



Berkeley Homeless
Services Panel of Experts

REGULAR MEETING AGENDA

May 6, 2026 – 7:00 PM

North Berkeley Senior Center, Aspen Room
1901 Hearst Ave., Berkeley, CA 94709

Mayor Ishii:
Carole Marasovic –
Chair

Rashi Kesarwani:
Vacant

Terry Taplin:
Denah S. Bookstein

Ben Bartlett:
Paul Kealoha-Blake

Igor Tregub:
Jerome Solberg

Shoshana O’Keefe:
Vacant

Brent Blackaby:
Steven Segal

Cecilia Lunaparra:
Vacant

Mark Humbert:
Alan Levy – Vice Chair

Josh Jacobs, Homeless Services Coordinator, Homeless Services Panel of Experts
Staff Secretary, jjacobs@berkeleyca.gov, 510.225.8035

All items are for discussion and possible action.

*Public comment for items not on the agenda limited to 2 minutes. No exchange with
commission permitted.*

Public comment for items on the agenda taken as items arise.

1. Roll call.
2. Reading of the land acknowledgment.
3. Public comment for items not on the agenda (limited to 2 minutes).

Action Items:

4. Approval of the agenda. Discussion and possible action.
5. Approval of the minutes from the April 15, 2026 meeting. Discussion and possible action.
6. Chair report. Discussion only.
7. Continue discussion on recommendations for how Measure P and other monies are used to fund homeless services providers and application in the current budget process. Discussion and possible action.
8. Adjourn.

Attachments:

1. Land acknowledgment.
2. April 15, 2026 minutes.

A Vibrant and Healthy Berkeley for All

3. Proposed budget reductions.
4. DRC v. County of Alameda settlement agreement.
5. Letter from HSPE to Council Budget and Finance Committee.
6. FY25-26 Measure P allocations.
7. Motel Emergency Shelter Programs Set to Expire.
8. CIT International – What is CIT?

Correspondence and Notice of Decision Requests:

Deadlines for Receipt:

- A) Supplemental Materials must be received by 5 PM the day before the meeting.
- B) Supplemental Communications must be received no later than noon the day of the meeting.

Procedures for Distribution:

- A) Staff will compile all Supplemental Materials and Supplemental Communications received by the deadlines above into a Supplemental Packet, and will print 15 copies of this packet for the Commission meeting.
- B) For any Supplemental Material or Communication from a Commissioner received after these deadlines, it is the Commissioner's responsibility to ensure that 15 printed copies are available at the meeting. Commissioners will not be reimbursed for any printing or materials expenses.
- C) Staff will neither print nor distribute Supplemental Communications or Materials for subcommittee meetings.

Procedures for Consideration:

- A) The Commission must make a successful motion to accept and receive all Supplemental Materials and Communications into the record. This includes the Supplemental Packet compiled by staff.
- B) Each additional Supplemental Material or Communication received by or before the meeting that is not included in the Supplemental packet (i.e., those items received after the respective deadlines above) must be individually voted upon to be considered by the full Commission.
- C) Supplemental Materials subject to a Commission vote that are not accepted by motion of the Commission, or for which there are not at least 15 paper copies (9 for each Commission seat, one for staff records, and 5 for the public) available by the scheduled start of the meeting, may not be considered by the Commission.

****Supplemental Materials*** are defined as any items authored by one or more Commissioners, pertaining to an agenda item but available after the agenda and packet for the meeting has been distributed, on which the Commission is asked to take vote at the meeting. This includes any letter to Council, proposed Council report, or other correspondence on behalf of the Commission for which a full vote of the Commission is required.

*****Supplemental Communications*** are defined as written emails or letters from members of the public or from one or more Commissioners, the intended audience of which is the full Commission. Supplemental Communications cannot be acted upon by the Commission, and they may or may not pertain to agenda items.

Any writings or documents provided to a majority of the Commission regarding any item on this agenda will be made available for public inspection at Health, Housing & Community Services Department located at 2180 Milvia Street, 2nd Floor.

Public Comment Policy:

Members of the public may speak on any items on the Agenda and items not on the Agenda during the initial Public Comment period. Members of the public may not speak more than once on any given item. The Chair may limit public comments to 3 minutes or less.

COMMUNITY ACCESS INFORMATION

ADA Disclaimer "This meeting is being held in a wheelchair accessible location. To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the ADA Program Coordinator at 510-981-6418 (V) or 510-981-6347 (TDD) at least three business days before the meeting date. Please refrain from wearing scented products to this meeting."

Communications to Berkeley boards, commissions or committees are public record and will become part of the City's electronic records, which are accessible through the City's website. Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to a City board, commission or committee, will become part of the public record. If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the secretary of the relevant board, commission or committee. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the secretary to the relevant board, commission or committee for further information. The Health, Housing & Community Services Department does not take a position as to the content.

Land Acknowledgement Statement

The City of Berkeley recognizes that the community we live in was built on the territory of xučyun (Huchiun (Hooch-yoon)), the ancestral and unceded land of the Chochenyo (Cho-chen-yo)-speaking Ohlone (Oh-low-nee) people, the ancestors and descendants of the sovereign Verona Band of Alameda County. This land was and continues to be of great importance to all of the Ohlone Tribes and descendants of the Verona Band. As we begin our meeting tonight, we acknowledge and honor the original inhabitants of Berkeley, the documented 5,000-year history of a vibrant community at the West Berkeley Shellmound, and the Ohlone people who continue to reside in the East Bay. We recognize that Berkeley's residents have and continue to benefit from the use and occupation of this unceded stolen land since the City of Berkeley's incorporation in 1878. As stewards of the laws regulating the City of Berkeley, it is not only vital that we recognize the history of this land, but also recognize that the Ohlone people are present members of Berkeley and other East Bay communities today. The City of Berkeley will continue to build relationships with the Lisjan Tribe and to create meaningful actions that uphold the intention of this land acknowledgement.



Berkeley Homeless
Services Panel of Experts

MEETING MINUTES

April 15, 2026

1. **Roll Call:** 7:00 PM
Present: Marasovic, Solberg, Levy, Segal, & Kealoha-Blake.
Absent: Bookstein (LoA).
Staff: Jacobs.
Council: None.
Public: 3.

2. Reading of the Land Acknowledgement.
3. Public Comment: 3.

Action Items:

4. Approval of the Agenda.

Action: M/S/C Levy/Kealoha-Blake move to approve the agenda as written.

Vote: *Ayes:* Marasovic, Kealoha-Blake, Segal, Levy, & Solberg.
Noes: None. *Abstain:* None. *Absent:* Bookstein.

5. Approval of minutes from March 4, 2026 meeting.

Action: M/S/C Solberg/Levy move to approve the minutes as written.

Vote: *Ayes:* Marasovic, Kealoha-Blake, Segal, Levy, Solberg, & Bookstein.
Noes: None. *Abstain:* None. *Absent:* None.

6. Chair report. Discussion only.

Discussion. No action taken.

7. Discussion of site visits. Discussion only.

Discussion. No action taken.

8. Letter urging Council and Council Budget and Finance Committee to provide HSPE with a voice in the current budget process recommendations as has been the case in the past. Discussion and possible action.

A Vibrant and Healthy Berkeley for All

Action: M/S/C Marasovic/Solberg move to submit the letter with the language as incorporated above to the Council Budget and Finance Committee, Council and City Manager as amended.

Vote: Ayes: Marasovic, Kealoha-Blake, Segal, Levy, & Solberg.
Noes: None. Abstain: None. Absent: Bookstein.

9. Begin discussion on recommendations for how Measure P and other monies are used to fund homeless services providers and application in the current budget process. Discussion and possible action.

Discussion. No action taken.

10. Adjourn

Meeting adjourned at 9:00 PM.

Minutes Approved on: _____

Josh Jacobs, Commission Secretary: _____



Office of the City Manager

Date: February 26, 2026
 To: Budget and Finance Policy Committee/City Council
 From: Paul Buddenhagen, City Manager
 Submitted by: Henry Oyekanmi, Finance Director
 Subject: FY 2026 Mid-Year General Fund Revenue Report

General Fund Revenue and Transfers Mid-Year FY 2026 vs Mid-Year FY 2025 Comparison

Revenue Categories	FY 2026				FY 2025				Comparison FY26 vs FY25	
	Adopted	Actual	Variance	% Received	Adopted	Actual	Variance	% Received	Amount	%
	(a)	(b)	c=(b) - (a)	(d) = (b)/(a)	(e)	(f)	g=(f) - (e)	(h) = (f)/(g)	(i) = (b) - (f)	(j) = (i)/(f)
Secured Property	\$95,236,939	\$47,402,611	(\$47,834,328)	49.77%	\$89,887,496	\$45,385,988	(\$44,501,508)	50.49%	2,016,623	4.44%
Supplemental Taxes	3,400,000	684,808	(2,715,192)	20.14%	3,400,000	727,555	-2,672,445	21.40%	(42,747)	-5.88%
Unsecured Property Taxes	4,973,066	4,439,145	(533,921)	89.26%	4,648,038	4,165,858	-482,180	89.63%	273,287	6.56%
Property Transfer Tax	22,000,000	14,079,634	(7,920,366)	64.00%	19,000,000	11,918,015	-7,081,985	62.73%	2,161,619	18.14%
Property Transfer Tax-Measure P (New 12/21/2018)	9,100,000	6,586,501	(2,513,499)	72.38%	6,199,580	4,833,858	-1,365,722	77.97%	1,752,643	36.26%
Sales Taxes	19,106,713	9,623,130	(9,483,583)	50.37%	18,884,235	9,364,937	-9,519,298	49.59%	258,193	2.76%
Soda Taxes	1,147,387	405,897	(741,490)	35.38%	1,147,387	512,817	-634,570	44.69%	(106,920)	-20.85%
Utility Users Taxes	19,396,728	8,351,808	(11,044,920)	43.06%	17,700,000	9,047,804	-8,652,196	51.12%	(695,996)	-7.69%
Transient Occupancy Taxes	6,500,000	5,660,431	(839,569)	87.08%	7,688,065	4,249,236	-3,438,829	55.27%	1,411,195	33.21%
Less: TOT rebates owed (2)		(981,036)				(665,260)			(315,776)	47.47%
Short-term Rentals	1,400,000	641,433	(758,567)	45.82%	1,400,000	661,730	-738,270	1,400,000	(20,297)	-3.07%
Business License Tax	24,480,000	2,336,893	(22,143,107)	9.55%	23,664,000	1,338,858	-22,325,142	5.66%	998,035	74.54%
Recreational Cannabis	18,000		(18,000)	0.00%	18,000	19,017	1,017	105.65%	(19,017)	-100.00%
U1 Revenues	6,500,000	298,004	(6,201,996)	4.58%	6,500,000	128,163	-6,371,837	1.97%	169,841	132.52%
Residential Vacancy Tax (5)	3,500,000	363,780	(3,136,220)	10.39%	-	-	0		363,780	
Other Taxes (including Redemptions-Regular) (3)	5,453,059	3,852,627	(1,600,432)	70.65%	5,453,059	1,987,429	-3,465,630	36.45%	1,865,198	93.85%
Vehicle In-Lieu Taxes	20,055,853	9,904,792	(10,151,061)	49.39%	18,851,257	9,500,999	-9,350,258	50.40%	403,793	4.25%
Parking Fines-Regular Collections	5,900,000	3,666,656	(2,233,344)	62.15%	5,800,000	2,932,701	-2,867,299	50.56%	733,955	25.03%
Moving Violations	132,600	77,236	(55,364)	58.25%	132,600	73,119	-59,481	55.14%	4,117	5.63%
Ambulance Fees	8,900,000	4,593,148	(4,306,852)	51.61%	7,734,813	3,768,540	-3,966,273	48.72%	824,608	21.88%
Interest Income (4)	14,000,000	6,849,335	(7,150,665)	48.92%	13,500,000	7,735,188	-5,764,812	57.30%	(885,853)	-11.45%
Franchise Fees	1,822,528	246,401	(1,576,127)	13.52%	1,822,528	268,424	-1,554,104	14.73%	(22,023)	-8.20%
Other Revenue	8,000,000	4,619,244	(3,380,756)	57.74%	8,759,495	4,308,571	-4,450,924	49.19%	310,673	7.21%
IDC Reimbursement	7,070,256	3,045,997	(4,024,259)	43.08%	7,031,624	3,200,593	-3,831,031	45.52%	(154,596)	-4.83%
Transfers	23,842,130	18,763,010	(5,079,120)	78.70%	4,181,923	2,090,961	-2,090,962	50.00%	16,672,049	797.34%
			-				0		-	
Total Revenue:	\$311,935,259	\$155,511,485	-\$156,423,774	49.85%	\$273,404,100	\$127,555,101	-\$145,848,999	46.65%	\$27,956,384	21.92%

- Notes:
- (1) This statement is presented on a budgetary basis (i.e., cash).
 - (2) Includes the amount of TOT rebates paid during the period. A total of \$219,271 for November (\$121,558) and December (\$97,213) 2025 were still unpaid as of December 31, 2025
 - (3) Total Other Taxes includes Redemptions-Regular
 - (4) Excludes \$473,263 in CalPERS Prepayment Discount in FY 2026 and \$472,263 in FY 2025 that belongs to the Section 115 Pension Trust Fund
 - (5) New tax in FY 2026

General Fund revenue and transfers increased \$27,956,384 or 21.9%, from \$127,555,101 in the first half of FY 2025, to \$155,511,485 for the same period in FY 2026.

General Fund revenue (excluding transfers) increased \$11,284,335 or 9.0%, from \$125,464,140 in the first half of FY 2025, to \$136,748,475 for the same period in FY 2026.

