



Office of the City Manager

WORKSESSION
February 15, 2022

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Paul Buddenhagen, Deputy City Manager
Subject: Homeless and Mental Health Systems and Services in Berkeley

INTRODUCTION

The intersection of homelessness and mental illness presents one of the most vexing challenges facing the City of Berkeley. The problem represents the local manifestation of decades of policy choices made at the federal, state, and local levels, and has been exacerbated by the acute economic and programmatic impacts of the pandemic. Many people who live or work in Berkeley are frustrated by the current situation. The suffering is often acute for people living on the streets, and the negative impacts in surrounding neighborhoods are significant. Many people are concerned that the problem is too hopeless and too big to tackle. These are all valid frustrations. Compassion for and anger at the situation can co-exist, and reflect the complexity of the situation.

The attached report describes the historical circumstances involved, the city programs that are having a positive impact, some areas of programmatic disconnect and recommendations to the City Council for improvements. Though the challenges and suffering are massive, there are concrete opportunities for the city to alleviate impacts of the situation and it is critical that we surge forward.

CURRENT SITUATION AND ITS EFFECTS

The stigma associated with mental illness, coupled with the difficulties inherent in counting the street homeless population, makes accurately quantifying the incidence of mental illness among those experiencing homelessness challenging. The best and most comprehensive source of data is from the biennial homeless Point-in-Time Count (PIT), which is mandated by the federal government and, in Alameda County, conducted by EveryOne Home at the County level. These data indicate that 42% of respondents suffer from “psychiatric or emotional condition.” Fifteen percent indicated that mental illness caused their current episode of homelessness. These data and implications are addressed in detail in the attached report.

The City of Berkeley’s Mental Health Division provides significant support to people with serious mental illness, and the Homeless Response Team works to provide outreach and services to homeless people while cleaning encampment areas. Additionally, staff

in the Health, Housing and Community Services department support the development of affordable and homeless housing as well as community agency contracts for our partners in this work. This work is often coordinated, but there are barriers to better coordination including federal and state policies.

This work aligns with the City of Berkeley's Strategic Plan Priority of creating affordable housing and housing support services for our most vulnerable community members, with a focus on racial equity.

BACKGROUND

While homelessness and mental illness have been present for decades, the incidence of both have increased in recent years. Berkeley and cities across the country are grappling with how best to respond. City council referrals to develop a multi-disciplinary homeless response team as well as funding for the Homeless Response Team and other policies have supported our response.

Berkeley has a large portfolio of programs that make our local response particularly robust for a city of our size. We are one of only four cities in the State of California to receive entitlement grants for state mental health funding. This funding has allowed Berkeley to develop, implement and fund programs that focus intensively on mental health and homelessness.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

N/A

POSSIBLE FUTURE ACTION

Council can consider staff recommendations put forth in the attached comprehensive report.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Two recommendations: to assess HIPPA for ways to improve coordination amongst city staff and advocate for changes to AB 210 would require staff time, but not be fiscally onerous.

CONTACT PERSON

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Attachments:

- 1: Mental Health and Homelessness Systems, Services and Policy Recommendations - City of Berkeley

Mental Health and Homelessness Systems, Services and Policy Recommendations -- City of Berkeley**February 15, 2022***Introduction*

The intersection of homelessness and mental illness presents one of the most vexing challenges facing the City of Berkeley today. The problem represents the local manifestation of decades of policy choices made at the federal, state, and local levels, and has been exacerbated by the acute economic and programmatic impacts of the Covid-19 pandemic. Many people who live or work in Berkeley are frustrated by the current situation: frustrated that their neighbors, their loved ones, or even they themselves cannot seem to get help; frustrated by the health and safety impacts of street homelessness, open substance use, and acute episodes of psychosis are having on their neighborhoods. Many people are concerned that the problem is too hopeless and too big to tackle. These are all valid frustrations. Compassion for and anger at the situation can co-exist, and reflect the complexity of the situation.

This report addresses these frustrations by describing the historical circumstances that got us here, the city programs that are having a positive impact, some areas of programmatic disconnect and recommendations to the City Council for improvements. For systemic reasons that staff hope will become clear in this report, it is highly unlikely that the City of Berkeley will be able to solve this problem on its own. Simply put, the underlying problems—and the choices that got us here—are much bigger than Berkeley alone. However, there are concrete opportunities for the city to alleviate the impacts of the situation and it critical that we surge forward.

Mental Illness and Berkeley's Homeless Population: By the Numbers

The stigma associated with mental illness, coupled with the difficulties inherent in counting the street homeless population, makes accurately quantifying the incidence of mental illness among those experiencing homelessness very challenging. Our best and most comprehensive source of data comes from the biennial homeless Point-in-Time Count (PIT), which is mandated by the federal government and, in Alameda County, conducted by EveryOne Home at the County level. This source of data is flawed and imperfect, but it is the best we have. Mental health treatment records or administrative data from homeless service providers only capture the portion of the population that accesses services, but we know that far more people experience these issues than actually receive services for them. Moreover, using treatment records to extrapolate to the broader population is also flawed; our system focuses on people with the most severe, highest priority needs, and they only represent a fraction of the total, and are therefore not representative of the population as whole.

