

Office of the City Manager

March 28, 2025

To: Honorable Mayor and Members of the City Council
From: Paul Buddenhagen, City Manager
Subject: Measure P and Impact on Homeless Services in Berkeley

This memo gives an overview of the City's implementation thus far of Measure P and provides the Council with a broad overview of the history, expenditures, and accomplishments of the Measure to date.

Measure P is a 2018 ballot measure approving a real property transfer tax that has provided, on average, \$11 million¹ in funding annually for general municipal purposes including navigation centers, physical and mental health supports, rehousing and other services for unhoused people living in Berkeley. As this report demonstrates, the funds had a significant impact on homeless services in the City of Berkeley.

Measure P went into effect on January 1, 2019 and, unless re-authorized by voters, was set to sunset on January 1, 2029. However, with the passage of Measure W in November 2024, the expiration date was removed, and certain tax thresholds for high-value properties were changed.

The City seeks to house people who are unhoused. The primary driver of homelessness is a lack of affordable housing, yet there are also tools and strategies that can help guide some unsheltered people into safer conditions and housing. Measure P has expanded those tools and strategies.

The City addresses unsheltered homelessness and encampments both by coordinating services and shelter for those on the street as well as ensuring safe, clean, and accessible public spaces for all. This interdepartmental work, led by the Homeless Response Team in Neighborhood Services, is a direct result of an allocation of Measure P made by the City Council in 2021.

¹ Revenues—which have ranged from ~\$6.5M to ~\$20M—fluctuate greatly with market conditions.

This funding supports the staffing, labor, equipment, and other resources across several departments that participate in its work. These include Public Works, Parks, Recreation & Waterfront and the City Manager's Office.

This Measure P allocation has also allowed the Homeless Response Team to leverage over \$15 million in State resources dedicated to encampments, including the third round of Encampment Resolution Funding, announced by the State on October 4, 2024. This enabled the City to triple its inventory of non-congregate shelter beds and nearly double the shelter acceptance rate of people leaving encampments, especially during an encampment closure.

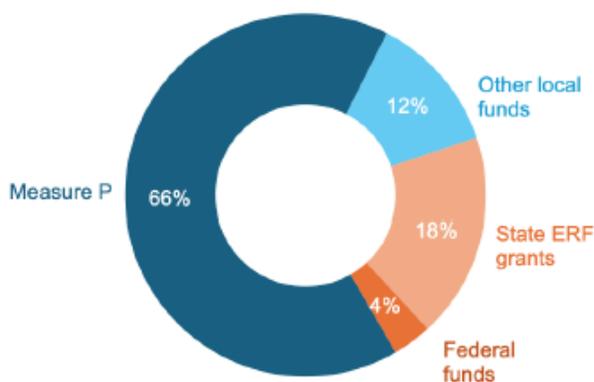
As a result, over the period of time that Measure P has been in place, we have also seen a sharp decline in the number of unsheltered people in Berkeley, even compared to our immediate neighbors in Alameda County.

Priorities for funding

The City uses Measure P funding to:

- establish new permanent housing for formerly homeless people
- address immediate street conditions and hygiene at encampments
- prevent households from becoming homeless
- provide emergency shelter and temporary accommodations for those on the street.

Homelessness services fund sources, FY 2024



Importantly, Measure P is not the City's only funding for homeless services. While a significant source of funding, Measure P also leverages millions of dollars in other local, State and Federal resources. In FY2024, the City spent approximately \$35M on

homelessness, with Measure P accounting for approximately 66 percent of that total (see graph on the right). State funds accounted for an additional 18 percent, while federal funds accounted for 4 percent more. Other local funds (City of Berkeley General Fund) account for an additional 12 percent.

BALLOT MEASURE

Measure P provides \$11 million of funding on average from real property transfer taxes to pay for homeless services. Berkeley voters passed Measure P in November 2018 with 72.4% approval. The original ballot question read:

Shall ordinance raising funds for general municipal purposes such as navigation centers, mental health support, rehousing and other services for the homeless, including homeless seniors and youth; increasing the real property transfer tax for ten years from 1.5% to 2.5% for property sales and transfers over \$1,500,000, adjusted annually to capture the top approximately 33% of transfers; generating an estimated \$6,000,000 - \$8,000,000 annually; and establishing Homeless Services Panel of Experts to recommend homeless services, be adopted?

