsor to ensure that the relocation complies with all applicable regulations, including the Uniform Relocation Act and the City's Relocation Ordinance.

In the event that any relocation was required, the City's Relocation Services staff would get involved. Staff provide information about the City's Relocation Ordinance and referrals to available services.

Two HOME-funded developments involved relocation in PY 2010. Erna P. Harris included temporary relocation and Harmon Gardens included permanent relocation.

Erna P. Harris: A temporary relocation plan for the proposed rehabilitation project was prepared in July 2007 and approved by the City of Berkeley. It was been determined that, as a result of the physical needs assessment findings, construction sequencing and financing requirements, off-site temporary housing resources would be utilized, in addition to on-site resources, when available.

A resource study for temporary housing identified temporary housing within the local area. For the first phase of construction, lasting for approximately three and one-half months, off-site housing was utilized. In the second phase, both off-site and onsite resources are being used.

To accommodate the construction schedule and the limitations of the residents, services of a licensed mover were used exclusively to move the resident's belongings. Accommodations for storage were made if necessary. All households received a 90-Day Notice to Vacate, followed by a 30-Day Notice to Vacate and a Seven-Day notice to Vacate.

Harmon Gardens: Affordable Housing Associates (AHA) owned and operated the property at 3240 Sacramento Street in Berkeley. The seven-unit apartment complex was constructed in 1960 and was operated as an affordable housing development since acquired by AHA in 1997. AHA was notified by the City of Berkeley that the building

was a soft story building and potentially hazardous building which could constitute a severe threat to life and safety in the event of an earthquake of moderate to high magnitude. The building also needed to be updated due to its age.

AHA concluded that the best use of the property would be to redevelop the property to keep the site affordable in apartments that would be reserved for young adults aged 18 to 24 and homeless or at risk of homelessness. Five of the seven units were occupied at the time, and the five remaining households were notified of AHA's proposed redevelopment activities and their relocation rights and eligibility for relocation benefits. AHA also sent a notice to the tenants in April 2008, as required by the City of Berkeley's ordinance, alerting residents to the seismic deficiencies at the building.

Three of the five remaining households did not wish to remain on the site and voluntarily waived their relocation benefits and moved from the site. In 2009 and subject to securing funding for its plans, AHA undertook plans to relocate the two remaining households to replacement sites in the area. Both of two remaining households were permanently located from the site, and were assisted to move to other affordable housing sites; one in Oakland and the other an AHA-owned and managed site in Berkeley.

The Harmon Gardens project, specifically the replacement of seven two-bedroom units with 15-studio and one one-bedroom apartments, is consistent with the needs assessment included in the City's Consolidated Plan.

c. Steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

See more information about relocation activities at Erna P. Harris and Harmon Gardens above.

<u>City of Berkeley Relocation Program</u>
During PY 2010, City staff provided relocation assistance to 34 tenants and 7 property owners, and apprised them of their rights and responsibilities regarding temporary relocation under Section 13.84 of the Berkeley Municipal Code, when the tenants needed to be temporarily relocated as a result of repairs necessary to bring the unit into code compliance. In addition, the City Relocation staff completed the following activities:

- Beginning in September 2009, convened a working group comprised of representatives of the Housing and Community Services Department, the Housing Advisory Commission, and the Rent Stabilization Program to develop recommendations for revisions to the City's Relocation Ordinance. The Housing Advisory Commission conducted a public hearing on April 7th, to provide an opportunity for tenants and property owners to comment on the proposed changes. (A final draft was approved by the Housing Advisory Commission on July 7th, and will be submitted to City Council for final approval during the fall of 2011.)
- Provided technical assistance to property management staff at Oregon Park Senior Apartments regarding the temporary relocation of residents while outside stairs are

replaced in each of the buildings.

- Coordinated relocation assistance to 1 elderly and disabled homeowner who received low-interest loans through the City of Berkeley Senior Rehab Program for critical structural repairs.
- Attended inter-departmental meetings to address problem properties, when tenants may be displaced due to City code enforcement action.
- Continued to coordinate with the Rent Stabilization Board and the City Fire Department. Eleven households displaced by fire during this reporting year received information and referrals from the Housing and Community Services Department.