Notable increases (decreases) in revenue and transfers during the first half of FY 2026 were the following:

Revenue Source	Amount
1. Secured Property Taxes	\$2,016,623
2. Property Transfer Taxes	2,161,619
3. Measure P Property Transfer Taxes	1,752,643
4. Utility Users Taxes	(695,996)
5. Transient Occupancy Taxes (TOT)	1,095,419
6. Other Taxes	1,865,198
7. Vehicle In Lieu Taxes (VLF)	403,793
8. Ambulance Fees	824,608
9. Interest Income	(885,853)
10. Transfers	16,672,049

FY 2026 FIRST HALF GENERAL FUND REVENUE/TRANSFERS DETAILS:

Secured Property Tax (+\$2,016,623 more than FY 2025 Actual

During the first half of FY 2026, Secured Property Tax revenues totaled \$47,402,611, which was \$2,016,623 or 4.44% more than the \$45,385,988 received for the same period in FY 2025. This result was consistent with the County's Certification of Assessed Valuation (received from the County in August 2025), which reflects growth of 4.22%. However, the FY 2026 Adopted Budget assumed a 5.5% increase and a base of \$90,271,980 (i.e., projected total collection for FY 2025). However, the actual collection for FY 2025 was \$89,041,388, primarily as a result of a 116.4% increase in the amount of Secured Property Tax refunds that were issued by Alameda County, from \$448,572 in FY 2024 to \$970,660 in FY 2025.

As a result, the Secured Property Tax Revenue projection is being decreased from \$95,236,939 to \$92,798,935.

Supplemental Taxes (-\$42,747 less than FY 2025 Actual)

During the first half of FY 2026, Supplemental Taxes totaled \$684,808, which was \$42,747 or 5.9% less than the \$727,555 received for the same period in FY 2025

The Supplemental Tax Revenue projection is being decreased from \$3.4 million to \$2.0 million, consistent with the FY 2025 actual of \$2.0 million.

Unsecured Property Tax (+\$273,287 more than FY 2025 Actual)

During the first half of FY 2026, Unsecured Property Tax revenues totaled \$4,439,145, which was \$273,287 or 6.56% more than the amount of \$4,165,858 received for the same period in FY 2025. This amount is greater than the County's Certification of Assessed Valuation growth of 5.87% for FY 2026. No changes will be made to the projections for FY 2026.

Please note that Unsecured Property Taxes are payable once a year and due August 31st.

Property Transfer Tax (+\$2,161,619 more than FY 2025 Actual)

During the first half of FY 2026, Property Transfer Tax totaled \$14,079,634, which was \$2,161,619 or 18.1% more than the \$11,918,015 received for the same period in FY 2025.

The primary reasons for the \$2,161,619 increase in Property Transfer Tax were the following:

- (1) The dollar value of property sales increased by \$182.0 million or 22.9%, from \$794.6 million in the first half of FY 2025 to \$976.6 million during the same period of FY 2026, as illustrated in Table 1 below.
- (2) There were three property sales of \$10 million or more, with total sales of \$265.9 million in the first half of FY 2026 compared to five property sales of \$10 million or more, with total sales of \$164.6 million in the first half of FY 2025; and,
- (3) The number of property sales transactions increased by 35 or 8.5% from 414 in the first half of FY 2025 to 449 during the same period of FY 2026, as illustrated in the Table 2 below.

Table 1- Property Sales In Million \$

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2025	\$163.30	\$111.00	\$79.30	\$167.50	\$195.40	\$78.10	\$794.60
FY 2026	\$143.30	\$123.10	\$83.80	\$190.70	\$327.70	\$108.00	\$976.60
Change	-20.0	+12.1	+4.5	+23.2	+132.3	+29.9	+182.0
% Change	-12.2%	10.9%	5.7%	13.9%	67.7%	38.3%	22.9%

Table 2-Number of Property Sales Transactions

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2025	75	72	55	69	86	57	414
FY 2026	104	74	58	61	94	58	449
Change	+29	+2	+3	-8	+8	+1	+35
% Change	+38.70%	+2.80%	+5.50%	-11.60%	+9.30%	+1.80%	+8.50%

The FY 2026 Property Transfer Tax Revenue projection is being increased from \$22 million to \$24 million.

Measure P-Property Transfer Tax (+\$1,752,643 more than FY 2025 Actual)

Measure P taxes totaling \$6,586,501 were collected during the first half of FY 2026, which was \$1,752,643 or 36.3% more than the \$4,833,858 collected during the same period of FY 2025.

This increase resulted primarily from the following:

- (1) An increase of \$163,3 million or 33.0% in the dollar value of property sales amount in the first half of FY 2026 versus those in the first half of FY 2025 as reflected in Table 3;
- (2) The number of property sales transactions increased by 9 or 6.4% during the first half of FY 2026, as illustrated in the Table 4 below; and,
- (3) There were three property sales of \$10 million or more totaling \$265.9 million during this six-month period in FY 2026, compared to five transactions with total property sales of \$164.6 million for the same period in FY 2025.

Table 3- Property Sales \$1.5 million+ In Million \$

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2025	\$113.9	\$55.9	\$31.3	\$123.5	\$137.5	\$33.3	\$495.4
FY 2026	68.3	70.0	39.1	146.4	267.0	67.9	\$658.7
Change	-45.6	+14.1	+7.8	+22.9	+129.5	+34.6	163.3
% Change	-40.0%	+25.2%	+24.9%	+18.5%	+94.2%	+103.9%	33.0%

Table 4- Property Transactions \$1.5 Million and Above

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2025	31	25	10	26	34	15	141
FY 2026	28	25	17	24	36	20	150
Change	-3	0	+7	-2	+2	+5	+9
% Change	-9.7%	0.0%	+70.0%	-7.7%	+5.9%	+33.3%	+6.4%

The Measure P1 Property Transfer Tax Revenue projection for FY 2026 is being increased from \$9.1 million to \$11.1 million.

Sales Tax (\$258,193 more than FY 2025 Actual)

For the first half of FY 2026 Sales Tax revenue totaled \$9,623,130, which was \$258,193 or 2.76% more than the \$9,364,937 received for the same period in FY 2025. The City's Sales Tax Consultant made the following FY 2026 Sales Tax Projections by category:

Category	Amount
General Retail	\$3,982,164
Food Products	\$6,266,918
Transportation	\$2,308,365
Construction	\$1,458,206
Business to Business	\$1,408,923
Miscellaneous	\$847,497
County Pool	\$3,976,608
State Pool	\$11,599
County Sharing	(\$1,012,588)
CDTFA Administration	(\$140,978)
Total	\$19,106,713

The actual mid-year Sales Tax Revenue of \$9,623,130 was \$12,921 below the projection of \$9,636,051. No changes will be made to the projections for FY 2026.

Utility Users Taxes (-\$695,996 less than FY 2025 Actual)

Utility Users Tax revenue for the first half of FY 2026 totaled \$8,351,808, which was \$695,996 or 7.69% less than the \$9,047,804 received for FY 2025.

This decrease of \$695,996 resulted from increases/decreases in the following categories, particularly the decrease in Electricity:

FY 2026 Actual Revenues Compared to FY 2025 Actual Revenues				
	FY2026	FY 2025	\$ Change	% Change
Telephone	\$ 422,501	\$ 443,221	\$ (20,720)	-4.67%
Cable	\$ 407,766	\$ 458,076	\$ (50,310)	-10.98%
Cellular	\$ 864,438	\$ 896,208	\$ (31,770)	-3.54%
Electric	\$ 5,317,812	\$ 6,001,290	\$ (683,478)	-11.39%
Gas	\$ 1,339,291	\$ 1,249,009	\$ 90,282	7.23%
Total	\$ 8,351,808	\$ 9,047,804	\$ 695,996	-7.69%

No changes will be made to the projection.

Transient Occupancy Tax (+\$1,095,419 more than FY 2025 Actual)

The total net Transient Occupancy Tax (TOT) revenue reported for the first half of FY 2026 totaled \$4,679,395 (after deducting \$981,036 in TOT rebates paid), which was \$1,095,419 or 30.6% more than the \$3,583,976 (after deducting \$665,260 in TOT rebates paid) received for the same period in 2025.

The increase was primarily attributable to:

- (1) the FY 2025 delinquent payment of \$1,075,110 plus penalties of \$155,034 and interest of \$31,227 that was made by one of the top six hotels during the first six months of FY 2026; and,
- (2) the top six hotels reported FY 2026 revenue increase of \$198,703, despite non-payment of one of the six largest hotels to pay any TOT in the six months of FY 2026. The latter hotel has filed for bankruptcy.

As a result, the TOT Revenue projection (after rebates are paid) is being increased from \$6.5 million to \$7.5 million.

Short-Term Rentals (-\$20,297 less than FY 2025 Actual)

Short-Term Rentals revenue for the first half of FY 2026 totaled \$641,433, which was \$20,297 or 3.1% less than the \$661,730 received for the same period in FY 2025. No change in projections.

Business License Taxes (+\$998,035 more than FY 2025 Actual)

Business license Taxes (BLT) revenue for the first half of FY 2026 totaled \$2,336,893, which is \$998,035 or 74.5% more than the \$1,338,858 received for the same period in FY 2025.

It is too soon to determine if this increase is due to an increase in revenue or due to the timing of the processing of the Business License Tax receipts, as these taxes are not delinquent until March 1st. However, part of the increase thus far resulted from the late billing of \$597,829 in FY 2025 nonprofit BLT, which was collected in early FY 2026. No changes to projections.

U1 Revenues (+\$169,841 more than FY 2024 Actual)

U1 revenues for the first half of FY 2025 totaled \$298,004, which was \$169,841 or 132.5% more than the \$128,163 received for the same period in FY 2025.

It is too soon to determine if this increase is due to an increase in revenue or due to the timing of the processing of the U1 receipts, as these taxes are not delinquent until March 1st.

The U1 Revenue projection is being increased from \$6.5 million to \$6.6 million, consistent with the FY 2025 actual of \$6.6 million.

Other Taxes (+\$1,865,198 more than FY 2025 Actual)

Other Taxes (including Redemptions-Regular) for the first half of FY 2026 totaled \$3,852,627 which was \$1,865,198 or 93.85% more than the \$1,987,429 received for the same period in FY 2025.

The primary reason for the increase was:

- (1) \$665,426 in Transportation Network Company User Tax was recorded as Other Income, instead of Other Taxes in FY 2025.
- (2) an increase of \$109,676 in Parking Lot Taxes.
- (3) an increase of \$860,575 in BLT penalties; and,
- (4) an increase of \$86,997 in BLT interest.

The FY 2026 Other Taxes projection is being increased from \$5,453,059 to \$14,665,725. This updated projection includes a one-time adjustment of \$7,877,572 that will be transferred after the liquidation of the Berkeley Successor Agency and an additional \$570,000 in tax increment that will be received in June from the Successor Agency. Additionally, the projection has been increased by \$800,000.

Vehicle In Lieu Taxes (+\$403,793 more than FY 2025 Actual)

Vehicle in Lieu Taxes (VLF) for the first half of FY 2026 totaled \$9,904,792, which was \$403,793 or 4.25% more than the \$9,500,999 received for the same period in FY 2025. This result was consistent with the County's Certification of Assessed Valuation (received in August 2025), which reflects growth of 4.22%. Changes in VLF revenues are based on the growth in assessed values. However, the Adopted Budget reflects growth of 5.50%, so actual Vehicle In Lieu Taxes are expected to be \$251,971 or 1.26% less than the Adopted Budget amount of \$20,055,853.

The FY 2026 Vehicle In Lieu Tax projection is being decreased from \$20,055,853 to \$19,803,882.

Parking Fines (+\$733,955 more than FY 2025 Actual)

Parking Fines revenue for the first half of FY 2026 totaled \$3,666,656, which was \$733,955 or 25.0% more than the \$2,932,701 received for the same period in FY 2025.

For the first half of FY 2026, ticket writing decreased by 2,887 or 3.3% from 86,968 in the first half of FY 2025 to 84,081 in the same period in FY 2026, as follows:

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2025	14,221	15,033	14,744	14,872	13,308	14,790	86,968
FY 2026	15,514	15,417	14,024	14,103	11,825	13,198	84,081
Difference	1,293	384	-720	-769	-1,483	-1,592	-2887
% Difference	9.10%	2.60%	-4.90%	-11.1	-7.11%	-10.80%	-3.30%

The FY 2026 increase in revenue resulted primarily from a collection of Parking Fines receivables from previous years.

As a result of the mid-year trend, the FY 2026 Parking Fines projection is being increased from \$5.9 million to \$6.65 million.

Ambulance Fees (+\$824,608 more than FY 2025 Actual)

Ambulance Fees revenue for the first half of FY 2026 totaled \$4,593,148, which was \$824,608 or 21.9% more than the \$3,768,540 received for the same period in FY 2025.

The increase in the first half of FY 2026 was due to a 37.7% increase in transports and an increase in Ambulance Fee rates:

Service Charge	FY 2026	FY 2025	% Increase
Base Rate	\$ 4,529.89	\$ 4,051.06	11.80%
Mileage	\$ 102.21	\$ 91.41	11.80%
Oxygen	\$ 338.42	\$ 302.64	11.80%
Treatment/Non-Transport	\$ 908.49	\$ 812.46	11.80%
First Responder Fee	\$ 559.00	\$ 500.00	11.80%

As a result of the mid-year trend, the FY 2026 Ambulance Fees Fines projection is being increased from \$8.9 million to \$9.2 million.

Interest Income (-\$885,853 less than FY 2025 Actual)

For the first half of FY 2026, Interest Income totaled \$6,849,335, which was \$885,853 or 11.5% less than the total of \$7,735,188 received for the same period in FY 2025.