PROGRESS ON HOMELESS SERVICES PROJECTS

Emergency Shelter

Measure P currently funds five projects that provide shelter beds and supportive services for adults seeking to move out of encampments and off the streets. Services include, but are not limited to, housing navigation, job training placement and medical/legal assistance. The City anticipates spending \$4.8 million in Measure P funding on the following emergency shelter services through June 2025:

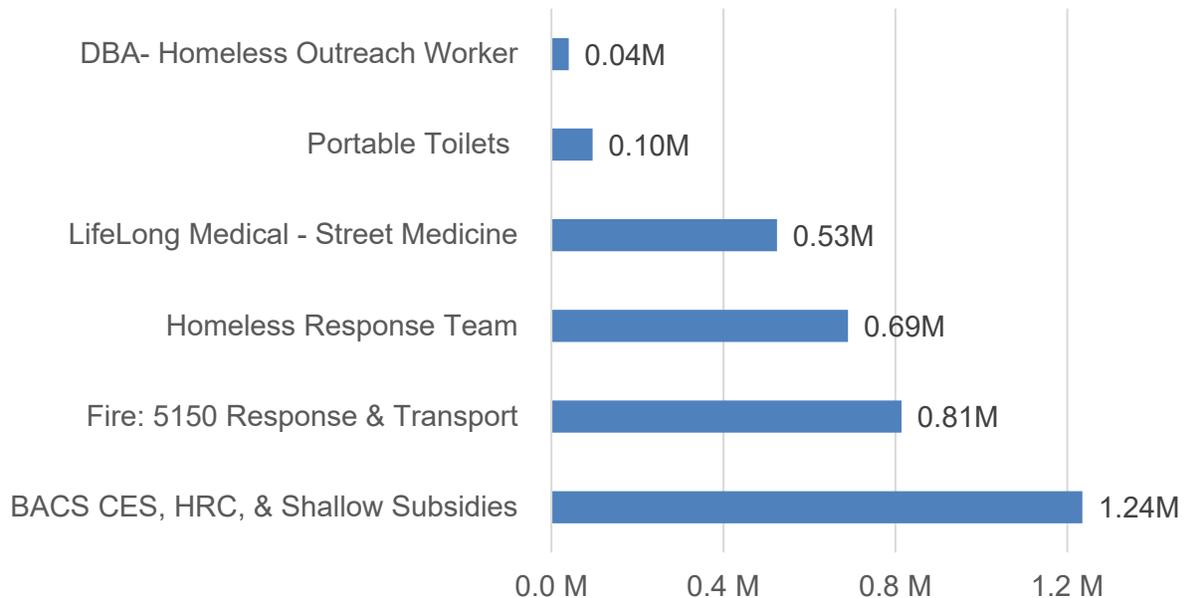


See below for a short description of each program:

- **Dorothy Day House - Berkeley Emergency Storm Shelter (BESS):** Operating out of 2134 Martin Luther King Way (Old City Hall) 24 hours a day from December 1 to April 30 to provide relief from inclement weather or other natural events.
- **Dorothy Day House - Emergency Shelter:** Operating out of the Veterans Building on 1931 Center Street, this is a low-barrier, permanent, congregate shelter that offers services 24/7. Meals are provided three times daily and there is a locker program on-site.
- **Dorothy Day House - Beyond Horizon:** is a non-congregate shelter that provides 27 motel rooms to encampment residents through a master lease with the Berkeley Inn at 1720 San Pablo Avenue. This non-congregate shelter has been integral in addressing homeless encampments by providing low-barrier private rooms to individuals referred by the Homeless Response Team.
- **Bay Area Community Services - STAIR Center:** run by Bay Area Community Services, has 45 beds, though they are currently planning a renovation to convert the space from congregate shelter beds to non-congregate through installing pallet shelters which will result in a slight reduction of beds. The Pathway STAIR Center budget includes housing navigation services and rapid rehousing funds to help people move into permanent housing.
- **Insight Housing - Campus Motel:** is a non-congregate shelter that provides 23 motel rooms to encampment residents through a master lease with the Campus Motel at 1619 University Avenue. This non-congregate shelter has been integral in addressing the needs of our hardest to serve encampment residents by providing low-barrier private rooms to individuals referred by the Homeless Response Team. While this program is initially being paid for through the state's Encampment Resolution Funding 2 Program, Measure P will be used as leverage beginning in FY26.