6. Low/Mod Job Activities -- for economic development activities undertaken where jobs were made available but not taken by low or moderate income persons:

No low/mod job creation activities were undertaken in PY 2010.

7. CDBG-R

On August 25, 2009 the City of Berkeley was allocated $871,248 in CDBG-R funds. The following table details expenditures in PY 2010, and the accomplishments are described below:

Table 15: City of Berkeley CDBG-R Funds
Amounts Budgeted and Expended, and Jobs Created or Retained

Activity Name	Amount Budgeted	Amount Expended	Jobs Created or Retained
Berkeley Dept. of Health Services' Public Health Clinic Rehabilitation	$512,600	$512,600	1.22 FTE
Amistad House Senior Housing Rehabilitation	$300,000	$300,000	1.26 FTE
Administration	$58,648	$58,648	0.15 FTE
Total CDBG-R Allocation:	**$871,248**	**$871,248**	**2.63 FTE**

Health and Human Services (HHS) Public Health Clinic Rehabilitation:
Most of the renovations were completed in PY 2009 (spring 2010). Renovations included new flooring, windows, HVAC, heating system, lighting, the installation of an elevator for ADA compliance, new roofing, exterior painting, and other interior finishes. The elevator inspection was completed in August 2011.

Amistad House Senior Housing Rehabilitation:
The rehabilitation of this 60-unit affordable housing development was completed in PY 2010. Renovations included creating an expanded community room with kitchen,

computer workspace, and remodeled management office. Single pane windows and sliding glass doors of each residential unit were upgraded to dual pane products. The exterior lighting and landscaping was replaced and updated. A new monument fence was added along the frontage on Shattuck Avenue. A new fire and life safety system was added to the building, including new hard-wired smoke detectors in every residential unit.

Table 16 below gives a breakdown of the race, ethnicity and incomes of the beneficiaries of the two CDBG-R funded projects.

Table 16: Number and Type of Households Served by CDBG-R Funded Programs in PY2010

	Public Health Clinic		Amistad House		Both Projects		
Race	Total	Hispanic	Total	Hispanic	Total	% of Total	Hispanic
White	919	51	30	—	949	41%	51
Black/African American	842	22	6	—	848	36%	22
Asian	301	4	8	—	309	13%	4
American Indian/Alaskan Native	17	7	3	—	20	1%	7
N. Hawaiian/Other Pac. Islander	5	—	—	—	5	0%	0
Other multi-racial	206	102	1	—	207	9%	102
Total	**2,290**	**186**	**48**	**0**	**2,338**	**100%**	**186**
Hispanic as a percentage of Total							8%
Income Levels							
Extremely Low (<=30% AMI)	1,440		43		1,483	63%	
Low (>30% and <=50% AMI)	251		4		255	11%	
Mod (>50% and <=80% AMI)	—		1		1	0%	
Total Low-Mod Income	1,691		48		1,739	74%	
Non Low-Mod (> 80%AMI)	599		0		599	26%	
Total Beneficiaries	**2,290**		**48**		**2,338**	**100%**	

8. Program income received

a. Amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.

The City of Berkeley does not have a revolving loan fund.

b. Amount repaid on each float-funded activity.

The City of Berkeley did not float-fund any activity.

c. All other loan repayments broken down by the categories of housing rehabilitation, economic development, or other

The City received $138,107 in rehabilitation loan payments and $7 miscellaneous.

d. Amount of income received from the sale of property by parcel.

$63,516. Combined with the income described above, there was a total of $201,629.

9. Prior period adjustments -- where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:

Not applicable

10. Loans and other receivables *a. Principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.*

There are no float-funded activity loans.

b. Total number of other loans outstanding and the principal balance owed as of the end of the reporting period.

Table 17: Outstanding CDBG Loans by Category

Category	# of loans	Principal Balance (6/30/11)
Senior and Disabled Home Rehabilitation Loans	49	$1,049,156
Emergency Repair Loans	7	$20,000
Rental Rehab Loans	14	$488,875
Housing development Loans	14	$3,896,791

c. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.

