



Office of the City Manager

CONSENT CALENDAR

March 25, 2014

To: Honorable Mayor and Members of the City Council

From:  Christine Daniel, City Manager

Submitted by: Jane Micallef, Director, Health, Housing & Community Services  
Department

Subject: Substantial Amendment to PY 2013 Annual Action Plan

RECOMMENDATION

Adopt a Resolution approving a substantial amendment to the City of Berkeley's PY 2013<sup>1</sup> Annual Action Plan which changes the allocation of unspent PY 2013 Emergency Solutions Grant (ESG) funding; and

1. Approving an allocation of \$139,475 in PY 2013 ESG for the Berkeley Food and Housing Project (BFHP) public facility improvement project; and
2. Re-allocating \$1,800 in CDBG funds allocated for Rapid Re-Housing and Homeless Prevention in FY 2014 to project management costs related to the BFHP public facility improvement project; and
3. Authorizing the execution of resultant agreements and amendments with the Berkeley Food and Housing Project for the above-mentioned funds; and
4. Authorizing the City Manager to submit the ESG Substantial Amendment to the U.S. Department of Housing and Urban Development.

FISCAL IMPACTS OF RECOMMENDATION

Council approval of the substantial amendment will not impact General Funds. FY 2013 ESG funds in the amount of \$139,475 will be reallocated from an existing contract with the Berkeley Food and Housing Project (BFHP) (Contract No. 9291A) (Budget code: 045-7902-463-3510) for interior improvements to BFHP's homeless shelter and transitional house. In addition, unspent Community Development Block Grant Funds in the amount of \$1,800 will be used by BFHP to manage the renovation project.

CURRENT SITUATION AND ITS EFFECTS

Council initially allocated Emergency Solutions Grant (ESG) funds awarded by the federal Department of Housing and Urban Development (HUD) to the City of Berkeley for FY 2012 and FY 2013 to a Homeless Prevention and Rapid Re-Housing program.

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<sup>1</sup> PY2013 means the federal fiscal year 2013, funding under which was made available to the City of Berkeley in July 2013, coinciding with the City's Fiscal Year 2014.

This program assists homeless and precariously housed clients with deposit and/or short-term rental assistance and utility arrears. The use of ESG funds for this purpose represents a significant shift in the ESG program and HUD regulations required new levels of coordination among several jurisdictions in Alameda County. The time necessary to engage in the required multi-jurisdictional planning process delayed program implementation. Further, the amount of ESG funds the City receives almost doubled. Additionally, the rapid re-housing program required a level of community agency staffing to assist eligible households to apply for the funds and to locate suitable affordable housing that the agencies have not been able to provide without additional staffing resources. These factors have resulted in significant under spending.

ESG funds must be spent within two years of their award, or revert back to HUD. ESG funds in the amount of \$171,078 are at risk of recapture on June 30, 2014. To prevent this outcome, staff recommends investing in the success of the rapid re-housing program by allocating \$31,603 of the unspent ESG funding for additional temporary staffing to help clients find housing; and re-programming \$139,475 of the unspent funds for a public facility improvement project, proposed by the Berkeley Food and Housing Project through the FY 2015 CDBG RFP process. The allocation of additional dollars for temporary staffing does not substantially amend the Annual Action Plan and does not require Council approval. However, reallocation of funds for the public facility project is a substantial change and Council authorization is the subject of this item.

Community Development Block Grant funding in the amount of \$73,173 was allocated in FY 2014 to supplement ESG funding used for Homeless Prevention and Rapid Re-housing. To date, none of those funds have been spent since ESG funds are available and funds are expected to either carry over into FY 2015 or be recaptured for another CDBG-eligible purpose. The substantial amendment recommends utilizing \$1,800 of these funds for management of the BFHP public facility improvement project.

At its February 6, 2014 meeting, the Housing Advisory Commission unanimously passed a motion (M/S/C: Feller/Droste: Ayes: Casalaina, Darrow, Skjerpung, Soto-Vigil, Tregub, and Wolfe, Feller, Droste. Noes: None. Abstentions: None.) recommending that City Council approve the substantial amendment to the City's PY 2013 Annual Action Plan, which outlines the use of HUD funds awarded to the City, and contains the revised plan for spending the ESG funds at risk of recapture.

### BACKGROUND

The City of Berkeley receives ESG funding each year through HUD. These funds can be used for homeless emergency shelter renovations, operations and services, homeless street outreach, the operation and development of a Homeless Management Information System, rapid re-housing, homeless prevention, and administration. Two years ago, the City of Berkeley decided to allocate the vast majority (almost 90%) of the City's ESG funding to a new Rapid Re-Housing and Homeless Prevention program.

City of Berkeley staff operate the program. The City contracts with Berkeley Food and Housing Project to act as the program's fiscal agent and issue checks to landlords for security deposits, rental assistance and utility arrears. Non-profit providers of homeless services are funded with General Funds to provide supportive services to help clients become rapidly re-housed with ESG financial assistance.

Many factors have led to the significant under spending of the ESG funds. The first year that funds were available for Rapid Re-Housing and Homeless Prevention, the ESG allocation normally allocated to the City of Berkeley more than doubled. HUD also made it a requirement that jurisdictions allocate a significant portion of the new ESG funds to Rapid Re-Housing and Homeless Prevention. Developing a new program required a planning process. This delayed the start of the program. In addition, the regulations required coordination with the local Homeless Continuum of Care, and a single set of policies and procedures for administering the program, common to neighboring jurisdictions in Alameda County, had to be created. Non-profit agencies report that finding housing affordable to clients on extremely limited incomes in Berkeley and the neighboring areas is challenging. Staff resources have been stretched thin, especially since assisting clients to identify housing in cheaper jurisdictions requires time and resources that are scarce.

The plan to fully use the ESG funds includes shifting \$31,603 from rental assistance to temporary staffing. Under this plan, HHCS would hire a full-time temporary staff person to assist clients identified by non-profit agencies to apply for ESG assistance and to locate affordable housing. With this additional staffing, staff projects a higher spend down rate of client assistance funds. However, staff does not expect that all of the ESG funds at risk will be able to be expended on rapid re-housing by June 30, 2014. Therefore, staff recommends spending \$139,475 of the unspent funds on a public facility improvement project, proposed by the Berkeley Food and Housing Project (BFHP), which can be completed by June 30, 2014.

In December 2013, BFHP responded to the Request for Proposals for CDBG-funded Public Facility Improvement projects. BFHP requested \$141,275 in CDBG funding for a project which includes improvements to bathrooms and kitchens at their facility on Dwight Way which provides emergency shelter and transitional housing for homeless women and children. This project is also eligible for ESG funding. Staff recommends funding all but the project management portion of the budget with ESG funds. Unspent CDBG funds are recommended to be used for the \$1,800 project management cost, since this is not an eligible ESG expenditure.

A change in the allocation of ESG funding from Rapid Re-Housing to public facility improvements constitutes a substantial change to the City's FY 2013 Annual Action Plan. The City of Berkeley Citizen Participation Plan calls for citizen comment, HAC review and City Council action when a substantial change is proposed. A 30-day public comment period was opened on February 7, 2014. An announcement regarding the public comment period was published in the *Oakland Tribune* on February 7, 2014. The

announcement stated that the public comment period would close on March 11, 2014 and included a summary of the proposed substantial changes. The announcement also included information in Spanish and Chinese regarding how to obtain information about the Plan in those languages.

#### ENVIRONMENTAL SUSTAINABILITY

Environmental impacts or opportunities associated with the substantial amendment to the Annual Action Plan would be related to the public facility improvement project only. The public facility improvement project proposed by Berkeley Food and Housing Project is not subject to the City's LEED Silver Rating Requirement<sup>2</sup>. However, existing flooring will be replaced with a sustainable natural linoleum product and low-flow fixtures will be used when possible.

#### RATIONALE FOR RECOMMENDATION

ESG funds will revert back to the federal Department of Housing and Urban Development (HUD) if they are not spent by June 30, 2014. A substantial amendment to the City's plan for HUD funding is required in order to re-program them.

#### ALTERNATIVE ACTIONS CONSIDERED

ESG funds could be reallocated for shelter services. Since these are one-time funds they must be spent by June 30, 2014, however, this is not a viable option.

#### CONTACT PERSON

Kristen Lee, Community Services Specialist III, HHCS, 981-5427

#### Attachments:

1: Resolution

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<sup>2</sup> [http://www.cityofberkeley.info/uploadedFiles/Planning\\_and\\_Development/Level\\_3\\_-\\_Energy\\_and\\_Sustainable\\_Development/Green%20Building\(3\).pdf](http://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Energy_and_Sustainable_Development/Green%20Building(3).pdf)

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

SUBSTANTIAL AMENDMENT: PY 2013 ANNUAL ACTION PLAN

WHEREAS, Emergency Solutions Grant (ESG) funds awarded by the federal Department of Housing and Urban Development (HUD) to the City of Berkeley for FY 2012 and FY 2013 were allocated to a new Homeless Prevention and Rapid Re-Housing program; and

WHEREAS, due to delays in the implementation of this new program and difficulties finding appropriate housing for clients, ESG funds in the amount of \$171,078 are at risk of recapture if not spent by June 30, 2014; and

WHEREAS, ESG funds can also be used for public facility improvement projects; and

WHEREAS, PY 2013 Community Development Block Grant funds in the amount of \$1,800 are unspent and will be available to be used for management of the BFHP public facility improvement project; and

WHEREAS, major changes in the use of ESG funds from one category to another requires a substantial amendment to the City's Annual Action Plan; and

WHEREAS, at its February 6, 2014 meeting, the Housing Advisory Commission unanimously passed a motion to recommend that Council approve the use of ESG funds at risk of recapture for the Berkeley Food and Housing Project (BFHP) public facility improvement project and for temporary housing navigator staffing; and

WHEREAS, funds are available in the following budget code in FUNDS: 045-7902-463-3510 for both the public facility improvement project and the temporary staffing position.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to:

1. Submit the substantial amendment (Exhibit A) to the City of Berkeley's PY 2013 Annual Action Plan to the U.S. Department of Housing and Urban Development; and
2. Execute resultant agreements and amendments with the Berkeley Food and Housing Project for \$139,475 in PY 2013 Emergency Solutions Grant (ESG) and \$1,800 in PY2013 Community Development Block Grant funds for a public facility improvement project. A record copy of said contracts and any amendments are on file in the City Clerk Department.

Exhibits

A: PY 2013 Annual Action Plan Substantial Amendment

**CITY OF BERKELEY**

**ANNUAL ACTION PLAN  
FOR HOUSING  
AND COMMUNITY DEVELOPMENT**

**July 1, 2013 - June 30, 2014 (PY 2013)**

**for the U.S. Department of  
Housing and Urban Development  
San Francisco Field Office of  
Community Planning and Development**

**SUBSTANTIAL AMENDMENT: February 6, 2014**

## EXECUTIVE SUMMARY

This Annual Action Plan was substantially revised on February 6, 2014. Carryover PY2012 ESG funds were reallocated from a Homeless Prevention and Rapid Re-Housing project to a homeless shelter renovation project. See the citizen participation section and ESG section for more details. All changes to this Plan are highlighted and tracked.

**Objectives.** The City of Berkeley has set an ambitious array of objectives for the use of its federal entitlement grant resources. Berkeley strives to allocate these and other state and local funds in order to maximize assistance for its low and moderate-income renter resident households through:

- Housing acquisition, rehabilitation, repair, and accessibility improvements;
- Assisting homeless adults and families including those with disabilities and other special needs, through emergency shelter, transitional housing, and service-enriched affordable, supportive housing;
- Funding public facilities improvements to protect and sustain the infrastructure critical to community services and economic vitality in Berkeley's neighborhood strategy area; and
- Investing in programs that fight poverty by equipping low and moderate-income youth and adults to find jobs and attain employment self-sufficiency.

The City of Berkeley has long placed a high priority on affordable housing and community services because they reflect important community values. The City now invests more General Fund into related programs than it receives in federal funding for these activities. The City is committed to maintaining high-quality programs for those in need but faces significant challenges in the wake of year after year reductions in federal funds available, particularly at a time when General Fund revenues are not increasing. Though the City of Berkeley will receive increases in CDBG and HOME funds in PY 2013, we are expecting deeper cuts to these funding sources in future years. At the same time, ESG, HOME, Consolidated Plan, and Annual Action Plan requirements have substantially increased. These projected cuts, combined with an increased administrative burden will impact the City's ability to address all of the many needs identified.

**Approved Allocations.** As summarized in **Attachment 1** and detailed in **Attachments 2 and 3**, the City of Berkeley plans to allocate \$2,502,381 in Community Development Block Grant (CDBG) funds together with approximately \$391,859 in prior years' carryover and \$100,000 in estimated CDBG program income to fund

- \$1,660,330 in housing projects and programs;
- \$469,922,468,122 in public services;
- \$347,213,349,013 for community and public facilities activities; and

- \$520,476 to administer all facets of the City's CDBG program.<sup>1</sup>

The City of Berkeley was allocated \$168,887 in Emergency Solutions Grant (ESG) funding in PY2013. These funds will continue to support a new Homeless Prevention and Rapid Re-Housing program, started in April 2013. Approximately 70% of the funds will be used for temporary rental and deposit assistance to rapidly re-housing homeless individuals and families. Approximately 19% of the funds will be used to prevent individuals and families who will imminently become homeless to stay housed. Approximately 2% of the funds will be used to support the County-wide Homeless Management Information System, a requirement of receiving ESG funds, and 7.5% will be used to administer the program. The majority of the funds will be awarded to the Berkeley Food and Housing Project, which will administer the financial assistance. Existing homeless services providers in Berkeley will utilize City and other funding to provide supportive services to clients receiving the temporary rental assistance.

