



Office of the City Manager

WORKSESSION

March 28, 2017

To: Honorable Mayor and Members of the City Council

From:  Dee Williams-Ridley, City Manager

Submitted by: Paul Buddenhagen, Director, Health, Housing &amp; Community Services

Subject: Homeless Services

INTRODUCTION

Homelessness in Berkeley is a problem that needs urgent and focused attention. The Berkeley City Council, City staff from many departments, as well as community partners and residents, have all worked towards reducing and ultimately ending homelessness in Berkeley. Yet the problem persists, and it is imperative that we focus on strategies that work, develop new and creative ideas, assess progress, strengthen partnerships and report results.

The following report describes the transformation of Berkeley's homeless system from siloed to coordinated. It highlights the process, successes and challenges, and offers suggestions for the future.

SUMMARY

The City of Berkeley convened a stakeholder process in the summer of 2014 facilitated by Focus Strategies, which specifically included the voices of homeless people. One of the main hopes expressed by homeless people was for more coordination and less confusion about how to access services. Additional research on innovative homeless systems followed, and with City Council support, Berkeley initiated a new, more coordinated homeless services system in January 2016. This shift continues to be refined and promises to have a greater impact on homelessness than the prior disconnected system. This is true despite astronomical housing costs and unprecedented competition for housing in Berkeley and the Bay Area. Through the coordinated entry and prioritization occurring at the HUB, services and housing resources are focused on individuals and families who are living on our streets, have severe and complex health challenges, and are often disconnected from traditional shelter or drop-in services. This approach is consistent with national best practice and HUD mandates. The City's homeless response will continue its focus on:

- Housing first solutions -- housing people as quickly as possible, not waiting for other issues to be resolved first;
- Continuing evidence-based interventions, such as street outreach;

- Creating strong linkages to other non-housing resources, such as health care, employment, benefits advocacy and substance abuse treatment; and
- Increasing housing stock that is actually affordable to homeless people.

This report examines some of the changes Berkeley has made in services for people who are homeless, some of the successes and challenges in the evolving new system and related actions moving forward.

### CURRENT SITUATION AND ITS EFFECTS

Prior to January 5, 2016, when the HUB, operated by the Berkeley Food and Housing Project, opened for services, an array of independent agencies provided a range of services designed to provide immediate respite for people experiencing homelessness. Some programs offered people a pathway to permanent housing; others did not. Minimal coordination occurred, mainly between different programs within an agency, but there was no overarching coordinated system designed to help people exit homelessness to permanent housing.

The previous system has been described as a “survival of the fittest” model or likened to a pinball machine where people ricocheted from one service to another in hopes of finding help. People in need of shelter would literally call every shelter or transitional housing program in the county, one at a time, hoping for an opening. Sometimes a compelling medical story, a tearful plea, or a phone call from an elected official could create access to the next available bed. Many people gave up, were not able to navigate the list of calls each day, and/or were unable to successfully self-advocate. Often, the people most able to advocate for themselves received the most comprehensive services, while those with the highest need who were more significantly impaired were unable to navigate the system successfully.

The City has historically invested in best practice and evidence-based models. An example of this is Square One, a permanent supportive housing program which provides intensive case management and housing subsidies for chronically homeless people who have multiple contacts with law enforcement and the health care system. But these programs have been very limited, operated in silos and were not integrated into the larger homeless system. They were also not on a scale that could serve the estimated 568 unsheltered people in Berkeley at a given point in time.<sup>1</sup>

### **Why did Berkeley Create a Coordinated Entry System?**

The City of Berkeley incorporated the information we had gathered from providers and consumers as we explored implementing the federal mandate<sup>2</sup> from the US Department of Housing and Urban Development (HUD) for Homeless Systems to create and launch

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<sup>1</sup> 2015 Point In Time Estimate of Unsheltered People in Berkeley.