Unfortunately, because of the pandemic, the most recent PIT Count in Alameda County was conducted in January, 2019.¹ Though much has changed since then, the 2019 count still provides some important data:²

¹ The January 2021 PIT Count was postponed due to COVID. Assuming the current surge of the virus retreats, the next Countywide count is currently scheduled for the morning of February 23, 2022.

- *Incidence of mental illness among the homeless population:* Forty two percent of PIT Count respondents stated that they suffered from a “psychiatric or emotional condition.” This is nearly double the incidence rate of mental illness among the general US population in 2019 (21%),³ suggesting that mental illness is far more prevalent among the homeless population in Berkeley than among the general population.⁴ While 32% of respondents indicated that they abused drugs or alcohol, the rate of overlap between those who report both mental illness and substance abuse is not available.
- *Relationship of mental illness to homelessness.* Fifteen percent of PIT Count respondents indicated that mental illness *caused* their current episode of homelessness. This is the third highest category, after loss of a job (18%) and eviction/foreclosure (17%). Moreover, when asked what might have prevented their current episode of homelessness, 21% indicated “mental health services,” behind benefits/income (27%), employment/rent assistance (27%), and rent assistance (26%). Again, the number of people who suggested more than one of these things is not available.

As will be explained below, these statistics do not demonstrate that mental illness *causes* homelessness: this count cannot distinguish whether the emotional or psychiatric condition reported by those experiencing homelessness came before or after they lost housing. For example, 31% reported suffering from post-traumatic stress disorder, a mental health condition that can definitely be caused by the acute stress of surviving on the streets. However, the Count does affirm how prevalent the problem is in Berkeley, even compared to Alameda County as a whole, where 39% reported psychiatric/emotional conditions and 12% indicated that mental illness caused their homelessness.⁵

How Did we Get Here? Historical and Policy Context

While the personal experience and course of symptoms of mental illness at the individual level, as well as the relative scarcity of safety net mental health services, certainly has important effects on one’s housing stability, it is not the primary driver of homelessness in Berkeley. Decades of academic research have consistently and robustly proven that homelessness in a particular area is primarily a function of the local housing market; high prices and low inventory are what matters, and the provision of subsidized housing (with supportive services where needed) is what most effectively ends homelessness, even for those with mental illness.⁶ In Berkeley, the confluence of several historical and policy factors has created the conditions that are throwing more and more at-risk residents into

² For the full Berkeley count, see: https://everyonehome.org/wp-content/uploads/2019/09/2019HIRDReport_Berkeley_2019-Final.pdf

³ National Institute of Mental Health - <https://www.nimh.nih.gov/health/statistics/mental-illness>

⁴ Of course, there are important reasons to doubt whether a national sample would be representative of the Berkeley population in this instance. Berkeley has a large college student population, for example, which itself suffers from mental health challenges at relatively higher rates. Nonetheless, the data do provide an important benchmark.

⁵ See: https://everyonehome.org/wp-content/uploads/2019/07/ExecutiveSummary_Alameda2019-1.pdf

⁶ For an excellent overview of the current literature, staff recommend Marybeth Shinn and Jill Khadduri’s 2020 book *In the Midst of Plenty: Homelessness and What to Do About It*.

housing crises that end in increasingly long bouts of homelessness from which they are unable to escape.⁷

- Housing is Scarce: Compared to other US metro areas, the Bay Area is housing constrained, both for natural and policy reasons. We have scarce land, with geographical features like water boundaries and rugged mountain landscapes that limit areas for housing. We have also made a series of policy choices, over the course of decades, to make much of that land unavailable for housing (by creating open space requirements, for example), or to restrict the amount and density of housing that can be built (through historical zoning practices and height/density restrictions, among others). Many of these policy choices have been made for valid and important reasons, but they have the trade-off of contributing to an environment in which housing demand now far exceeds supply.⁸ More recently, other trends, such as the rising prices of building materials and slightly increasing labor costs, have also contributed to the supply shortage problem.⁹
- The Bay Area is Racially and Ethnically Diverse: The San Francisco Bay Area is one of the most ethnically and racially diverse regions in the Country, with Alameda County in particular boasting tremendous diversity. The reasons for this diversity are myriad, including but not limited to our close proximity to the Pacific Rim, a strong economy that attracts immigrants from around the country and world, and a history of industrialization, especially during World War II during which large numbers of African Americans migrated to places like Oakland, Richmond, and South Berkeley in search of jobs. However, our great diversity has also come with a long history of exclusionary practices and policies to intentionally marginalize communities of color, most frequently Black people. Social exclusion of Black people and other minority groups can take multiple forms, all directly relevant to homelessness - income exclusion (employment and wage discrimination), wealth exclusion (lack of access to wealth-building vehicles like home ownership), housing exclusion (outright housing discrimination and segregation resulting from redlining and lending practices), and exclusion through the criminal justice system (high incarceration rates).¹⁰ It is not a coincidence that according to the 2019 PIT Count, less than 10% of Berkeley's general population identified as Black or African American, whereas 57% of the homeless population identified as Black. This disparity is the direct result of a system that has systematically deprived Black people in Berkeley and the greater East Bay of the intergenerational wealth and housing security built through stable employment and home ownership. Additionally, past predatory lending practices targeted lower-income and communities of color leaving them more vulnerable to foreclosure and displacement during the 2008 housing market crash, which hit black homeowners harder than any other racial or ethnic group.
- The Bay Area has Extreme Income Inequality: Throughout its Western history, the Bay Area has been associated with multiple "strike-it-rich" waves (the gold rush and the dot com boom, for