The City continued to hold open the City's Housing Trust Fund round that was opened in early 2010 with applications due in March 2010. City Council authorized holding the round open to enable staff to work together with the non-profit developers who applied for Housing Trust Funds to help bring projects to readiness. Projects currently in the pipeline which may be recommended for funding in PY 2013 include:

- Strawberry Creek Lodge;
- Berkeley Housing Authority Public Housing Disposition and Rehabilitation;
- Hillegass Apartments; and
- Northern California Land Trust (NCLT) Rental Units.

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<sup>1</sup> Of these funds, up to \$140,529 will go to administrative support costs that cover costs of other departments that consult with or otherwise provide the Health, Housing and Community Services Department with services supporting its administrative activities (including Finance, City Attorney, City Manager, City Auditor, and Human Resources).

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### **Attachments**

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## GENERAL

### General Questions

1. *Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year.*

Geographic areas of the jurisdiction in which assistance will be directed during PY2013 are described in the Consolidated Plan and have not changed.

Since 2000 Census data is still the most recent, comprehensive data available, the City will continue to maintain a CDBG Neighborhood Strategy Area (South and West Berkeley) as the point of focus for revitalization and services activities. The NSA represents a part of the City which (excluding areas of high student residence) has the largest percentage of low and moderate income residents, the housing stock is old with more units (both rental and homeowners) in need of repair, and an area with a larger proportion of minority population. The NSA was originally formed based on 1990 Census data, and modified in 2005 according to data available from the 2000 Census.

2. *Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.*

The basis for allocating investments and rationale for assigning priorities are described in the Consolidated Plan and have not changed.

The City does not set-aside a portion of funds for use within the Neighborhood Strategy Area. Instead, the Request for Proposals indicates 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.

3. *Describe the actions that will take place during the next year to 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. The City of Berkeley will continue to pursue new State and Federal resources as available to meet underserved needs.

## Managing the Process

1. *Identify the lead agency, entity, and agencies responsible for administering programs covered by the Consolidated Plan.*

The City of Berkeley's Health, Housing and Community Services Department is the lead agency for administering programs covered by the Consolidated Plan. The Department coordinates the City's funding allocation and monitoring for community based organizations, administration of the Housing Trust Fund, and operation of other housing and community services programs such as senior services, Shelter Plus Care, and Senior and Disabled Home Rehabilitation loans. The Department also includes the City's Mental Health, Public Health, and Environmental Health Divisions.

2. *Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.*

The citizen participation process is described in detail below. The plan was developed through a public hearing on local housing and community development needs, review of the draft plan at the Housing Advisory Commission, a public comment period, and a public hearing. Additional outreach was accomplished via mailings to interested parties on the Health, Housing and Community Services Department outreach lists, which include interested individuals, including those residing in the Neighborhood Strategy Area, community agencies serving low-income people, public buildings such as recreation centers, senior centers, libraries and other government buildings.

3. *Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.*

During the next year, the City of Berkeley will continue to coordinate the housing and community services activities within the department through regular senior staff meetings and coordination on specific topics. The City's Health and Housing and Community Services departments were merged in PY 2012, and will seek opportunities to increase coordination during PY 2013.

City staff will also continue to participate in the implementation of Everyone Home, the countywide plan to end homelessness. Everyone Home spearheads Alameda County's Continuum of Care. Staff will continue to participate in the initiative's Leadership Board, which includes most public funders of housing and homeless services in the county, as well as leadership from key community based organizations. Leadership Board membership helps coordinate efforts across the county. Staff also participate in other committees composed of other funders (such as Alameda County Behavioral Health Care Services and the Social Services Agency) as well as many community based organizations.

Recent countywide collaboration efforts include the issuance of a countywide report on homeless program outcomes compared to adopted countywide performance benchmarks, planning for the 2013 homeless survey and count, the planning and implementation of the Housing Retention and Homelessness Prevention (HPRP) program.

## Citizen Participation

### 1. Provide a summary of the citizen participation process.

The City of Berkeley Citizen Participation Plan requires a 30-day public comment period and review before the Housing Advisory Commission and City Council of any substantial changes to the City's Annual Action Plan. This Annual Action Plan was substantially changed to reallocate carryover PY2012 ESG funds from a Homeless Prevention and Rapid Re-Housing project to a homeless shelter renovation project (see ESG section for more details).

The Housing Advisory Commission reviewed this substantial amendment at their regular meeting on February 6, 2014 and a 30-day public comment period was opened on February 7, 2014. An announcement regarding the public comment period was published in the *Oakland Tribune* on February 7, 2014. The announcement stated that the public comment period would close on March 11, 2014 and included a summary of the proposed substantial changes. The announcement also included information in Spanish and Chinese regarding how to obtain information about the Plan in those languages.

Additional outreach was accomplished via mailings to interested parties on the Health, Housing and Community Services Department outreach lists, which include interested individuals, community agencies serving low-income people, public buildings such as recreation centers, senior centers, libraries and other government buildings. The plan will also be posted on the City's website.

City Council reviewed this Substantial Amendment at their March 25, 2014 meeting. During the public comment period (add comments here received from the public).

A public hearing to receive input from Berkeley residents on Berkeley's housing and community development needs was held on October 17, 2012 before the Housing Advisory, Human Welfare and Community Action, Homeless, and Parks & Recreation Commissions. Twenty members of the public were present with fourteen addressing the commission and articulating the following needs:

- Funding for acupuncture detox services;
- Internships for disadvantaged youth;
- Childcare subsidies for Berkeley residents;
- Funding for childcare programs for children ages two to ten;
- Emergency shelter services for the homeless;

- College scholarships for graduating seniors;
- Summer programs or internships for teens;
- Job search and placement services and better nutrition at homeless shelters;
- Housing for the mentally ill; and
- Benefits advocacy services.

The draft Plan was distributed to the Housing Advisory Commission on February 7, and March 7, 2013, and a public comment period was opened on March 25, 2013. Announcements regarding the public hearing and public comment period were published in the *Oakland Tribune* on March 23, 2013 and in *The Berkeley Voice* on March 29, 2013. The announcement stated that the public comment period would close on May 1, 2013 and included a summary of all key elements of the Plan. The announcement also included information in Spanish and Chinese regarding how to obtain information about the Plan in those languages.

Additional outreach was accomplished via mailings to interested parties on the Health, Housing and Community Services Department outreach lists, which include interested individuals, community agencies serving low-income people, public buildings such as recreation centers, senior centers, libraries and other government buildings. The plan will also be posted on the City's website.

A public hearing on the Plan was held on April 30, 2013 before the Berkeley City Council. Additional outreach for the public hearing was sent via the mailing distribution lists mentioned above.

During the public comment period of March 25, 2013 through May 1, 2013, no written comments were received.

2. *Provide a summary of citizen comments or views on the plan.*

**This section will be updated once comments from the public are received.**

Forty members of the public spoke at the public hearing held on April 30, 2013. Comments related to CDBG, ESG or HOME funds were from representatives of Rebuilding Together, Biotech Partners Inc., Rising Sun Energy Center, the Women's Daytime Drop-In Center, and Community Energy Services Corporation. All of these representatives thanked City Council for continuing the fund these programs. No other comments regarding the content of the Plan were made.

3. *Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.*

Additional outreach was accomplished via mailings to interested parties on the Health, Housing and Community Services Department outreach lists, which include interested individuals, community agencies serving low-income people, public buildings such as recreation centers, senior centers, libraries and other government buildings.

4. *Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.*

**This section will be updated once comments from the public are received.**

Not applicable.

## **Institutional Structure**

1. *Describe actions that will take place during the next year to develop institutional structure.*

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

- The Office of the Director;

- Housing & Community Services;
- Finance and Administration;
- Aging Services;
- Environmental Health;
- Public Health; and
- Mental Health.

The Department of Housing and Community Services merged with the Department of Health Services during 2012. Work is still underway to coordinate related programs and maximize the potential for coordination and collaboration.

The Department works closely with the Planning Department, on an ongoing basis and coordinated through regular monthly meetings.

In PY 2013, Health, Housing and Community Services Department staff will continue 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 will continue to be delivered by nonprofit community based organizations in PY 2013. The City contracts 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 will continue working closely with these agencies in PY 2013.

Particularly since adopting Everyone Home, the Alameda countywide homeless and special needs housing plan, in 2006, staff meet regularly with staff of agencies in other Alameda County jurisdictions, on the Leadership Board and in a variety of committees. 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 2013, the City of Berkeley will continue 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 eliminate the legacy of racial predictability of Berkeley children's achievement

and health by the year 2020 by identifying 8 areas to address: strong academics, good health, family partnerships, kindergarten readiness, community/BUSD/City cooperation, culturally/linguistically responsive institutions, using data, and financial viability and sustainability.

## **Monitoring**

- 1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements*

### Monitoring Housing Trust Fund Developments

#### *Background*

The Housing and Community Services Division of the Health, Housing and Community Services (HHCS) 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.

As of January 2013, the Housing Services Division is responsible for monitoring 51 properties, 26 of which have HOME-assisted units. Eight of the properties are homeownership projects, including 3 which were funded with HOME funds.

### ANNUAL MONITORING ACTIVITIES PLANNED FOR PY 2013

In the last three years, HHCS staff initiated the monitoring cycle in January by sending out an Annual Monitoring Report (AMR) to be completed by the property owners. This program year, HHCS staff will adjust the monitoring cycle to coincide with each project's fiscal year. Therefore, the monitoring cycle for projects operating on a calendar year (ending in December 31<sup>st</sup>) will begin in March and the cycle for projects operating on a fiscal year (ending in June 30<sup>th</sup>) will begin in August.

The monitoring procedures remain the same, where the monitoring cycle begins with the distribution of the Annual Monitoring Report to all projects. The AMR requests information regarding each property's tenancy, affordability, financial performance and property management practices. The information collected from the AMRs include tenant income and rents, marketing and outreach activities, status of waiting lists, and

update on property maintenance and management issues. The monitoring cycle for projects on a calendar year will begin on March 1, 2013. Upon receiving the AMR, staff will perform a desk review of the projects. After the desk review is complete, staff schedules on-site monitoring visits throughout the year which includes a physical inspection of the rental units and a review of the tenant files.

In Program Year 2012 (July 1, 2012 through June 30, 2013), staff completed on-site visits for all HTF projects that were scheduled for inspection. As of January 2013 when this report was updated, HHCS staff was in the process of completing the remaining inspections/on-site visits for the 2012 monitoring cycle.

For Program Year 2013, HHCS staff will work on implementing procedures for more effective analysis of the financial health of the projects in the City's affordable housing portfolio. 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.

### MONITORING ACTIVITIES, PY 2013

#### Project-Specific:

- Close out 2012 monitoring files, First Quarter 2013 (January – March 2013);
- Complete desk review of 2013 Annual Monitoring Reports, Second Quarter (April-June 2013) for projects on calendar year and Fourth Quarter (October-December 2013) for projects on fiscal year; and
- Conduct on-site visits, including review of on-site tenant files and physical inspections of common areas and a sample of units, June-December 2013.

#### Overall Program:

- Review and revise the *City of Berkeley Housing Trust Fund Monitoring Procedures* to reflect changes in the implementation of the program as necessary, by December 2013;
- Work with East Bay HOME Collaborative\* to develop criteria and checklist for identifying "priority" projects that need targeted monitoring and technical assistance, by December 2013; and
- Implement procedures for reviewing/evaluating financial information and incorporating assessment in identifying "priority" projects, June 2013.

HHCS Asset Manager/Compliance Monitor will continue to participate in the East Bay HOME Collaborative. The East Bay HOME Collaborative (Collaborative) consists of staff representatives from a number of public agencies in Alameda County and Contra Costa County which formed to develop a training module with assistance from a HUD T.A. provider, Training and Development Associates (TDA). The Collaborative's goal is to provide a venue for which the participating agencies can share best practices and problem-solve on issues regarding compliance monitoring and other issues related to

administering local affordable housing financing programs funded with HOME and CDBG funds.

The Collaborative applied for and was awarded a technical assistance grant to hire TDA in November 2011. In October 2012, the Collaborative, with assistance from TDA, held the first training for East Bay CHDOs in Oakland. About 50 people attended, consisting of staff from local public agencies and CHDO staff.

#### Monitoring Community Agency Services Activities

Staff in the City's Health, Housing and Community Services Department actively monitor the more than 50 community agency contracts funded using CDBG, CSBG, ESG, and General Funds. Services provided address a wide variety of service needs in the Berkeley community, including nutrition, child care, health care, benefits advocacy, legal and advocacy services, homeless services, disability services, employment training, and services for seniors and youth. Each year, staff assesses the relative risk of community agencies as investments of public funds using scheduled monitoring activities which include desk reviews of program financial reports, regular on-site visits, and in-depth financial audits.

#### Monitoring Section 3 Activities

The Health, Housing and Community Services Department developed procedures for documenting very low and low-income residents who secure employment and/or job training opportunities through city-funded workforce development programs. Additionally, the City of Berkeley's First Source Ordinance, requires private and publicly funded projects of a certain size and dollar value, to make a good faith effort to hire Berkeley residents in construction and end-user employment. In PY 2012, the City will continue to require all general contractors to execute a First Source Agreement with the City of Berkeley and all its general and subcontractors to adhere to the Section 3 construction requirements of the agreement, as well as the developers of retail and commercial leased space and including the business who lease the finished retail and commercial space included in a mixed-use residential project, if such improvements are being completed as part of the project activities and with HUD funds.