Immediate street conditions and hygiene

Measure P funds currently support six projects aimed at addressing immediate street conditions and hygiene. These projects address the immediate needs of persons currently living on the streets or in vehicles. The projects provide a range of services, including mental health crisis response, outreach workers, and portable toilets. The City anticipates spending \$3.4 million in Measure P funding on the following services through June 2025:



See below for a short description of each program:

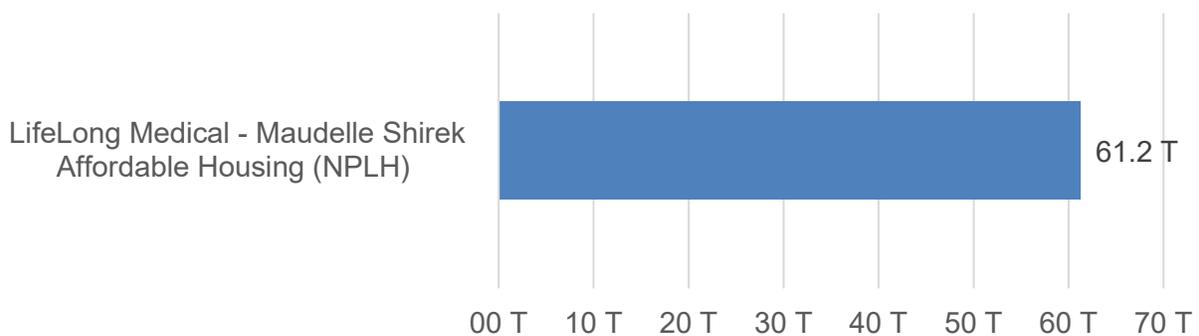
- **Bay Area Community Services - Coordinated Entry System, Housing Resource Center, and Shallow Subsidies Programs:** The North County Housing Resource Center and Coordinated Entry System is the systematic approach designed by our community to ensure the highest needs unsheltered individuals in Berkeley receive necessary services and interventions to promptly end their homelessness. Coordinated Entry resources include problem solving with participants to utilize all resources available to them, assessing participants for vulnerabilities to make appropriate referrals to programs that match individual needs, and housing navigation to assist clients matched to housing resources with leasing up in their unit. The Shallow Subsidy program targets low-cost housing subsidies to individuals that need minimal support to live independently but cannot afford market rate rent in Berkeley's expensive and competitive real estate market.
- **Berkeley Fire Department - 5150 Response and Transport:** Provides emergency medical transport services to individuals that are experiencing a mental health crisis.
- **City Manager's Office - Homeless Response Team:** The team's primary objective is to help guide the more than 400 people who are living on the streets of Berkeley on any given night toward housing and safety. The team's outreach workers use motivational interviewing through compassionate conversation, assistance with navigating nonprofit and government resources, and patient problem solving. The team builds relationships, informs people of available resources, provides immediate necessities, and links to supportive services. On September 24, 2024 the team was also approved by Alameda County to directly

assess people on the streets, provide immediate housing interventions and add qualified people to the County’s housing queue in real-time. Previously, the team had to rely on nonprofit providers for these assessments – a slower, indirect process that often led to missed housing opportunities. Provides street outreach workers and supportive staff to address the immediate street conditions and needs of people who are living unsheltered. Even if people living in encampments are not interested in available shelter, the team uses Council policies to mitigate immediate health and safety threats to encampment residents and the community at large.

- **LifeLong Medical Care – Street Outreach:** Provides direct medical care to clients living on the streets. The team also provides housing navigation, services referrals, and case management. Participants are among the over 400 identified unsheltered households living on the streets of Berkeley on any given night.
- **City of Berkeley - Portable Toilets:** The City of Berkeley also provides portable toilets throughout the city to ensure our unhoused residents have the dignity of an appropriate place to use the bathroom.
- **Downtown Business Association - Homeless Outreach Worker:** Provides immediate necessities and supportive services to unsheltered people living in the Downtown area. Participants are among the over 400 identified unsheltered households living on the streets of Berkeley on any given night.