⁷ The 2019 [1000 Person Plan to Address Homelessness In Berkeley](#) staff report to Council provides a detailed look at the historical data that support this claim

⁸ See: <https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

⁹ See: <https://www.sfbuildingtradesCouncil.org/news/top-stories/1769-materials-costs-are-rising-what%E2%80%99s-that-mean-for-sf-construction>

¹⁰ See: Shinn and Khadduri (2020), *In the Midst of Plenty*.

example). Today, however, the region is the most economically unequal in the State, placing it among the most economically unequal regions in the entire nation. Bay Area households in the 90th percentile of income earn 12.2 times the amount of those in the 10th percentile.

Unsurprisingly, these divides are also drawn along racial lines.¹¹

- **The Safety Net is Inadequate:** the federal safety net has been unraveling for decades, the result of both policy reforms (the 1996 Personal Responsibility and Work Opportunity Reconciliation Act, known as “welfare reform,” is such an example) and persistent funding cuts. For those with a disability, such as mental illness, the result can be devastating for housing security; on average across the US, for example, the Fair Market Rent for an efficiency apartment consumes 99% of SSI payments—even when state supplements, such as California’s, are accounted for.¹² Similarly, our ability to subsidize rents has not kept pace. The federal government now spends approximately one-third of what it did on affordable housing in the 1960s.¹³ Meanwhile, for a variety of reasons, California provides very few shelter beds for its homeless population, resulting in the highest rates of unsheltered homelessness in the country. The nine-county Bay Area has actually seen a 1% decrease in total shelter bed inventory between 2010-2020 (not the case for Berkeley), and Alameda County has seen by far the largest increase in unsheltered homelessness of any Bay Area county over the past ten years, a staggering 222% increase (the next closest is Napa County, which experienced a 137% increase).¹⁴

How do these broad systemic and economic factors create local pressure on homelessness here in Berkeley? Since the Great Recession 15 years ago, the Bay Area has emerged as one of the most important economic engines in the entire country, creating hundreds of thousands of new and high-paying jobs. These financial gains have mostly accrued to the top income earners, widening the extreme wealth gap—a gap that, for historically racist reasons, was already largely a racial one. However, relatively little new housing has been built to keep pace with this job creation; between 2009 and 2019, there were nearly 3.5 jobs created for every new unit of housing—the worst imbalance among 20 major metro areas in the nation, including Los Angeles and New York.¹⁵ As Bay Area cities become less self-contained, nearby jurisdictions with a greater jobs-housing mismatch have a direct impact on Berkeley’s rising housing costs. The majority of the Bay Area population growth in the last decade is concentrated among households earning higher incomes (>\$150,000 per year), which further exacerbates the crisis for lower-income households. Amidst such a supply shortage, housing prices have skyrocketed, with wealthier and whiter people bidding up prices. Would-be home buyers have been forced to rent, crowding out the lowest-income renters in the rental market. (Once again, the pandemic created an acute supply pressure here; while net outmigration from San Francisco increased over 600% during the early months of the pandemic, two thirds of those households relocated within the greater Bay Area—thus resulting in even more migrants to cities like Berkeley¹⁶). Research performed at UC Berkeley has demonstrated, the direct through-line of these housing supply pressures and price increases to homelessness: geographic areas with the most heavily regulated housing markets experience fewer overall additions to the housing stock, resulting in relatively larger appreciations in housing costs over

¹¹ See: <https://www.ppic.org/publication/income-inequality-in-california/>

¹² See: <https://www.tacinc.org/wp-content/uploads/2020/04/priced-out-in-2016.pdf>

¹³ See: <http://www.bayareaeconomy.org/files/pdf/HomelessnessReportJune2021.pdf>

¹⁴ *Ibid.* Notably, shelter inventories have begun to slightly increase again, beginning in 2019.