<sup>2</sup> <https://www.hudexchange.info/resources/documents/Coordinated-Entry-Policy-Brief.pdf>

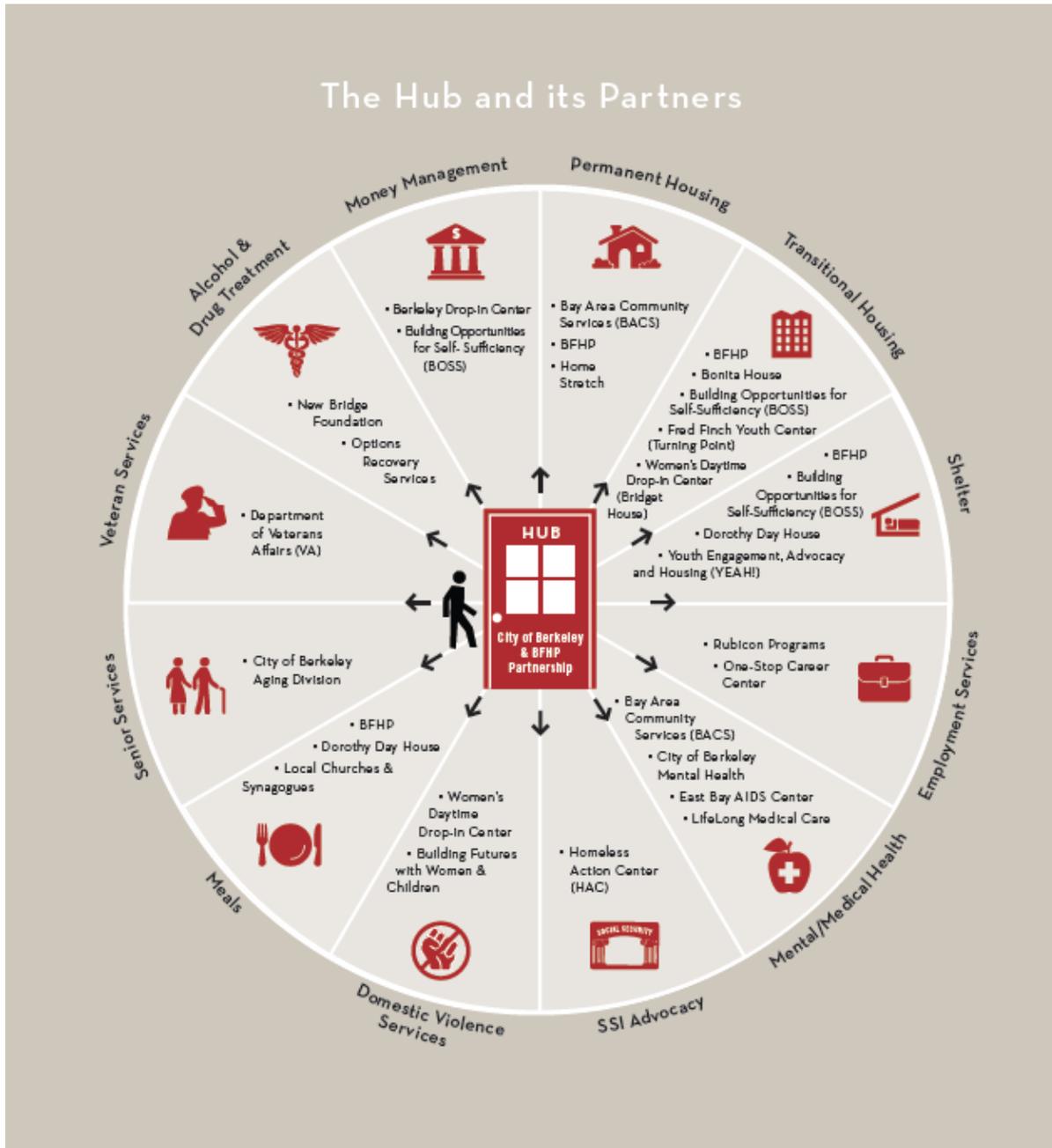
a Coordinated Entry System (CES) and to prioritize chronically homeless<sup>3</sup> people for permanent housing. It became clear that there were several reasons for the City to assertively plan and implement CES and prioritization in Berkeley:

1. **City investments have historically favored emergency services over transitional and permanent housing.** In 2014/15, Berkeley invested almost \$3 million annually in homeless services, but relatively little on housing or services that connect people to housing. About 57% was invested in drop in centers and shelters and another 20% on services that helped to prepare people for housing, but did not always directly result in housing for clients (e.g. employment, legal assistance, alcohol and drug services). Only 16% was spent on rapid re-housing and services directly linked to housing.
2. **The prior homeless system was not very good at getting people living on the streets of Berkeley housed:**
  - a. Outcomes for the majority of emergency service providers were below similar providers countywide. For example, the county-wide rate of exiting people to permanent housing from 2011 to 2014 was 30%-34%. The rate for Berkeley shelters in the same period was 23%.
  - b. A significant number of people being served in the prior system were not homeless.
    - i. In 2015, only 60% of people served at shelters were literally homeless.
    - ii. In 2013, about 21% of people who entered a program or service were living with family or friends and 12% were living in rental housing. This means that almost a third of the people receiving homeless services were not actually homeless.
    - iii. In addition, about 21% of people exited to family and friends, either in permanent or temporary situations. This is roughly equivalent to the number who entered the system from family and friends.
3. **An integral component of a CES is street outreach, which provides an opportunity to engage the many people sleeping outside in housing search and support services.**
  - a. Berkeley's unsheltered count in 2015 was 568 people in Berkeley, a 23% increase over the number of unsheltered people estimated to be in Berkeley at our last point-in-time count in 2009.

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<sup>3</sup> A term specifically meaning a person who is sleeping in a shelter or place not meant for habitation, has a disability, and has been homeless for at least a year continuously or four or more episodes in three years totaling a year cumulatively.

Funding for a new system focusing on coordinated entry for those most chronically homeless was approved by City Council on July 1, 2015. That system -- The HUB -- began on January 5, 2016. It is still being refined and currently looks like this:



**Why Should We Prioritize?**

Prioritizing chronically homeless people is a mandated feature of a coordinated homeless system based on best practices in other parts of the country. Per HUD, "one

*of the main purposes of coordinated entry is to ensure that people with the most severe service needs and levels of vulnerability are prioritized for housing and homeless assistance*<sup>4</sup>. Among a limited number of criteria, communities can prioritize based on chronic homeless status, the extent to which people are unsheltered or vulnerable to illness or death, or have high utilization of crisis or emergency services. The shift from a system of first come, first served to one that prioritizes the most chronically homeless, those living in parks, doorways, and encampments, is a critically important strategy to significantly reduce unsheltered homelessness.

Most jurisdictions do not have enough funding or the appropriate constellation of services to end homelessness. In these situations, where insufficient resources exist to serve everyone with a need, or when resources shrink or become unstable, prioritization is important. It focuses limited resources on those with the most barriers to housing, who also cost the system the most and are the least likely to successfully find housing on their own.

Over time, as the system houses people with the highest barriers and as a greater portion of funding is invested in the interventions and programs that most efficiently achieve housing solutions, resources are freed up to serve those with lower barriers. Prioritization has successfully been used in Houston<sup>5</sup> to create a 75% reduction in their unsheltered homeless population since 2011, and in Los Angeles<sup>6</sup> to achieve a 19% reduction in homeless families from 2015 to 2016. The emphasis on prioritization and rapid rehousing and other housing search services was a pivotal strategy in the homeless reductions achieved by these two jurisdictions.

In addition to chronic homelessness and disabilities, the Berkeley system also prioritizes homeless people who have a connection to Berkeley. People who slept on the streets of Berkeley, have children who attend Berkeley schools, or who have support systems in Berkeley, including family and service providers, are given priority for shelter, case management and other housing supports.