In FY 2013, the City staff will continue to work on improving its linkage with its local First Source hiring activities with Section 3 requirements during HUD-funded construction projects. The City will also work on providing a coordinated system for extending training and employment opportunities to recipients of HUD financial assistance and their contractors and subcontractors, and coordinating these activities with the City's existing contracts with agencies which provide for training and employment services.

#### Monitoring Comprehensive Planning Requirements

In order to ensure that it is meeting goals and objectives set for in its Consolidated Plan, and to comply with HUD requirements, the City of Berkeley completes an Annual Action Plan and a Consolidated Annual Performance Evaluation Report (CAPER) annually. The City actively monitors reports from community based organizations and works

closely with community agency staff on a variety of issues, which is effective in keeping staff up to date on issues affecting the community and possible obstacles to meeting goals and objectives. In addition, the City actively uses IDIS and HMIS, regularly examining reports as available to monitor progress. The City also participates annually in the countywide homeless count, which reveals progress on ending homelessness.

The Health, Housing and Community Services Department's Finance and Administration Division includes all financial services for the department. Staff in this division carefully administer the City's federal grant awards to ensure that expenditures comply with all requirements and are completed in a timely way.

## Lead-Based Paint

1. *Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families.*

**Lead Poisoning Prevention Program.** The City of Berkeley Public Health Division and the Alameda County Lead Poisoning Prevention Program will work together to increase awareness and knowledge about lead poisoning prevention in Berkeley including providing lead-safe painting classes, in-home consultations, garden soil lead testing kits, presentations, educational materials, and other services. Rebuilding Together will work 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 Health, 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 during the 2011-12 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 5 mg/dL, he/she will receive case management from a Public Health Nurse.

## HOUSING

### Specific Housing Objectives

1. *Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.*

The priorities identified in the 2010-2014 Consolidated Plan will be applicable during PY 2012. These priorities are:

- Create new affordable housing through acquisition, rehabilitation, and new construction.
- Continue a priority for low income households in allocation of resources.
- Preserve existing housing, particularly existing affordable housing.
- Provide supportive services that help low income people obtain and retain housing.
- Promote energy efficiency and sustainable practices in all housing.
- Increase housing resources for the development of new and rehabilitation of older affordable housing.
- Maintain the diversity of Berkeley's population by promoting fair housing choice and addressing impediments.
- Support Homeownership Opportunities

Specific objectives for PY 2013 are as follows:

- *Multifamily housing acquisition, rehabilitation, and development:*  
Continue to operate the Housing Trust Fund. Health, Housing and Community Services Department staff will work with the sponsors of projects which have received Council approval for funding commitment, as well as projects that have received allocations of predevelopment funding. Staff activities will include administration of City funding and technical assistance as needed. See more detail under Housing Trust Fund below.
- *Home rehabilitation and accessibility improvements:*  
Continue to operate home rehabilitation and accessibility improvements programs. Currently funded agencies include Rebuilding Together, Center for Independent Living Residential Access for the Disabled, Community Energy Services Corporation, and the Senior and Disabled Home Rehabilitation Loan Program.
- *Housing code enforcement:*  
Continue to operate the Rental Housing Safety Program, funded entirely with fees, to ensure the safety and quality of rental housing in Berkeley.
- *Home ownership:*  
Continue to participate in Alameda County's mortgage credit certificate (MCC) program. Continue administration of the condo conversion ordinance and the inclusionary zoning ordinance for ownership housing.

- *Fair Housing:*  
Fund and coordinate with East Bay Community Law Center (EBCLC) to implement the City's housing anti-discrimination program. Activities to be undertaken by EBCLC include: 1) Eight outreach events in Berkeley including the dissemination of written materials in English, Spanish and Chinese; 2) four trainings – one targeting realtors or a lending institution and one targeting landlords and property managers, 3) fair housing counseling services to up to 60 households; 4) investigation of 20 fair housing complaints; 5) tenant/landlord mediation; and 6) at least two fair housing testing/audits with follow-up training for non-compliant property owners.

### Housing Trust Fund

Details of the funds available in the Housing Trust Fund are included as **Attachment 4**.

In PY 2013, the City of Berkeley will continue to work with HTF Funded Projects and evaluate whether to commit and possibly commit funds to the HTF Pipeline of Proposed Projects. HTF Funded Projects and the HTF Pipeline of Proposed Projects are described in more detail below.

In PY 2013, the City may also release a new Request for Proposals and could commit additional funds based on the response.

The outlook for other non-federal sources of affordable housing development funding is poor and competition for most sources will be intense. The State's bond financing for affordable housing, approved by the voters as Proposition 1C, has nearly been depleted and there is no replacement on the horizon. As of this writing, California redevelopment agencies have been eliminated.

### **HTF Funded Projects**

In PY 2010, the City issued a Request for Proposals for funding from the City's Housing Trust Fund (HTF). Based on a review of the responses, four projects were selected for funding. In addition, the City Council created a pipeline of projects to consider for HTF funding as funds became available and projects were deemed feasible. Most of these projects have been in various stages of predevelopment and staff will continue to work with the developers/owners in PY2013. To date, City Council has approved six projects for commitments of HTF funds or reservations of funds approved for construction or rehabilitation activities associated with the affordable housing projects. In order to make the funding reservations, in December, 2012 City Council approved a commitment of HOME funds to be received by the City of Berkeley in July 2013. The funded projects include the following:

## 1. UA Homes

Address: 1040 University Avenue  
Developer: Owned by UA Housing Inc./Developed by RCD  
Project Type: Rehab, Special Needs/SRO  
Number of Units: 74 Units  
HTF Funding: \$793,816 (HTF funding approved May 2010)  
Other Funding: MHP, AHP, Tax Credits, Bank Loan, City of Berkeley MHSA

UA Homes is an existing 74-unit SRO property for special needs residents. RCD is in the process of securing funding to refinance and rehabilitate and upgrade the building, and construct a small supportive services office as an addition on the back of the building. RCD applied for was successful in securing a 9% tax credits in March 2012. The construction loan closing was held in December 2012 and rehabilitation began in January 2013. Rehabilitation is anticipated to be completed in December 2013.

## 2. Savo Island

Address: 2017 Stuart Street  
Developer/Owner: Savo Island Cooperative Homes  
Project Type: Rehab, Family Housing  
Number of Units: 57  
HTF Funding: \$435,000 (HTF funding approved May 2010 and an additional amount in 2012)  
Other Funding: Berkeley Redevelopment Agency, HUD 221(d)(4) loan

The board of directors of Savo Island secured a HUD-insured mortgage loan. The loan proceeds from the HUD loan, in addition to the City HTF loan provides enough funds to complete the development. Rehabilitation started in October 2012 and is anticipated to be completed in November 2013.

## 3. UA Cooperative Apartments

Address: 1450 University Avenue  
Developer/Owner: City-owned Land, UA Housing Limited Partnership Owner of Improvements, RCD to Purchase and Develop  
Project Type: Rehabilitation, Multifamily Housing  
Number of Units: 47 (All units 50% of AMI and below)  
HTF Funding: \$890,000 (HTF Funding approved in June, 2011)  
Other Funding: HTF Predevelopment Loan, HTF Loan, Section 8 Increment Loan, Permanent Bank Loan, 9%-Low Income Housing Tax Credits

In 2010, RCD received a HTF Predevelopment loan of \$33,100 to assist in the completion of the schematic drawings and to complete the environmental review record for the NEPA and Section 106 reviews. In June 2011, City Council approved a reservation of HTF funds for \$890,000 for this \$16 million redevelopment of the property site. The staff is currently working on a new lease agreement between the City and

RCD for the rehabilitation of the project and an HTF Development Loan Agreement. RCD submitted their Tax Credit application in July, 2012, but the application was not funded and RCD will reapply to TCAC in March 2013.

#### **4. Grayson Apartments**

Address: 2748 San Pablo Avenue  
Developer/Owner: Satellite Affordable Housing Associates (SAHA)  
Project Type: New Construction, Family and Disabled Apartments  
Number of Units: 23  
HTF Funding: \$1,095,000  
Other Funding: 9% Tax Credits, Project-Based Section 8, AHP, HOPWA

AHA submitted an application for the Grayson Apartments under the City's 2010 HTF NOFA and provided a revised proposal in 2012. In November, 2012, the Housing Advisory Commission recommended a \$1,095,000 funding reservation and City Council approved the fund reservation in the following December. The revised project includes 17 units of housing for disabled households. The project site is entitled for a four-story mixed-used residential apartment development and the site will be acquired by SAHA in May, 2013.

#### **5. 3135 Harper Street (Previously Prince Hall Arms Property Site)**

Address: 3135 Harper Street and also 3132-3135 MLK Jr. Way  
Developer/Owner: Satellite Affordable Housing Associates (SAHA)  
Project Type: New Construction - for 41 Units of Affordable Senior Housing  
Number of Units: 42  
HTF Funding: \$2,300,000  
Other Funding: 9% Tax Credits, AHP, and Project-Based Section 8

On September 30, 2011, the City completed its foreclosure action on its 1999-HTF loan made to the Most Worshipful Prince Hall Grand Lodge, Free and Accepted Masons of the States of California and Hawaii, Inc and acquired the property. In December 2011, the City Council approved the issuance of a RFP for the acquisition and development of the site as a site for affordable housing. The RFP was issued on January 25, 2012 and a Selection Committee reviewed 8 proposals which were submitted for the site and recommended Satellite Housing as the proposed developer for the site. In May, 2012, Council approved Satellite Housing as the preferred developer of the Site. In September 2012, the City entered into an Exclusive Negotiating Rights Agreement with Satellite Housing and in December, 2012 City Council approved a \$2,300,000 HTF funding reservation for the proposed project. The City is currently preparing an Option to Purchase Agreement for SAHA and also a Disposition and Development Loan Agreement for the transfer and development of the property. It is anticipated that SAHA will submit a 9% Low-Income Housing Tax Credit application in July 2013 and, if successful in securing an award, the property would be transferred to SAHA and the project would start construction by March 2014.

## **6. William Byron Rumford Sr. Plaza**

Address: 3017 Stanton Street and 3015 Sacramento Street  
Developer/Owner: City-owned Land, South Berkeley Community Housing Development Corporation is Owner of the Property Improvements; currently proposed to be developed in partnership with Resources for Community Development (RCD)  
Project Type: Rehabilitation, Multifamily Housing  
Number of Units: 43  
HTF Funding: \$1,100,000  
Other Funding: FHLB/AHP, 4% Low Income Housing Tax Credit, Tax Exempt Bonds, HOPWA, RHCP/Refinancing, Project-Based Section 8

The William Byron Rumford Senior Plaza project site consists of a 43-multifamily, affordable residential units consisting of one, two, and three bedroom units built in 1991. The land is owned by the City and the building and property improvements are owned through a ground lease. The property improvements and buildings have suffered from deferred maintenance and additional upgrades to the units are proposed. The property was originally a mixed-income development managed by a neighborhood nonprofit corporation. The project's rehabilitation will preserve the property as an affordable housing site which will gradually convert to 100% affordability. RCD plans to apply for 4% low income housing tax credits, has secured a bond inducement resolution for tax exempt bonds and received a preliminary award of HOPWA funding.

### ***HTF Pipeline of Potential Projects***

On December 13, 2011, the City Council approved a second extension of the 2010 HTF funding cycle in order to allow pipeline projects to be considered for HTF funding reservations. The deadline for Council approval of reservations expired on December 31, 2012. Staff will prepare additional funding recommendations for approval by the City Council as projects are deemed feasible. Based on funding reservations made above, by the City Council, staff will continue to work on the following projects as well as any financing needs for the projects already secured HTF awards and also which are included in the HTF funding pipeline (below), especially if the Harper Street project does not secure a Tax Credit award in 2013.

#### **1. Strawberry Creek Lodge**

Address: 1320 Addison Street  
Developer/Owner: Strawberry Creek Lodge Foundation  
Project Type: Rehab, Senior Housing  
Number of Units: 150  
HTF Funding: \$86,250 Predevelopment Fund Award;  
\$560,000 updated HTF Request Submitted and unfunded

Strawberry Creek's current HUD Section 202 mortgage loan matures in August 2012. Strawberry Creek was awarded HTF funds in order to prepare a comprehensive scope of work and financial plan to rehabilitate the property. The board of directors of

Strawberry Creek has engaged an architect, project manager, and financial consultant to manage this process. Strawberry Creek has also received 23 additional project-based Section 8 vouchers from the Berkeley Housing Authority. Strawberry Creek planned to submit an application for a new HUD-insured mortgage loan in early 2012 however, the needed improvements to the project have increased. Additionally, the owners found that several seismic upgrades to the buildings had to be done and the costs to complete all improvements have escalated beyond the costs of the HUD-insured mortgage plan. The owner recently conducted an RFQ for a new management and nonprofit developer to undertake the project and is negotiation for an agreement. It is anticipated that the project will apply to TCAC for 4% Tax Credits to complete the proposed improvements.