Permanent Housing

Measure P currently funds one permanent housing project for individuals/families. This project provides immediate housing and supportive services for single adults that were formerly homeless. Services provided include housing retention services and mental health treatment. The City anticipates spending \$61,000 in Measure P funding on the following permanent housing project in fiscal year 2025:



See below for a short description of the program:

LifeLong Medical Care – Maudelle Shirek Affordable Housing: This project is also part of the NPLH program. The Measure P funding provides the supportive services necessary for these 12 units at the site which serves both adults and families with children.

Homekey Housing

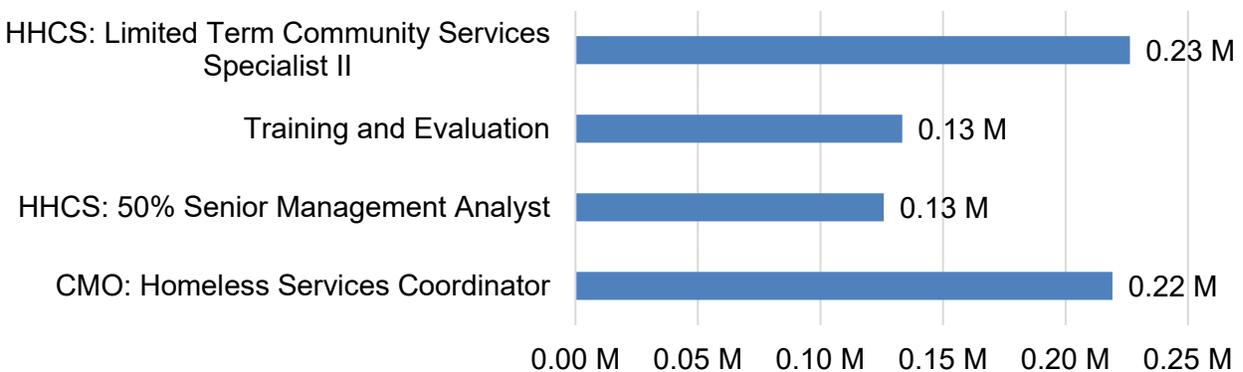
In addition to this project, Measure P contributes one-time funding for two additional permanent supportive housing projects as part of the match requirement for State Homekey funding. The City’s Measure P contributions to these projects (over \$15M) leveraged external Homekey funding (over \$30M) on a 2:1 basis. The two projects are listed below:

Bay Area Community Services – Project Homekey Golden Bear Inn: This project received \$7.3 million in Measure P funding in FY22 to acquire the Golden Bear Inn as a new permanent supportive housing site with 44 units for formerly homeless adults.

Housing Consortium of the East Bay – Project Homekey Rodeway Inn: This project will receive \$8.5 million in local funding, likely including Measure P, to acquire the Rodeway Inn as a new permanent supportive housing site with 43 units for formerly homeless adults.

Staffing/Infrastructure

Measure P funds also support key infrastructure necessary to maintain and support homeless services. This category includes city staff working directly on homelessness programming, training, and evaluation. The City anticipates spending less than a million dollars of Measure P funding on the following costs through June 2025:



See below for a short description of each program/position:

Health, Housing and Community Services - Community Services' Specialist: Works with the program supervisor, other City departments and public agencies, boards and commissions, and the private sector in developing a comprehensive and integrated approach to homeless programs.

Health, Housing and Community Services - Senior Management Analyst: Assists in developing policy, procedure, and budgets for Measure P funded projects. Supervises work including fiscal and program analysis and oversight of contract and grant compliance requirements.

City Manager's Office - Homeless Service Coordinator: Provides administrative support to the Homeless Services Panel of Experts and assists in coordinating Berkeley's homeless services providers including the Homeless Response Team.