¹⁵ See: <https://www.sfchronicle.com/bayarea/article/3-jobs-1-home-Bay-Area-s-worker-housing-16299628.php>

¹⁶ See: <https://www.capolicylab.org/news/new-research-people-are-leaving-sf-but-not-california/>

time¹⁷. These price appreciations accrue disproportionately to low-income renters (more so than they do in less regulated markets), increasing these households' rent burden and contributing to higher rates of homelessness in that area¹⁸.

Mental Illness in a Tight Housing Market

In this setting – an extremely expensive and competitive housing market, driven by intense and racially segregated income inequality—picture a person with high-risk individual characteristics, such as mental illness or a predisposition to alcohol or substance addiction. As we have illustrated above, this person:

- Is less likely to receive appropriate care if they are Black;
- Is less likely to own their home and more likely to rent;¹⁹
- Is more likely to experience income instability, either because of employer discrimination/stigmatization of mental illness and/or an inability to maintain steady employment when experiencing symptoms²⁰;
- Unlikely to receive robust safety net or disability benefits that can keep pace with the high cost of living;
- Less likely to be able to rely on social support systems, either because they have already exhausted those options, or because, for people of color, their support systems are also frequently marginally or insecurely housed;
- Less likely to be able to access board-and-care facilities or other more intensive residential settings, as these resources have decreased by alarming rates across California, and in San Francisco by over a third since 2012.²¹

If this person experiences one episode of psychosis or one relapse to substance abuse, it can have large downstream consequences; a loss of housing can quickly lead to street homelessness when the person encounters a severe shortage of shelter beds and a thin or nonexistent support system. Once homeless on the street, their mental health conditions can quickly deteriorate, creating “a negative feedback loop whereby an individual suffering a relatively treatable mental illness loses housing then, once homeless, suffers severe mental and physical decline that makes re-housing more difficult.”²² In Berkeley, the rate of chronic homelessness—that is, long-term homelessness with a disability—in 2019 (27%) far exceeded the national average (roughly 15%).²³

With all this in mind, we pose the question: did mental illness directly *cause* this person's homelessness, as they might have reported in the PIT count survey? Or did mental illness instead create a shock so

¹⁷ See: <https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

¹⁸ See: <https://gspp.berkeley.edu/assets/uploads/research/pdf/p59.pdf>

¹⁹ See: <https://bayareaequityatlas.org/node/65531>

²⁰ See: <https://jamanetwork.com/journals/jamapsychiatry/fullarticle/211213>

²¹ See: <https://namisantaclara.org/wp-content/uploads/2020/11/Loss-of-Board-and-Care-Facilities-is-at-Crisis-Level-2.28.20.pdf>

²² See: <http://www.bayareaeconomy.org/files/pdf/HomelessnessReportJune2021.pdf>, p. 17.

²³ See: https://www.cityofberkeley.info/Clerk/City_Council/2019/02_Feb/Documents/2019-02-26_Item_20_Referral_Response_1000_Person_Plan.aspx#:~:text=Simply%20put%2C%20a%20plan%20to,right%20Dsizing%E2%80%9D%20the%20system.

severe that it quickly resulted in street homelessness—when the same shock, in other housing markets, might not have yielded the same outcome? Put differently,

it is undeniable that people who experience serious and persistent mental illnesses are more likely than others in the U.S. to become homeless, but why should the penalty for mental illness be homelessness? [That question is] more than rhetorical. The answer is written in social policies.”²⁴

These statements are not meant to be indictments of Berkeley; many of the social policies described above were created at the state or federal level, and many local policies were passed for good and valid reasons. Instead, it is meant to demonstrate that comprehensively addressing and ending homelessness for people with mental illness here will require far more than a new revenue source or a new program, though these responses would certainly help.

The Role of Substance Use

Much recent attention has been given to the role of substance abuse. While over use of substances of any type play a role, there are new forms of methamphetamine that have flooded the US narcotics market in recent years that are cause for alarm, and many have questioned the extent to which this has contributed to the growing phenomenon of large tent encampments.²⁵ This new form of methamphetamine is relatively easier to make in large quantities and thus broadly available and cheap. It is a debilitating drug that can cause unpredictable behavior, as well as both acute and chronic psychosis which can be indistinguishable from the symptoms of serious mental illnesses such as schizophrenia. It is exceedingly difficult to treat effectively and causes long-term brain damage. However, it cannot be considered a main *driver* of the street population here in Berkeley. While SUD can be a precipitant of homelessness, it does not drive overall rates of homelessness. As policy researchers at the Benioff Homelessness and Housing Initiative at UCSF recently pointed out:

While [substance use] can be a precipitant of homelessness, it does not drive overall rates of homelessness. If it did, we would expect West Virginia—which leads the nation in drug overdose deaths—to have more homelessness on a per capita basis than California. But West Virginia actually has one of the lowest rates of homelessness in the country. Why? Because housing in West Virginia is cheap.²⁶

Nevertheless, meth use is increasingly complicating Berkeley’s (and many other cities’) attempts to address and treat the problems on the streets, and the importance of finding solutions to this debilitating problem should not be minimized.

Berkeley’s Response: What Are We Doing, and What Works?