## **2. Berkeley Housing Authority Public Housing Disposition and Rehabilitation**

Addresses: Scattered Sites in the city of Berkeley  
Developer/Owner: Berkeley Housing Authority (BHA) and Related Companies of CA  
Project Type: Rehab, Family Housing on Scattered Sites  
Number of Units: 75 units  
HTF Funding: \$300,000 (HTF Predevelopment Funding Award to BHA);  
\$400,000 (Requested and to be Reviewed in 2013)  
Other Funding: 4% Tax Credits, Tax-Exempt Bond Financing

In 2010 BHA requested \$236,000 in HTF funding to pay for roof repairs. Subsequently, BHA was able to repair the roofs without City funding. BHA subsequently revised its request to \$300,000 in HTF funding for a predevelopment loan made to the Berkeley Housing Authority to pay for part of the voluntary relocation costs of the public housing residents to other eligible Section 8 rental properties. Related Companies of California has requested a \$400,000 HTF permanent loan to support the disposition and rehabilitation of the public housing units. Staff will be requesting a HTF funding reservation for consideration by the City Council in March 2013. The Related Companies of California will enter into a ground lease for the City-owned public housing units.

## **3. Hillegass Apartments**

Address: 2500 Hillegass Avenue  
Developer/Owner: Affordable Housing Associates  
Project Type: Rehabilitation, Multifamily Housing  
Number of Units: 19  
HTF Funding: \$500,000 CalHFA HELP loan  
Other Funding: Private Loan

Several years ago, Satellite Affordable Housing Associates (SAHA), a local nonprofit affordable housing developer, acquired and completed some property improvements on the Hillegass Apartments, a 19-unit mixed-income housing development. The City received approval to extend the term of the existing \$500,000 HELP (Housing Enabled by Local Partnerships) loan made by the City to SAHA from its original due date of

January 10, 2012 to January 10, 2014. AHA believes it needs an additional year beyond the 2014 date in order to fully pay off the HELP loan, when the property can be refinanced. The City will request another two-year extension in 2013 from CalHFA. The City and SAHA staffs will develop a backup strategy in case an additional two year extension is not granted by CalHFA in 2013. Since there is not a request for additional HTF funding, the Hillegass project was not included in the HTF Pipeline of Projects reviewed by City Council in December 2012.

#### **4. Northern California Land Trust (NCLT) Rental Units**

Addresses: Scattered Sites in the city of Berkeley  
Developer/Owner: NCLT  
Project Type: Rehab, Various Unit Types on Four Scattered Sites in Berkeley  
Number of Units: 23  
HTF Funding: \$250,000  
Other Funding: Grant Awards, Energy Rebates, County Stop Waste Grant, and NCLT Reserves

NCLT submitted an application in response to the City's Predevelopment NOFA in November 2008 and an update in 2012. In 2010 time, staff decided not to fund the application because NCLT was in default on several bank loans. NCLT has since emerged from bankruptcy and staff continues to monitor the status of the agency and its housing stock. NCLT is working on achieving several benchmarks to be achieved and has directed all operating reserves into capital replacements due to specified urgent needs on the sites. Many of the proposed capital needs include energy upgrades and building replacement needs such as roofs and windows.

#### **5. Oregon Park Senior Apartments**

Address: 1425 Oregon Street  
Developer/Owner: Oregon Park Senior Apartments  
Project Type: Senior Housing  
Number of Units: 61  
HTF Funding: \$15,000 Predevelopment Loan  
Other Funding: Operating Reserves

In 2010, Oregon Park Senior Apartments was awarded a Predevelopment Loan for \$15,000 in order to undertake a physical needs assessment of the property. To date, the Oregon Park Board has not signed the HTF Predevelopment Loan Agreement. There are a total of 16 wood staircases which need to be repaired and/or replaced over the next several years. To date, eight of the staircases have been rebuilt. Oregon Park's application for 11 Project-Based vouchers from the Berkeley Housing Authority was later withdrawn by the Oregon Park Board. Oregon Park did not submit an recent update in response to the City's request for an update for the status of the Predevelopment Loan Agreement, as well as any HTF funds which might be needed for any rehabilitation needs which might be needed at the property. As a result, the Oregon Park Senior Apartments was not included in the HTF Pipeline of Projects reviewed by City Council in December 2012.

## **CHDO Funding**

In prior years, two non-profit housing developers who also qualified as Community Housing Development Organizations (CHDOs), have been awarded either HOME CHDO Operating funding or CDBG funds for project management of rehabilitation projects or HOME-funded new construction projects. In PY2012, the City allocated CHDO Operating funds to Resources for Community Development and local funding to Affordable Housing Associates for ongoing general operational support. In PY2012 Affordable Housing Associates and Satellite Affordable Housing merged to become Sattelite Affordable Housing Associates (SAHA). With the merger of the two boards, since Satellite did not qualify as a CHDO, the newly created SAHA lost its CHDO status. However, SAHA's Executive Director has indicated the organization will continue to work to qualify the organization as a CHDO. It is anticipated that HOME CHDO operating funds will be awarded to RCD and local funds to SAHA in PY2013 for operational support.

The City expects to comply with the requirement to set aside 15% of its HOME Entitlement funding in PY2013 (\$97,505) for a project owned or sponsored by a CHDO. HOME projects that would be undertaken by Resources for Community Development include the UA Homes, UA Cooperative, and William Byron Rumford Sr. Plaza. In PY 2013, SAHA staff will be working on the Harper Street acquisition project and also on the acquisition and construction of the Grayson Street property site.

## Public Housing Needs

As described in the Consolidated Plan, Berkeley Housing Authority (BHA) submitted a proposal to HUD on December 30, 2009 to dispose of all 61 federally-funded public housing units (and 14 state-funded public housing units) in its inventory. BHA has received HUD's approval to sell the units to an affordable housing developer/operator so that they will remain affordable. In PY 2013, the City will work with Related Companies of California on securing its HTF request of \$400,000 as part of its financing plan to secure 4% Tax Credits and tax-exempt Bond financing to undertake and complete the rehabilitation of the units.

- Continue to work with the Berkeley Housing Authority on its HTF Predevelopment Loan to fund relocation expenses associated with public housing units.
- Continue to work with BHA Related Companies with securing HTF funding and a future ground lease for the acquisition/rehabilitation of the public housing units.

*2. Describe how Federal, State, and local public and private resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.*

**Table 1: Federal, State, and Local Public and Private Sector Resources  
that are Reasonably Expected to be Available in PY 2013  
to Address Housing Needs**

<b>Funding Source</b>	<b>Amount</b>
<b>Total Federal Resources</b>	<b>\$4,573,848</b>
PY 2013 CDBG funds for housing services activities	1,660,330
PY 2013 HOME entitlement	650,036
PY 2012 HOME and CDBG carryover for HTF Activities	2,263,482
<b>Local Funds</b>	<b>\$1,097,961</b>
Housing Mitigation, Inclusionary In-Lieu, and Condominium Conversion Fees	597,961
State HELP funds committed through the City (see Note)	500,000
<b>Grand TOTAL, All Resources</b>	<b>\$5,744,982</b>

Sources: City of Berkeley Health, Housing and Community Services Department, Berkeley Housing Authority.

Note: State HELP funds are in Hillgass Apartments.

The City will cooperate with, and provide assistance to for-profit and non-profit developers to facilitate construction of housing units through new housing development, including assistance to and projects applying to the State of California for Low Income Housing Tax Credits, and other federal and state funding sources.

## Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

The principal barriers to affordable housing in Berkeley continue to be the high costs of new development, due to the high costs of land, materials, and labor. 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. *HUD's Comprehensive Housing Market Analysis: Oakland, CA*<sup>2</sup> (for Alameda and Contra Costa Counties) dated March 1, 2012 found a low vacancy rate (4.3%) across Alameda County, and that rents had increased 12% during a one-year period.

The City will continue administering its Condominium Conversion Ordinance and Inclusionary Housing Ordinance for ownership housing. These ordinance established fee revenue sources that may help the City increase the number of affordable units created in Berkeley through the Housing Trust Fund Program. Due to the current housing market, this program is not expected to result in significant resources in this program year. The City's Housing Trust Fund will benefit when the housing market eventually recovers.

In FY2012, the City also adopted a new Affordable Housing Mitigation Fee for \$28,000 per unit on new market-rate rental housing. Developers have the option to provide units affordable to people earning up to 50% of area median income in-lieu of paying the fee. When development recovers, this ordinance is expected to result in affordable units or fees for the Housing Trust Fund.

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<sup>2</sup> Available online: [http://www.huduser.org/portal/publications/PDF/OaklandCA\\_comp.pdf](http://www.huduser.org/portal/publications/PDF/OaklandCA_comp.pdf)

## HOME/American Dream Downpayment Initiative (ADDI)

1. Describe other forms of investment not described in Section 92.205(b).

The City will not make any forms of investment other than those described in Section 92.205(b).

2. If the participating jurisdiction (PJ) will use HOME or ADDI for homebuyers, it must state the guidelines for resale or recapture, as required in Section 92.254 of the HOME rule.

The City no longer uses HOME to assist homebuyers. The City does not use ADDI funds to assist homebuyers.

3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under Section 92.206 (b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum, these guidelines must:

- a) Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
  - b) Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
  - c) State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
  - d) Specify the required period of affordability, whether it is the minimum 15 years or longer.
  - e) Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
  - f) State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
- a) As appropriate, the City will use HOME funds for refinancing in housing developments and as allowed by the HOME Program regulations. Along with new construction activities, the rehabilitation of existing residential properties is an eligible activity under the City's Housing Trust Fund (HTF) guidelines. When using refinancing for rehabilitation of existing buildings, either for maintenance of existing affordable units or ensuring their future affordability, the ratio between use of HOME funds for rehabilitation and refinancing shall be no more than 50 percent.
- b. HTF applications as well as the HTF Development Loan Agreements include a management plan requirements and review by the City. The City has designated a

staff person for the ongoing monitoring of the affordable housing projects funded by the City and has been discussing ongoing asset management plans with the property owners' staff. As part of its underwriting criteria, the HTF staff also review the owner's maintenance and a replacement reserve account in project proposals.

- c) New investments or HTF loans are made to both *maintain current affordable units and create additional affordable units*. Both of these types of project activities are included in the HTF Program Guidelines.
- d) As contained in the HTF Guidelines, units must remain affordable for a 55-year period. The 55-year requirements, in addition to the affordability requirements, are enforced through deed restrictions included in the City's HTF Regulatory Agreement filed and recorded on the property. Federal HOME requirements regarding its specific deed restrictions are included in the City's Regulatory Agreements.
- e) The investment of HOME follows the HTF Program Guidelines and HTF funds, of which HOME funds are a portion of, are available on a City-wide or jurisdiction wide basis.
- f) As required by the HOME Program regulations, the City's use of HOME funds will follow the federal requirements regarding the refinancing of multi-family loans made or insured by any other federal program, including Community Development Block Grant (CDBG). Acquisition and rehabilitation activities in which HTF funds (and HOME funds in particular) are used must have reasonable costs associated with acquisition, building relocation, and rehabilitation to be eligible.

*4. If the PJ is going to receive the American Dream Down payment Initiative (ADDI) funds, please complete the required narratives.*

The City will not receive any ADDI funds.

## HOMELESS

### Sources of Funds

*Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state, and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe the jurisdiction's plan for the investment and use of funds directed toward homelessness.*

The following table lists the resources the City expects to be available during PY 2013 to address homeless needs and prevent homelessness. The City of Berkeley has been allocated \$244,908 in Community Services Block Grant (CSBG) funds for calendar year 2013.

**Table 2: Federal, State, and Local Public and Private Sector Resources that are reasonably expected to be available in PY 2013 for Homeless Services**

<b>Source</b>	<b>Amount</b>	<b>Services</b>
Community Development Block Grant (CDBG)	316,044,314,244	Funding for shelter services and for homeless prevention and rapid re-housing
Emergency Shelter Grant (ESG)	149,520	Funding for homelessness prevention and rapid re-housing
Shelter Plus Care	3,084,306	Rental subsidies through six grants the City administers.
<b>Total Federal Funds Received by the City</b>	<b>3,549,870</b>	
McKinney-Vento Act Assistance Funds	3,238,118	HUD Supportive Housing Program (SHP) funds for homeless programs at community agencies in Berkeley.*
<b>Other Federal Funds Available</b>	<b>3,238,118</b>	
City General Funds for Homeless Services	2,061,480	Funding for homeless services, ranging from drop-in services to services in permanent housing for homeless singles and families.
City General Funds for Homelessness Prevention Programs	150,603	General Funds for homelessness prevention including the Housing Retention Program.
<b>Total Local Sources</b>	<b>2,212,083</b>	
<b>Total All Sources</b>	<b>\$9,000,071</b>	

Source: City of Berkeley Health, Housing and Community Services Department

## Homelessness Narrative

*In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.*

The Emergency Solutions Grant (ESG) regulations require that the City specify its one-year goals and specific action steps for reducing and ending homelessness. Below are the activities planned to accomplish the ESG goals:

*(i) reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs;*

The City will continue to fund two Shelter Plus Care programs (COACH and HOAP) and the locally-funded Square One program, all of which include a street outreach and assessment component. The Housing for Older Adults Project (HOAP) provides rental subsidies to 12 homeless people with services through the City's Aging Services Division. The COACH grant provides rental subsidies for up to 33 households and targets people who are chronically homeless. The City's Mental Health Division and non-profit provider Lifelong Medical Care provide services.

*(ii) addressing the emergency shelter and transitional housing needs of homeless persons;*

The City will continue to provide funding for shelter and transitional housing as described below and as detailed in the Consolidated Plan.