Table 18: Outstanding Deferred and Forgivable CDBG Loans

Category	# of loans	Principal Balance (6/30/11)	Terms
Senior and Disabled Home Rehabilitation Loans	49	$1,049,156	All deferred loans. Principal is due at sale of property or change of ownership.
Emergency Repair Loans	7	$20,000	All deferred loans. Due at sale of property or change of ownership.
Rental Rehab Loans	14	$488,875	All deferred loans. All loans will be forgiven when the owners meet the affordable rental requirement for 15 years.

Housing Development Loans	14	$3,896,791	All deferred loans. Principal is due in 55 years. May be forgiven if owners maintain the affordability status.

d. Total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.

None

e. A list of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.

CDBG funds were used to acquire 1654 Fifth Street, which originally housed a low-income tenant. This property has been vacant since December 2010. The City is in the process of having the property appraised and surveyed to identify property lines, before it will be marketed and advertised for sale, which is expected to take place in PY2011. At time of sale, the proceeds will be considered program income and will be placed in the City's Housing Trust Fund for uses consistent with eligible CDBG activities.

11. Lump sum agreements

a. Name of the financial institution.

Wells Fargo Bank

b. Date the funds were deposited.

All deposits are 3 days after the draw downs from IDIS.

c. Date the use of funds commenced.

The use of funds are commenced before the draw downs. The City uses a reimbursement system.

d. Percentage of funds disbursed within 180 days of deposit in the institution.

None. All funds are disbursed by the City before being drawn from IDIS to reimburse the City.

12. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies:

Not applicable

V. HOME

All Grantees Receiving HOME Funds The availability of the draft Consolidated Annual Performance and Evaluation Report (CAPER) was published in the *Oakland Tribune*, a local Alameda County daily, on September 6**,** 2011; letting the public know that the CAPER would be available for review at the Berkeley Public Library Reference Desk and the Berkeley Housing & Community Services Department. Chinese and Spanish translations of the notice were included in the *Oakland Tribune* advertisement. The public comment period will run until September 27, 2011, a total of 21 days. The CAPER was discussed at the Housing Advisory Commission's September 8, 2011, meeting; and it was also placed on the City's Housing & Community Services Department website on September 6th at http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=15574. The CAPER was made available for review by the general public at the Housing & Community Services Department, at the Berkeley Public Library Reference Desk to be readily available to low income and minority populations.
Must Submit the Following Narrative Information:

1. Assessment of Relationship of HOME Funds to Goals and Objectives
a. Assess the use of HOME funds in relation to the priorities, needs, goals, and specific objectives in the consolidated plan, particularly the highest priority needs.

Activities in relationship to priority needs identified in the Consolidated Plan are discussed above under *Section II. Three to Five Year Plan Assessment of Progress.*

Activities funded by HOME in PY 2010 appear in the following table.

Table 19: City of Berkeley HOME Funded Programs in PY 2010, by Program and Amount

Program	Amount
HOME Administration	142,548
Housing Trust Fund	1,282,934
Grand Total All HOME Projects	**1,425,482**

HOME activities are described in detail under *Section III: Assessment of Annual Progress, Part 2. Affordable Housing* above.

b. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.

No HOME funded activities were completed in PY 2010, therefore there is no data to report.

2. HOME Match Report
a. Use HOME Match Report HUD-40107-A to report on match contributions for the

period covered by the Consolidated Plan Program year.

See ***Attachment G***

3. HOME MBE and WBE Report

a. Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).

See Attachment E.

4. Assessments

a. Results of on-site inspections of rental housing.

The results of monitoring HOME-funded rental housing are described above under S*ection III. Three to Five Year Plan Assessment of Progress, Part 8. Monitoring*.

b. HOME jurisdiction's affirmative marketing actions.

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.

c. Outreach to minority and women owned businesses.

Five women-owned businesses, twelve minority-owned contractors , and three contractors run by minority women were used on projects undertaken by Resources for Community Development (Regent House and Erna P. Harris Court), A Better Way, and the City of Berkeley Seniors and Disabled Home Rehabilitation Loan Program.