This decrease was primarily attributable to:

- (1) Larger average investment balances in the first half of FY 2025 (range of \$530.5 million-\$557.6 million) than in the first half of FY 2026 (range of \$414.8 million-\$475.3 million). The decline in the average investment balances was partly due to General Fund operating deficits in FY 2024 and FY 2025. The General Fund's Available Cash Balance (i.e., Budget-Basis Fund Balance) declined from \$85.4 million on June 30, 2023 to \$30.6 million on June 30, 2025; and,
- (2) a slightly higher average net interest rate earned by the City in the first half of FY 2025 from a range of 2.93%-3.32%, to a range of 2.91%-3.37% during the first half of FY 2026, as follows:

Monthly Net Interest Rate Earned:

FY	July	Aug	Sept	Oct	Nov	Dec
2025	3.32%	3.18%	3.04%	3.05%	2.93%	3.05%
2026	3.37%	3.22%	3.03%	3.01%	2.91%	3.01%

The FY 2026 Interest Income projection is being decreased from \$14.0 million to \$13.5 million.

Other Revenues (+\$310,673 more than FY 2025 Actual)

Other Revenues primarily consists of licenses and permits; grants; preferential parking fees; general government charges for services; public safety charges for services; health charges for services; culture and recreation charges for services; rents and royalties; and other miscellaneous revenues that are not considered major.

Other Revenues for the first half of FY 2026 totaled \$4,619,244 which was \$310,673 or 7.2% more than the \$4,308,571 received for the same period in FY 2025.

This increase of \$310,673 was primarily attributable to:

- (1) An increase of \$963,048 in premiums received on the issuance of Tax and Revenue Anticipation Notes (TRAN) in FY 2026.
- (2) \$665,426 in TNC User Taxes erroneously recorded as Other Revenue, instead of Other Taxes, in FY 2025.

It should be pointed out that the premium on the issuance of Tax and Revenue Anticipation Notes paid to the City was not actually revenue; it was a liability that was paid by the purchaser of the City's Notes when the coupon interest rate was higher than the market rate when the Notes were issued. It will be used to offset the interest expense paid by the City on the Notes.

Indirect Cost Reimbursements (-\$154,596 less than FY 2025 Actual)

IDC Reimbursement (IDC) decreases result from decreases in the indirect cost allocation base (i.e., total direct salaries and wages in the fund), a decrease in the indirect cost rate or a combination of decreases or increases in both factors. IDC for the first half of FY 2026 totaled \$3,045,997, which was \$154,596 or 4.83% less than the \$3,200,593 received for the same period in FY 2025. The decline was primarily accounted for by a decrease in IDC rates for the Marina Fund from 23% in the first half of FY 2025 to 17% for the same period in FY 2026. The net decrease in IDC resulting from the Marina Fund change in rates was partially offset by a slight increase of \$461,768 or 2.86% in the indirect cost allocation base (total direct salaries and wages) from \$16,123,244 in the first half of FY 2025 to \$16,585,012 for the same period in FY 2026; This created a decline of \$154,596 or 4.83% in total IDC.

Considering the decrease in the Marina IDC rate, the IDC Revenue projection is being decreased from \$7.1 million to \$6.8 million, consistent with the FY 2025 actual of \$6.8 million.

Transfers (+\$16,672,049 more than FY 2025 Actual)

Transfers from other funds for the first half of FY 2026 totaled \$18,763,010 which was \$16,672,049 or 797.3% more than the \$2,090,961 received for the same period in FY 2025. This was primarily attributable to transfers for the following FY 2026 budget balancing items: \$5,187,019 transfer from the Workers Compensation Fund; \$2,500,000 transfer from the U1 Housing Fund; \$3,233,207 transfer from the IT Cost Allocation Fund, and \$6 million transfer from the Section 115 Pension Fund. No changes will be made to the projections.

5 YEARS PROJECTED GENERAL FUND REVENUES

	Projected General Fund Revenue						
	FY 2026 Adopted	FY 2025 Actual	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Undesignated Revenues							
Secured Property Taxes	95,236,939	89,041,388	92,798,935	98,784,093	103,454,324	108,288,012	113,290,880
Supplemental Taxes	3,400,000	2,035,343	2,000,000	2,500,000	2,000,000	2,000,000	2,000,000
Unsecured Property Taxes	4,973,066	4,798,998	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
Property Transfer Taxes	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Property Transfer Tax - Measure P	9,100,000	10,129,772	11,100,000	11,655,000	12,237,750	12,849,638	13,492,119
Property Transfer Taxes-Measure W				1,500,000	3,000,000	3,000,000	3,000,000
Sales Taxes	19,106,713	18,925,939	19,106,713	19,353,282	19,761,273	20,161,521	20,525,203
Soda Tax	1,147,387	1,031,453	1,000,000	1,147,387	1,147,387	1,147,387	1,147,387
Utility Users Taxes	19,396,728	18,999,486	19,396,728	18,750,000	18,750,000	18,750,000	18,750,000
Transient Occupancy Taxes(TOT)	6,500,000	7,087,525	8,660,450	8,920,264	9,098,669	9,280,642	9,466,255
TOT Rebates		-958,344	-1,160,450	-1,195,264	-1,231,122	-1,268,055	-1,306,097
Short-term Rentals	1,400,000	1,460,298	1,400,000	1,650,000	1,400,000	1,400,000	1,400,000
Business License Taxes	24,480,000	23,523,824	24,480,000	24,969,600	25,468,992	25,978,372	26,497,939
Recreational Cannabis	18,000	66,282	18,000	18,000	1,000,000	1,020,000	1,040,400
Measure U1	6,500,000	6,591,844	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000
Residential Vacancy Tax	3,500,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Other Taxes (Including redemptions)	5,453,059	6,050,906	14,665,725	6,500,000	6,630,000	6,762,600	6,897,852
Vehicle In Lieu Taxes	20,055,853	19,001,998	19,803,882	21,091,135	21,829,324	22,593,351	23,384,118
Parking Fines - Regular Collections	5,900,000	6,062,513	6,650,000	6,650,000	6,650,000	6,650,000	6,650,000
Moving Violations	132,600	165,360	165,360	165,360	165,360	165,360	165,360
Ambulance Fees	8,900,000	8,488,420	9,200,000	9,200,000	9,200,000	9,200,000	9,200,000
Interest Income	14,000,000	14,467,176	13,500,000	13,500,000	12,500,000	12,500,000	12,500,000
Franchise Fees	1,822,528	2,133,540	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Other Revenues	8,000,000	10,985,618	8,000,000	8,200,000	8,405,000	8,615,125	8,830,503
Indirect cost reimbursements	7,070,256	6,835,834	7,070,256	7,211,661	7,355,894	7,503,012	7,653,072
Transfers	23,842,130	8,974,480	23,842,130	4,472,621	4,562,074	4,562,074	4,562,074
Total Undesignated Revenues	305,935,259	281,899,653	313,497,729	296,843,139	305,184,925	312,959,039	320,947,066
Designated Revenues							
Prop. Transfer Taxes for capital improvements	6,000,000	7,052,569	8,000,000	5,450,000	5,450,000	5,250,000	5,000,000
Total Designated Revenues	6,000,000	7,052,569	8,000,000	5,450,000	5,450,000	5,250,000	5,000,000
TOTAL REVENUES AND TRANSFERS	311,935,259	288,952,222	321,497,729	302,293,139	310,634,925	318,209,039	325,947,066

Secured Property Taxes

Property Transfer Tax revenue declined sharply in FY 2024 and FY 2025 and rebounded slightly in FY 2026. As a result, Secured Property Tax growth declined from 10.82% in FY 2023 to 7.256% in FY 2024 and 6.39% in FY 2025. It is currently down to 4.22% in FY 2026, although 5.5% was expected.

During the six months of FY 2026, Secured Property Tax revenues totaled \$47,402,611, which was \$2,481,368 or 4.44% more than the \$45,385,988 received for the same period in FY 2025. This result was consistent with the County's Certification of Assessed Valuation (received from the County in August 2025), which reflects growth of 4.22%. However, the FY 2026 Adopted Budget assumed a 5.5% increase and a base of \$90,271,980 (i.e., projected total collection for FY 2025). However, the actual collection for FY 2025 was \$89,041,388.

As a result, the Secured Property Tax Revenue projection is being decreased from \$95,236,939 to \$92,798,935.

Staff projects Secured Property Tax growth of 4.22% in FY 2026. Staff projects 6.4% increase in FY 2027, due to the return of County deductions related to the Successor Agency to the General Fund. In FY 2028 staff project a return to nominal increases.

Property Transfer Taxes

After reaching a total of \$42,901,750 in FY 2022, Property Transfer Taxes sharply declined in FY 2023 (by 46.7%) and FY 2024 (by 22.1%); it rebounded by 31.5% to \$23,052,569 in FY 2025. However, most of the increase in FY 2025 related to property sales that significantly exceeded \$10 million and are not likely to recur.

During the first half of FY 2026, Property Transfer Tax totaled \$14,079,634, which was \$2,161,619 or 18.1% more than the \$11,918,015 received for the same period in FY 2025.

The primary reasons for the \$2,161,619 increase in Property Transfer Tax were the following:

- (1) The dollar value of property sales increased by \$182.0 million or 22.9%, from \$794.6 million in the first half of FY 2025 to \$976.6 million during the same period of FY 2026.
- (2) There were three property sales of \$10 million or more, with total sales of \$265.9 million in the first half of FY 2026 compared to five property sales of \$10 million or more, with total sales of \$164.6 million in the first half of FY 2025; and,
- (3) The number of property sales transactions increased by 35 or 8.5% from 414 in the first half of FY 2025 to 449 during the same period of FY 2026.

Because of the difficulty in projecting this revenue source, Staff is projecting an increase of 9% in FY 2026, a decrease of 10% in FY 2027, and flat revenue through FY 2030. Mortgage rates are expected to continue to be high, due to higher inflationary expectations as a result of the current Administration's trade policies and huge federal budget deficits. This will have a negative impact on consumer and business spending, interest rates and the economy as a whole.

Measure P Taxes

After reaching a total of \$20,591,313 in FY 2022, Measure P Property Transfer Taxes sharply declined in FY 2023 (by 50.5% to \$10,199,580) and FY 2024 (by 38.5% to \$6,272,861); it rebounded by 61.5% to \$10,129,772 in FY 2025. However, most of those increases are related to property sales that significantly exceeded \$10 million and are not likely to recur.

Measure P taxes totaling \$6,586,501 were collected during the first half of FY 2026, which was \$1,752,643 or 36.3% more than the \$4,833,858 collected during the same period of FY 2025.

This increase resulted primarily from the following:

- (1) An increase of \$163.3 million or 33.0% in the dollar value of property sales amount in the first half of FY 2026 versus those in the first half of FY 2025,
- (2) The number of property sales transactions increased by 9 or 6.4% during the first half of FY 2026; and,
- (3) There were three property sales of \$10 million or more totaling \$265.9 million during this six-month period in FY 2026, compared to five transactions with total property sales of \$164.6 million for the same period in FY 2025.

Because of the difficulty in projecting this revenue source, Staff is projecting an increase of \$2,000,000 or 21.9% in FY 2026 and 5% growth in revenue in FY 2027 through FY 2030.

Sales Taxes

Sales tax revenue is above the pre-pandemic level of \$18.7 million in FY 2019. The City's Sales Tax Consultant projects an increase of 1.7% in Sales Taxes in FY 2026, an increase of 1.3 in FY 2027, and an increase of 2.1% in FY 2028.

Utility Users Tax

Utility Users Tax revenue for the first half of FY 2026 totaled \$8,351,808, which was \$695,996 or 7.69% less than the \$9,047,804 received for FY 2025. This decrease of \$695,996 resulted primarily from a decrease in Electricity of \$683,478.

Staff is making no changes to the projection for FY 2026. Staff is projecting a marginal decrease of 1.9% for FY 2027 and a flat rate through FY 2030.

Transient Occupancy Tax

With the addition of a new hotel, FY 2023 gross TOT revenue exceeded pre-pandemic levels, and was at 30% growth above FY 2022 levels after subtracting the TOT rebates owed. That is no longer the case. In FY 2025, there was significant delinquency in payments by two of the six largest hotels in the city: One of the hotels made no payments in FY 2025 or FY 2026 and has filed for bankruptcy; the other hotel missed six payments in FY 2025 but became current in early FY 2026 by making a payment plus penalties and interest totaling \$1,261,371.

The total net Transient Occupancy Tax (TOT) revenue reported for the first half of FY 2026 totaled \$3,583,976 (after deducting \$981,036 in TOT rebates paid), which was \$1,095,419 or 30.6% more than the \$3,583,976 (after deducting \$665,260 in TOT rebates paid) received for the same period in 2025.

All of that increase and more was primarily attributable to the FY 2025 delinquent payment of \$1,075,110 plus penalties of \$155,034 and interest of \$31,227 that was made during the first six months of FY 2026.

Staff is projecting a 22.4% increase in net TOT revenue (TOT minus rebates) in FY 2026, due to the repayment of the FY 2025 delinquent amount described above; and, Staff is projecting 2.01% growth in TOT for FY 2027 through FY 2030.

Business License Taxes

Business license Taxes (BLT) revenue for the first half of FY 2026 totaled \$2,336,893, which was \$998,235 or 74.6% more than the \$1,338,657 received for the same period in FY 2025.

Although it is too soon to determine if this increase is due to an increase in revenue or due to the timing of the processing of the Business License Tax receipts, as these taxes are not delinquent until March 1st. Staff is projecting an increase of 2% for FY 2027 and FY 2028.

Other Taxes

Other Taxes (including Redemptions-Regular) for the first half of FY 2026 totaled \$3,852,627 which was \$1,865,198 or 93.85% more than the \$1,987,429 received for the same period in FY 2025.

The primary reason for the increase was:

- (1) \$665,426 in Transportation Network Company User Tax was recorded as Other Income, instead of Other Taxes in FY 2025.
- (2) an increase of \$109,676 in Parking Lot Taxes.
- (3) an increase of \$860,575 in BLT penalties; and,
- (4) an increase of \$86,997 in BLT interest.

The FY 2026 Other Taxes projection is being increased from \$5,453,059 to \$14,665,725. This updated projection includes a one-time adjustment of \$7,877,572 that will be transferred after the liquidation of the Berkeley Successor Agency and an additional \$570,000 in tax increment that will be received in June from the Successor Agency. Projections for FY 2027 and FY 2028 will have marginal increases of about 2%.