*(iii) helping homeless persons (especially homeless individuals and families, families with children, veterans and their families; and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again; and*

City year-round shelters provide beds for single men and women, and families of all configurations. The Berkeley Food and Housing project continues to set aside 12 slots of transitional housing exclusively for veterans as described below. In addition, unaccompanied homeless youth are provided shelter beds in winter the seasonal Youth Emergency Assistance Hostel, transitional housing is provided by Fred Finch Youth Center's Turning Point program, and permanent affordable housing for transition-age youth (Harmon Gardens) was completed in PY2011.

All City-funded projects are required to report on County-wide outcomes, described in more detail below, which track length of time homeless. Homelessness prevention efforts are furthered through contracts with the Family Violence Law Center and the

Berkeley Food and Housing project, described in more detail below. The City's Housing Trust Fund requires the evaluation of projects in part based on the degree to which projects benefit extremely low-income persons and benefit the homeless, and are in conformance with the Everyone Home Plan.

*(iv) helping low income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are:*

*(A) Being discharged from publicly funded institutions and systems of care, such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions; or*

*(b) Receiving assistance from public and private agencies that address housing, health, social services, employment, education, or youth needs.*

Discharge planning is mentioned below and described in more detail in the Consolidated Plan. The City's homeless prevention efforts are described in more detail below.

In PY 2013, the City will continue to fund 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.

The Berkeley Food and Housing Program was awarded a Veterans Administration Per Diem contract in PY2010 and converted 12 emergency beds into slots of transitional housing within its Men's Overnight Shelter program in March 2011. The Men's Overnight Shelter already serves significant numbers of veterans (111 in 2009), and veterans constitute 18% of Berkeley's homeless population. This new resource is consistent with a shift in programming to emphasize more intensive services during longer stays leading to improved housing and income outcomes, which are countywide priorities adopted with the Everyone Home Plan.

The City will continue to provide supportive housing through:

- Administration of 6 **Shelter Plus Care** grants, in partnership with numerous Berkeley housing and service providers, to serve an estimated 250 people in total during PY 2013.

- Operation of the locally-funded **Square One** program, which provides outreach and assessment, intensive services, and a housing subsidy to participants who are largely chronically homeless and have been living in commercial spaces in the city.

The City will help prevent homelessness and other housing crises through:

- Continued operation of the **Housing Retention Program**, which provides up to \$2,000 in assistance with back rent and will serve approximately 32 Berkeley households experiencing a temporary financial setback in order to prevent homelessness.
- Use \$31,300 in PY2013 ESG funding ~~and about \$47,500 in PY2012 ESG funding carried over into PY2013 (due to a late start of the program)~~ for eligible homelessness prevention activities. CDBG funding in the amount of \$~~73,173~~71,373 is also allocated for homeless prevention and rapid re-housing.

The City will also continue to collaborate with other Alameda County jurisdictions and departments, community based organizations, and other community members to implement the **Everyone Home plan**, the countywide plan to end homelessness.

Specific activities will include:

- Membership in the Leadership Board, which guides the organization's activities.
- Participation in the Outcomes Project, originally proposed by the City of Berkeley, to develop outcome measurements and benchmarks for use by multiple funders of homeless programs, including the Cities of Oakland and Berkeley, the Social Services Agency, Behavioral Health Care Services, and others who choose to adopt them.
- Involvement in the committee charged with oversight of research, evaluation, and compliance with HUD requirements for the Continuum of Care.

Given current resources and environment, the activities described above are expected to be feasible during PY 2013. However, these activities are not sufficient to fully address the homeless needs in the community. The primary obstacle to fully addressing homeless needs is the limited amount of funding available, despite Berkeley's significant commitment of local General Funds, given the very great need that exists.

### **Chronic Homelessness**

Two programs mentioned above, administration of six Shelter Plus care grants and operation of the Square One program, are critical strategies in eliminating chronic homelessness in Berkeley. The other programs described above serve many chronically homeless adults.

Addressing chronic homelessness is also a priority of the Everyone Home plan. Related efforts in Berkeley to increase resources for permanent supportive housing and re-focus services on permanent housing resulted in a 48% decrease in the number of chronically homeless people in Berkeley in the 2009 Homeless Count when compared to the 2003

Homeless Count. Related efforts at coordination, tracking outcomes, and increasing resources must be sustained.

In PY 2010 the City of Berkeley worked with partners through Everyone Home on the Outcomes Project to develop new outcome measures and benchmarks for joint use by funders of homeless programs. The work included evaluating current outcomes for many segments of the homeless population, including the chronically homeless, and developing benchmarks. In PY 2013, the City will continue to include these outcome measures in its contracts, participate in countywide efforts to track and improve outcomes, and consider outcomes when making funding decisions.

Permanent supportive housing has been proven to be the most effective tool in ending chronic homelessness, but current funding, particularly for housing operations, is not sufficient to meet the existing need.

### **Homelessness Prevention**

*The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.*

However, the City has budgeted an estimated \$63,573 in City General Funds to continue the Housing Retention Program, as mentioned above. Those funds would enable the City to continue to provide short-term housing subsidies for approximately 32 households. The City will ~~likely~~ also allocate ~~Emergency Solutions Grant funds carried over from PY2012 and~~ approximately \$31,300 of PY2013 ESG funds for eligible homeless prevention activities.

Prevention assistance will be directed to persons who are not literally homeless but are at imminent risk of homelessness per the HUD Homeless definition (Category 2). Prevention assistance may include support to a household to retain its current housing or to move to other housing without having to become literally homeless. While the ESG regulations allow for ESG prevention to be provided to those categorized as “at-risk” but not necessarily at “imminent risk”, Alameda County ESG programs will target prevention services specifically to those that are at “immediate risk” defined as:

*“An individual or family who will imminently lose their primary nighttime residence, provided that:*

- *the primary nighttime residences will be lost within 14 days of the day of application for homeless assistance;*
- *No subsequent residence has been identified; and,*
- *the individual or family lacks the resources of support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.”*

Within the category of “imminent risk” special attention and outreach will be done to target those households:

- 1) that are doubled up with family and friends, must move within 14 days and are seeking to enter shelter;
- 2) that are living in a hotel or motel using their own resources , must leave within 14 days, and are seeking to enter shelter;
- 3) that are living in their own housing, are being evicted for non-payment of rent, must leave within 14 days, and are seeking shelter;
- 4) That are fleeing domestic violence;
- 5) That are imminently leaving foster care, or have recently left foster care and are at imminent risk of losing their current housing.

## **Discharge Coordination**

*Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.*

Alameda County already has mental health, foster youth, health care, and corrections discharge policies intended to prevent discharges of individuals from these systems into homelessness, described in detail in the Consolidated Plan. The City will continue to participate in countywide efforts to reduce discharges into homelessness.

## COMMUNITY DEVELOPMENT

### Community Development

1. *Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.*
2. *Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in Section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons. Note: Each specific objective developed to address a priority need must be identified by number and contain proposed accomplishments, the time period (i.e. one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.*

The City's priority non-housing community development needs are outlined in the current Consolidated Plan, as are the long- and short-term objectives for the Consolidated Plan period. Berkeley's community development needs include:

- **Public facilities:** The City is home to many emergency and transitional housing programs, most of which moved into existing buildings which may have capital needs. The City's three senior centers were built in 1977, 1979, and 1980 and have not been renovated after 30 years of intensive use. Now many systems are reaching the end of their expected useful lives, and the centers have significant physical needs. Physical changes may also be needed to address the programmatic needs of a changing senior population. In addition, the City has a built-out system of parks and recreation facilities which have capital needs. These public facilities are critical infrastructure for the delivery of public services, and are therefore a high priority.
- **Public services:** The City has historically funded a wide variety of public services for Berkeley's diverse population. Supporting public services will continue to be a high priority for the City.
- **Economic development:** The City employs a variety of economic development strategies, which are outlined below and in the Consolidated Plan. Economic development activities are critical to the well-being of the City and its residents and will be a high priority. A particular priority is improving the conditions in the Neighborhood Strategy Area (NSA) in South and West Berkeley.

## Public Facilities Improvements

The City of Berkeley anticipates spending **\$347,213,349,013** in CDBG funds for 7 public and community facilities projects. The projects are:

- \$32,273 in funding for A Better Way. A Better Way will receive CDBG funds to upgrade the electrical system and replace flooring at the building they own at 3200 Adeline. This building houses mental health services provided to Berkeley families, 71% of whom are living under the poverty level.
- \$26,689 in funding for Alzheimer's Services of the East Bay (ASEB). ASEB requested funding to improve a side entry to their building, located at 2320 Channing Way to provide an alternate and safer entrance for clients with early stage Alzheimer's to meeting space on the lower level of the building, which the agency owns.
- ~~\$40,000~~ **41,800** in funding for Berkeley Food and Housing Project for the replacement of windows or flooring at the North County Women's Center homeless shelter at 2140 Dwight Way, which the agency owns. The agency requested funding to replace single pane windows for energy efficiency and replace dilapidated flooring (not already replaced in prior CDBG-funded projects) to improve tripping hazards and mitigate against bedbug infestation. BFHP indicated they may be able to obtain funding for one or both of the scopes from private funding sources. Given the scarcity of funds, Council decided to only partially fund the request and allow BFHP to determine whether to use funding for the windows or flooring.
- \$134,085 for City HHCS staff to provide oversight and technical assistance to community agencies accessing funding for community facilities improvements;
- \$24,500 for Fred Finch Youth Center. This would fund a roof replacement at the agency's Turning Point Transitional Housing for homeless youth. The existing roof is dilapidated and leaking and has two sections, one flat and one pitched. Lower bids received patch the existing roof and do not address pooling of water on the flat portion of the roof. The recommended funding level is based on a bid which would slightly slope the flat portion of the roof, replace all existing roofing material and provide a more long-lasting solution to the leaking and pooling problem;
- \$61,390 in funding for Lifelong Medical Care. This would fund cabinetry replacement at the Dental Clinic located at 1860 Alcatraz Avenue, which the agency owns. Existing cabinetry is currently over ten years old, is warped and peeling, and doors have fallen off. New cabinetry would improve health concerns;
- \$24,575 for Rebuilding Together's Community Facilities to utilize volunteers to implement five community facility improvements throughout Berkeley.

Public facilities improvement projects funded in the past that are expected to carry over into PY 2013 include:

- Building Opportunities for Self-Sufficiency's McKinley Transitional House for homeless families located at 2111 McKinley Avenue;

- Bay Area Hispano Institute for Advancement (BAHIA). BAHIA applied for funding to replace exterior siding, gutters, a window and an exterior column at the James Kenney Recreation Facility, located at 1720 8<sup>th</sup> Street;
- Women’s Daytime Drop-In Center window replacement, insulation and other improvements; and
- Multicultural Institute’s foundation replacement.

### Public Services

In PY 2013, the City will fund a variety of Public Services in community development. These are described under Antipoverty Strategy below.

### Economic Development

Many of the City’s economic development strategies for PY 2013 include targeting of the Neighborhood Strategy Area (NSA) in South and West Berkeley:

- Provide technical assistance to retain and attract businesses along the Sacramento and Adeline corridors. Recent efforts have prioritized filling vacant spaces on Adeline and Alcatraz, especially the key NE and NW corners of Adeline and Alcatraz (vacant Children’s Hospital office space and the vacant Addie’s Pizza restaurant.)
- Attract a new grocery store to the northern area of West Berkeley, to complement the Berkeley Bowl West at 920 Heinz in the southern area of West Berkeley. The new grocer will strengthen the San Pablo-Gilman commercial node.
- Advise and assist the Adeline-Alcatraz, University Avenue and Sacramento merchants associations.
- Design and install decorative banners along the Adeline and Sacramento Corridors that highlight the districts and enhance neighborhood identity.
- Implement a lighting grant program with funds provided through a U.C. Berkeley Chancellor’s Grant that assist businesses along the Adeline and Sacramento corridors to provide better nighttime illumination and improve public safety.
- Make improvements in San Pablo Park using CDBG and East Bay Regional Parks bond funds
- Provide Economic Development Administration loans through a city wide Revolving Loan Program, which was initially funded by a grant from the US Dept of Commerce Economic Development Administration.
- Provide technical assistance for businesses wishing to access tax credits through the West Berkeley Enterprise Zone Program. For example, in conjunction with the Chamber of Commerce, last year the City held two workshops for West Berkeley businesses to encourage participation in the Enterprise Zone program.
- Make data and analysis available to local small businesses and the public for planning purposes, such as the West Berkeley industrial inventory and the vacancy reports.

The City will also continue the following economic development programs that serve South and West Berkeley in addition to other areas of the City:

- Buy Local Berkeley, a cooperative marketing effort focusing on independently owned retailers in Berkeley.
- Continued focus on South and West Berkeley high school and at-risk transition age youth for internships, job training and employment opportunities. The City of Berkeley's Employment Programs work closely with Berkeley Adult School, Berkeley City College, Berkeley Youth Alternatives, Inter-City Services, Rising Sun Energy Center, the Bread Project, Biotech Partners and the North Cities One-Stop Career Center, operated by Rubicon Workforce Services.
- The after-school youth program established in West Berkeley and run by CalCorps continues to operate, with support from the City's Recreation Division of Parks, Recreation & Waterfront Department. The Recreation Division, in partnership with YouthWorks, administers the Community Builders program, an after-school targeting at-risk South Berkeley youth, focusing on addressing issues of violence, self-esteem and community service.
- Implementation of the Community Workforce Agreement with the building trades that includes local hiring requirements to ensure that local residents have access to apprenticeship and job opportunities on local construction projects.

