



Office of the City Manager

CONSENT CALENDAR  
November 15, 2022

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Lisa Warhuus, Director, Health, Housing, and Community Services

Subject: Measure P: Contract No. 31900273 Amendment- Bay Area Community Services (BACS) North County Housing Resource Center – Shallow Subsidy Program and Contract No. 32200051 Amendment: WeHOPE for Mobile Showers and Laundry Services

RECOMMENDATION

- 1) Adopt a Resolution authorizing the City Manager or her designee to execute an amendment to Contract No. 31900273 with Bay Area Community Services (BACS) to amend the scope of work to shift up to \$637,550 in unspent funds from the Measure P General Fund - funded Shallow Subsidy Program to a Flexible Funding Pool Program.
- 2) Adopt a Resolution authorizing the City Manager or her designee to execute an amendment to Contract No. 32200051 with WeHOPE to add \$127,380 for an amount not to exceed \$375,667 to provide mobile shower and laundry services through June 30, 2023.

FISCAL IMPACTS OF RECOMMENDATION

- 1) The changes to the Shallow Subsidy Program do not require additional funds. Existing funds will come from Fiscal Year 2022 and 2023 Measure P General Fund already in contract or allocated to BACS. BACS received \$650,000 in FY22 and \$1.6 million was allocated by City Council in the Fiscal Year 2023 Measure P budget. Funding for FY2023 is available in Measure P Fund 011, Program code 5002.
- 2) The amendment to the WeHOPE contract will add \$32,000 from Fiscal Year 2023 Measure P General funds that were allocated for Portable Toilets. Funding is available in Measure P Fund 011, Program code 5002. The remaining \$95,380 will come from Measure P Funds currently in the FY 2023 Adopted Budget but being held in Non-Departmental.

## CURRENT SITUATION AND ITS EFFECTS

### **Shallow Subsidy Program**

Health, Housing and Community Services Department/Housing and Community Services Division (HHCS/HCS) and City Manager Neighborhood Services (NS) staff recommend shifting unspent funds in the Shallow Subsidy Program to an expanded housing subsidy program model in order to better meet the identified needs, which include higher levels of subsidy for a longer duration.

To date, the City Council has allocated \$2,250,000 in Measure P funds to BACS to implement a shallow subsidy program to permanently house homeless people in Berkeley. As of 7/1/22, only \$12,550 had been expended on rental assistance. The Shallow Subsidy Program was designed to support low-income unhoused households who need less financial support to remain housed than a traditional “deep” subsidy provides. The goal was to decrease the participating household’s income-to-rent burden to 50% by providing a monthly subsidy of up to \$800 for 18 months, a subsidy model that has been successfully used in other jurisdictions. While similar in subsidy structure, a key difference in programs is the targeted population. Many programs, including the program in Oakland, focus on keeping low-income people stably housed by covering a portion of their existing rent, while Berkeley’s program targets people who are unhoused. The former is less staff intensive, as renters seek rental assistance and program operators review and approve applications and then provide rental assistance, without the need for outreach and engagement, housing navigation, housing search and lease signing support.

BACS assessed active unhoused clients on their caseload and households that were currently in time-limited Berkeley funded rapid rehousing programs to identify households that needed more time to successfully exit the program and remain housed. Unfortunately, in order to successfully transition into more permanent housing, the vast majority needed a more significant subsidy than the shallow subsidy program offers.

The Alameda County Coordinated Entry System (CES) launched an updated Housing Assessment last summer. Over the past year, BACS and the Women’s Daytime Drop-in Center have been assessing new households and adding them to the “North County Housing Queue”, which is a prioritized list of unhoused people in Berkeley, Albany, and Emeryville seeking housing assistance. The data on the Queue shows that a majority of the households need more rental assistance to achieve the goal of paying no more than 50% of their income on rent, and would likely require more than 18 months to successfully transition off the subsidy.