VI. ESG

All Grantees Receiving ESG Funds Must Submit the Following Narrative Information:

1. Assessment of Relationship of ESG Funds to Goals and Objectives
a. Identify actions to address emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations such as those living on the streets).

In PY 2010, the City of Berkeley continued to fund a broad range of emergency shelter and transitional housing programs:

- Berkeley Food and Housing Project's (BFHP) Men's Overnight Assistance Project
- BFHP Women's Shelter
- Building Opportunities for Self-Sufficiency (BOSS) Harrison House Singles/Recovery Services
- BOSS Harrison House Family Shelter and Sankofa House Transitional Housing
- Fred Finch Youth Center's Turning Point
- Winter Shelter
- Women's Daytime Drop-In Center's Transitional House
- Youth Emergency Assistance Hostel (YEAH!)

Specifically, in PY 2010, the City funded the following emergency shelter and transitional housing programs with ESG:

- Building Opportunities for Self-Sufficiency (BOSS) Harrison House Singles/Recovery Services
- Youth Emergency Assistance Hostel (YEAH!)

The City continues to use the Everyone Home Plan, adopted in 2006, as its guide for homeless policies. The Plan calls for sustaining existing safety net services, such as emergency shelter and transitional housing, while also emphasizing permanent housing as the ultimate solution to homelessness

b. Evaluate progress made in using ESG funds to address homeless and homeless prevention needs, goals, and specific objectives established in the consolidated plan.

Actions and progress on priority homeless needs are discussed above under *Section II. Three to Five Year Plan Assessment of Progress.*

c. Detail how ESG projects are related to implementation of comprehensive homeless planning strategy, including the number and types of individuals and persons in households served with ESG funds.

The Everyone Home Plan, a 15-year plan addressing homelessness and special needs housing, was adopted by the City in 2006 and continues to be the City's homeless strategy. Homeless programs funded with ESG appear on the following table.

Table 20: ESG-Funded Programs in PY 2010, by Agency, Program, and Amount

Agency	Program	Amount
Berkeley Food & Housing Project	Women's Shelter Improvements	43,703
Lutheran Church	Youth Emergency Assistance Hostel (YEAH)	32,561
Building Opportunities for Self-Sufficiency	Harrison House Recovery Services	10,126
COB/Housing	Homeless Management Information System	6,700
COB/Housing	Program Planning and Administration	7,000
Family Violence Law Center	Family Violence & Homelessness Prevention	42,869
Total		**142,959**

2. Matching Resources

a. Provide specific sources and amounts of new funding used to meet match as required by 42 USC 11375(a)(1), including cash resources, grants, and staff salaries, as well as in-kind contributions such as the value of a building or lease, donated materials, or volunteer time.

The City meets the dollar for dollar match requirements for the ESG program by allocating $140,208 in General Fund to the Harrison House singles shelter and families transitional housing programs, and by allocating $78,465 in General Fund to the YEAH Shelter in PY 2010.

3. Activity and Beneficiary Data

a. Completion of Emergency Shelter Grant Program Performance reports showing ESGP expenditures by type of activity. Also describe any problems in collecting, reporting, and evaluating the reliability of this information.

See ***Attachment C: IDIS Report PR19***, for expenditures and beneficiary data. The Berkeley Food and Housing Project and Building Opportunities for Self-Sufficiency utilize the County-wide Homeless Management Information System (HMIS) to collect data on participants. The HMIS data is verified during monitoring visits. The Youth Emergency Assistance Hostel will begin utilizing HMIS in PY2011. Data regarding beneficiaries attributed to the HMIS project is extracted directly out of the HMIS system for all Berkeley programs. The Family Violence Law Center, a domestic violence services provider, collects data in their own database. This data is verified during monitoring visits.

The data in the PR19 report has some problems. The name of the organization carrying out the activity is incorrect for all of the activities. The correct name of the organization is contained in the Activity Name. Activity #755 has incorrect demographic information

on beneficiaries, even though the correct data was entered into IDIS. The correct demographic information is reproduced in Table 21.