### **Antipoverty Strategy**

- 1. Describe the actions that will take place during the next year to reduce the number of poverty level families.*

In Program Year 2013 Berkeley will fund various Public Services **under at** the allowed cap of \$469,922. 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 50 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.

One source of funding for the City's antipoverty programs is the Community Services Block Grant (CSBG); The City of Berkeley has been awarded \$244,908 in Community Services Block Grant (CSBG) funds for calendar year 2013. The City will use approximately \$79,662 in CSBG funding to provide services to the homeless for the period July – December 2013, and the remainder for staffing to administer the program.

During the past two years, CSBG funds were not budgeted because the President's FY2012 budget proposal contained a 50% reduction in funding for the CSBG program, and a recommendation to allocate the remaining funds through a competitive process. Given that the City of Berkeley is a "minimum-funded agency", staff felt that the City would not compete favorably for future CSBG funding. For this reason, staff did not

budget for CSBG funds in FY2012 or FY2013. Despite the continued lack of certainty related to federal funds, we have been notified by the State Department of Community Services and Development that we are awarded \$244,908 for calendar year 2013.

The City will continue PY 2013 funding for anti-poverty programs from other federal entitlement sources for job training & creation/job placement agencies such as Rubicon Workforce Services, Center for Independent Living, the Women's Daytime Drop-In Center, East Bay Community Law Center, and the Berkeley Food and Housing Project's Men's Overnight Shelter. With local funds, the City anticipates funding a large number of community service agencies that have met the needs of 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 employment training. These services are in addition to the extensive array of homeless services described earlier.

The City contracts with the following workforce development programs to provide training, education and job placement for low income, under and unemployed residents:

- **Rubicon Programs**, which provides 1) Landscape Work Maturity Training (providing hands-on job training for Rubicon clients) for maintenance of five City facilities operated the City of Berkeley's Public Health Division, and 2) Workforce Services and Shelter Plus Care administration. 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** provides employment, training, and education and continues to serve veterans as funded under the Governor's 15% Discretionary pool of Workforce Investment Act (WIA) funds.
- **Biotech Partners** operates the Biotech Academy at Berkeley High School, targeting youth from under-represented populations in the fields of science and technology (African American, Latino, South East Asian, female and low-income youth) and who may be at risk of not graduating from high school.
- **The Bread Project** provides training in culinary arts and bakery production, and includes the formerly incarcerated as their target population. They operate two social enterprises (retail café and wholesale bakery) that create opportunities for trainees to obtain crucial on-the-job experience.
- **Rising Sun Energy Center's** Green Energy Training Services (GETS) provides classroom and hands-on training in Building Performance which serves as a pathway for careers in green and clean technologies. Rising Sun also operates the California Youth Energy Services (CYES) program funded by the CA Public Utilities Commission, providing summer jobs conducting residential energy audits.
- **Berkeley Youth Alternatives (BYA)** receives WIA funding through ACWIB to provide workforce development services to in-school and out-of-school youth.

The area of workforce development is a focus area for increased coordination, including establishing methods to maximize and leverage resources.

In PY 2013, additional actions to reduce poverty will include:

- Continue the City's **First Source local hiring policy** and work 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. The local hiring policy was used as a springboard to develop the Community Workforce Agreement between the City of Berkeley and the Building trades, which was authorized by the Berkeley City Council in January 2011 and applies to publicly funded construction projects estimated at \$1million or above. The local hire requirement in the CWA sets a hiring goal of 30% of craft hours to be performed by Berkeley residents and residents of the East Bay Green Corridor Partnership and Alameda County.
- The **YouthWorks** employment program will continue to build upon its success by continuing partnerships with the YMCA Teen Center, Public Health Division, Berkeley Public Library, Community Mural projects, Public Works Department and Center for Independent Living. YouthWorks targets low-income, at-risk youth from South & West Berkeley, with a minimum of one barrier to employment, and provides all youth with training and instruction regarding important workplace skills. These departments and organizations serve as year-round worksites providing valuable work experience to Berkeley youth.
- The **Summer Youth Employment Program** provides positive and meaningful youth-focused activities, which address youth unemployment, crime and poverty, teach fundamental life and workplace skills and help them to explore, prepare for, transition, and ultimately succeed in the adult world of work. Youth from South and West Berkeley are targeted in this program as well.
- **Berkeley Youth Alternatives** (BYA) has received WIA funds to serve Berkeley and Alameda youth year-round. YouthWorks and BYA collaborate on outreach, intake and referrals to reduce duplication of effort while ensuring that as many eligible youth as possible benefitted from these new funds.
- Continue to focus on the **South and West Berkeley at-risk transition age youth** to make available internships, job training and employment opportunities. The City of Employment Programs work closely with Berkeley Adult School, Berkeley City College, Berkeley Youth Alternatives, the Bread Project, Biotech Partners, Center for Independent Living, Inter-City Services, YMCA Teen Center, and Rubicon's the North Cities One-Stop Career Center, operated by Rubicon Workforce Services.
- With support from the City's **Recreation Division of Parks, Recreation & Waterfront Department**, continue CalCorps' West Berkeley after-school youth program, as well as the Community Builders program, an after-school targeting at-risk South Berkeley youth, focusing on addressing issues of violence, self-esteem and community service. Community Builders is a partnership with YouthWorks.

- As part of the **East Bay Green Corridor** partnership, continue to build upon and strengthen partnerships and programs that will both effectively address the critical workforce development needs of green industries, and to provide a means for Berkeley residents to gain access to good paying jobs 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. Through the East Bay Green Corridor Partnership, YouthWorks hosts and provides “train the trainer” instruction to high school students in the High School Green Academies, in order for the students to train their peers at their respective high schools on the intricacies of preparing for and participating in career exploration fairs.

The City will also continue the innovative strategic planning and implementation process titled “**2020 Vision for Berkeley’s Children Youth**” in order to close the achievement gap in Berkeley public schools. The 2020 Vision is a collaboration between the Berkeley Alliance, City of Berkeley, Berkeley Unified School District, the University of California at Berkeley and community agencies. These partners work together in addressing critical issues facing youth and families. The design of this process includes a concrete accountability framework that enables all stakeholders to align their resources in the most effective way possible across 8 key indicators which are each are recognized as critical gateways for student success and key components in closing the academic achievement gap:

- Kindergarten Readiness,
- Proficiency in Reading by the 3<sup>rd</sup> Grade,
- Attendance,
- Successful Completion of Algebra by the 9<sup>th</sup> Grade,
- Disproportionality in Suspensions and Police Contacts,
- Student Engagement and
- College and Career Readiness.

Preliminary strategies have been identified for goals connected to Kindergarten Readiness, Reading Proficiency by 3<sup>rd</sup> Grade, and Student Attendance. This year work will continue in those three areas as well as two additional areas of focus: Successful Completion of Algebra by the 9<sup>th</sup> Grade and College and Career Readiness. Service providers, agencies, community-based organizations and issue-area experts are being convened in spring 2013 to help refine strategies into implementable work plans. Overarching components of these plans are outlined below.

#### Kindergarten Readiness

- Collection of data on kindergarten readiness among BUSD students
- Convening early childhood education providers and kindergarten teachers
- Trainings for child care and health providers to support Kindergarten readiness

### Reading Proficiency by 3rd Grade

- Alignment of BUSD literacy program and UC Berkeley's BUILD and other tutoring resources around early elementary literacy campaign
- Strengthening of site-based student support referral system
- Engagement of families in dialogue to improve communication around literacy standards and how families can support their students at home

### Student Attendance

- Utilization of attendance data to identify students and most in need of support in improving attendance
- Training and promotion of violence prevention strategies and curriculum for youth providers and teachers
- Focused one-on-one re-engagement intervention with high school students with highest rates of truancy

Workgroups are currently being convened for the other two priority indicators, but preliminary programs are being tested, including providing math enrichment in our recreation afterschool and summer programs, and supporting a cohort of high school students in concurrently enrolling in a college level English class at Berkeley City College.

## NON-HOMELESS SPECIAL NEEDS HOUSING

### Non-Homeless Special Needs Housing (91.220(c) and (e))

1. *Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan. 91.220.i.2. The jurisdiction must specify the activities that it plans to undertake during the next year to address the housing and supportive service needs identified in accordance with section 91.215.e. (Con Plan, Strategic Plan, Other Special Needs) with respect to persons who are not homeless but have other special needs.*

HUD's consideration of non-homeless special needs populations includes people who are elderly, frail elderly, severely mentally ill, developmentally disabled, physically disabled, have alcohol and other drug addictions, are living with HIV/AIDS and people who are victims of domestic violence. The City of Berkeley has chosen to consider the needs of transition age youth as well.

In PY 2013, the City will continue its significant investment in a rich array of public services for Berkeley's diverse population, using both federal and local General Funds.

The City anticipates continuing to fund Alzheimer's Services of the East Bay, Dementia Specific Services, and Lifelong Medical Care's Over 60s Clinic in PY2013. For seniors, the City of Berkeley also operates an Aging Services Division within the Health, Housing and Community Services Department, which currently operates three senior centers, one each in North, South, and West Berkeley. The North and South Berkeley Senior Centers will continue to offer a weekly schedule of classes, seminars, and social events for people aged 55 and older, and a daily hot lunch for people aged 60 and older. The centers also offer additional services such as transportation, income tax assistance, outings, and counseling and referral services. The West Berkeley Senior Center is the home to the Division's social services site unit, which provides individual case management services.

The lunch and meal delivery program are particularly important for assisting low income seniors to meet their nutritional needs and live independently. Meals will be served Monday through Friday at the North and South Berkeley Senior Centers. On average, all senior centers currently serve an average of 127 people every day. Aging Services also delivers meals at home for frail seniors, through the Meals on Wheels program. The program serves about 180 clients and makes approximately 160 deliveries per day, four days per week. Clients get up to 7 meals per week delivered depending on need.

The City anticipates continued funding for programs serving people with disabilities in PY 2013. In PY 2012, the City funds the following programs serving people with disabilities:

- Bay Area Outreach and Recreation Program Fitness Access for People with Physical Disabilities

- Bay Area Outreach and Recreation Program Recreation, Transportation & Outreach to People with Disabilities
- Berkeley Place
- Center for Independent Living: Residential Access Project for Disabled
- Center for Independent Living: Employment
- Bonita House Creative Living Center
- Emergency Services for Severely Disabled
- Through the Looking Glass

In addition to the programs for people with disabilities named above, Berkeley is the only city in California to operate a public mental health system and receive state funding for mental health services. The work of the Mental Health Division is described in greater detail in the Consolidated Plan. The Mental Health Division currently serves about 550 people annually through Adult Services and the Mobile Crisis Team, and another 500 people through Family, Youth, and Children's Services and services provided at Berkeley High School. The Mental Health Division will continue to provide services in PY 2013.

In addition, the City will continue to operate a paratransit program for people with disabilities and those ages 70 and older. The program includes four components: a taxi scrip program, a wheelchair van voucher program, free East Bay Paratransit tickets, and subsidies for returning from medical appointments via taxi or van (Medical Return Improvement Program).

The City will continue funding for programs serving people with alcohol and drug addiction in PY 2013. In PY 2013, programs serving people with alcohol and drug addictions funded by the City include:

- Bonita House: Supported Independent Living
- Lifelong Medical Care: Acupuncture Detox Clinic
- Options Recovery Services
- Newbridge Foundation

Detox and sobering services are provided on a countywide basis and paid for through Measure A, a voter-approved sales tax for health services. The Berkeley Police Department and Berkeley service providers can refer people to the detox and sobering services.

The City will continue to fund the Family Violence Law Center's Family Violence & Homeless Prevention program, as well as its Domestic Violence Advocacy Project, both serving victims of domestic violence in PY 2013.

The City will also continue to fund services for transition age youth in PY 2013:

- Youth Spirit Artworks; and
- Berkeley Youth Alternatives Counseling Program.

In the past, the City also offered HIV/AIDS prevention and testing services, but these ended in October 2012 due to the loss of funding for them. The Public Health Division continues to monitor HIV/AIDS. Two Berkeley nonprofits, Lifelong Medical and the Berkeley Free Clinic, offer the AIDS Drug Assistance Program (ADAP) and information and referral, respectively.

2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

**Table 3: Federal, State, and Local Public and Private Sector Resources that are reasonably expected to be available in PY 2013 for non-homeless special needs**

Sources	Amount	Activities
General Fund – community agency contracts	547,439	Public services for special needs populations
Mental Health Services Act (MHSA)	2,300,000	Services for people with mental illness and enhancements to system. Estimated.
General Fund – Aging Services	1,700,057	City’s Aging Services Division
Measure E Disabled Tax	973,751	Services for people with disabilities.
Medi-Cal Targeted Case Management	299,250	City’s Aging Services Division
CDBG	566,038	Services for special needs populations
Federal Nutrition Services Grants (through Alameda County)	51,943	Congregate and home-delivered meals.
Measure B Paratransit	252,178	Transportation services for people with special needs.
Alameda County General Funds – Supportive Services grant (Aging Services)	37,682	Assistance with accessing information.
Federal Family Caregiver Support Services (through Alameda County)(Aging Services)	28,626	Case management services for caregivers of seniors.
Federal Community Services Title III (through Alameda County) (Aging Services)	20,380	Community based services for older adults
<b>Total</b>	<b>7,312,506</b>	

Source: City of Berkeley Department of Health, Housing & Community Services.