Given the varied incomes and needs of households on the queue, and BACS’s experience, HHCS/HCS and NS staff recommend shifting to a more flexible funding pool model which will provide additional subsidy (up to \$1,800 per month) for a longer period (up to 36 months), and will also expand eligibility to include any literally homeless household on the Housing Queue as well as some homeless prevention referrals. The

number of households the expanded program will support will vary based on actual household income and the amount of rental assistance needed. BACS estimates it can serve 53 households utilizing the existing \$2,250,000 over the next 36 months. More details on the Flexible Funding Pool Program are noted in the background section. Given the wider target population, including those with more vulnerabilities who may need longer subsidy terms, BACS will use part of this funding to hire staff to provide tenancy sustaining services.

The above recommendation was presented to the Homeless Service Panel of Experts (HSPOE) on October 12, 2022. The HSPOE took the below action:

**Action:** M/S/C Marasovic/Johnson move to support staff's recommendation to expand the shallow subsidy program.

**Vote:** Ayes: Bookstein, Johnson, Kealoha-Blake, Marasovic, and Feller.  
Noes: None. *Abstain:* None. *Absent:* Jones, Meany.

### **WeHOPE Mobile Shower and Laundry Services**

Over the past two years, WeHOPE hygiene services have been provided at various locations in Berkeley where large numbers of unhoused people are living. Services are provided in four-hour sessions, which cost \$965 a session. Each session can accommodate 36 showers and 12 loads of laundry. Services are currently provided once a week at two locations. The current budget allocation will cover services through October 27, 2022. The additional funds will cover the cost of four sessions between mid-November 2022 and June 30, 2023. Funding the shower program through the end of the fiscal year allows HCS staff to more closely study use patterns and determine the appropriate and needed level of this service in the future. Locations will continue to be coordinated with the City's Neighborhood Services Homeless Response Team. The above recommendation was presented to the HSPOE on October 12, 2022. The HSPOE took the below action:

#### **Mobile Showers**

**Action:** M/S/C Johnson/Marasovic move to support staff recommendation to continue to fund Dignity on Wheels.

**Vote:** Ayes: Bookstein, Johnson, Kealoha-Blake, Marasovic, and Feller.  
Noes: None. *Abstain:* None. *Absent:* Jones, Meany.

### **BACKGROUND**

On June 29, 2021, Council authorized \$1,600,000 in Measure P General Funds for a new Shallow Subsidy Program to be administered by BACS, the operator of the North County Housing Resource Center (HRC). As a new program, it needed to be designed and implemented while BACS continued to provide baseline services. Due to the lower than expected utilization, HHCS staff only advanced \$650,000 in FY22 of which only a

portion was spent with the remaining balance carried forward to FY23. The balance of the \$1.6 million (\$950,000) was returned to the General Fund Measure P Reserve. On June 28, 2022, Council authorized an additional \$1.6 million for the Shallow Subsidy Program in FY23.

The Flexible Funding Pool Program described above is intended to increase utilization and better support unhoused and unstably housed residents. Due to the expanded eligibility criteria, including those with more vulnerabilities, BACS will use a portion of the funds to hire a 1.0 Program Supervisor position to leverage existing housing navigation and housing search efforts and provide program oversight. This position will also carry a caseload. The new eligibility criteria proposed are:

- Eligibility: any household on the Housing Queue, in a Berkeley funded time-limited rapid rehousing program, or referred by Eviction Defense Center (see below) whose income is at or below 50% AMI.
- Subsidy Structure: the amount will be flexible, tailored to the amount that reduces rent burden to 50% of their income
- Subsidy Cap: Flexible subsidy amounts up to \$1,800 per month
- Duration: up to a maximum of 36 months
- Shared Housing Incentive: inclusion of a shared housing component that encourages/incentivizes people to consider shared housing opportunities
- Employment Services Incentive: inclusion of an employment services to increase household income
- Eviction Defense Center (EDC) Referrals: inclusion of some referrals from EDC's Housing Retention Program to support households that need ongoing subsidy support. HHCS/HCS staff will work with EDC and BACS to determine referral criteria and process.