Despite these challenges, Berkeley has a large portfolio of programs that make our local response particularly robust for a city of our size. We are one of only four cities in the State of California to receive entitlement grants for state mental health funding. This funding has allowed Berkeley to develop, implement and fund programs that focus intensively on mental health and homelessness.

²⁴ See: Shinn and Khadduri (2020), *In the Midst of Plenty*, p. 34.

²⁵ See, for example: <https://www.theatlantic.com/magazine/archive/2021/11/the-new-meth/620174/>

²⁶ See: <https://homelessness.ucsf.edu/blog/how-atlantics-big-piece-meth-and-homelessness-gets-it-wrong>

Full Services Partnership Teams

The Mental Health Division operates two service teams that provide intensive wrap-around services for homeless adults with a serious mental illness. The Adult Full Service Partnership (AFSP) team currently serves 64 individuals, and provides field based clinical case management and medication management services. The Adult Full Service Partnership team has existed for over 15 years, and through its services has reduced homelessness, incarcerations and psychiatric hospitalizations. Through persistent and consistent outreach and engagement, this team has a long track record of showing that treatment is effective for those with both mental health and co-occurring substance use issues.

The Homeless Full Service Partnership (HFSP) team is a new program, created after the learnings from a pilot Homeless Outreach and Treatment Team. The HFSP operates in a similar manner to the AFSP, but only enrolls individuals that are homeless or at serious risk of homelessness. The team currently serves 24 individuals, and is growing rapidly. The HFSP was added because of the high levels of need for intensive services for individuals who have mental illness and are experiencing homelessness. Both the AFSP and HFSP are funded through a combination of state and federal funds.

Through these and a variety of other programs, the mental health division supports over 350 individuals in Berkeley with intensive ongoing services each year.

Partnership with Alameda County

The Mental Health Division works collaboratively with Alameda County to refer clients into a variety of programs, including Assisted Outpatient Treatment (AOT). AOT provides high intensity services for individuals who are not willing to engage in services voluntarily, through a court supervised process. While AOT is restricted to individuals who meet strict criteria and refuse services, this treatment option has expanded the possibilities for helping those who are failing despite offers of voluntary services.

Homeless Response Team

The Homeless Response Team (HRT) is a multi-departmental, multi-disciplinary team formalized by the City Council with the adoption of the City's Fiscal Year 2022 Budget and preceded by a council referral to create a multidisciplinary homeless team. The HRT's mission is to reduce unsheltered homelessness and lessen its impacts on the City by performing sustained outreach that helps people move from the streets to indoors, while simultaneously restoring public spaces to their intended use by resolving encampments without the use of citation or arrest. The team has a citywide focus, prioritizing encampments with the greatest health and safety impacts while enhancing equity by giving special attention to areas of the City that are historically less socioeconomically advantaged and more impacted by encampments. The Neighborhood Services Division in the City Manager's Office leads the HRT. Participating departments include Health, Housing, and Community Services, Public Works, Parks, Recreation and Waterfront, City Attorney's Office, and the Berkeley Police Department, which provides worker safety on the day of an operation and only intervenes in the event there is a credible threat to worker safety.

Since its launch in September 2021, the Team has compassionately resolved eleven encampments, making over 170 shelter offers at these encampments (sometimes multiple offers to each resident) and successfully moving over 40% into shelter, and has significantly reduced the footprint of a large (35 vehicle) RV encampment by moving 16 people there into an off-street safe parking program. Only one arrest has been made with no criminal citations issued. The HRT, by its very design, creates and sustains

cross-disciplinary partnerships within the City, allowing the City to balance the service needs and constitutional rights of people experiencing unsheltered homelessness against the reasonable expectation of the public to clean, safe, and accessible parks and public space. The HRT partners daily with Alameda County and numerous nonprofit contractors in Berkeley to support an array of services including street outreach, housing problem solving, Coordinated Entry System assessments, and referrals for shelter and housing to specific individuals in the field identified by the HRT.

Community Based Organizations

The City leverages local, state, and federal funding sources to support a variety of community-based organizations that provide direct support to individuals with mental illness in accessing services, obtaining housing, and maintaining that housing. Many of these funding sources and programs are administered by the Health, Housing, and Community Services Department (HHCS), most notably the Mental Health and Housing and Community Services divisions.

Through utilizing state funding provided by the Mental Health Services Act, the mental health division funds and partners with providers such as Youth Spirits Artworks, Berkeley Food and Housing Programs, Building Opportunities for Self Sufficiency and Bonita House. This has significantly expanded and strengthened the network of care. In FY21-22, the MHSA plan approved approximately 3 million dollars in funding for community agencies. Examples of this funding include:

- Flex Funding to support the purchase of direct supports (like motel placements, rental subsidies, ID cards, food, clothing, etc.) for Full Service clients and subsidies to support board and care placements at Russell Street Residence: \$916,731
- Funding a drop-in wellness center that provides a wide range of supports to mental health clients: \$491,933
- Funding for providing both treatment and mental health prevention services for transition aged youth: \$254,902
- Co-located Substance Use Disorder Services for adult mental health clients: \$250,000
- Representative Payee services and funding for housing placements for full service clients at McKinley Street housing: \$387,712

In addition, the Mental Health Division is proposing an almost \$3 million innovation project that will bring wellness services and supports to encampments. This program, which was created with the input of providers, homeless individuals and other community members has been approved by the mental health commission through a public hearing, and will be coming to City Council soon for consideration. This project will support homeless individuals in directly providing care and supports to their peers.