Ambulance Fees

Ambulance Fees revenue for the first half of FY 2026 totaled \$4,593,148, which was \$824,608 or 21.9% more than the \$3,768,540 received for the same period in FY 2025.

The \$824,608 increase in the first half of FY 2026 was due to an increase in transports of 1,108 or 6.1%, from 2,939 in FY 2025 to 4,047 in the first half of FY 2026, and an across-the-board rate increase of 11.8% in FY 2026.

Staff is projecting an increase of 8.4% in Ambulance Fees in FY 2026; and flat revenue in FY 2027 through FY 2030.

Interest Income

The sharp rise in interest rates triggered by the Fed is a double-edged sword: While the rise in interest rates negatively impacts the City's Property Transfer Taxes (through fewer property sales) and Secured Property Taxes and Vehicle In Lieu Taxes (through lower assessed values), it results in an increase in Interest Income. For FY 2024, Interest Income totaled \$15,155,999, which was \$3,038,974 more than the \$12,117,025 received in FY 2023 and \$8,461,877 received in FY 2022.

For the first half of FY 2026, Interest Income totaled \$6,849,335, which was \$885,853 or 11.5% less than the total of \$7,735,188 received for the same period in FY 2025. This decrease was primarily attributable to larger than average investment balances in the first half of FY 2025 (range of \$530.5 million-\$557.6 million) than in the first half of FY 2026 (range of \$414.8 million-\$475.3 million). The decline in the average investment balances was partially due to General Fund operating deficits in FY 2024 and FY 2025, which reduced the General Fund budget-basis fund balance. The General Fund's Available Cash Balance (i.e., Budget-Basis Fund Balance) declined from \$85.4 million on June 30, 2023, to \$30.6 million on June 30, 2025.

Staff is projecting a decline in interest income of 3.6% in FY 2026; flat growth in FY 2027; decline of 7.4% in FY 2028; and flat growth in FY 2029 and FY 2030.

Other Economic and Political Issues That Could Impact the City's General Fund Revenues

The President promised much lower inflation, lower interest rates, and booming economic growth. However, the trade policies that have been implemented deliver the opposite to citizens in the US and the world. The exception being companies involved in the building and development of huge data centers. The following are some of the economic and political issues that could have impact on the City's General Fund revenues:

- 1. Legality of Tariffs:** Among other problems created, the tariffs imposed by the President have increased inflation, lowered consumer and business spending, reduced hiring, and is keeping interest rates relatively high.

In a 6-3 ruling, the U.S. Supreme Court struck down the sweeping tariffs imposed by the President under the International Emergency Economic Powers Act. The Court said the President exceeded his authority, since Congress controls taxation and tariffs. The decision could invalidate large portions of the administration's global tariff program.

This decision may have a significant impact on the economy, inflation expectations, and help determine how much more and how quickly the Fed lowers short-term rates in the near term. It may also determine the extent of the impact on medium and long-term rates (e.g., mortgage rates). Meanwhile, the administration has signaled it will pursue alternative legal pathways to reimpose tariffs.

- 2. Selection of Chairman of the Federal Reserve Board:** The President has been aggressively seeking to undermine the Fed's independence and assert control over the institution, primarily by appointing a new Fed Chairman who will acquiesce to his demands to quickly lower short-term interest rates for political, rather than economic reasons. These efforts were slowed after key senators warned that the President's nominee would face more scrutiny, particularly after the Justice Department subpoenaed the Fed's chairman during the week of January 12, 2026. The subpoena relates to statements the Chair made regarding a renovation project at the bank's headquarters.

On January 30, 2026, the President announced that he was nominating Kevin Warsh to replace Jay Powell as Chairman of the Federal Reserve Board in May 2026. Like the case with Hasset, one of the concerns with Warsh is that he will cut interest rates to appease the President, even if lower rates are not warranted, which could result in the need to increase them later. The current issue is that Warsh's nomination has introduced significant uncertainty in the market because "he was a member of the Fed that increased rates 17 meetings in a row, which precipitated the Great Financial Crisis", Jay Hatfield, Chief Investment Officer at InfraCap wrote in a note to clients." Because Warsh has been a policy hawk his entire life, his newfound dovishness looks suspect", Dutta (Chief Economist at Renaissance Macro Research) added, which fuels uncertainty about what Warsh will do.

- 3. Interest Rate "Catch 22":** The President has urged the Fed to quickly and significantly lower interest rates. However, the effects of his tariff and budget policies prevent the Fed from lowering interest rates. Only recently, the Fed lowered interest rates slightly due to a weakening labor market.

The Federal Reserve now faces the threat of stagflation (both an economic slowdown and rising inflation at the same time). Typically, the Fed would cut rates to deal with a slowdown and raise rates to counter higher inflation. When both risks emerge simultaneously, policy options become more limited. With stagflation, the likely outcome of the President's tariff policies, the Fed is unlikely to change interest rates, until rising inflation or an economic slowdown gets seriously out of hand.

Federal Reserve officials are divided on further interest rate cuts amid persistent inflation concerns. Some officials argue that the labor market is stable, so more rate cuts are unnecessary. Others argue that the Fed risks a recession if it doesn't move quickly with rate cuts. The Fed will continue to be cautious about lowering short-term rates if there is weakness in the labor market.

Staff believe that if the Core PCE index does not move up and the labor market is showing signs of weakness, the Fed will lower the Federal Funds rate 1-2 times in 2026, by .25% each or a total of .50%.

It is also important to note that the Federal Reserve only controls short-term rates, not the medium and long-term bond market and interest rates. Those rates are impacted by economic conditions, inflation expectations, stability, uncertainty and risks. The President's policies are making all these factors lean towards higher, not lower, long term rates including mortgage rates. As long as trade policies remain volatile and unpredictable, long-term rates will tend to stay high.

One of the key objectives of the current administration is to have the 10-year Treasury Bond yield fall sharply, which would lower mortgage rates (benefitting the President and his supporters) and stimulate home purchases. The sharp sell-off in the US government bond market in April 2025 showed market concerns about the fallout of a trade war. Oil prices also fell to \$56/barrel, signaling deteriorating confidence in the strength of the US economy. Therefore, the President was forced to scale back his tariff onslaught because of a "fire sale" in the bond market which could have triggered a financial meltdown. If the President's chaotic and divisive economic and political policies don't change, interest rates and inflation will probably remain high for the foreseeable future.

4. The President's tariff policy: The President's "on-again, off-again" approach to tariff policy has created high anxiety and high uncertainty for businesses and consumers with the concerns of increasing inflation and the possibility of a recession, possibly a severe one. Consumer purchasing power is decreasing and businesses can't plan their operations properly, so they become cautious and reluctant to hire employees and purchase inventory. This will result in lower consumer and business spending and may move the US closer to a recession and stagflation.

5. US Treasury Securities May No Longer Be Seen as the Safe Haven it Has Always Been For Investors

Historically, during market crises, investors have sold stocks and purchased US Treasury bonds, pushing bond prices up and yields down. However, when tariffs were imposed in April 2025 the opposite happened, resulting in the collapse of worldwide equity markets. This time the bond market participants did not see US Treasuries as a haven of quality, it saw them as higher-risk investments that should be sold. The 30-year Treasury's yield increased 0.5% and the 10-year Treasury yield rose 0.4%, over the course of one week. China had already retaliated with 125% tariffs on US goods, and European Union states had voted to approve 25% counter-tariff measures against the US to take effect the following day.

6. The President's Attack on the Federal Reserve Board Could Cause Stock and Bond Market Sell-Off

If the President can eliminate the Fed's independence, it will revive the "sell America" trade, resulting in a US stock and bond market sell off. The Supreme Court held a hearing in January 2026 to determine the legality of the President firing Federal Reserve Board member, Lisa Cook.

7. Retaliation From The President:

The City is a sanctuary city that receives federal funding to support various City programs. Federal policies on the federal debt ceiling, Affordable Care Act, taxes, foreign trade and tariffs, immigration, climate change, clean energy, and other matters can shift dramatically from one administration to another. Periodically, such changes can affect the level of federal funding for various priorities, leading to unpredictability in near-term and future federal grant funding.

Recent executive orders, agency directives, notice of funding opportunities, and grant agreements may impose unacceptable conditions such as cooperation with federal immigration enforcement and prohibition of diversity, equity and inclusion (DEI) programs. Management cannot predict if federal grant funding in support of governmental services, whether direct grants or pass through grants from the State will continue.

8. Historical US Stability Being Impacted:

US Treasury securities for a very long time have been seen as a haven of quality that investors move to in times of crisis. Flight-to-quality or flight-to-safety is a financial market phenomenon occurring when there is a crisis and investors sell what they perceive to be higher-risk investments and purchase safer investments, primarily US Treasuries, gold and, more recently, crypto currency. This is considered a sign of fear in the marketplace, as investors seek less risk in exchange for lower profits. Because of the current administration's policy, this fact is being reevaluated, and investors are now showing skepticism about the US's safe haven reality.

9. US Reliance on Foreign Countries to Finance US Debt:

One final observation that I have, that I don't hear discussed, but could have a significant impact on the trade war, is that one third of US Debt is held by countries that the President is provoking a trade war with.

The US is currently \$38.7 trillion in debt and depends on foreign governments to finance a substantial portion of its annual budget deficits year after year. China, Europe, Canada, India, and other countries that the President has most aggressively targeted in the trade war continue to purchase U.S. Treasury securities. China alone, including Hong Kong, currently holds approximately \$1.1 trillion in U.S. Treasury bonds. Europe holds \$12.6 trillion. These countries could trigger an explosion in the US Bond market and force interest rates up substantially simply by stopping their purchases of US Treasuries or selling a portion of their portfolio of US Treasury Bonds. At the same time, the US economy could go into recession if these and other nations stopped financing US federal debt.

Conclusion

Projecting revenues many years into the future is inherently difficult to do with accuracy, as shifts in the macroeconomic climate can cause asset valuations and economic output to fluctuate in ways not able to be anticipated at the time projections are made. Staff use the best assumptions available, based on historic trends, observation of leading economic indicators, and known changes in the regulatory environment. The current US administration has unnecessarily made it more difficult to make those projections with punishing, shifting, and uncertain trade policies and significant tax reductions. The uncertainty surrounding the current macroeconomic environment, the president's pledge to punish his perceived enemies, and his conflicts of interests make it unusually difficult to determine the impact on future City revenues.

First, while the health emergency related to the COVID-19 pandemic has finally receded, and the restrictions that had constrained economic activity have been lifted, it appears that the local economy has been reshaped in ways that will not return to a pre-pandemic "normal." The increase in telecommuting that occurred in the past couple of years may not fully recede. This has affected spending activities of residents and employees of City businesses and institutions, as well as the desirability of certain locations for home purchases. The City continues to study and analyze these trends and adjust as more data comes in.

Second, as reported last year, inflation rose to unacceptably high levels, causing the Federal Reserve Board to tighten monetary policy significantly to combat inflation. As a result, the Fed raised interest rates from a range of 0%-.25% in March 2022 to a range of 5.25%-

5.50%. As a result of the weakening US labor market, the Fed has been forced to lower short-term rates somewhat, but mortgage rates have remained high. During this period the average mortgage rose from a little over 4.1% to as high as 8.0% and are currently around 6%. The high inflation and high mortgage rates continue to restrict real estate activity, consumer spending and the economy.

One positive sign from the current Administration is their goal of reducing the rate on the 10-year Treasury bond, to force mortgage rates down and stimulate the real estate market. However, the policies they are employing keep this from happening.

Third, gigantic and rising federal budget deficits (from \$1.38 trillion in FY 2022 to \$1.78 trillion in FY 2025, and \$1.911 trillion projected for FY 2028), higher than acceptable inflation rates, the Federal Reserve Board tightening the monetary supply to fight stubborn inflation, and the President's punishment of Democratic states are the biggest headwinds to economic growth in the City over the next few years. Although the Fed Chairman said the Fed will keep interest rates at a high level until its preferred inflation index (i.e., Core Personal Consumption Expenditure Index or PCE Index) declines below its target of 2% and the Fed is convinced it will remain so, it was forced to lower them because of the weakening US labor market. The Core PCE index was still at 2.8% for June 2025. The inflation rate was coming down until the president started implementing his economic policies, especially his trade policies, and now it is rising slightly. The proposed \$1.8 trillion federal budget deficit for FY 2026 will require the issuance of an additional \$1.8 trillion in Treasury Bonds to fund the deficit. The federal budget deficit for FY 2027 and beyond are projected to worsen under the current President. The Congressional Budget Office (CBO) estimates that extending all the tax cuts set to expire at the end of 2025 will add \$4.7 trillion to deficits over the next 10 years (or an average of \$470 billion/year). This additional huge supply of bonds may overwhelm demand for Treasury Bonds and put further upward pressure on long-term interest rates, including mortgage rates.

As discussed, under Secured Property Taxes and Property Transfer Taxes, the upward pressure on mortgage rates has lowered the growth rate for projected Secured Property Taxes, Vehicle In Lieu Taxes and Property Transfer Taxes. As a result, the City General Fund has, at least for the near term, lost its three primary drivers of annual growth, despite the rebound of Property Transfer Taxes and Measure P Property Transfer Taxes in FY 2025 and FY 2026. Most of the increase resulted from huge one-time property sales, rather than recurring property sales. Sales Tax revenues have been relatively flat in the last several years. As a result, the overall growth in General Fund revenue will struggle to remain positive. Fortunately for the City, this huge loss of General Fund revenue has been partially offset by significant increases in Interest Income and Ambulance Fees, but short-term rates have already started to decline, so Interest Income will also decline. The inflation trends were headed in the right direction right before this current administration took office, but that success has been reversed by the President's trade policies and federal budget deficits. If these policies don't change, mortgage interest rates will continue to remain high in the near future.