On September 15, 2020, through Resolution No. 69,550-N.S., City Council authorized a contract with WeHOPE to provide hygiene services using CSBG CARES Act funds. These services have been extended using available CSBG funds. The City reduced public access to showers, with the closure of Willard Pool in FY22. Over the past couple of years, WeHOPE has provided hygiene services to many unhoused people living at encampments throughout Berkeley.

#### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable environmental effects, climate impacts, or sustainability opportunities associated with the subject of this report.

#### RATIONALE FOR RECOMMENDATION

Both recommendations will match available General Fund Measure P funds to current needs in serving the unhoused community.

The original Shallow Subsidy Program design no longer matches the needs of new households on the North County Housing Queue. The shift to a more flexible funding pool model will increase the use of funds and support a more economically diverse population with varied and significant needs.

The 2022 Point in Time Count reported more than 800 unhoused people living in Berkeley. WeHOPE's hygiene services are an important resource for people living on the streets.

ALTERNATIVE ACTIONS CONSIDERED

Staff considered several other options for both programs, including maintaining the original Shallow Subsidy Program criteria and reallocating unused funds for a different purpose, and not extending the mobile shower and laundry services and refer unhoused people to existing shower programs in Berkeley (Dorothy Day House's Berkeley Community Resource Center and the West Berkeley Pool Shower Program. Reallocate unused funds for a different purpose.) However, staff concluded that both of these failed to adequately serve the diverse needs of Berkeley's current unhoused populations.

CONTACT PERSON

Jennifer Vasquez, Community Services Specialist III, (510) 981-5431

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

CONTRACT NO. 31900273 AMENDMENT: BAY AREA COMMUNITY SERVICES  
(BACS) HOUSING RESOURCE CENTER

WHEREAS, on April 21, 2021, the Homeless Panel of Experts voted to recommend funding a Shallow Subsidy Program;

WHEREAS, on June 29, 2021, Council authorized \$1,600,000 in FY22 Measure P funding for a new Shallow Subsidy Program to be administered by Bay Area Community Services (BACS) as the operator of the North County Housing Resource Center;

WHEREAS, BACS received \$650,000 in FY22 with the remaining balance returned to the Measure P Reserve;

WHEREAS, on June 28, 2022, Council authorized \$1,600,000 in Measure P funding for the Shallow Subsidy Program administered by BACS; and

WHEREAS, a Flexible Funding Pool model would serve more literally homeless households on the North County Housing Queue as well as some low-income households in interim or permanent housing;

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager or her designee is authorized to execute an amendment to Contract No. 31900273 with Bay Area Community Services (BACS) to amend the scope of work to shift up to \$637,550 in unspent funds from the Measure P General Fund - funded Shallow Subsidy Program to a Flexible Funding Pool Program

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

CONTRACT NO. 32200051 AMENDMENT: WEHOPE FOR MOBILE SHOWERS AND  
LAUNDRY PROGRAM

WHEREAS, on September 15, 2020 through Resolution No. 69,550-N.S., City Council authorized a contract with WeHOPE to provide mobile showers and laundry services to unhoused people living in Berkeley;

WHEREAS, community input and stakeholder feedback has determined a need for continued services; and

WHEREAS, \$32,000 is currently available in Fiscal Year 2023 in Measure P Fund 011, Program code 5002 and the remaining \$95,380 will come from Measure P Funds currently in the FY 2023 Adopted Budget but being held in Non-Departmental.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager or her designee is authorized to execute an amendment to Contract No. 32200051 with the WeHOPE increasing the contract by \$127,380 for a not to exceed total amount of \$375,667. A record signature copy of said contract and any amendments to be on file in the City Clerk Department.