The City is a direct recipient of several State and Federal programs that support housing and community services. The Housing and Community Services Division administers many of these entitlement programs as well as other one-time competitive grant awards and local bond measures that support affordable housing and homeless programs, as noted below:

- Federal Entitlement Programs: This includes the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and Home Investment Partnership Program (HOME). All three of these programs included additional funding through the Cares Act to address impacts related to COVID.

- State Entitlement Programs: This includes the Community Services Block Grant (CSBG), and Permanent Local Housing Allocation (PLHA)
- Competitive State Grants: The City is a co-applicant for a No Place Like Home and Homekey grant and is still awaiting final award determinations.
- Local Sources: This includes funding from the General Fund (including Measures P and U1), and Measure O.

Collectively, these sources help to support a broad array of projects and programs that support the City's unhoused residents by providing critical services alongside linkages to temporary and permanent housing. In addition to those noted above, these community-based partnerships also include Abode Services, Bay Area Community Services (BACS), Berkeley Drop In Center, Covenant House, Dignity on Wheels, Dorothy Day House, Fred Finch, Homeless Action Center, Lifelong Medical Care, Toolworks, Options, and Women's Daytime Drop In Center (WDDIC). Through these funding sources and partnerships, the City is able to:

- Provide ongoing operating support for ten Emergency Shelters/Transitional Housing operations. In response to COVID, additional non-congregate emergency shelter options were added to maintain and increase shelter space along with expanding shelter hours to 24/7 through June 30, 2022.
- Administer Rental subsidies combined with intensive case management for over 300 previously homeless residents - some of whom have mental illness or substance use disorder - through the Shelter Plus Care program.
- Remove barriers to permanent housing opportunities and temporary rental assistance by conducting weekly coordination meetings.
- Support day-time drop-in centers that provide access to critical services for the unhoused population, including meals, laundry services, lockers and referrals to key services.
- Participate in the Coordinated Entry System (CES), which helps to streamline access and prioritize the most vulnerable clients. CES and is supported by bimonthly Regional Coordination Meetings and monthly program specific meetings. While some people with substance use and mental health needs are prioritized and discussed at these meetings, the CES assessment takes into account other barriers as well which results in people with more needs being prioritized. Having care coordination meetings specific to people with SUD and mental health needs could help to better coordinate services.
- Preservation and production of affordable housing with support services that address the needs of homeless/formerly homeless residents. With long term regulatory agreements, these units provide ongoing and stable affordable housing options.

Community Support

Berkeley has an active and engaged citizenry that supports unhoused community members. This support ranges from the provision of meals and water, hygiene and general supplies, garbage collection, needle exchange, referrals to programs and calls for service. Many of the community-based organizations noted above rely on significant community support through individual donations and volunteerism. Community members also contribute by serving on the City's Homeless and Housing Advisory Commissions and by advocating for support at public meetings.

Specialized Care Unit

Adding to this network of outreach and services, as part of its Re-Imagining Public Safety process²⁷, the City has been engaged in planning for a Specialized Care Unit (SCU) that will ultimately become a 24/7 mobile unit designed to respond to and support people who are experiencing a mental health or substance abuse crisis without direct involvement with the police. The SCU will be different than the City's current mobile crisis response which is a police/mental health partnership. The SCU is currently in the design phase, with the intention to initiate roll out later this year. In order to bridge the gap between current urgent needs and implementation of the SCU, council allocated up to 1.2 million dollars in the FY 2022 budget from the American Rescue Plan to provide supportive services until the SCU can be implemented.

Upon releasing a Request for Proposals for non-police crisis bridge services, the City contracted with three local organizations who are currently implementing the following services:

- Alameda County Network of Mental Health Clients (Berkeley Drop-in Center) for peer support specialists and a substance use peer to provide drop-in counseling and support, outreach to community members in South Berkeley, and crisis prevention and post-crisis support groups following a tailored curriculum.
- Options Recovery for placement of Substance Use Navigators to work with unhoused residents in the field (shelters, navigation centers, parks, etc.) by building rapport and facilitating, coordinating, and safely transporting contacts to any referred services.
- Women's Daytime Drop-in Center for enhanced mental health drop-in services.

