



Office of the City Manager

CONSENT CALENDAR  
November 18, 2025

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Carianna Arredondo, Assistant to the City Manager, Reimagining Public Safety

Subject: Contract with Options Recovery Services for Berkeley CareBridge Program and Appropriation for Administrative and Evaluation Support in the City Manager's Office

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to:

- Execute a contract with Options Recovery Services for an amount not-to-exceed \$7,510,842.00 to operate the Berkeley CareBridge post-arrest diversion and reentry program for three (3) years, and execute any amendments thereto (including scope, budget realignments, and time extensions) that remain within the grant award and City policies;
- Appropriate \$409,158.00 in funding for administrative and evaluation support within the City Manager's Office for the Assistant to the City Manager position (temporary), equivalent to 0.5079 FTE over three years to support grant administration, program oversight, and evaluation requirements.

FISCAL IMPACTS OF RECOMMENDATION

On September 30, 2025, the City Council adopted Resolution No. 71,963–N.S authorizing the City of Berkeley to accept the \$8,000,000.00 Proposition 47 Cohort 5 grant award from the Board of State and Community Corrections (BSCC). This is a no-match grant with no impact on the City's General Fund.

This action appropriates funds consistent with the grant budget and authorizes execution of a service contract with Options Recovery Services.

Funding will support the implementation of the Berkeley CareBridge Program for three (3) years. The Berkeley CareBridge Program is a post-arrest diversion and reentry initiative for individuals experiencing homelessness and behavioral health needs. Planned grant allocations include:

**Options Recovery Services Contract – Not to Exceed \$7,510,842.00**

- Meals (Dorothy Day House): **\$500,000.00**
- Hotel Master Lease (30 rooms, 3 years): **\$4,002,750.00**
- Senior Director (0.15 FTE): **\$114,750.00**
- Program Director (0.5 FTE): **\$273,000.00**
- Program Coordinator (1.0 FTE): **\$390,000.00**
- Data Specialist (0.5 FTE): **\$225,000.00**
- Case Managers (2.0 FTE): **\$504,000.00**
- Peer Specialists (2.0 FTE): **\$504,000.00**
- Program Specialists/Navigators (2.0 FTE): **\$504,000.00**
- Database Services: **\$27,000.00**
- Tablets/Laptops (8 units): **\$3,200.00**
- Client Support & Hygiene: **\$76,000.00**
- Indirect Costs<sup>1</sup>: **\$387,142.00**

**Total: \$7,510,842.00**

**Assistant to the City Manager (administration + evaluation duties):**

- 0.5079 FTE × (\$161,732 salary + \$104,779 benefits) × 3 years

**Total: \$409,158.00**

Please note that city staff will return at a later date to allocate the grant balance (\$80,000.00) for program evaluation.

The grant could be cancelled by BSCC during the grant period if insufficient funds are not available through the Proposition 47 grant program, which is funded by the annual transfer of savings generated by Proposition 47. On or before July 31 of each fiscal year, the California Department of Finance will calculate the State savings associated with Proposition 47, which will determine whether sufficient funds are available for funding Berkeley CareBridge during the three-year period.

Budget changes beyond June 30, 2026 will be included in subsequent year budgets, contingent on Council budget approval. Should future funding not be available through

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<sup>1</sup> Indirect Costs represent administrative and overhead expenses that support overall agency operations rather than specific program activities. Portions may include shared costs such as executive or administrative staff time — for example, the Chief of Operations or Executive Director — as well as fractions of facility, utility, or accounting infrastructure costs that enable delivery of the grant program.

the BSCC grant, staff would either seek alternate funding to continue the program or dissolve the program due to insufficient resources.

#### CURRENT SITUATION AND ITS EFFECTS

The City submitted a competitive application on June 23, 2025, and was awarded \$8,000,000 under Proposition 47 Cohort 5. Council formally accepted the award on September 30, 2025, (Resolution No. 71,963–N.S.). The grant term is October 1, 2025 – June 30, 2029, including a 3-month start-up and 6-month closeout/evaluation period. Program operations are planned to begin January 1, 2026.

This item authorizes execution of a service contract with Options Recovery Services and appropriates staffing funds for administration and evaluation in the City Manager's Office to implement Berkeley CareBridge. The program's primary goal is to reduce recidivism by providing mental health and substance use support for justice-involved individuals. While most participants are anticipated to be unhoused, the program is also designed to serve individuals who are not experiencing homelessness but meet program criteria and would benefit from services.

Under the contract, Options Recovery Services will be responsible for:

- Operating a 30-room, master-leased hotel for program participants.
- Maintaining 24/7 on-site staffing with Navigators and Peer Specialists, with supervisory staff on call.
- Conducting intake, assessments, and individualized six-month care planning.
- Delivering case management, peer support, and recovery mentorship.
- Connecting participants to behavioral health care, substance use disorder treatment, and medication management.
- Providing housing navigation for permanent placements, civil legal aid referrals, and employment readiness training.
- Coordinating daily meal services.
- Supplying hygiene kits and client support resources.
- Submitting monthly data reports, quarterly narrative updates, and contributing to the City's Local Evaluation Report.

The City of Berkeley has declared and extended a Shelter Crisis (Resolution No. 71,155-N.S.), authorizing expedited measures to provide shelter and services to unhoused residents.