### **How does the New System Work?**

Prioritization is used by the HUB to ensure that intensive housing case management and a wide range of housing subsidies are allocated first to those with the highest barriers who have a connection to Berkeley. The Alameda County Health Care Services Agency operates a similar system, called HomeStretch. HomeStretch is the single access point county-wide for the system's most intensive housing and supportive services (permanent supportive housing). This housing is prioritized for those with the

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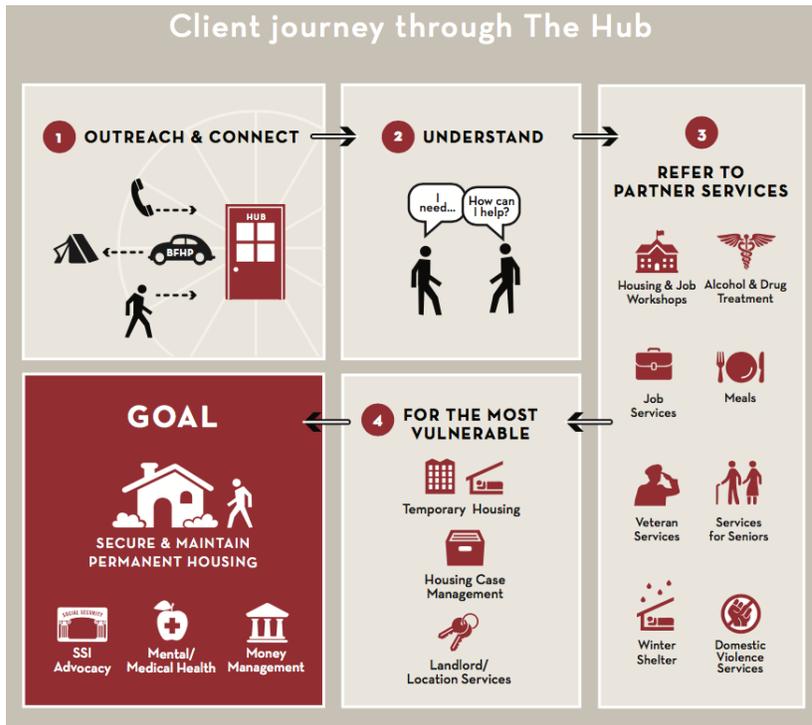
<sup>4</sup> <https://www.hudexchange.info/resources/documents/Coordinated-Entry-Policy-Brief.pdf>, p. 4

<sup>5</sup> <http://www.seattletimes.com/seattle-news/politics/houstons-solution-to-the-homeless-crisis-housing-and-lots-of-it/>

<sup>6</sup> <http://www.latimes.com/local/lanow/la-me-ln-homeless-count-20160504-story.html>

most intensive needs and barriers. The Hub is actively referring homeless people to the HomeStretch list.

People who are not homeless are referred to other services (e.g. legal services, 211). People who are homeless and without the highest barriers receive referrals to a variety



of community services as well as access to housing workshops that happen on site at the HUB. Referrals are made for veterans programs, SSI advocacy, employment services, alcohol and drug treatment, meals, senior services, domestic violence survivor services, and winter shelter. Lower needs clients who are from anywhere in Alameda County may also be referred to other available county-funded shelter beds not prioritized for Berkeley's highest need homeless people.

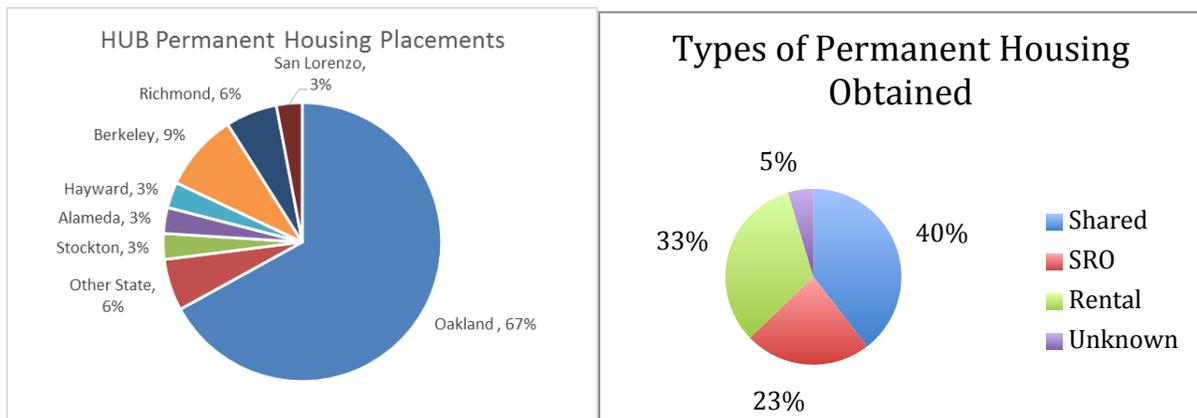
### How is the New System Performing?