Any of these factors could necessitate further revision of the projections presented here. Staff will continue to monitor the revenues we receive and changes in the economic environment, so that we may update or revise our projections if changes in our forecasts are warranted.

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”) is entered into between the County of Alameda and Alameda County Behavioral Health Care Services (“ACBH”) (collectively, the “County”), Disability Rights California (“DRC”), and the United States (“United States”). DRC, the United States, and the County are hereinafter collectively referred to as “the Parties”.

RECITALS

- A. The United States and DRC contend that the County has violated Title II of the Americans with Disabilities Act as interpreted by *Olmstead v. L.C.*, 527 U.S. 581 (1999) (“*Olmstead*”), as set forth in the United States’ “Investigation of Alameda County, John George Psychiatric Hospital, and Santa Rita Jail” and accompanying Notice, both dated April 22, 2021 (collectively, the “April 22, 2021 Notice”) and DRC’s amended complaint in *Disability Rights California v. County of Alameda, et al.*, No. 3:20-CV-05256, ECF No. 52 (February 22, 2021).
- B. The County is committed to providing, and asserts it does provide, high-quality essential behavioral health services to the residents of Alameda County.
- C. The County asserts that it has always, and continues to, make significant efforts to expand community-based behavioral health services to disabled individuals. The County asserts that it expands community-based services in an effort to best serve the residents of Alameda County and irrespective of DRC’s complaint, DRC’s filing of an amended complaint, and the United States’ publication of its April 22, 2021 Notice.
- D. Following the District Court’s dismissal without prejudice of DRC’s complaint, DRC’s filing of an amended complaint, and the United States’ publication of its April 22, 2021 Notice, the Parties invested their efforts in identifying commitments to community-based behavioral health services that are mutually desirable.
- E. For good and valuable consideration, including the mutual covenants contained herein, the Parties, intending to be legally bound, hereby enter into this Agreement under the terms and conditions set forth below.

TERMS AND CONDITIONS

PART I. INTRODUCTORY TERMS

1. This Agreement settles the litigation in *Disability Rights California v. County of Alameda, et al.* and resolves the United States’ investigation under Title II of the Americans with Disabilities Act as interpreted by *Olmstead*, of the County’s mental health service system, as set forth in the United States’ April 22, 2021 Notice. This Agreement does not resolve the United States’ investigation of Santa Rita Jail, as described in the same April 22, 2021 Notice.
2. The County denies all violations alleged by DRC and the United States. By entering into this Agreement, the County does not admit the truth or validity of any claim or allegation

made against it by DRC or the United States. Nothing in this Agreement shall be construed as an acknowledgment, an admission, or evidence of liability in any civil or criminal proceeding, except proceedings to enforce or implement this Agreement.

3. To the extent this Agreement obligates the County to change its community-based behavioral health system, the Parties view these changes as mutually desirable. The County does not admit that any such change or alteration is required under the ADA or *Olmstead*.
4. The Parties acknowledge the County's commitment to compliance with its obligations pursuant to the ADA and *Olmstead*. This Agreement is intended to ensure that services, programs, and activities offered by the County to individuals with disabilities will be provided in the most integrated setting appropriate to meet their needs.
5. The County commits to provide the services described herein to Alameda County residents with serious mental illness as needed to avoid future or continued unnecessary institutionalization at John George Psychiatric Hospital ("John George") or an institution for mental disease ("IMD"),¹ and to avoid unnecessary criminal justice involvement.
6. The County may ensure provision of the services and supports described in this Agreement either by providing those services and supports directly or through contracted providers with County oversight.
7. The Effective Date is the date on which the Court enters an order of dismissal retaining jurisdiction over this Agreement.

PART II. SERVICE COMMITMENTS

1. Crisis Services

- a. The County will continue to offer a countywide crisis system and expand crisis intervention services as follows:
 - i. Maintain a 24/7 crisis hotline. The crisis hotline will provide screening and de-escalation services on a 24/7 basis. No later than eighteen (18) months after the Effective Date, the County will expand the 24/7 crisis hotline to provide triage and the identification of full service partnership ("FSP") clients on a 24/7 basis.
 - (1) Beginning no later than eighteen (18) months after the Effective Date, the crisis hotline will have a clinician available to support crisis hotline services 24/7.

¹ IMD, as used in this Settlement Agreement, refers to Villa Fairmont Mental Health Rehabilitation Center, Gladman Mental Health Rehabilitation Center, and Morton Bakar Center.

- (2) The County will coordinate with entities responsible for managing urgent and emergency care response lines, including but not limited to the crisis hotline, 911, FSP warmlines, and 988 (when and if such coordination is available), to ensure there is “no wrong door” for accessing appropriate crisis services. The County will have and will implement protocols for when to conduct warm handoffs from its crisis hotline to FSP warmlines to provide appropriate services. The County will respond to 911-dispatch inquiries in order to facilitate an appropriate behavioral health response to crises.
 - (3) The County will implement protocols and education efforts to ensure appropriate deployment of County mobile crisis teams in response to calls received through emergency response lines.
- ii. Provide mobile crisis response services on a county-wide basis.
- (1) Mobile crisis teams will provide a timely in-person response to resolve crises as appropriate. When clinically appropriate, mobile crisis services may be provided through the use of telehealth.
 - (2) Mobile crisis services shall be provided with the purposes of reducing, to the greatest extent possible, interactions with law enforcement during a mental health crisis, reducing 5150 and John George psychiatric emergency services (“PES”) placement rates, and increasing use of voluntary community-based services (including diversion, care coordination, transportation, and post-crisis linkage to services).
 - (3) The County has recently expanded its mobile crisis capacity to nine (9) mobile crisis teams, and agrees to maintain this as a minimum capacity.
 - (4) The County shall complete an assessment of needs and gaps in mobile crisis coverage, no later than one year after the execution of this Agreement, that is designed to determine the amount and number of mobile crisis teams needed to provide mobile crisis services consistent with this Agreement (the “Mobile Crisis Assessment”). The Mobile Crisis Assessment will be informed by and will appropriately take into account (i) community and stakeholder input; and (ii) all necessary data and information sufficient to assess the need for crisis services in the County, which the County will collect and analyze as part of the Mobile Crisis Assessment process.
 - (5) The County will provide a draft of the design of the Mobile Crisis Assessment to the Independent Reviewer (see section III.1.a of this

Agreement) for review, feedback, and comment, and will appropriately take into account such feedback and comment before proceeding with the Mobile Crisis Assessment. As part of this review, the Independent Reviewer will provide the draft to, and consider input from, DRC and the United States. The assessment and conclusions in the final Mobile Crisis Assessment will promptly be made available to the public.

- (6) Based on the County’s Mobile Crisis Assessment, the County will reasonably expand² its mobile crisis services as needed in order to operate a sufficient number of mobile crisis teams to provide timely and effective mobile crisis responses.
 - (7) FSPs will provide crisis intervention as set forth in section II.2.m in this Agreement.
 - (8) Each mobile crisis team shall include at least one mental health clinician.
- iii. Trained peer support specialists shall be part of the County’s crisis services team and shall be included in outreach and engagement functions.
- b. The County will provide crisis residential services as follows:
- i. Maintain forty-five (45) crisis residential treatment (“CRT”) beds.
 - ii. Within two years of the Effective Date of the Agreement, the County will make all reasonable efforts to contract with one or more community-based provider(s) to add a mixture of 25 additional CRT and/or peer-respite beds.
 - iii. A purpose of CRT facilities and peer-respite homes is to promptly de-escalate or avoid a crisis and reduce unnecessary hospitalization. CRT facilities and peer-respite homes are intended to be used by people experiencing or recovering from a crisis due to their mental health disability for short-term stays and to provide support to avoid escalation of a crisis. CRT facilities and peer-respite homes are unlocked.

² A reasonable expansion, as used here, means an expansion that would constitute a reasonable modification, and not a fundamental alteration of the nature of the County’s services for people with disabilities, consistent with the Americans with Disabilities Act, as interpreted by *Olmstead*. Notwithstanding section III.1 of this Agreement, the Independent Reviewer will not render a legal conclusion as to whether the County’s expansion of its mobile crisis services is a “reasonable modification” or a “fundamental alteration”, and therefore will not render a compliance determination as to section II.1.a.ii.(6). If the Parties are unable to agree as to whether an expansion constitutes a reasonable modification or a fundamental alteration, the Parties will proceed through the dispute resolution process as set forth in sections III.2.b-c.

- iv. Peer staff will be on-site 24/7 at peer-respite homes. Peer-respite homes shall serve no more than six (6) individuals at a time.
 - v. Individuals shall not be required to have identified housing as a condition of admission to a CRT facility.
 - vi. CRT facilities and peer-respite homes shall be able to accept admissions directly from mobile crisis teams.
- c. The County’s crisis system will be designed to prevent unnecessary hospitalization, IMD admissions, law enforcement interactions, and incarceration.

2. Full Service Partnerships

- a. The County offers FSPs through community-based providers that provide services under the Community Services and Supports (“CSS”) service category, in accordance with 9 C.C.R. §§ 3620, 3620.05, and 3620.10.
- b. Within two years from the Effective Date, the County will add 100 FSP slots for adults and transition aged youth, for a total of 1,105 FSP slots for that population. The County will utilize the FSP slots that are added under this Agreement to serve individuals 16 and older who meet FSP eligibility criteria under 9 C.C.R. § 3620.05.
- c. Within one year from the Effective Date, the County will complete an assessment of needs and gaps in FSP services for individuals ages 16 years and older that is designed to determine the number of additional FSP slots needed to appropriately serve individuals ages 16 and older who meet FSP eligibility criteria under 9 C.C.R. § 3620.05 (the “FSP Assessment”).
- d. The FSP Assessment will be informed by and will appropriately take into account all necessary and appropriate data and information, which the County will collect and analyze as part of the FSP Assessment process, including but not limited to:
 - i. Community and stakeholder input, including from FSP and other contracted providers, from organizations who make referrals for FSP services or regularly come into contact with individuals who are likely eligible for FSP services, and from individuals who receive or may benefit from FSP services;
 - ii. Data regarding utilization of crisis services, psychiatric inpatient services, and FSP and other CSS services; indicators of eligibility for FSP; and numbers of individuals who have completed FSP eligibility assessments, outcomes following assessment, and length of time from identification to enrollment;
 - iii. Analysis of numbers and demographics of sub-populations who (a) were not connected to FSP services despite multiple visits/admissions to PES,

John George inpatient, and/or IMDs, (b) declined to consent to FSP services, or (c) stopped engaging with FSP services, and analysis of relevant barriers or challenges with respect to these groups; and

- iv. Research, literature, and evidence-based practices in the field that may inform the need for FSP services in Alameda County.
- e. The County will provide a draft of the design and methodology of the FSP Assessment to the Independent Reviewer for review, feedback, and comment, and will appropriately take into account such feedback and comment before proceeding with the FSP Assessment. As part of this review, the Independent Reviewer will provide the draft to, and consider input from, DRC and the United States. Following the FSP Assessment process, the County will provide a draft of the FSP Assessment report to the Independent Reviewer for review, feedback, and comment, and will appropriately take into account such feedback and comment before finalizing the County's FSP Assessment report. As part of this review, the Independent Reviewer will provide the draft to, and consider input from, DRC and the United States. The assessment and conclusions in the final FSP Assessment will promptly be made available to the public.
- f. Based on the County's FSP Assessment, the County will further reasonably expand³ its FSP program as necessary in order to appropriately serve individuals ages 16 and older who meet FSP eligibility criteria under 9 C.C.R. § 3620.05 consistent with their preferences.
- g. As used in this Agreement, one "slot" (such as an FSP slot or a Service Team slot) means the ongoing capacity to serve one individual at a given time.
- h. FSPs will provide services necessary to attain the goals identified in each FSP recipients' Individual Services and Supports Plan ("ISSP"), which may include the Full Spectrum of Community Services, as defined in 9 C.C.R. § 3620(a)(1).
- i. Consistent with 9 C.C.R. § 3620(a), (g), and (h), each FSP recipient will have an ISSP that is developed with the person and includes the person's individualized goals and the Full Spectrum of Community Services necessary to attain those

³ A reasonable expansion, as used here, means an expansion that would constitute a reasonable modification, and not a fundamental alteration of the nature of the County's services for people with disabilities, consistent with the Americans with Disabilities Act, as interpreted by *Olmstead*. Notwithstanding section III.1 of this Agreement, the Independent Reviewer will not render a legal conclusion as to whether the County's expansion of its FSP program is a "reasonable modification" or a "fundamental alteration", and therefore will not render a compliance determination as to section II.2.f. If the Parties are unable to agree as to whether an expansion constitutes a reasonable modification or a fundamental alteration, the Parties will proceed through the dispute resolution process as set forth in sections III.2.b-c.

goals. Each FSP recipient will receive the services identified in their ISSP, when appropriate for the individual.

- j. Services provided through FSPs will be flexible and the level of intensity will be based on the needs of the individual at any given time, including the frequency of service contacts and duration of each service contact. To promote service engagement, services will be provided in locations appropriate to individuals' needs, including in the field where clients are located, in office locations, or through the use of telephonic or other electronic communication when clinically appropriate.
- k. FSPs serve the individuals described in 9 C.C.R. § 3620.05. FSPs will provide their clients services designed to reduce hospitalization and utilization of emergency health care services, reduce criminal justice involvement, and improve individuals' ability to secure and maintain stable permanent housing in the most integrated setting appropriate to meet their needs and preferences.
- l. FSP programs will be implemented using high fidelity to the Assertive Community Treatment ("ACT") evidence-based practice, including that:
 - i. FSP programs are provided by a team of multidisciplinary mental health staff who, together, provide the majority of treatment, rehabilitation, and support services that clients need to achieve their goals.
 - ii. FSP teams operate at a 1:10 mental health staff to client ratio.
- m. FSPs will promptly provide crisis intervention 24/7, including, as appropriate, crisis intervention at the location of the crisis as needed to avoid unnecessary institutionalization, hospitalization, or interactions with law enforcement. Beginning no later than eighteen (18) months after the Effective Date, the County will ensure the prompt notification of the applicable FSP provider when an individual served by an FSP receives crisis intervention from another ACBH-contracted provider, such as mobile crisis teams, or other crisis programs, so that the FSP can respond to the crisis.
- n. FSPs will provide or arrange for appropriate Individual Placement and Support ("IPS") supported employment services for FSP clients based on their choice. IPS supported employment focuses on engaging a person in competitive employment based on their individualized interests, skills, and needs.
- o. Housing: The Parties recognize that permanent, integrated, stable housing with Housing First principles is critical to improving treatment engagement and supporting recovery.
 - i. FSP clients will receive a housing needs assessment, and will receive support and assistance to secure and maintain, as needed, affordable, (1) temporary housing, and (2) permanent housing, either directly from the FSP or by referral by the FSP to the County Health Care Services

Agency's Coordinated Entry System ("CES"), or through other County and community resources.