A Piecemeal Approach

While the number and breadth of our programs are robust, better coordinating them would enhance the positive impact. Two significant barriers:

- The first is state and federal privacy laws, as well as our local interpretation of those laws. In California, the Lanterman-Petris-Short Act (LPS) places restrictions on the sharing of mental health treatment records without a person's consent. At the federal level,²⁸ HIPAA restricts the sharing of personal health information (PHI) without a person's written consent, except between healthcare treatment providers for the purposes of care coordination on a "need-to-know" basis. These laws are complex, and the result is often a strict local interpretation that prevents any data sharing—even the acknowledgment of whether a person is receiving services—between mental health and homeless providers in Berkeley unless a written release of information can be obtained from the person. For individuals with serious mental illness, symptoms such as paranoid ideation often prevent them from being willing to sign such paperwork. This prevents coordination of care for individuals by literally preventing providers from speaking to coordinate efforts. A different interpretation of these laws—to construe

²⁷ <https://www.cityofberkeley.info/RIPST.aspx>

²⁸ 42 CFR Part 2, a Federal regulation, also restricts the sharing of substance abuse treatment records without a person's written consent, with no exceptions.

homeless service providers as “treatment providers” to whom information can be disclosed on a need-to-know-basis, for example—may be possible.

- The second is the fact that the vast majority of the homeless and mental health funding Berkeley administers comes from numerous state, county, or federal grants, each with their own eligibility requirements, target populations, use restrictions, expenditure deadlines, and regulatory regimes. Often, these regulations allow for little overlap; most federal and state mental health grants have no mandate to prioritize people experiencing homelessness, and homelessness grants have no mandate to prioritize serious and persistent mental illness. This inherent lack of coordinated strategy in homelessness response has been decried at the State level by a 2021 State Auditor’s report, criticizing California for 41 different homeless programs administered across at least nine agencies—a piecemeal approach that is devoid of overall strategy.²⁹ Accordingly, until strategic direction setting happens at the State, Federal, and even County (where the homeless Coordinated Entry System is largely regulated, for example) levels, it will be difficult for Berkeley as a City to devise our own strategic plan to simultaneously tackle homelessness and mental illness.

Additional Challenges

Despite City of Berkeley run or funded programs, a large number of seriously ill people nonetheless reside on our streets, creating a humanitarian crisis as well as serious impacts on the city’s residents, businesses, and operations. Encampments frequently create total blockage of the city’s sidewalks and often spill into the vehicular lane of traffic; they harbor rodents and other vectors; they create unmitigated needles, human feces, and other hazardous waste; and they prevent access to parks and other public spaces that were never designed to accommodate indefinite camping.

For the majority of people the city has been unable to serve, the problem is a lack of affordable housing and the right kinds of homeless and mental health treatment options that can help them access and sustain that housing. However, in some instances when services are available but declined by the person, whose symptoms and behaviors are nonetheless creating impacts that must be mitigated, the City often finds itself in the middle of a policy quagmire:

- Homeless services and the majority of mental health services are voluntary. People cannot be compelled to accept offers of shelter or services against their will.
- Involuntary psychiatric detention is limited to grave disability or harm to oneself or others – an extremely high bar. Moreover, involuntary detention typically lasts only 72 hours before the person is right back out on the streets—a short-term and highly imperfect solution.
- In instances of criminal behavior, a number of relatively recent policy changes (such as Proposition 47, passed by California voters in 2014), reclassified certain felonies, as misdemeanors resulting in offenders spending a minimal amount of time in jail before being cited and released back to the streets. Aside from criminal detention, written infractions and citations often do very little to shape their behaviors, and ironically may undermine the city’s

²⁹ See: <https://www.auditor.ca.gov/pdfs/reports/2020-112.pdf>

efforts to connect them to the services, employment, and housing they need to end their unsheltered status.

The result is a frustrating situation, wherein the City has little policy recourse to effectively address a person or an encampment that has repeatedly declined voluntary services, does not have serious enough mental illness to warrant involuntary detention, and is engaged in crimes or infractions not deemed serious enough for prosecution--and yet is creating ongoing, serious disturbances or impediments to neighbors. As explained in a recent Bay Area Council Economic Institute report on unsheltered homelessness,³⁰

Cities may be held liable for damages caused by unsafe conditions at homeless encampments, but also liable for damages for attempting to improve health and safety standards for homeless residents residing in encampments. The result is often paralysis, with cities having limited options to respond to encampments--and the public often misinterpreting that lack of action as a lack of concern on the part of local officials (p. 23).

Policy Recommendations:

- Refer to the City Manager and the City Attorney a review of HIPAA with a goal of complying and simultaneously increasing the ability of staff outside the HIPPA covered entity to communicate with HIPPA covered staff in ways that support and enhance coordination.
- California Assembly Bill 210, signed into law in 2017, allowed Counties to create homeless multi-disciplinary teams, including homeless service, mental health, and substance abuse treatment providers, and allowed for the disclosure of personal and treatment information across these teams for the purpose of seamlessly coordinating care for individuals with multiple, complex needs. Though Berkeley as a City has its own mental health treatment jurisdiction, it is not authorized by AB210 to create such a local team, which is restricted to Counties. Although a State-authorized multi-disciplinary team would not overcome federal privacy law barriers, it would help move us in the right direction. Council could consider supporting a change to this legislation to include Berkeley as an eligible jurisdiction.