Focusing resources to house the most chronically homeless people with disabilities has a variety of implications. This population needs more support to get into housing than the average client did in the prior system, and it takes longer. The new system has put more outreach workers on the streets, helping clients move from the streets into temporary or permanent housing and working with people known to Berkeley Police Department with long histories of homelessness. Staff must locate landlords willing to take a chance renting to people with no recent rental history, with average income of less than \$700 per month, and nearly half with two and three disabling conditions<sup>7</sup>, many coming directly from the streets with acute health issues. All of this requires a smaller staff to client ratio, resulting in a need for more staff and a different skill set to serve people with more challenging needs.

<sup>7</sup> 49% of people served systemwide in 2016 have either 2 or 3 disabilities, compared to 40% in 2015.

Despite all of these barriers, 46 people who have been homeless for more than a year and who have at least one disability have moved into permanent housing through the HUB since January 2016.

The vast majority (67%) have relocated to Oakland, while 9% have found housing in Berkeley. The majority have obtained shared housing.



Berkeley’s new homeless system is still in its adolescent phase. BFHP and City staff have been working closely with other providers to troubleshoot coordination issues, including one-on-one meetings with agency leadership, case management meetings, learning collaborative meetings, and two community meetings. As could be expected during the start up period while staff are being hired, new tools are being developed and refined, and the hardest to serve population is being prioritized, the total number of system entries decreased. (See Figure 1. below).

Figure 1.

	Total Entries	Total Exits	Exits to PH	PH Exit Rate	Exits to Homeless	Homeless Exit Rate
2015	1929	1366	444	33%	572	42%
2016	1205	652	177	27%	231	35%

A notable improvement in the system is an increase in resources for those who are literally homeless with higher barriers. In 2016 the rate of people entering shelters who were literally homeless increased by a third, jumping from 60% homeless in 2015 to 80.3% in 2016<sup>8</sup>. In addition to focusing resources on people living on the streets, the system is also successfully prioritizing those who are chronically homeless. Two data points (see Figure x below) show how the system and shelters are now serving people with higher barriers:

<sup>8</sup> In 2015, 63% of people who were literally homeless entering shelters came from a place not meant for habitation (streets, vehicle, encampments, etc.); in 2016, that rate increased to 68%.

- a) The proportion of people entering the system and shelters without any disabilities is decreasing (less than 20% in shelters in 2016); and
- b) The proportion of people with multiple disabling conditions has increased markedly between 2015 and 2016 (over 60% in shelters in 2016).

The system is effectively prioritizing people from unsheltered conditions with multiple disabling conditions.

Figure 2

	Systemwide 2015	Systemwide 2016	Shelters 2015	Shelters 2016
People With No Disabilities At Entry	729	374	246	90
Total People With Entries	1929	1205	870	465
Rate Of No Disabilities	37.8%	31.0%	28.3%	19.4%
People With 2, 3, or More Disabling Conditions	779	594	406	286
Rate of Multiple Disabilities	40.4%	49.3%	46.7%	61.5%

### What is Currently Working Well?

In addition to effective prioritization and the critical housing outcomes at the HUB and system level, the following areas are working well:

1. Over 1,800 homeless people (1,000 connected to Berkeley and 800 throughout Alameda County) have had an intake to assess need.
2. The Hub has referred 136 literally homeless people to the county-wide HomeStretch housing pool. The HUB has made more referrals and had more housing placements through HomeStretch, than any other provider in the county.
3. Placements are being made from the HUB into shelter and transitional housing. Some challenges exist with regard to exits from the shelter and clients' interest in shelter (see below) but the partnership among the shelter/transitional housing providers and the HUB is functional and benefitting from regular meetings of the partners to proactively address emergent issues.
4. The current prioritization tool is working to focus resources on chronically homeless people with disabilities. This tool will be replaced by a countywide tool that is statistically tested and modeled as more coordinated entry systems are created in the coming months.
5. Berkeley homeless residents are being connected to shelter (when available) and are the only recipients of Housing Case Management services. The HUB's data system monitors which people are from Berkeley, and that information is used in making referrals and enrolling people in services.
6. Berkeley Food and Housing Project staff at the Hub and City staff work together as a team and use data to refine the system. These staff regularly monitor

system usage and trends to identify changes needed. Examples of refinements are:

- a. Shifting in-house assessment staff to augment outreach staff for assessment and services on the streets
  - b. Reviewing data and gathering information from people living in encampments and the winter shelter to better understand their needs.
  - c. Increasing the number of evening and weekend hours; and
  - d. Adjusting the prioritization tool for transitional age youth.
7. Monthly Learning Collaborative meetings of all homeless service providers citywide in the fall of 2016 were well attended and created a venue for building collaboration, communication, and a shared vision across providers and with the HUB. The meetings helped resolve problems and increase effective client engagement.
  8. Two community meetings were convened to keep the broader community informed of the HUB's work and get feedback about what was working and what still needed improvement. Additional meetings with a diverse group of stakeholders will be conducted as the system matures.
  9. Other funded programs in Berkeley (such as shelters, transitional housing, and drop in) continue to house lower priority households. Some of these were people in programs at the start of 2016; others were people in transitional housing programs which have not been used for chronically homeless individuals. Lastly, the other shelter residents not receiving HUB housing case management are still being connected to permanent housing.

### **What Challenges Still Exist?**

Several challenges also exist while Berkeley continues to advance the extensive, culture shift and system change.

1. While the number of people obtaining permanent housing is steadily increasing, the availability of deeply affordable housing is still a major challenge. There is both too little housing available and a mismatched price point relative to a disability-level income, even when subsidized through federal and local programs.
2. There were fewer exits from shelter in 2016 than 2015, though the rate of exit to permanent housing is fairly consistent (23% in 2015, 20% in 2016). Some people are not moving out of shelters since they do not have a housing plan that includes financial assistance. The average length of stay in a shelter for people who left during the year increased from 51 days in 2015 to 68 days in 2016, attributable partially to the housing market and length of time needed to obtain housing. More analysis needs to be done on long term shelter participants to better understand and address the issue. The goal is to increase flow through the shelters into housing and serve more people with the current capacity.
3. Transitional housing penalizes chronically homeless people by making them ineligible for services. This is because according to HUD, clients lose their chronically homeless designation when they enter transitional housing. This has

created an unintended barrier to transitional housing as homeless people are choosing to forego it lest they forfeit a chance at permanent housing and support. The limited temporary housing options elevate the need for more street-to-housing services being offered through the HUB's outreach team.

4. Even when shelter space is available, many prioritized people are not interested in shelter and view it as an undesirable option for a variety of reasons: prohibition of pets, separation from their significant other, the limitation on belongings allowed inside with them, a sense of safety and community they feel outdoors, shelter rules, and a fear of acquiring bed bugs. Data from the January 31, 2017 EveryOne Counts survey will have more analysis of this issue in July 2017.
5. Funding to rapidly rehouse clients as a bridge to permanent housing is not increasing.
6. The shortage of housing in the region and the related competition for the few available units significantly hinders efforts to obtain housing. Furthermore, the acute shortage of affordable housing is stifling given that the majority of the people served by the system do not have the ability to increase their annual income and will continue living at less than 15% of the Area Median Income.
7. As noted above, homeless people with the highest needs, those living on the streets for a year or more with a disability, are now prioritized for services. While this more effectively helps house this population, it also means that homeless people with high needs, but not the highest needs, have a harder time receiving services.