### **Housing Opportunities for People with AIDS (HOPWA)**

The City does not receive HOPWA funds and therefore does not report on HOPWA activities.

## PROGRAM REQUIREMENTS

### CDBG

In PY 2013 the City of Berkeley will receive its CDBG entitlement amount of \$2,502,381.

**Approved Allocations.** As summarized in **Attachment 1** and detailed in **Attachments 2 and 3**, the City of Berkeley plans to allocate an estimated \$2,502,381 in Community Development Block Grant (CDBG) funds together with approximately \$391,859 in prior years' carryover and \$100,000 in estimated CDBG program income to fund:

- \$1,660,330 in housing projects and programs;
- \$469,922,468,122 in public services;
- \$347,213,349,013 for community and public facilities activities; and
- \$520,476 to administer all facets of the City's CDBG program.<sup>3</sup>

The estimated amount of CDBG funds that will be used in PY 2013 for activities that benefit people with low- or moderate-incomes is \$2,994,240.

The amount of funding for administrative activities in PY 2013 is expected to be \$520,476, equal to 20% of the CDBG current year allocation plus current year income. The amount of funding for public services is \$396,749, below the allowed 17.83% of the current year entitlement plus prior year program income. The City was "grandfathered in" by HUD at a higher public service cap than the current cap of 15%.

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<sup>3</sup> Of these funds, up to \$140,529 will go to administrative support costs that cover costs of other departments that consult with or otherwise provide the Health, Housing and Community Services Department with services supporting its administrative activities (including Finance, City Attorney, City Manager, City Auditor, and Human Resources).

## HOME

### HOME Funded Activities in PY 2013

In PY 2013 the City of Berkeley expects to receive \$650,036 in HOME entitlement funds, and anticipates receiving no program income. The City may allocate up to the 5% cap in Community Housing Development Organization (CHDO) operating funding to a local CHDO, Inc., and draw the 10 percent administrative allocation of \$65,003 in PY 2013. The City expects it may allocate HOME Program funds to some or all of the developments identified in the Housing section of this *Annual Action Plan*.

### Matching Requirements

The City's required HOME match of up to an estimated \$493,954 would be met by approximately \$4.8 million in excess match carried over from prior projects. As shown in our recent *Consolidated Annual Performance and Evaluation Reports*, the City of Berkeley has had more than enough non-Federal source matching funds to meet this requirement. These revenues consist of local general and redevelopment set-aside funds used in the past for HOME eligible projects.

### Forms of Investment

The City of Berkeley adopted its Housing Trust Fund (HTF) Guidelines originally in 1992 and completed major revisions in 1995, 1999, 2002, and 2009. These guidelines set forth the terms by which the City's Housing Trust Fund will be operated, including identification of funding sources used to finance development loans for affordable housing projects. A 55-year affordability period is a requirement of developments receiving development loans from the HTF. Developments may be anywhere in the City and must meet required affordability levels. The City of Berkeley uses no forms of investment other than ones described in § 92.206(b) (Refinancing Costs).

HTF loans typically have deferred principal and interest payments due annually. HOME is one of several funding sources included in the HTF. The HTF Guidelines further state requirements for eligibility and affordability of units receiving HTF assistance; forms of assistance; the process by which the Guidelines will be revised; and the process by which projects will be selected. No homeownership or tenant-based rental assistance activities are anticipated for PY 2013.

### Affirmative Marketing

The City of Berkeley requires that affordable housing units in properties containing 5 or more units developed with assistance from the Berkeley Housing Trust Fund Program (including HOME assistance) are affirmatively marketed to low and moderate income households, including households whose members are limited-English speakers.

### *Procedures*

1. Require affirmative marketing plans of all Housing Trust Fund borrowers, regardless of source of funds (which is currently required by the Berkeley Housing Trust Fund Guidelines).

2. Incorporate the requirement for affirmative marketing in all City of Berkeley Development Loan Agreements (DLAs) executed with developers to implement the Housing Trust Fund requirement for affirmative marketing plans (this is currently included in the DLA boilerplate and included in all executed DLAs).
3. Monitor borrowers annually to request copies of the most recent affirmative marketing and tenant selection plan, and request samples of marketing efforts and activities. This task is accomplished during the spring of the Program Year.
4. Inform HTF borrowers, including those with HOME assistance, of the need to translate marketing materials into non-English languages in order to serve the housing needs of limited English speaking households. The City of Berkeley will also advise HTF borrowers of the need to:
  - a. Work with the language minority-owned print media, radio and television stations;
  - b. Partner with faith-based and community organizations that serve newly arrived immigrants; and
  - c. Conduct marketing activities at adult-education training centers or during "English as a Second Language" classes.
5. The City shall also inform HTF borrowers that additional information on addressing the needs of Limited English Proficiency households is located on HUD's web site, and the City will provide the link to that information directly to the borrowers. In addition, the City shall also refer HTF borrowers to HUD's volume of *Fair Housing for HOME Participants*, "Understanding the Basics" (HUD 2005-10-CPD).

#### Minority Outreach

The City of Berkeley's policy is to ensure inclusion of minorities and women to the maximum extent feasible, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to the City of Berkeley.

#### *Minimum Acceptable Outreach Standards*

The City of Berkeley, to comply with Section 281 of the National Affordable Housing Act (NAHA) requiring each participating jurisdiction to prescribe procedures acceptable to HUD establishing and overseeing a minority outreach program, has established the following procedures as part of a good faith, comprehensive and continuing endeavor.

The City of Berkeley shall implement these minimum acceptable outreach standards using the guidelines and procedures herein to ensure the inclusion, to the maximum extent possible, of entities owned by women and minorities. These procedures shall include:

1. Refer contractors to area sources of listing for certified minority and women's business enterprises, their capabilities, services supplies, and/or products;
2. Ensure and encourage the use of the local media--electronic and print, including the local paper of record--to market and promote contract and business opportunities for MBEs and WBEs by contractors.
3. Develop informational and documentary materials including fact sheets on resources and publications in which to advertise) for contract/subcontract opportunities for MBEs and WBEs;
4. Use procurement procedures which facilitate opportunities for MBEs and WBEs to participate as vendors and suppliers of goods and services;
5. Coordinate with potential business opportunity-related meetings, conferences, seminars, etc., with minority and women business organizations; and
6. Maintain centralized records with statistical data on use and participation of MBEs and WBEs as contractors/subcontractors in all HUD program assisted contracting activities in Berkeley.

#### *Procedures*

1. Incorporate M/WBE outreach and Section 3 requirements into the City of Berkeley Housing Trust Fund Development Loan Agreements and the Health, Housing and Community Services Department's construction policies and procedures.
2. Coordinate the City's Section 3 efforts with the City's Office of First Source.
3. Ensure that these outreach requirements are included in all HTF borrowers' development loan agreements (DLAs).
4. Ensure that these outreach requirements are included in all general contractors' contracts, including Section 3 compliance.
5. Review with contractors at pre-construction conferences their obligations to reach out to M/WBE contractor businesses and Section 3 requirements.

## ESG

Emergency Solutions grant interim regulations released in November 2011 established extensive new requirements for all jurisdictions as well as those receiving an allocation of ESG funds. 24 CFR Section 91.220 (1) established the following program-specific requirements:

*(i) The jurisdiction must include its written standards for providing ESG assistance. The minimum requirements regarding these standards are set forth in 24 CFR 576.400(e)(1) and (e)(3).*

*24 CFR 576.400(e)(1) Written standards for providing ESG assistance. If the jurisdiction is a metropolitan city, urban county, or territory, the recipient must have written standards for providing ESG assistance and must consistently apply those standards for all program participants.*

*24 CFR 576.400(e)(3) At a minimum, these standards should include:*

*(i) standard policies and procedures for evaluating families' and individuals' eligibility for assistance under ESG;*

*(ii) Standards for targeting and providing essential services related to street outreach;*

*(iii) Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;*

*(iv) Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;*

*(v) Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers (see §576.400(b) and (c) for a list of programs with which ESG-funded activities must be coordinated and integrated to the maximum extent practicable);*

*(vi) Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance;*

*(vii) Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance;*

*(viii) Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time; and*

*(ix) Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance.*

In February 2013, EveryOne Home partners finalized a county-wide prevention and rapid re-housing program with new Emergency Solutions Grant funds, modeled on the Homelessness Prevention and Rapid Re-Housing Program (HPRP), that utilizes common assessment tools and policies, is an integral part of the current system of care, is simple for clients to access and provides common outcome data and measurable results. Given that the resources provided under ESG are a fraction of that available under HPRP, it is expected that a significantly scaled-down system, utilizing existing homeless provider resources and focusing on rapid re-housing and shelter diversion.

Program standards have been developed by a multi-jurisdictional working group with community feedback, based on the Priority Home Partnership (PHP) standards created for HPRP. The standards for the Priority Home Program have been modified to take into account the smaller resources and even greater targeting needed for ESG. These written standards (See Attachment 6) for prevention and rapid re-housing are considered interim for the period until a broader coordinated assessment system and written standards for assistance have been developed and adopted across the Continuum.

*(ii) If the Continuum of Care for the jurisdiction's area has established a centralized or coordinated assessment system that meets HUD requirements, the jurisdiction must describe that centralized or coordinated assessment system. The requirements for using a centralized or coordinated assessment system, including the exception for victim service providers, are set forth under 24 CFR 576.400(d).*

The Alameda County Continuum of Care (Everyone Home) has not yet developed a centralized or coordinated assessment system that meets HUD requirements.

*(iii) The jurisdiction must identify its process for making subawards and a description of how the jurisdiction intends to make its allocation available to private nonprofit organizations (including community and faith based organizations) and in the case of urban counties, funding to participating units of local government.*

The City of Berkeley was allocated \$168,887 in ESG funding for PY2013. Funds will be used to continue a program started in PY2012, which provides rapid re-housing and homeless prevention financial assistance to homeless clients and clients who are imminently homeless and seeking shelter. The City of Berkeley will utilize the maximum amount possible for administration (7.5% of the grant) and allocate \$6,700 to support the County-wide Homeless Management Information System, known as InHouse.

The table below shows how PY2013 and PY2012 carryover ESG funds will be used.

**PY2013 ESG Funding and FY2012 ESG Carryover**

	<b>ESG PY2013 Funds</b>	<b>PY2012 ESG Carryover Funds</b>	<b>Total Funding Available</b>
<b>REVENUES</b>	<b>\$ 168,887</b>	<b>\$ 171,078</b>	<b>\$ 339,965</b>
<b>BUDGET</b>			
Homelessness Prevention (19%)	\$ 31,300		\$ 31,300
Rapid-Rehousing (70.5%)	\$ 118,221	\$ 31,603	\$ 149,823
Emergency Shelter: Renovation		\$ 139,475	\$ 139,475
Homeless Management Information System (HMIS) (3%)	\$ 6,700		\$ 6,700
Administration (7.5%)	\$ 12,667		\$ 12,667
<b>TOTALS</b>	<b>\$ 168,887</b>	<b>\$ 171,078</b>	<b>\$ 339,965</b>

The City of Berkeley has encouraged its network of providers of services to the homeless to focus their efforts on rapidly re-housing their clients. Providers have re-tooled staffing to focus case management efforts on preparing clients for stabilization in housing. City General Funds already support these efforts. These providers report that the lack of financial assistance to rapidly re-house clients has impeded their efforts. For this reason, the City of Berkeley will again use a large portion of new ESG funds for financial assistance to rapidly re-house clients accessing services at existing homeless programs.

With the late start to the program in PY2012, approximately \$171,000 of the PY2012 ESG funds were carried over into PY2013.

**PY2012 ESG funds were initially allocated to Homeless Prevention and Rapid Re-Housing. A significant increase in ESG funding in PY2012, delays in the start of the program related to an initial planning process and coordination the local Homeless Continuum of Care, and limited staff resources to find affordable housing have contributed to a significant amount of funds being available in PY2013. ESG funds must be used within two years of their award, and revert back to HUD if unspent. Therefore PY2012 ESG funds will be re-programmed. Approximately \$32,000 will be**

allocated for additional temporary staffing, and approximately \$140,000 will be allocated to a public facility improvement project, proposed by the Berkeley Food and Housing Project. A full-time temporary staff person would be hired to assist clients identified by non-profit agencies to apply for ESG assistance and locate affordable housing. We project a higher spend-down rate as a result of this extra staffing assistance. However, we do not expect that all of the ESG funds at risk will be spent on rapid re-housing. Therefore approximately \$140,000 of the PY2012 ESG funds will be allocated to the renovation of the Dwight Way Women's Shelter and Transitional Housing Program, a public facility improvement project, proposed by the Berkeley Food and Housing Project (BFHP), which can be completed by June 30, 2014.

PY2013 ESG funds will be used to provide financial assistance and housing relocation and stabilization services for approximately 76 individuals and families. Of these, approximately 66 are literally homeless, will have sought daytime or nighttime shelter at existing homeless agencies in Berkeley, and ESG funds will be provided to help them become rapidly re-housed. An additional 10 individuals or families, who are at imminent risk of homelessness, seeking shelter, and who do not have a current lease, ownership interest or occupancy agreement, and whose household income is below 30% of Area Median Income, will be provided with financial assistance to prevent them from becoming homeless. Homeless service providers, funded with City General Funds, will assist clients with case management and housing search assistance. City of Berkeley staff will review and approve applications for assistance, enter client information into HMIS, coordinate and review housing inspections, coordinate rental assistance activities, and hold regular coordination meetings. Berkeley Food and Housing Project staff will administer financial assistance for these clients. Tenant-based rental assistance will be limited to six months, but exceptions may be granted under limited circumstances.