- ii. As individuals with serious mental illness, FSP clients who are referred to the CES will receive priority, with the goal of securing and maintaining permanent housing.
- iii. If an FSP client is waiting for permanent housing, the FSP will, as needed, promptly provide or secure temporary housing for the FSP client until permanent housing is secured. Temporary housing provided under this agreement shall be stable and shall not be at a congregate shelter, except on an emergency basis.
- iv. Permanent housing provided under this section II.2.o will be provided in the least restrictive and most integrated setting that is appropriate to meet individuals' needs and preferences.
- v. Nothing in this section II.2.o is intended to override an FSP client's preferences.

3. Service Teams (Intensive Case Management)

- a. The County will maintain 2,168 slots to provide intensive case management through Service Teams. The County will utilize these slots to serve individuals 18 and older who meet Service Teams eligibility criteria and may also use these slots for transitional age youth as appropriate.
- b. The County will explore community needs and opportunities for expanding Service Teams as appropriate.
- c. Service Teams will assist individuals in attaining a level of autonomy within the community of their choosing. Service Teams will provide mental health services, plan development, case management, crisis intervention, and medication support; and will be available to provide services in the field where clients are located, in office locations, and through the use of telephonic or other electronic communication when clinically appropriate.
- d. Service Team clients will receive support and assistance to access, as needed, temporary housing and permanent housing, through CES and other available programs.

4. Outreach, Engagement, Linkages, and Discharge Planning

- a. The County will maintain a 24/7 telephonic hotline (the ACCESS line or its successor) to aid in implementing the provisions below.
- b. The County will make meaningful efforts to create a system to provide real-time appointment scheduling, timely in-the-field assessments, and authorization of

services by ACCESS or its successor, in order to facilitate prompt and appropriate connection to services following an eligible individual's contact with ACCESS.

- c. When an individual with serious mental illness (1) is identified by the County through section II.4.e, or (2) contacts (or another individual does so on his or her behalf) the County (e.g., the ACCESS program or its successor) or an ACBH-contracted entity for behavioral health services, the County or an ACBH-contracted community provider will determine the person's eligibility for community-based behavioral health services and, unless the person can no longer be contacted or declines further contact, will provide a complete clinical assessment of the individual's need for community-based behavioral health services (an "assessment").
 - i. Following such assessment, individuals determined to be eligible for and in need of FSP or Service Team services will be assigned to an FSP or Service Team's caseload to commence the provision of services.
 - ii. This assessment and assignment process will be promptly completed and those services initiated in a prompt manner sufficient to reduce the risk of prolonged and future unnecessary institutionalization, hospitalization, or incarceration.
 - iii. Beginning no later than six (6) months after the Effective Date, the County will document all situations in which an eligible individual is assessed as in need of FSP or Service Team services but such FSP or Service Team services were not immediately available and will conduct regular quality reviews to identify such situations. Following a quality review, the County will take appropriate action, if any is indicated, based on the results of the quality review, and the results will inform the County's FSP Assessment under Section II.2.c.
- d. Within two (2) years of the Effective Date of the Agreement, the County will develop, implement, and staff a System Coordination Team to improve linkages to community-based services across the County's behavioral health system. The System Coordination Team will coordinate system care and improve transitions of care.
- e. The County will implement a system to identify and provide proactive outreach and engagement to individuals with serious mental illness who are, for reasons related to their serious mental illness, at risk of unnecessary institutionalization, hospitalization, or incarceration. In order to do so, this system will focus on factors that include, among others, whether individuals with serious mental illness have had frequent contacts with crisis services (including PES), frequent hospitalizations for mental health reasons, and/or frequent incarcerations (and, in the case of incarcerations, received behavioral health services during an incarceration). The County will connect such individuals, as needed, to FSPs, Service Teams, or other community-based services. The County will use a

culturally responsive, peer driven approach that builds on the person’s strengths and goals and seeks to address the individual’s concerns regarding treatment (including service refusals). Outreach and engagement will include frequent, in-person contact in the field in locations convenient to the person. Outreach and engagement will include using the Familiar Faces program to identify and connect with individuals who do not follow up regarding services after experiencing a crisis. Beginning no later than six (6) months after the Effective Date, the County will track progress in connecting individuals to needed services.

- f. The County will explore, collaborate with, and support as appropriate programs that provide connection to community-based services as alternatives to incarceration. The County will provide information and education to prosecutors, public defenders, courts, and law enforcement about available community-based services that can provide alternatives to incarceration, arrest, and law enforcement contact, and will coordinate with these entities to rapidly connect individuals to those services as appropriate.
- g. The County will provide information and education to ACBH-contracted behavioral health providers about available community-based services that can provide alternatives to unnecessary institutionalization and hospitalization and reduce risk of unnecessary law enforcement contact, and will coordinate with these entities to rapidly connect individuals to those services as appropriate.
- h. The County will work with law enforcement to direct referrals to the In-Home Outreach Team (“IHOT”).
- i. The County will ensure that people with co-occurring substance use disorder (“SUD”) can access and receive services, including through the development of two (2) substance use mobile outreach teams, within two (2) years of the Effective Date.
- j. In-Reach to, and Discharges to Community-Based Services from, IMDs⁴
 - i. “IMD” as used in this Settlement Agreement, refers to Villa Fairmont Mental Health Rehabilitation Center, Gladman Mental Health Rehabilitation Center, and Morton Bakar Center.
 - ii. Within twelve (12) months of the Effective Date of this Agreement, the County will begin initial implementation of a utilization review (“UR”) pilot program. The UR pilot program will be designed to ensure that individuals are transitioned to and live in the most integrated setting appropriate to the individual’s needs and to reduce the length of IMD stays where appropriate. As part of the UR pilot program the County will review clinical records and engage in peer-to-peer meetings to assess

⁴ This section does not apply to individuals under Murphy conservatorships.

appropriateness for discharge in light of community-based services appropriate to the individual.

- iii. Promptly after an individual eligible for ACBH services is admitted to an IMD in the County, the individual will begin receiving discharge planning services. The individual's discharge plan will include transitioning the individual to the most integrated setting appropriate to the individual's needs, consistent with the individual's preferences. As part of assisting individuals to transition to the most integrated setting appropriate, appropriate community-based services will be identified. Where applicable and with the individual's (and, when relevant, his or her legal representative's) consent, FSP and Service Team providers will participate in the discharge planning process.
 - iv. If the unavailability of FSP or Service Team services is preventing discharge from an IMD to a community setting, then the director of ACBH (or designee) will be notified, and the County will work to arrange such services as promptly as possible.
 - v. The County will promptly notify ACBH-contracted FSP and Service Team providers when their clients are receiving care at an IMD, to ensure that the provider promptly resumes services upon discharge, as appropriate.
- k. Linkages for Services Following Discharge from John George PES and Inpatient
- i. The Parties understand that John George is required to provide discharge planning to and effectuate safe discharges of patients at John George PES and John George inpatient in compliance with applicable laws, regulations, and contractual obligations, including, but not limited to, 42 C.F.R. § 482.43 and California Health & Safety Code §§ 1262 and 1262.5.
 - ii. The County will collaborate with John George to support John George's safe and effective discharges of eligible individuals from John George PES and John George inpatient to community-based services as appropriate, including through ACBH's critical care managers and contracted community-based providers, with the goal of increasing the prompt connection to community-based services for patients that are eligible and appropriate for community-based services. The County will request that John George promptly notify the County when it identifies someone who may be eligible for any such services. Beginning no later than eighteen (18) months after the Effective Date, the County's role in this collaboration will include, to the fullest extent reasonably practicable: (1) using available data to promptly identify individuals registered by John George who are both (a) likely to be, for reasons related to their serious mental illness, at risk of unnecessary institutionalization, hospitalization, or incarceration, and (b) likely to be eligible for and in need of FSP or

Service Team services; (2) upon identification, to the extent that the individual has not yet been discharged, promptly coordinate with John George to determine whether the individual is eligible for and in need of any such services; and (3) if the individual is eligible for and in need of any such services and to the extent that the individual has not yet been discharged, promptly connecting the individual to an FSP or Service Team to commence engagement, which may include participation in discharge planning and commencement of services upon the individual's discharge.

- iii. The County will request that John George invite and actively include representatives of an individual's FSP or Service Team (if any) in the discharge planning process and, with respect to patients determined eligible for an in need of such services under section II.4.k.ii above, invite and actively include representatives of the County or a County-contracted community-based service provider in the discharge planning process. To the fullest extent reasonably practicable and within the direct control of the County and its community-based service providers, and with the individual's consent, the County will ensure that: (1) representatives of the FSP or Service Team are included in the discharge planning process for those individuals who are assigned to or are clients of a County FSP or Service Team; and (2) representatives of the County or a County-contracted community-based service provider are included in the discharge planning process for those individuals who are not assigned to an FSP or Service Team but who have been identified as eligible for an FSP or Service Team under section II.4.k.ii above. To the extent that John George routinely does not include such representatives in the discharge planning process, the County will seek to identify and reasonably address barriers to John George's inclusion of such representatives in discharge planning.
- iv. Beginning no later than eighteen (18) months after the Effective Date, the County will use electronic health record and registration information provided to the County by John George to promptly identify individuals with serious mental illness who are discharged to the community and who are, for reasons related to their serious mental illness, at risk of unnecessary institutionalization, hospitalization, or incarceration in accordance with section II.4.e. and will comply with its obligations under section II.4.c.
- v. The County will use programs designed to reach individuals who do not follow up regarding services, consistent with section II.4.e.
- vi. The County will collaborate with John George to ensure that John George promptly notifies FSP and Service Team providers when their clients are registered or admitted to receive John George PES or John George inpatient care, to facilitate the FSP's or Service Team's prompt resumption of services upon discharge.

1. Linkages for Services Following Release from Santa Rita Jail
 - i. This Agreement does not govern the provision of mental health services or treatment at Santa Rita Jail and does not duplicate, modify, or override any provisions in the *Babu v. County of Alameda* Consent Decree (including section III.I, “Discharge Planning,” page 49:13-51:18). The County will ensure that ACBH collaborates with the County Sheriff’s office and will use its best efforts to identify and implement appropriate strategies to improve warm handoffs of Behavioral Health Clients (as defined in the *Babu* consent decree) who are eligible for ACBH services.
 - ii. Beginning no later than eighteen (18) months after the Effective Date, the County will periodically (at least every six (6) months) evaluate FSPs’ and Service Teams’ (a) participation in discharge and reentry planning for their clients following notification of incarceration, (b) participation in discharge and reentry planning for incarcerated individuals referred to such provider, and (c) success in re-engaging or newly engaging their client upon release. This evaluation will include analysis of timeliness, trends, and causes of identified problem areas. The Parties understand that FSP and Service Team participation in discharge and reentry planning may be provided through the use of telephonic or other electronic communication when clinically appropriate or as necessary to respond to public health considerations.
 - iii. Beginning no later than six (6) months after the Effective Date, the County will document all situations in which an individual identified by ACBH as eligible and in need of FSP or Service Team Services and such FSP or Service Team services were not immediately available upon release and will conduct regular quality reviews to identify such situations.
 - iv. With the goal of reducing risk of unnecessary institutionalization, incarceration, and law enforcement contacts, the County will take appropriate action, if any, based on the results of the evaluation in section II.4.1.ii and the quality reviews in section II.4.1.iii. Where appropriate, the results of the quality reviews under section II.4.1.iii will inform the County’s FSP Assessment under section II.2.c.
 - v. The County will use programs designed to reach individuals who do not follow up regarding services, consistent with section II.4.e.

5. Culturally Responsive Services

- a. The County will continue its ongoing efforts to ensure that all services provided under this Agreement are culturally responsive and are person-centered. The County will continue to provide and expand culturally responsive behavioral health services, including through community-based and peer-run organizations, and will continue to identify and implement culturally and linguistically

appropriate and affirming strategies and practices to help reduce behavioral health disparities across racial, ethnic, cultural, and linguistic groups.

- b. The County will continue to operate the Office of Health Equity within ACBH, and the Division Director of the Office of Health Equity will continue to serve as the departmental Health Equity Officer, reporting to the Director of ACBH, and will oversee the existing Office of Ethnic Services. The Health Equity Officer will continue to work in collaboration with community stakeholders to promote social and behavioral health equity reform and inclusion, and to ensure clients receive high quality and client-centered care that considers the whole person and all their needs.
 - i. No later than fifteen (15) months after the Effective Date of this Agreement, the Health Equity Officer will host a stakeholder and community input meeting. In order to deepen meaningful community stakeholder engagement, no later than one (1) month before the stakeholder and community input meeting, the Office of Health Equity will make a dashboard publicly available on the Office of Health Equity's public internet website setting forth aggregated data metrics on the populations served by ACBH (including individual racial and ethnic groups broken down by geographic area within the County) and various communities' service needs (including racial and ethnic groups' needs for FSP, Service Team, and IHOT services in geographic areas within the County).
 - ii. The Health Equity Officer will thoroughly review the feedback from the stakeholder/community input meeting on how to improve culturally responsive services in the County. The Health Equity Officer will periodically make recommendations to the Director of ACBH on how to improve culturally responsive services in the County and coordinate with the County's other diversity, equity, and inclusion programs and activities.
- c. The County will continue to support the African American Wellness Hub capital facilities project, with the goal of aligning culturally relevant and community-focused services for Black/African American residents within the County's service delivery system. The African American Wellness Hub facility will serve as a hub and coordinating center for a variety of behavioral health services, community-based supports, and linkages for the Black/African American community in the County. The County will provide opportunities for community and stakeholder engagement over the course of this project to further the project's focus on providing culturally inclusive, respectful, and relevant supports to the County's Black/African American clients and community.
- d. The County has implemented and will continue to provide periodic and ongoing trainings to all ACBH staff and ACBH-contracted community-based providers regarding: culturally responsive services; trauma-informed care; inequities across race, ethnicity, sex, sexual orientation, gender identity, and disability; anti-racism

and implicit bias. A primary intent of such trainings is to ensure the delivery of culturally responsive services and to increase engagement across historically underserved populations.