Options Recovery Services is uniquely positioned to launch the Berkeley CareBridge Program for the following reasons:

- Local presence and capacity to secure and operate a 30-room, 40-bed master-leased hotel;
- Experience delivering integrated services including housing operations, case management, behavioral health support, and peer mentorship;
- Existing partnerships with key providers such as Dorothy Day House; and
- Infrastructure to meet City and BSCC requirements as well as 24/7 staffing, incident reporting, monthly data submissions, and quarterly narrative reporting.
- Ongoing partnership with the City's Health, Housing, and Community Services Department (Mental Health Division) through the Encampment-Based Mobile Wellness Center Project, funded by the Mental Health Services Act (MHSA), which deploys a mobile van to provide wellness services, outreach, and behavioral health support to unhoused residents, demonstrating the organization's capacity to deliver coordinated, City-aligned behavioral health services in the field.

A competitive solicitation at this stage would delay implementation, jeopardize program compliance, and risk loss of grant funding. A sole source contract with Options Recovery Services is therefore warranted.

#### BACKGROUND

Proposition 47 reclassified certain non-violent offenses and established a grant program to support treatment-based alternatives to incarceration. The BSCC administers these funds to local governments implementing restorative, trauma-informed, and rehabilitative services for justice-involved individuals.

The Berkeley CareBridge Program was developed through a multi-departmental effort led by the City Manager's Office, in collaboration with key departments including the Health, Housing, and Community Services Department and Police Department, service providers, and members of the Proposition 47 Local Advisory Committee (LAC). The program design aims to fill longstanding gaps in housing, treatment, and reentry support for justice-involved individuals experiencing homelessness and behavioral health needs.

#### 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

Approving execution of the contract and appropriating administrative and evaluation funding will enable the City to implement the Berkeley CareBridge Program in a timely and compliant manner. Options Recovery Services is uniquely qualified to provide these services because of its demonstrated capacity to operate transitional housing, deliver integrated behavioral health and reentry supports, and meet BSCC reporting and compliance standards. Through this partnership, the City will:

- Launch a transitional housing and wraparound services program by January 1, 2026.
- Provide trauma-informed, culturally responsive case management, treatment connections, and supportive services.
- Ensure compliance with State funding requirements, including timely reporting and evaluation.
- Advance the City’s Reimagining Public Safety goals by reducing reliance on the criminal justice system and addressing root causes of recidivism.

ALTERNATIVE ACTIONS CONSIDERED

None. Delay in approving this action would risk program implementation and jeopardize grant compliance.

CONTACT PERSON

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Jennifer Louis, Chief of Police, 510-981-5700

Scott Gilman, Director of Health, Housing, and Community Services, (510) 981-5400

Attachments:

1: Resolution

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

AUTHORIZING THE EXECUTION OF A CONTRACT WITH OPTIONS RECOVERY SERVICES IN AN AMOUNT NOT-TO-EXCEED \$7,510,842 FOR THE BERKELEY CAREBRIDGE POST-ARREST DIVERSION AND REENTRY PROGRAM, AND APPROPRIATING \$409,158 FOR ADMINISTRATIVE AND EVALUATION SUPPORT WITHIN THE CITY MANAGER'S OFFICE

WHEREAS, on September 30, 2025, the City Council adopted Resolution No. No. 71,963–N.S authorizing the City of Berkeley to accept \$8,000,000 in Proposition 47 Cohort 5 grant funding from the Board of State and Community Corrections (BSCC) to implement a post-arrest diversion and reentry program; and

WHEREAS, the City of Berkeley developed the Berkeley CareBridge Program through a multi-departmental effort in collaboration with service providers and the Proposition 47 Local Advisory Committee, designed to fill longstanding gaps in housing, behavioral health, and reentry support for justice-involved individuals; and

WHEREAS, Options Recovery Services (ORS) is uniquely qualified to implement the Berkeley CareBridge Program by the January 1, 2026 launch date due to its:

- Capacity to secure and operate a 30-room master-leased hotel;
- Experience delivering integrated services, including housing operations, case management, behavioral health support, and peer mentorship;
- Established partnerships with providers such as Dorothy Day House; and
- Infrastructure to meet BSCC requirements for 24/7 staffing, incident reporting, and data and narrative reporting; and

WHEREAS, under the contract, ORS will be responsible for operating the transitional housing facility, conducting intake and individualized care planning, delivering case management, peer support, and behavioral health linkages, providing housing navigation and employment readiness support, coordinating daily meals, supplying hygiene and client support resources, and meeting BSCC and City evaluation requirements; and

WHEREAS, the City Council finds that a competitive solicitation would significantly delay program implementation, jeopardize compliance with BSCC timelines, and risk loss of grant funding, and that a sole source contract with ORS is therefore warranted; and

WHEREAS, grant funds also provide for administrative and evaluation support within the City Manager's Office through the Assistant to the City Manager, Reimagining Public Safety, to ensure program oversight, compliance, and evaluation requirements are met.

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

1. Execute a contract and any amendments thereto with Options Recovery Services for an amount not-to-exceed \$7,510,842.00 to operate the Berkeley CareBridge Program for three (3) years, provided that any amendments remain within the grant award and City policies; and
2. Appropriate \$409,158.00 for administrative and evaluation support within the City Manager's Office, equivalent to 0.5079 FTE over three years through the Assistant to the City Manager position, to oversee administration, program monitoring, and evaluation of the Berkeley CareBridge Program.

BE IT FURTHER RESOLVED that the City Manager is authorized to take any actions necessary to implement this Resolution, including execution of related agreements with the BSCC.