### **Opportunities and Needs in the Near Term**

Improvements to the homeless system are moving forward countywide in scope and breadth through significant new financial investments. Opportunities for partnership, and a focus on supporting the shifts necessary to dramatically reduce homelessness are also increasing. This climate provides immediate opportunities for Berkeley, highlights some needs for continued system improvement, and promotes a focus on solutions that Berkeley can act on.

EveryOne Home, the County, the cities of Alameda County, service providers, and other stakeholders continue to prepare for the launch of countywide coordinated entry planned for September 2017. The Coordinated Entry and Housing Resource Centers Initial Design Plan<sup>9</sup> was approved by EveryOne Home in June 2016. A joint RFP from Alameda County Health Care Services Agency and Housing and Community Development Department was released February 6, 2017 to select operators for a county-wide call center and regional Housing Resource Centers (like our Hub). It will also fund a new assessment tool, housing problem solving, housing navigation, mainstream system connections, matching and referrals, and related outreach and tenancy sustaining services. From this joint RFP, \$26,810,172 are available to fund these functions county-wide for three years. Once awardees and operators are

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<sup>9</sup> <http://everyonehome.org/wp-content/uploads/2016/02/AC-CES-Initial-Design-final.pdf>

announced in June 2017, selected entities will begin planning to operationalize the design and launch the coordinated entry system countywide by September 2017.

Additional funding could be available through this RFP will to support HUB operations and staffing to serve current unmet needs, expand partnership with Oakland and Albany, and improve case management capacity and skills.

1. **Additional Funding for Berkeley** – Approximately \$3,753,424 is anticipated from the RFP for the north county region which includes Berkeley and Albany for coordinated entry and rehousing related activities. Staff have attended mandatory bidders conferences and will prepare an RFP<sup>10</sup> response by April 4th. Staff will also participate in implementation planning anticipated in June through September, and evaluation and refinement occurring intensively September through December 2017. Berkeley is very well positioned for this funding opportunity because it shifted its investments in this direction already, and has a year of operations to understand how to best leverage the funding available through the RFP to impact housing outcomes.
2. **Partnership with Oakland and Albany** – The RFP presupposed a regional response and capacity that links Albany in a region with Berkeley. Staff are exploring a partnership to serve Albany through the Berkeley HUB. Staff are also exploring the opportunities to serve families jointly with Oakland since our homeless population is mainly single adults, and to partner with Oakland to serve transitional age youth ages 18 through 24.
3. **Improve existing case management capacity and skills**– City staff are working with consultants to develop training for homeless providers and their staff aimed at reinforcing quality housing case management skills necessary for working with high barrier populations. These trainings are expected to begin in April of 2017. Efforts are also underway to improve the quality of case management staff by increasing salaries and standards of care.

These three areas of work are prioritized because they are foundational to effectively operate a Coordinated Entry System. This includes street outreach, sheltering who we can, prioritizing access to resources based on highest need, and housing people quickly. To do this we need to increase the stock of deeply affordable and other housing, and linkages to other non-housing resources.

4. **Explore Use of Navigation Centers** – Navigation Centers aim to reduce the impediments to shelter usage for shelter resistant homeless people. Unlike most traditional shelters, Navigation Centers accommodate pets, partners, and

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<sup>10</sup> Eligible activities include: street outreach, housing navigation and search for literally homeless individuals and their households, client move in funds, flexible funding for housing problem solving and diversion from homelessness, tenancy sustaining services/housing case management, and coordinated entry operations (assessment, problem solving, referrals, data collection).

possessions (“the three P’s”), have lenient program rules (24 hour “come and go” access), and strive to create a comfortable environment by providing clients with significant personal space and a high staff to client ratio. Most clients of the Navigation Center are referred from encampments and thus represent a population of homeless people who are not generally served by the existing shelter system.