PART III. PROCESS, ENFORCEMENT, AND GENERAL TERMS

1. Independent Reviewer

- a. The Parties have jointly selected an independent expert reviewer, Dr. Karen Baylor (“Independent Reviewer”). The Independent Reviewer will have responsibility and authority to review relevant facts and assess and report on the County’s progress in implementing this Agreement for its duration.
- b. The Parties will cooperate fully with the Independent Reviewer as the Independent Reviewer carries out their responsibilities specified herein. The Independent Reviewer will pursue a problem-solving approach so that disagreements can be amicably resolved when possible and the Parties’ energies can be devoted to implementation.
- c. Reasonable fees, costs, and expenses of the Independent Reviewer, including the cost of any consultants or staff hired by the Independent Reviewer, during the term of the Agreement shall be borne by the County up to (a) a maximum of \$100,000 for reasonable fees, costs, and expenses for the period leading up to, and including the preparation of, the first Reviewer Report (as defined in section III.1.i of this Agreement), (b) a maximum of \$125,000 for reasonable fees, costs, and expenses for the period leading up to, and including the preparation of, the second Reviewer Report, (c) a maximum of \$85,000 per Reviewer Report for reasonable fees, costs, and expenses for the period leading up to, and including the preparation of, each of the third, fourth, and fifth Reviewer Reports, and (d) a maximum of \$32,000 for the time period following the completion of the final Reviewer Report and until the termination of the Agreement. The Independent Reviewer shall provide an accounting justifying their reasonable fees, costs, and expenses monthly, and the County will pay such reasonable fees, costs, and expenses monthly, except that the County may withhold up to 40% of the maximum for each reporting period, with any remainder to be paid after the Reviewer Report is completed.
- d. Within the budget described in section III.1.c above, the Independent Reviewer may retain or utilize staff and consultants, in consultation and subject to reasonable objections by the County to assist in their evaluations of the County’s compliance with this Agreement.

- e. The Independent Reviewer will have reasonable access to all non-privileged information, individuals, programs, services, documents,⁵ and facilities within the County's custody or control and reasonably necessary to assess the County's progress and implementation of the Agreement. Access will include departmental records, and other records, unless not permitted under applicable California and Federal privacy and confidentiality laws, including but not limited to, the California Constitution, article I, section 1; the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), and their respective implementing guidance and regulations as they currently exist and as may be amended or adopted; California Civil Code § 56.10; California Welfare and Institution Code § 5328; and 42 C.F.R. Part 2.
- f. To the extent reasonably necessary to assess the County's progress and implementation of the Agreement, the Independent Reviewer may also, in their discretion:
 - i. review any publicly-available information and attend any public meetings relevant to the County's progress and implementation of the Agreement, including but not limited to public meetings of the County Mental Health Advisory Board and its committees; and
 - ii. meet with individuals who receive or may need services contemplated by this Agreement, to the extent consistent with the individual's preference.
- g. The Independent Reviewer may have *ex parte* communications at any time with the Parties, including counsel for the Parties, and employees, agents, contractors, and all others working for or on behalf of the County or the United States to implement the terms of this Agreement. All Parties will have access to any information considered by the Independent Reviewer, except for *ex parte* communications with other Parties or where such access is not permitted under applicable California or Federal law. Neither DRC nor the United States is a monitor or reviewer, but the Parties nonetheless agree that DRC and the United States may make reasonable requests for information not otherwise produced to the Independent Reviewer, provided the requests are not unduly burdensome to the County and are relevant to the implementation of this Agreement. The County will not unreasonably withhold information in response to requests that are not unduly burdensome and are relevant to implementation. Nothing in this Agreement is intended to limit any Party's authority under federal and state law to access information and documents.

⁵ The word "documents" as used here includes individual medical and mental health records. At present, the Parties disagree as to whether access to individual medical and mental health records will be reasonably necessary to assess the County's progress and implementation of the Agreement. The Parties will ensure that appropriate mechanisms are in place to allow the Independent Reviewer to have access to relevant records should such access be necessary.

- h. Access is not intended, and will not be construed, as a waiver, in litigation with third parties, of any applicable statutory or common law privilege associated with such information.
- i. During the term of this Agreement, the Independent Reviewer will draft and finalize comprehensive public reports on the County's progress and implementation of this Agreement including recommendations, if any, to facilitate or sustain substantial compliance (each a "Reviewer Report") as follows:
 - i. The first Reviewer Report will be completed and submitted no later than six (6) months after the Effective Date of this Agreement.
 - ii. Each of the subsequent Reviewer Reports will be completed and submitted no later than fourteen (14), twenty (20), twenty-five (25), and thirty-one (31) months, respectively, after the Effective Date of the Agreement.
 - iii. The Independent Reviewer will complete five (5) Reviewer Reports. Notwithstanding the foregoing, the Parties may agree in writing to one or more full or partial additional Reviewer Report(s). No Party will unreasonably deny another Party's request for such additional Reviewer Report(s), but cost may be a reasonable consideration with respect to such a request.
 - iv. At least thirty (30) days prior to the finalization of any Reviewer Report, the Independent Reviewer will provide the complete draft Reviewer Report to the Parties. The Parties may submit comments and responses to the draft Reviewer Report no later than fifteen (15) days after receipt of the complete draft Reviewer Report, and the Independent Reviewer will consider and address the Parties' timely comments and responses when finalizing the Reviewer Report. The finalized Reviewer Report will be submitted to the Parties and made public, with any redactions necessary under California or Federal law.
- j. The Independent Reviewer, and any staff or consultants retained by the Independent Reviewer:
 - i. Will not be liable to the Parties for any claim, lawsuit, or demand arising out of their activities under this Agreement and will not be subject to formal discovery propounded by the Parties in any litigation involving the services or provisions reviewed under this Agreement, including, but not limited to, depositions, requests for documents, and requests for admissions, interrogatories, or other disclosures. This paragraph does not apply to any proceeding related to alleged privacy violations, payment or non-performance of services under contracts into which they have entered in connection with their work under the Agreement.
 - ii. May provide their findings in any mediation under section III.2.b-c and may testify in *Disability Rights California v. County of Alameda, et al.*

regarding any matter relating to the implementation, enforcement, or termination of the Agreement, including the Independent Reviewer's observations, findings, and recommendations in this matter.

- iii. While serving as the Independent Reviewer, will not contract with any Party (other than for purposes of serving as the Independent Reviewer) and will not voluntarily serve as an expert witness against any Party in any other administrative or civil proceeding of whatever nature brought before any federal or state court or other administrative or judicial tribunal. This limitation shall be a required term in the County's contract with the Independent Reviewer.

- k. In the event that the Independent Reviewer resigns or the Parties agree to replace the Independent Reviewer (each a "Replacement Event"), the Parties will meet and confer in good faith within ten (10) business days of the Replacement Event to select a qualified individual to serve as an Independent Reviewer. An individual is qualified if they have expertise in the provision of community-based behavioral health services to persons with serious mental illness in California, including experience with Federal, California, and local programs, funding, and laws regarding the provision of services to individuals with serious mental illness, and is free of conflicts of interest with any Party. Individuals who were previously interviewed by all Parties in connection with the role of the independent reviewer are not qualified individuals under this paragraph. Candidates with experience as a county behavioral health director for a California county will be given priority consideration. If the Parties are unable to agree on a replacement Independent Reviewer, the County will and the United States and DRC will, within thirty (30) days of the Replacement Event, nominate up to two qualified individuals and will jointly engage the services of a mutually agreed-upon mediator. The Parties will thereafter participate in good faith in one or more mediation session(s) to select a replacement Independent Reviewer. If the Parties are unable to agree upon a replacement Independent Reviewer within sixty (60) days of the Replacement Event, each Party may file a motion for administrative relief under Local Civil Rule 7-11 requesting the Court to select the replacement Independent Reviewer from among those qualified individuals nominated by the Parties.

2. **Enforcement, Dispute Resolution, and Termination**

- a. No later than ten (10) days after the Agreement is fully executed, (i) the United States will file a motion to intervene in *Disability Rights California v. County of Alameda, et al.*; (ii) the Parties will file a joint motion asking the Court to waive the pleading requirements under Federal Rule of Civil Procedure ("FRCP") 24(c); and (iii) the Parties will file a joint motion for an order conditionally dismissing the United States' and DRC's action pursuant to FRCP 41(a)(2), subject to reinstatement for the purpose of enforcing the Agreement and will file this Agreement as an exhibit to this joint motion for dismissal. The joint motion for conditional dismissal will request that the dismissal order state that the Court will retain jurisdiction over the Agreement for the purpose of enforcing the Agreement

until the Agreement terminates. If the Court does not grant the United States' motion to intervene or the Parties' motion for conditional dismissal, the Parties will meet and confer to seek to resolve the Court's concerns. Absent an agreement by the Parties, after thirty (30) days of the Court's denial of the motion or subsequent related motion (*e.g.*, a motion for reconsideration), this Agreement will become null and void, and all Parties will have the right to revive any claims or defenses otherwise barred by operation of this Agreement.

- b. The Parties agree to work collaboratively to achieve the purpose of this Agreement. In the event of any dispute over the Agreement's language, requirements, or construction, the Parties will meet and confer in an effort to achieve a mutually agreeable resolution. If such meet and confer efforts are unsuccessful, the Parties will further participate in good faith in mediation, as outlined in section III.2.c, in a further effort to achieve a mutually agreeable resolution.
- c. **Dispute Resolution and Enforcement Actions**
 - i. If DRC or the United States believes that the County has not substantially complied with an obligation under this Agreement, it will notify the County and the Independent Reviewer in writing and include reasonably specific information regarding the alleged substantial noncompliance ("Notice of Noncompliance").
 - ii. The Parties will meet and confer within thirty (30) days of the Notice of Noncompliance to negotiate in good faith to resolve informally any dispute. If the Parties are unable to agree on a resolution within sixty (60) days of the Notice of Noncompliance or following meet and confer efforts under Section III.2.b, the Parties shall engage the services of a mutually agreed-upon mediator and in good faith engage in mediation for a period to last no more than thirty (30) days.
 - iii. Any Party may request that the Independent Reviewer participate in meet and confer discussions and/or mediation sessions to provide their findings.
 - iv. If the Parties are unable to agree on a resolution following a thirty (30) day mediation period under section III.2.c.ii above, any Party may bring a motion before the Court seeking appropriate relief.
- d. The Parties may agree in writing to extend any deadlines specified in this Agreement. The Parties will not unreasonably deny requested extensions.
- e. This Agreement will terminate either (1) on the date that is the later of three (3) years and three (3) months after the Effective Date or five (5) months after the final Reviewer Report, or (2) upon the County's demonstration of sustained substantial compliance with the provisions set forth herein, whichever is sooner, subject to section III.2.f.

- f. If the United States duly files or joins a motion to enforce the Agreement pursuant to section III.2.c.iv., the Agreement will not terminate until the Court has ruled on such motion or such motion has been withdrawn. On such a motion or any other motion to enforce the Agreement pursuant to section III.2.c.iv., the Court may extend or further extend the Agreement and order additional partial or full Reviewer Reports by the Independent Reviewer, as appropriate.
- g. For the purposes of this Agreement, substantial compliance will mean something less than strict or literal compliance. Substantial compliance is achieved if (1) any violations of the Agreement are minor or occasional and are not systemic, and (2) substantial compliance is sustained or otherwise demonstrated to be durable. Sustained substantial compliance refers to substantial compliance for a period of no less than six (6) months. Non-compliance with or due to mere technicalities, or isolated or temporary failure to comply during a period of otherwise sustained substantial compliance, will not constitute failure to sustain substantial compliance.

3. Attorney's Fees

- a. The County agrees to pay DRC to cover its reasonable attorneys' fees, expenses, and costs incurred in connection with this matter (including, but not limited to, DRC's investigation, litigation, and settlement of this matter) before or after the Effective Date in the amount of \$1,800,000, except that this amount does not include fees or costs to which DRC may become entitled upon the Court's determination that DRC is a prevailing party in an enforcement action under section III.2.c.iv. Payment will be transmitted to be received by Goldstein, Borgen, Dardarian & Ho by the date that is 45 days from the Effective Date or December 29, 2023, whichever is later.
- b. DRC shall be entitled to reasonable attorneys' fees, costs, and expenses incurred in an enforcement action under section III.2.c.iv to the extent that the Court determines that (1) the County is not in substantial compliance with this Agreement as that term is defined in section III.2.g, (2) DRC is a prevailing party with respect to such enforcement action as that term is used in 42 U.S.C. § 12205 and relevant case law, and (3) DRC participated in good faith in dispute resolution processes as set forth in section III.2.c.