Table 21: BOSS Harrison House Recovery Services (Activity #755) Demographic Data PY2010

Race	Total	Hispanic
White/Caucasian	31	3
African/American/Black	64	0
Asian	4	0
American Indian/Alaskan Native	1	1
Other Multi-Racial	4	2
Total	**104**	**6**

4. Chronic Homelessness

a. Describe actions steps taken to address chronic homelessness.

All homeless housing and service programs in Berkeley may be serving people who are chronically homeless. The 2004 homeless count found that nearly two-thirds of people homeless in Berkeley met the chronically homeless definition. Although the 2009 count found that chronically homeless people were a much smaller proportion of the homeless population, most agencies have at least some experience serving people who are chronically homeless.

Berkeley has three City-operated programs serving primarily people who are chronically homeless:

- **The Shelter Plus Care COACH grant**, with 21 Shelter Plus Care certificates, targets people who are chronically homeless. The program combines the federal housing subsidy with services provided by Berkeley Mental Health and Lifelong Medical Care.
- **The Shelter Plus Care tenant-based rental assistance grant** in partnership with Alameda County prioritizes people who are chronically homeless, although it is not limited to serving the chronically homeless.
- **The Public Commons for Everyone Initiative Square One program**, which combines a locally funded housing subsidy with services provided by Berkeley Mental Health, Lifelong Medical Care, and the Homeless Action Center.

In addition, the City funds several programs operated by community based nonprofit organizations that, while not exclusive to the chronically homeless, serve substantial numbers and collect and report data on chronic homelessness under their City contracts. These programs include:

- Alameda County Network of Mental Health Clients (Berkeley Drop In Center);
- Berkeley Food and Housing Project (BFHP), Men's Overnight Shelter;

- BFHP, Women's Overnight Shelter;
- Building Opportunities for Self-Sufficiency (BOSS), Multi Agency Services Center;
- BOSS, Ursula Sherman Village Single Adult Shelter;
- Fred Finch Youth Center;
- Rubicon programs, Inc.;
- Toolworks/Lifelong Supportive Housing Services;
- Women's Daytime Drop In Center.

5. Homeless Discharge Coordination

As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low income individuals and families at risk of becoming homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.

a. Explain how your government is implementing a homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.

Most systems that discharge people who may be at risk of homelessness are county-administered systems. Therefore, the City of Berkeley does not have a stand-alone discharge policy, but rather abides by the Alameda County discharge policy that is reported on annually in our countywide Continuum of Care application. The policies described in that application for foster care, health care, mental health, and corrections are listed below. The $142,939 in ESG funds received by the City in PY 2010 did not fund any specific discharge coordination activities, but all ESG-funded agencies work with the mainstream systems as needed.

Foster Care:

Discharge protocols for Alameda County's Foster Care system are in place. In practice, these protocols ensure that, to the maximum extent practicable, persons discharged from foster care are not discharged into homelessness. Services to emancipating foster youth are provided by the Alameda County Independent Living Skills Program (ILSP). The ILSP mission is to provide every eligible youth in foster care with independent living skills training to assist in the transition to a successful, independent lifestyle. Youth between the ages of 15 1/2 and 21 who are currently in an out-of-home placement or who were in an out-of-home placement sometime after their 16th birthday are eligible for ILSP services. Youth are referred to ILSP by their child welfare workers or probation officers.

Together with partner providers, ILSP runs the Transitional Housing Placement Program (THPP), which provides up to 26 apartments for pre-emancipation youth with three providers in the Oakland and Hayward area. ILSP also offers transitional housing for emancipated youth. ILSP also works closely with landlords in Alameda County to

provide deposit and move-in expenses for qualified emancipated youth. Youth over the age of 18 who become homeless or who are at imminent risk of homelessness are referred to the ILSP Housing Specialist, who will access temporary housing in shelters or other emergency housing while the youth works with the After Care Specialist to secure sustainable housing.