ESG funds will be used to fund City staff and will be sole-sourced to the Berkeley Food and Housing Project (BFHP). BFHP provided financial assistance processing services both for the HPRP program and for the City's Housing Retention Program, and has developed adequate systems to meet the regulatory requirements of the funding. Utilizing City staff for the administration and coordination of the program will ensure that financial assistance will be made available to clients of existing homeless agencies on an equitable basis, when the clients they serve are ready to receive the assistance.

All expected PY2013ESG allocations are shown in Attachment 3.

*(iv) If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405a, the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities or services that receive funding under ESG.*

*§ 576.405 Homeless participation.*

*(a) Unless the recipient is a State, the recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).*

*(b) If the recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the annual action plan required under 24 CFR 91.220.*

The policy-making entity for the City of Berkeley which makes decisions regarding the facilities, services, and other programs to receive funding under the Emergency Solutions Grant (ESG) is the Berkeley City Council. The Berkeley City Council is elected by the citizens of Berkeley. The City cannot mandate that a homeless or formerly homeless individual be on the City Council. Therefore, the City must develop and implement a plan to consult with homeless or formerly homeless individuals in making policies and decisions regarding programs that receiving funding under ESG.

City staff are planning, in conjunction with Everyone Home, to host a forum each year for homeless clients, in order to involve them in policy-making and decisions regarding ESG-funded services. The details have yet to be determined.

*(v) The jurisdiction must describe the performance standards for evaluating ESG activities.*

The performance standards to be applied to ESG activities is attached as Attachment 5. These standards were developed in 2009-2010 through the leadership of Everyone Home (the Continuum of Care) and partially funded by City of Berkeley General Funds. This matrix presents outcome standards for each type of program in the Continuum of Care. Most were established as a percentage of the average outcomes achieved by all County programs (for example, the average permanent housing placement rate of all emergency shelters) and will be adjusted over time to ensure continued improvement.

*(vi) The jurisdiction must describe its consultation with each Continuum of Care that serves the jurisdiction in determining how to allocate ESG funds each program year; developing the performance standards for and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing funding, policies, and procedures for the administration and operation of the HMIS.*

Consultation with Everyone Home, the Alameda-Countywide Continuum of Care began on January 30, 2012, when representatives from the City of Berkeley, the City of

Oakland, Alameda County Housing and Community Services Department, and the Executive Director of Everyone HOME participated in a conference call. The discussion focused on how to implement the new ESG requirements in a way that would be consistent county-wide and would continue the collaboration, launched in 2009 with American Recovery and Reinvestment Act (ARRA) Homelessness Prevention and Rapid Re-housing (HPRP) funds. The group held several meetings in PY2012, and, after a series of discussions in which approaches to utilizing the ESG funds were discussed, in the fall of PY2012, the group hired a consultant to draft a policies and procedures manual (Attachment 6). This manual will be used to implement the new Priority Home Partnership Program that will begin in the Spring of 2013.

### Matching Requirements

In HUD Program Year 2012, the City of Berkeley is expected to allocate approximately \$2.3 million in General Funds to homeless programs operated by community agencies. More specifically, the required match will be met with General Funds allocated to the Alameda County Network of Mental Health Clients (\$89,817), the City of Berkeley Housing Retention Program (\$63,573), the Dorothy Day House Berkeley Emergency Storm Shelter (\$16,206), the Youth Engagement Advocacy Housing (YEAH!) youth winter shelter (\$109,115), and the Family Violence Law Center's Domestic Violence and Homeless Prevention Project (\$87,030). These programs will receive a total of \$365,741 in City General Funds in PY2013.

## Implementation of the Analysis of Impediments to Fair Housing Choice

The City will work to implement the Analysis of Impediments to Fair Housing Choice during PY 2012. Actions for PY 2012 follow.

The City will work to involve diverse stakeholders in the development of this plan, including by continuing to provide housing and community services planning notifications in English, Spanish, and Chinese based on past evaluation of language needs. Evidence of outreach efforts, guided by the Citizen Participation Plan, is included as Attachment 7.

In PY 2011, the City re-evaluated Limited English Proficiency (LEP) needs based on 2005-2009 American Community Survey (ACS) data for Berkeley. Spanish and Chinese continue to be the languages most frequently spoken by LEP residents. The City continued translating notices into Spanish and Chinese per the Public Participation Plan. **Table 4** presents the five languages most frequently spoken at home by people with LEP. These numbers likely overstate the need for translation, since people who speak English “less than very well” include people who reported that they speak English “well.”

**Table 4: People in Berkeley who speak English “less than very well”, by the 5 languages most frequently spoken at home**

Languages	Number	% of LEP Population	% of Total Population
Spanish	2,237	30%	2%
Chinese	1,849	25%	2%
Japanese	529	7%	1%
Korean	421	6%	<1%
Other Asian*	374	5%	<1%
Total (any language)	7,536	100%	

\*"Other Asian" means Asian languages *other than* Chinese, Japanese, Korean, Mon-Khmer, Cambodian, Thai, Vietnamese, and Laotian.

Source: 2005-09 American Community Survey, Table B16001: Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over.

The City will work affirmatively to further fair housing choice:

- Continue funding outreach and education about fair housing, including homeownership, by the East Bay Community Law Center. Funded activities include fair housing testing
- Continue including fair housing requirements, including affirmative marketing plans, in City contracts and monitoring activities.
- Continue to evaluate options for partnering with other local jurisdictions for funding and coordinating fair housing programs.

The City will eliminate barriers to fair housing choice:

- In PY 2011, Alameda County Behavioral Health Care Services, in collaboration with Everyone Home, Eden Information & Referral and Bonita House, launched an online database for identifying affordable housing opportunities called AC Choices. This represented the culmination of years of countywide effort to compile and update housing unit information. In PY 2013, the City will continue to provide a link to this website from its website, and coordinate as needed to make sure information stays up to date.  
*<http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=16346>*
- Continue to promote the use of Language Line by Health, Housing & Community Services Department staff as needed with limited English proficient (LEP) people seeking services.
- Collaborate with other jurisdictions and housing and service providers under the umbrella of Everyone Home on projects that increase fair housing choice.
- In PY 2012, the City of Berkeley utilized socially responsibly banking criteria developed by the Human Welfare and Community Action Commission to make decisions regarding the procurement of the City's banking services.
- Applications for two financial literacy projects were reviewed by not recommended for funding in PY2012. It is expected that the Human Welfare and Community Action Commission will continue to make this project a priority in PY2013.
- The Analysis of Impediments found evidence that Latinos in Berkeley were underserved, including lower rates of educational achievement and higher rates of housing problems than other groups, based on 2000 Census data. In PY 2013, the City will:
  - Analyze new ACS/CHAS data to determine how population and housing needs have changed since 2000
  - Review outreach efforts of nonprofit housing developers and homeless service providers to determine what improvements are needed.
  - Research best practices and provide technical assistance regarding needed documentation and outreach efforts to increase Latino participation.

The City will increase and sustain affordable housing opportunities for Berkeley's diverse population:

- Continue to fund the creation of new affordable housing through acquisition, rehabilitation, and new construction, through the Housing Trust Fund.
- Support the rehabilitation of existing owner and tenant occupied units. In PY 2012, the City will continue to support rehabilitation through its Condominium Conversion Ordinance, CESC's Major Home Repairs program, Rebuilding Together, Senior and Disabled Home Loans, and the Center for Independent Living's Residential Access Program.

- Support programs which increase opportunities for people with disabilities to live in a way that is integrated into the community, instead of more clinical settings. In addition to the housing rehabilitation programs described above, in PY 2013 the City anticipates having \$973,751 in voter-approved Measure E tax funds for Emergency Services for Residents with Severe Physical Disabilities. Services will include emergency attendant, wheelchair adjustments, and transportation services to Berkeley residents who are severely physically disabled. It will also support case-management services to Berkeley residents who are severely physically disabled to recruit, select, train, and retain quality attendants in order for them to live independently in Berkeley.
- Continue to encourage use of universal design in Housing Trust Fund projects, by using the guidelines updated in 2009.
- Encourage dispersal of affordable housing. The City continues to value locating affordable housing near amenities such as transit, jobs, and mainstream services. Due to the constrained amount of HOME funds available and the significant capital needs of the existing affordable housing portfolio, the City will also continue to fund the rehabilitation of existing affordable housing developments as needed, regardless of location, in order to preserve the City's affordable housing stock, maintain neighborhood stability and investment, and improve living conditions for low income residents, including people of color and the disabled.
- Support other strategies to increase affordable housing opportunities. Although Berkeley, like other California cities, is facing budget challenges due to the continuing recession, California faces large deficits and has frozen housing funding programs, and federal housing and community services may be reduced in PY 2013, the City will continue to seek new opportunities.
- In PY 2013, the Planning and Homeless Commissions, as well as other stakeholders, will review options for zoning language to allow emergency shelters as an as-of-right use in certain zoning districts in order to comply with California SB2. An as-of-right use does not require a conditional permit or discretionary review by staff or a commission. The use may be subject to limitation, including a maximum number of beds, on-site waiting and intake areas, length of stay, security and on-site management, and minimum distance from other emergency shelters. The City Council may consider and take action on zoning changes in the fall of 2013.

*Promoting Housing Choice through Shelter Plus Care and Housing Choice Vouchers*  
 Finally, both Health, Housing and Community Services Department and the Berkeley Housing Authority will actively work to counter any discrimination against participants in the Shelter Plus Care and Housing Choice Voucher programs based on their source of income. The two primary reasons that landlords cite for not wanting to participate in Shelter Plus Care or Section 8 are a concern about dealing with what they perceive as an inflexible and unresponsive bureaucratic system and negative experiences with prior tenants who received a rental subsidy and did not abide by their lease agreement.

In PY 2013, the City's Shelter Plus Care program will continue to work to provide excellent customer service to landlords in order to increase and maintain their

participation. The City's Shelter Plus Care coordinator and housing inspector are responsive to landlord concerns and will work with landlords, program participants, and their service providers to resolve the concerns when any problems arise.

In addition to responding promptly to landlord concerns, program staff ensure that the participating service agencies provide ongoing supportive services to their clients. In order to participate in the Shelter Plus Care Program, each service agency must agree to conduct home visits with their clients at least monthly. Regular visits ensure that the service provider is aware of any concerns that may arise, and is positioned to respond proactively in order to resolve any issues that may jeopardize a participant's housing. Proactive supportive services have proven to be an important marketing tool for recruiting prospective landlords. Landlords are significantly more likely to lease a unit to a tenant who may have a poor housing history, if the landlord has confidence that ongoing services are being provided, and the landlord can contact a case manager directly for help if there are any concerns. Additional incentives for landlord participation are the guaranteed 30-day written notice prior to terminating the rental subsidy, and the Shelter Plus Care regulations which allow the Program to reimburse landlords for tenant-caused damages or unpaid tenant rent.

Typically when problems arise, they are minor issues that are easily resolved through the ongoing support and intervention of the Shelter Plus Care service providers. In some cases, however, the program participant is unable to correct problem behavior and continues to violate their lease agreement. Consequently, in order to help the landlord and the participant avoid an eviction, the Program has generally been successful in using the rental subsidy as leverage in negotiating with the participant, and arranging for the participant to vacate the unit in exchange for an opportunity for another housing placement, so long as the participant takes reasonable action to address the problematic behavior. The Program's success in resolving such situations successfully has helped participants avoid developing negative rental history, while sustaining relationships with landlords, and encouraging landlords to continue to accept Shelter Plus Care participants as tenants.

Another reason that some property owners are reluctant to participate in Shelter Plus Care or Section 8 is because they know their properties will be inspected and repairs may be required. While the Shelter Plus Care program will continue to have a dedicated Housing Inspector position in PY 2013, who will work with property owners to make the inspection and repair process as clear and convenient as possible, inspections are an important program requirement that cannot be changed or waived.

The Berkeley Housing Authority's activities to recruit and retain property owners to participate in the Housing Choice Voucher Program are described in the Berkeley Housing Authority's 2012 Administrative Plan, in Chapter 13. Owners, available online at:

[http://www.ci.berkeley.ca.us/uploadedFiles/BHA/Level\\_3\\_-\\_General/BHA%20Administrative%20Plan%202012%20FINAL.pdf](http://www.ci.berkeley.ca.us/uploadedFiles/BHA/Level_3_-_General/BHA%20Administrative%20Plan%202012%20FINAL.pdf)

Specifically, BHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages through its website, [www.cityofberkeley.info/bha](http://www.cityofberkeley.info/bha) and by other means including written promotional materials, mass mailings to owner listings maintained by the Berkeley Rent Stabilization Program, and working with owner associations, to ensure owners are familiar with the program and its advantages. Outreach strategies will be monitored for effectiveness, and adapted accordingly.

In addition to recruiting owners to participate in the HCV program, BHA must also provide the kind of customer service that will encourage participating owners to remain active in the program. BHA Policy:

- All BHA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.
- BHA will use its website to provide owners with information that explains the HCV program, including HUD and BHA policies and procedures, in easy-to-understand language.
- BHA will give special attention to helping new owners succeed through activities such as:
  - Providing the owner with a designated BHA contact person.
  - Coordinating inspection and leasing activities between BHA, the owner, and the family.
  - Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.
  - Providing other written information about how the program operates, including answers to frequently asked questions.
- Additional services may be undertaken on an as-needed basis, and as resources permit.