4. General Provisions

- a. The Agreement is binding on all successors, assignees, employees, agents, and all others working for or on behalf of the County to implement the terms of this Agreement.
- b. During the term of this Agreement, the United States and DRC are barred from bringing any action against the County for any claim or allegation under Title II of the Americans with Disabilities Act as interpreted by *Olmstead*, in any way related to those set forth in the United States' "Investigation of Alameda County,

John George Psychiatric Hospital, and Santa Rita Jail” and accompanying Notice, both dated April 22, 2021, and in *Disability Rights California v. County of Alameda, et al.* However, this provision does not bar action by the United States against the County for claims or allegations under the Americans with Disabilities Act or other laws relating to conditions in Santa Rita Jail, including those described in Sections V to VII of the United States’ April 22, 2021 Investigation of Alameda County, John George, and Santa Rita Jail.

- c. Nothing in this Agreement shall be read to alter the right of an individual to notice, to grieve or to appeal, using the County’s current procedures and by exercising their due process rights under federal and state Medicaid or other law. Such grievance, appeal or fair hearing shall not be limited by any provisions in this Agreement.
- d. The use of the future tense in a term or provision of the Agreement does not imply that the County does not currently comply with such term or provision.
- e. This Agreement does not obligate the County to provide any individual with any service that is not appropriate for that individual or that is inconsistent with the individual’s preferences after the individual has been offered the opportunity to learn of services appropriate for that individual.
- f. No amendment to this Agreement shall be effective unless it is in writing and signed by all Parties to this Agreement. Notwithstanding the prior sentence, to the extent this Agreement incorporates existing laws and regulations, the Parties understand and agree that this Agreement should be interpreted consistent with such laws and regulations, including interpretive guidance relating thereto. To the extent a change in the law necessitates a change to any term in the Agreement, the County will provide written notice of such change, and the Parties will confer.
- g. Failure by any Party to enforce this entire Agreement or any provision thereof with respect to any deadline or any other provision herein will not be construed as a waiver, including of its right to enforce other deadlines and provisions of this Agreement.
- h. The Parties will promptly notify each other of any court or administrative challenge to this Agreement or any portion thereof.
- i. The Parties represent and acknowledge this Agreement is the result of extensive, thorough, and good faith negotiations. The Parties further represent and acknowledge that the terms of this Agreement have been voluntarily accepted, after consultation with counsel. Each Party to this Agreement represents and warrants that the person who has signed this Agreement on behalf of a Party is duly authorized to enter into this Agreement and to bind that Party to the terms and conditions of this Agreement. All Parties to this Agreement have participated in its drafting; consequently, any ambiguity shall not be construed for or against any Party.

- j. This Agreement may be executed in counterparts, each of which will be deemed an original, and the counterparts will together constitute one and the same Agreement, notwithstanding that each Party is not a signatory to the original or the same counterpart.
- k. The performance of this Agreement will begin immediately upon the Effective Date.
- l. DRC and the County have agreed upon a joint public statement regarding the Agreement, which both parties shall use in announcing the settlement.
- m. “Notice” under this Agreement will be provided by overnight courier, or by any other agreed upon method, to the signatories below or their successors:

On Behalf of the United States

Date: 11/03/2023

KRISTEN CLARKE
Assistant Attorney General
Civil Rights Division

STEVEN H. ROSENBAUM
Chief
Special Litigation Section

REGAN RUSH
Principal Deputy Chief
Special Litigation Section

Alexandra Shandell

ALEXANDRA L. SHANDELL
CATHERINE YOON
Trial Attorneys
United States Department of Justice
Civil Rights Division
Special Litigation Section
950 Pennsylvania Avenue, NW – 4CON
Washington, DC 20530
Tel: 202-598-9606
Fax: 213-894-7819
Alexandra.Shandell@usdoj.gov

On Behalf of Disability Rights California

Date: 11/03/2023

Andy J. Imparato

ANDY IMPARATO
Executive Director

On Behalf of County of Alameda

Date: Nov 2 - 2023

Nate Miley

NATE MILEY
President, Board of Supervisors

On Behalf of Alameda County Behavioral Health Care Services Department

Date: 11/2/2023

DocuSigned by:


DR. KARYN TRIBBLE
Director

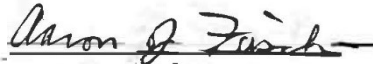
Approved as to Form

Date: 11/03/2023



JENNIFER STARK
Disability Rights California
Attorneys for Disability Rights California

Date: 11/03/2023



AARON J. FISCHER
Law Office of Aaron J. Fischer
Attorney for Disability Rights California

Date: 11/03/2023



LINDA M. DARDARIAN
Goldstein, Borgen, Dardarian & Ho
Attorneys for Disability Rights California

Date: 11/03/2023



IRA A. BURNIM
Bazelon Center for Mental Health Law
Attorneys for Disability Rights California

Date: 11/03/2023



CLAUDIA CENTER
Disability Rights Education and Defense Fund
Attorneys for Disability Rights California


Approved as to Form

Date: 10/31/2023



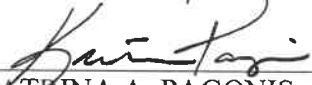
DONNA ZIEGLER
County Counsel for the County of Alameda
Attorney for County of Alameda and Alameda County Behavioral Health Care Services Department

Date: 10/31/23

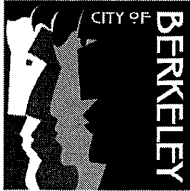


RAYMOND LARA
Senior Deputy County Counsel
*Attorney for County of Alameda and Alameda County
Behavioral Health Care Services Department*

Date: October 30, 2023



KATRINA A. PAGONIS
Hooper, Lundy & Bookman, P.C.
*Attorneys for County of Alameda and Alameda County
Behavioral Health Care Services Department*



Berkeley Homeless
Services Panel of Experts

Dear Mayor, Members of the Council Budget and Finance Committee, Members of Council and City Manager:

The Homeless Services Panel of Experts vigorously urges the Council Budget and Finance Committee, Members of Council and the City Manager to allow the Homeless Services Panel of Experts to maintain its seat at the table and present recommendations during the current budget process.

The Measure P ordinance mandates that the revenue raised by the tax imposed by Section 7.52.040 requires that the City Council shall consider, but need not follow, the Panel's recommendations on how and to what extent to use this revenue to establish and/or fund programs to pay for homeless services and shall annually inform the Panel as to the extent to which it has implemented the Panel's recommendations.

In the current instance, the recommendations of the Homeless Services Panel of Experts have not been considered at all. This is a betrayal of the voters, who when voting for Measure P, relied on the Panel to provide recommendations based on the commissioners' expertise. It also is a betrayal of honoring City of Berkeley commissions and citizens' input in general.

We urge the Council Budget and Finance Committee to provide for a presentation from the Homeless Services Panel of Experts on May 14, 2026 at its scheduled meeting. This presentation will be based on recommendations made at the upcoming May 6, 2026 Homeless Services Panel of Experts' meeting.

On April 15, 2026, the Homeless Services Panel of Experts voted as follows:

Action: M/S/C Marasovic/Solberg move to submit the letter with the language as incorporated above to the Council Budget and Finance Committee, Council and City Manager as amended.

Vote: Ayes: Marasovic, Kealoha-Blake, Segal, Levy, & Solberg.
Noes: None. Abstain: None. Absent: Bookstein.

Respectfully Submitted,

Carole Marasovic, Chair
Homeless Services Panel of Experts



Homeless Services Panel of Experts

From Sinai, Julie <JSinai@berkeleyca.gov>

Date Tue 4/21/2026 13:58

To Carole Marasovic <daphnesflight@yahoo.com>

Cc Jacobs, Joshua "Josh" <JJacobs@berkeleyca.gov>; Buddenhagen, Paul <PBuddenhagen@berkeleyca.gov>

Hi Carole,

In response to your request for the HSPE to have a "seat at the table" for the budget deliberations, the Mayor would welcome a letter from the commission detailing their feedback on the City Manager's FY 27/28 budget proposal and feel free use the public comment period for any in person comments. Numerous city commissions weigh in on budget proposals using this format.

Thanks for reaching out to make sure the HSPE feedback is received and considered.

Best,

Julie

Julie Sinai (Pronouns: She/Her)
Chief of Policy
Office of Mayor Adena Ishii
City of Berkeley
2180 Milvia Street, 5th Floor
Berkeley, CA 94704
(510) 981-7100
jsinai@berkeleyca.gov

Have a scheduling request for the Mayor? Fill out [this form](#).

on Huichin Ohlone Land



Connect with us!

TRANSFER TAX -- MEASURE P FORECAST

	FY 2025 Adopted	FY 2026 Adopted
Beginning Fund Balance	\$6,193,998	\$6,104,668
Measure P Revenues*	\$6,199,580	\$6,509,559
Total Revenues and Balance of Funds	\$12,393,578	\$12,614,227
LESS: Total Expenses	\$9,427,345	\$13,184,264
Personnel Costs	\$780,206	\$924,014
CMO: Homeless Services Coordinator	\$219,131	\$202,590
CMO: Social Service Specialists		\$180,893
Finance Accountant II	\$208,916	\$225,630
HHCS: 50% Senior Management Analyst	\$125,885	\$120,368
HHCS: 2 Year Limited Term Community Services Specialist II	\$226,274	\$194,533
Program Expenses	\$8,647,139	\$12,260,250
Fire: 5150 Response & Transport	\$814,302	\$814,302
Dorothy Day House Shelter	\$580,150	\$594,654
Dorothy Day House Berkeley Emergency Storm Shelter (Winter Shelter)	\$358,750	\$367,719
Dorothy Day House - Beyond Horizon	\$950,000	\$950,000
Beyond Horizon Shelter Lease	\$935,160	\$962,315
BACS Pathways STAIR Center	\$2,002,768	\$2,002,768
BACS Coordinated Entry System (BACS HRC & Shallow Subsidies)	\$1,235,411	\$1,235,411
LifeLong Medical - Maudelle Shirek Affordable Housing (NPLH)	\$61,200	\$61,200
LifeLong Medical Care - Berkeley Trust Clinic	\$525,000	\$525,000

TRANSFER TAX -- MEASURE P FORECAST		
	FY 2025 Adopted	FY 2026 Adopted
DBA- Homeless Outreach Worker	\$40,000	\$40,000
Downtown Streets Team	\$225,000	\$225,000
BOSS/BOSS Step Up Housing Project - 1367 University Avenue*		\$1,066,027
Training and Evaluation	\$133,334	\$133,334
Homeless Response Team-Neighborhood Services	\$690,064	\$690,064
Portable Toilets	\$96,000	\$96,000
Insight Housing Campus Hotel - Supportive Services (ERF match)		\$2,496,456
<i>Fiscal Year Surplus (Shortfall)</i>	-\$3,227,765	-\$6,674,705
Ending Fund Balance	\$2,966,233	-\$570,037

Motel Emergency Shelter Programs Set to Expire

Motel	Provider	Program	Expires	Measure P
Berkeley Inn	DDH	Beyond Horizon Lease	7/1/2027	\$950,000.00
Berkeley Inn	DDH	Beyond Horizon	7/1/2027	\$990,284.00
Capri	DDH	Horizon Community Village Lease	7/1/2028	\$1,301,935.00
Capri	DDH	Horizon Community Village Services	7/1/2028	\$1,328,843.00
Campus	IH	Campus Motel	7/1/2027	\$1,468,050.45
Campus	IH	Campus Motel Lease	7/1/2027	\$1,067,135.60



CIT INTERNATIONAL, INC.

IMPROVING CRISIS RESPONSE SYSTEMS



[Home](#) > [About](#) > [What is CIT?](#)

CIT IS MORE THAN JUST TRAINING...it's a community program.

The **CRISIS INTERVENTION TEAM (CIT)** program is a community partnership of law enforcement, mental health and addiction professionals, individuals who live with mental illness and/or addiction disorders, their families, and other partners to improve community responses to mental health crises. While CIT programs are known for CIT-trained officers, successful programs also focus on improving the crisis response system, advocating for needed services, and strengthening partnerships across the community.

DID YOU KNOW?

The CIT model, known as the "**MEMPHIS MODEL**" was first developed in 1988 and since has spread throughout the United States and several nations worldwide. In 2008 the CIT founders, Dr. Randy Dupont and Major Sam Cochran (ret.) led the convening of members of successful CIT programs from throughout the United States. These individuals became the founding board members of CIT International.

CIT International is a 501(c)(3) nonprofit corporation. CIT International formed to assist communities worldwide with crisis response system reform by developing CIT programs at the state/province level, regional level, and local level.

Through research and experience, CIT International defines and advocates for the best practice standards of CIT programming. CIT International then supports CIT programs worldwide with fidelity to those best practice standards through education, conferences, certification, technical assistance and providing various training.

CIT is a program that provides the foundation necessary to promote community and statewide solutions to assist individuals with a mental illness and/or addictions. The CIT Model reduces both stigma and the need for further involvement with the criminal justice system. CIT provides a forum for effective problem solving regarding the interaction between the criminal justice and mental health care system and creates the context for sustainable change.


Research shows that communities that prescribe to the CIT Program model, have higher success rates in resolving serious crisis situations.

BASIC GOALS:

1. Develop the most compassionate and effective crisis response system that is the least intrusive in a person's life.
2. To help persons with mental disorders and/or addictions access medical/mental health treatment rather than place them in the criminal justice system due to illness related behaviors.

The CIT Program, based on the "Memphis Model," has been spreading across the U.S. and abroad since 1988. A sound CIT program based on the **BEST PRACTICE GUIDE** will help strengthen your community in working together to help people who live with mental illness and/or addictions who are in crisis, it will also improve your community mental health system, save lives and bring hope and recovery to those in need. A strong CIT Program (and not just training) will sustain for years to come.

IF YOU ARE INTERESTED IN TECHNICAL ASSISTANCE FOR STARTING OR IMPROVING YOUR CIT PROGRAM PLEASE CONTACT US.



CIT International v6
CIT International

06:41

CIT International, Inc. | 3443 S State Street #15B | Salt Lake City, UT 84115 | 1-888-738-CITI (2484)

Business Hours: 9AM - 5PM MST Monday-Friday