Health Care:
Discharge protocols for the Alameda County Medical Center (ACMC) are in place. These protocols cover both the Health Care and Mental Health system in Alameda County. In practice, these protocols ensure that, to the maximum extent practicable, persons discharged from Health Care and Mental Health Care are not discharged into homelessness. Alameda County has a high proportion of uninsured and medically indigent persons, many of whom are homeless and rely on County facilities (Highland Hospital and county clinics) for urgent medical care of acute and chronic conditions. Highland Hospital employs a staff of discharge planners who are proficient in the homeless service delivery system and skilled at accessing suitable housing opportunities in board and care facilities and shared housing.

In addition, Highland maintains contracts with housing providers for homeless patients with the severest medical needs. Placement into these contract facilities continues 24-hour monitoring and compliance with medical orders along with supportive services for obtaining permanent housing. ACMC, in partnership with East Oakland Community Project (EOCP), has developed a Respite Care program for homeless individuals needing a place to recuperate.

Mental Health:
Discharge protocols for the Alameda County Medical Center (ACMC) are in place. These protocols cover both the Health Care and Mental Health system in Alameda County. In practice, these protocols ensure that, to the maximum extent practicable, persons discharged from Health Care and Mental Health Care are not discharged into homelessness. In Alameda County, the primary agency responsible for mental health services is Alameda County Behavioral Health Care Services, (BHCS), a department of the Alameda County Health Care Services Agency. In Berkeley, the Mental Health Division of the Health and Human Services Department provides public mental health services to residents of the cities of Berkeley and Albany, and coordinates these services with the larger County system.

Consumers enter the BHCS system through a single screening point, a toll-free telephone referral point called Acute Crisis Care and Evaluation for System-wide Services (ACCESS). When consumers call ACCESS, they are screened for eligibility and may be referred to a community-based organization. The acute psychiatric care facility, John George Psychiatric Pavilion, maintains protocols similar to medical facilities. Those protocols are also attached. In addition to discharge planning to avert homelessness, contracts are maintained with community housing facilities who are responsible for medication monitoring, provision of meals and housing, and continued mental health treatment in a step-down model facility.

Corrections:
Discharge protocols for the Alameda County Sheriff's Office are in place. These protocols cover the Alameda County Jail, which is the primary corrections facility in Alameda County. In practice, these protocols ensure that, to the maximum extent practicable, persons discharged from local correctional facilities are not discharged into homelessness. Some of the other programs that work with homeless populations to keep people from being discharged into homelessness are described below. The Community Reentry Service Provider Network (CRSPN) is developing an online resource referral system aimed to serve the formerly incarcerated. This system will provide centralized, up-to-date information that case managers, can use to identify programs and services in the county to prevent an exit onto the streets.

Maximizing Opportunities for Mothers to Succeed (MOMS), is a collaboration between the Sheriff's Department, BHCS, and community partners. MOMS seeks to address a range of issues confronting previously incarcerated mothers attempting to reunite with their families: lack of stable housing, lack of appropriate accessible community assistance, and general lack of support for re-entry into their community. A broad collaboration, the MOMS program provides housing assistance, vocational/educational assistance, services coordination, and access to an array of post-release services including substance abuse treatment, mental health and physical health services, among others.

VII. HOMELESS PREVENTION AND RAPID REHOUSING (HPRP)

On August 4, 2009, the City of Berkeley was awarded $1,332,952 in Homeless Prevention and Rapid Re-housing (HPRP) funding from HUD as part of the American Recovery and Reinvestment Act. The funds are for a 3-year period, and the regulations require that 60% of the funds be spent by August 4, 2011 and 100% of the funds be spent by August 4, 2012. HPRP funds may be utilized for direct case management assistance and/or direct housing assistance payments for up to 18 months to prevent individuals and families from becoming homeless or to help those who are experiencing homelessness to be quickly re-housed and stabilized. Up to 5% may be used for Administration of the program and up to 8% may be used for Data Collection and Evaluation.

To implement the program, the City of Berkeley joined with five other direct HUD grantees, three State subgrantees and the Countywide homeless coordinating body, EveryOne Home, to form the Priority Home Partnership (PHP). PHP is a network of eight Housing Resource Centers (HRCs) providing HPRP services to persons who are at risk of losing their housing and to persons who are homeless and in need of assistance to obtain housing.