Need for Increased Substance Use Disorder Services

Alameda County has a coordinated substance use disorder system of care, funded through a Medi-Cal waiver. While this system, adopted in 2018, has increased substance use services, there remains significant unmet need for treatment on demand and for additional types of substance use treatment. Specifically, the homeless population in Berkeley would benefit from both a sobering station closer to or in Berkeley and from increased methamphetamine specific treatment:

- Cherry Hill Sobering Station and Detox is located in San Leandro, over 15 miles from Berkeley. Sobering stations are facilities that provide a safe supportive environment for intoxicated individuals to become sober. These facilities can:
 - Provide better care for homeless individuals who are using substances;

³⁰ See: <http://www.bayareaconomy.org/files/pdf/HomelessnessReportJune2021.pdf>

- Decrease the number of inappropriate ambulance trips to emergency rooms, psychiatric hospitals, and jails for substance using individuals; and
- Create an entry point for substance use treatment
- While treatment for methamphetamine addiction is difficult, there is evidence that a combination of harm reduction and contingency management approaches has some effectiveness. Increasing access to these types of treatment in Berkeley would support homeless individuals who struggle with meth use. While Berkeley is in the process of increasing access through both Bridge SCU outreach services and co-located SUD services at the Adult Mental Health Clinic, this is an area where increased resources could improve individuals' chances of moving out of homelessness.

Need for Increased Housing

As noted earlier, the lack of sufficient and affordable housing is the key driver behind the current homelessness crisis, and the provision of subsidized housing (with supportive services where needed) is what most effectively ends homelessness, even for those with mental illness. While the solution may be simple (increasing access to housing), it is not easy. As the workforce becomes increasingly nomadic, many bay area cities, including Berkeley, are more impacted by those cities that have a greater jobs/housing imbalance, particularly when many of those jobs are higher-income jobs. Solving the crisis requires every bay area city to work together to increase housing production in general, and to produce and preserve affordable housing in particular.

The City of Berkeley officially endorsed the 2018 Everyone Home County-wide Plan to End Homelessness with the ambitious goal of ending homelessness in five years. While the timeline will be extended, the strategies identified in the Plan provide guideposts for all Alameda County cities. Those strategies include expanding capacity by increasing permanent supportive housing and subsidized affordable housing, particularly for extremely low-income households and individuals; increasing local and regional investment in affordable housing; building stronger partnerships; and aligning public policies.

Berkeley is a leader in each of these strategic areas, and while there is still much to be done, Berkeley's past actions are notable and significant. For example, the 2018 passage of Measure O brought forward a \$135 million investment in affordable housing, supporting over ten upcoming affordable projects, and reserved to increase affordable housing at the two BART developments. Berkeley has progressive affordable housing production policies in place and demonstrated follow through on investment. Berkeley's success with generating local revenue for affordable housing also provides a competitive edge when competing for state and federal funding opportunities, as local leverage and commitment is a key factor in scoring applications.

Despite these successes, many strategies to expand housing opportunities still lie ahead. The drafting of the 6th Cycle Housing Element presents an opportunity to strategically plan for meeting the diverse housing needs of the City over the next eight years (2023-2030), including the needs of the lowest-income residents, many of whom are either currently homeless or at risk of homelessness. Berkeley is not alone in the task of accommodating a much higher Regional Housing Needs Allocation (RHNA), which means Berkeley's efforts will be matched by neighboring jurisdictions. Many jurisdictions will be rezoning and upzoning in order to demonstrate sufficient capacity to meet the regional housing needs, and the State legislature is continuing its push to pass housing legislation and identify new funding

sources. The Housing Element provides a framework for identifying specific housing production goals, policies, and programs. With an elevated focus on affirmatively furthering fair housing, this Housing Element process also paves the way to identify meaningful actions to combat past and current patterns of discrimination, segregation, and displacement.

Conclusion

Berkeley's homeless and mental health systems provide meaningful and significant support to help people struggling the most get and stay housed. Without just Permanent Supportive Housing vouchers and attendant services and the shelter network in Berkeley, there would be hundreds more people living on the streets. The new Berkeley Way housing, opening later this year will offer more important homeless housing. Staff will continue to focus on equity in mental health services as well as all of the homeless and housing support. Staff will continue to work to house people from the streets and will compassionately enforce encampments which present health and safety issues. Though these services are robust and impactful, they are insufficient in scale or coordination to meet the need we see regularly on our streets. While work to influence federal and state policy changes happens, staff will continue to work towards increasing the coordination of our systems to have greater impact. The suffering on our streets and the negative impacts on everyone demand our continued vigilance, increased coordination, and focused attention.