Since many people currently living outdoors have identified reasons for avoiding shelters as they currently operate, staff are learning more about Navigation Centers and are exploring the idea of converting an existing shelter to pilot a navigation center model with the goal of reducing the barriers people have to entering shelter. .

- 5. Expand Housing Opportunities** – A multi-faceted approach to housing is critical to significantly reduce homelessness. Potential approaches for the City to explore include:
- a) Increase funding for housing subsidies and case management in the Square One program. Rising rents coupled with flat funding have reduced the persons served by 50% from 15 people to 8. This program uses a housing first approach and is an evidence-based intervention for people with the highest barriers, moving them directly from the streets into housing with appropriate supports.
  - b) Explore funding for master-leasing properties. Master leasing is a powerful tool that cities can use for dedicated housing with significant control of who enters those units. It is largely insulated from the ebbs and flows and restrictions of the competitive housing market.
  - c) Micro-units or SROs. Future housing development should be intentionally inclusive of studio and smaller units, including SROs to fit a high-demand niche in Berkeley’s housing market. Whether a solely micro-unit project or mixing these units into other developments, a significant scale of this type of compact housing would be impactful.
  - d) Create incentives for property owners to create Accessory Dwelling Units, to rent to homeless clients. Consider waiving permit fees and other ideas to increase housing.
  - e) Increase local sources of funding for the City’s Housing Trust Fund to enable deeper subsidies for projects that dedicate units for people whose incomes are at or below 20% of AMI, following the model adopted by Alameda County for the recently passed Measure A1 Housing Bond. This will require increased investments of local funding in projects to make them financially viable.
  - f) Build partnerships with employment services. Once people are housed, even part-time employment provides income enhancement as well as meaningful use of one’s time, both of which increase housing stability.

## BACKGROUND

On May 16, 2006, with Resolution No. 63,301-N.S. the City adopted the Everyone Home Plan as its strategic plan for ending homelessness:

“NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley adopts the Alameda County-wide Homeless and Special Needs Housing Plan and directs the City Manager to use it as a guide for allocation of resources available within programs assisting those who are homeless, or live with serious mental illness or HIV/AIDS to

- 1) Increase the amount and range of affordable housing opportunities in Berkeley for extremely low-income and disabled residents;
- 2) Strengthen the continuum of services the City provides to ensure that residents can be successful in their housing;
- 3) Inform relevant advisory commissions of Council’s intent that the Plan be used to guide City policy; and
- 4) Broaden the City’s approach to services and housing to allow for better outcomes among people with long-term homeless histories and severe disabling conditions.”

The Everyone Home Plan serves as the Alameda countywide Continuum of Care (CoC) Plan. Everyone Home coordinates the annual U.S. Department of Housing and Urban Development (HUD) Continuum of Care application process, which brings about \$29 million annually into the county, and brings over \$4 million into Berkeley.

In June 2010, the Obama Administration released *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness (Opening Doors)*, in which HUD and its federal partners set goals to end Veteran and chronic homelessness by 2015, and end family and youth homelessness by 2020. Ending chronic homelessness is the first goal of *Opening Doors* and is a top priority for HUD. A recent HUD directive requires that CoCs ensure that limited resources awarded through the CoC Program Competition are being used in the most effective manner and that households that are most in need of assistance are being prioritized.

HUD released new regulations in 2012 that require communities to develop a centralized or coordinated system for intake, assessment and referral. In a centralized or coordinated system, there is a standardized tool and process for assessing each homeless person, as well as a standardized set of policies to determine which people receive what kinds of assistance.

It is within this framework and as a result of these federal mandates that Berkeley homeless services have been structured to support a coordinated entry and homeless services delivery system.

ENVIRONMENTAL SUSTAINABILITY

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

POSSIBLE FUTURE ACTION

Possible future actions are discussed in the *Opportunities and Needs in the Near Term* section and should be considered.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Unknown.

CONTACT PERSON

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