The PHP program includes a county-wide single entry and referral point through the 24-hour 2-1-1 hotline, operated by Eden Information & Referral, and uses common screening and assessment tools to target those most likely to become homeless without assistance. The City of Berkeley has contracted with Eden Information and Referral, the only provider of 211 services in Alameda County, and with Everyone Home, for referral and outreach services. The City also subcontracts with Alameda County Housing and Community Development Department (HCD) for data collection services through the County's HMIS system.

The Berkeley Food and Housing Project is the City's subrecipient of HPRP funds, and runs the North County HRC. The North County HRC staff conduct in-depth risk assessments and provide one-time, short and medium term rental assistance, case management and housing locator services. Staff also broker links to other services including legal, credit repair, shelter, permanent housing, employment, medical, child care, mainstream benefits and other services. The City of Berkeley's HPRP program provides clients access to TANF housing stabilization funds (Emergency Contingency Fund). Approximately 60% of HPRP funds will be utilized to rapidly re-house people who are currently living on the street, in a shelter, in transitional housing or on a Shelter Plus Care waiting list.

Table 22 shows a summary of funds committed and spent from the beginning of the HPRP program to the end of PY2010.

Table 22: HPRP Financial Summary (August 4, 2009 – June 30, 2011)

Activity Type	Total Committed to Activities	% of Grant Committed	Drawn Amount (as of 6/30/2011)	% of Grant Drawn
Homeless Prevention	$506,130	38%	$376,797	28%
Administration*	$66,647	5%	$42,529	3%
Data Collection and Evaluation	$106,637	8%	$67,773	5%
Homeless Assistance/ Rapid Re-Housing	$653,538	49%	$346,531	26%
Total	**$1,332,952**	**100%**	**$833,630**	**63%**

*The City retains 2.5% of the total grant amount for administrative costs. All other subrecipients are entitled to 2.5% of the subgrantee award amount for administrative costs.

The City has met is 60% spending requirement and is on target to spend all funds by September 30, 2012.

The number of persons served and type of service for the HPRP Program is shown in ***Table 23***.

Table 23: HPRP Program Performance
(August 4, 2009 – June 30, 2011)

Type of Assistance	Persons Served
Rental Assistance	312
Security and Utility Deposits	261
Utility Payments	44
Moving Cost Assistance	22
Motel and Hotel Vouchers	29
Case Management/Outreach	472
Housing Search and Placement	253

Table 24 shows the destinations of the 466 people served through June 30, 2011 and indicates that the program was able to place 90% of the clients served in permanent housing situations.

Table 24: HPRP Housing Outcomes
(August 4, 2009 – June 30, 2011)

Destination At Exit	Persons	Percent of Total Exits
Rental By Client – No Subsidy	321	69%
Permanent Supportive Housing for Formerly Homeless	9	2%
Rental By Client – Other Housing Subsidy	84	18%
Staying with Family or Friend Permanently	7	1%
Emergency Shelter or Hotel or Motel Subsidy	14	3%
Transitional Housing	6	1%
Staying with Family or Friends Temporarily	12	3%
Unsubsidized Hotel or Motel	2	<1%
Places not Meant for Habitation	4	<1%
Psychiatric Hospital	1	<1%
Substance Abuse Facility or Detox Center	1	<1%
Don't Know	5	<1%
Total	**466**	**100%**

VIII. PUBLIC PARTICIPATION

The availability of the draft Consolidated Annual Performance and Evaluation Report (CAPER) was published in the *Oakland Tribune*, a local Alameda County daily, on September 6**,** 2011; letting the public know that the CAPER would be available for review at the Berkeley Public Library Reference Desk and the Berkeley Housing & Community Services Department. Chinese and Spanish translations of the notice were included in the *Oakland Tribune* advertisement. The public comment period will run until September 27, 2011, a total of 21 days. The CAPER was discussed at the Housing Advisory Commission's September 8, 2011, meeting; and it was also placed on the City's Housing & Community Services Department website on September 6th at http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=15574. The CAPER was made available for review by the general public at the Housing & Community Services Department, at the Berkeley Public Library Reference Desk to be readily available to low income and minority populations.