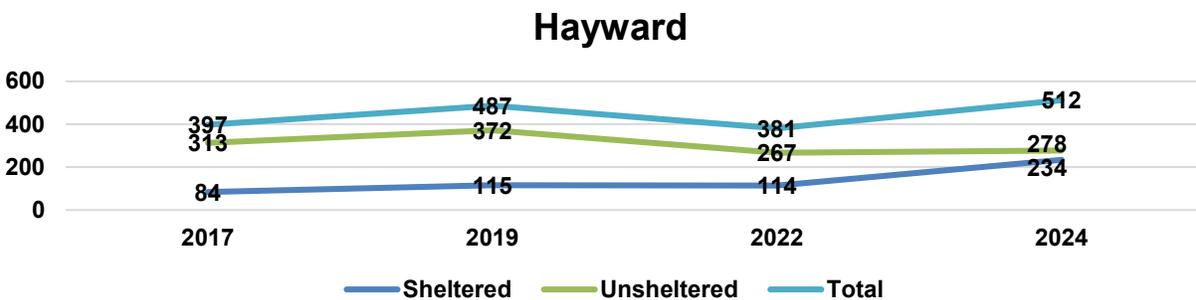
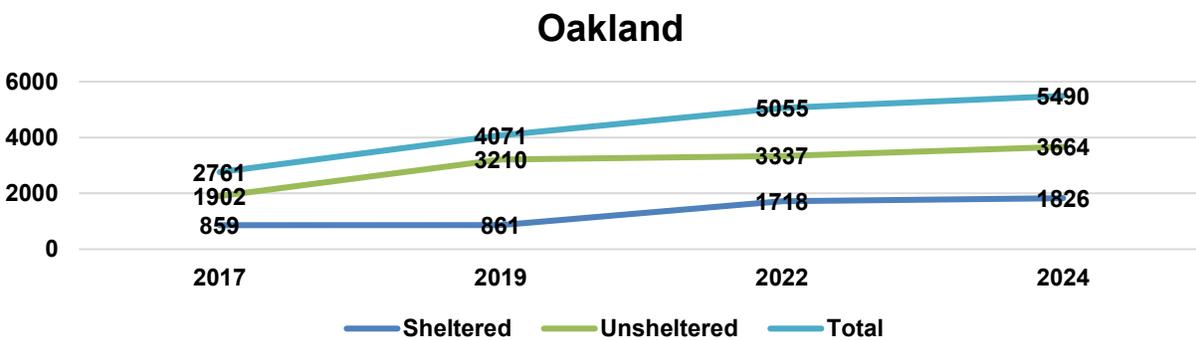
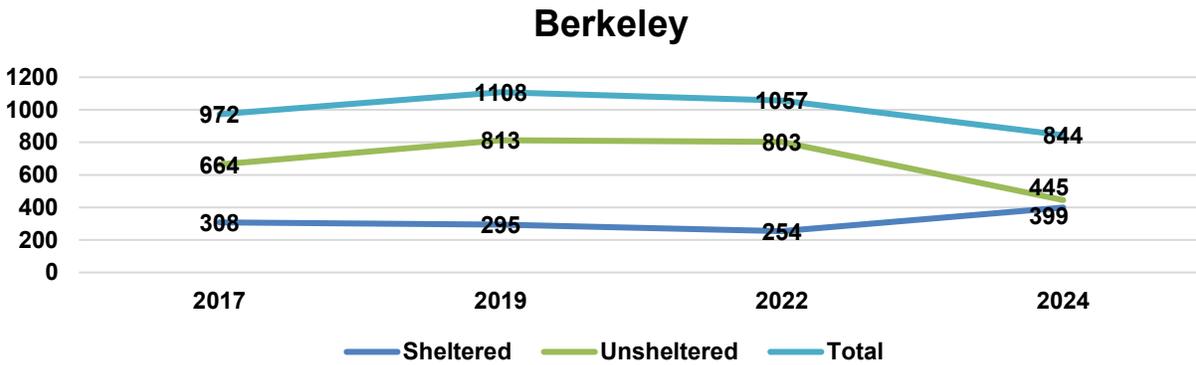
Leveraging Outside Funding to Reduce Unsheltered Homelessness

In 2021, the Berkeley City Council endorsed the All Home Regional Action Plan, a Bay Area-wide strategic homelessness plan that called for a 75% reduction in street homelessness by focusing on investments to bring people inside and off the streets, and then find permanent solutions for them. Since then, the City has used Measure P to implement that plan, and the source has leveraged roughly \$35M in State funding in 3 years by being used as a matching source to:

- Bring in roughly \$5M in State Encampment Resolution Funds to open 23 motel-based, non-congregate shelter beds at the Super 8. The addition of non-congregate shelter to Berkeley's portfolio has nearly doubled our shelter acceptance rate (from 43% to 79%) among unsheltered people living in encampments.
- Bring in over \$30M in State Homekey funding to open 85 units of new permanent supportive housing at two former motels.

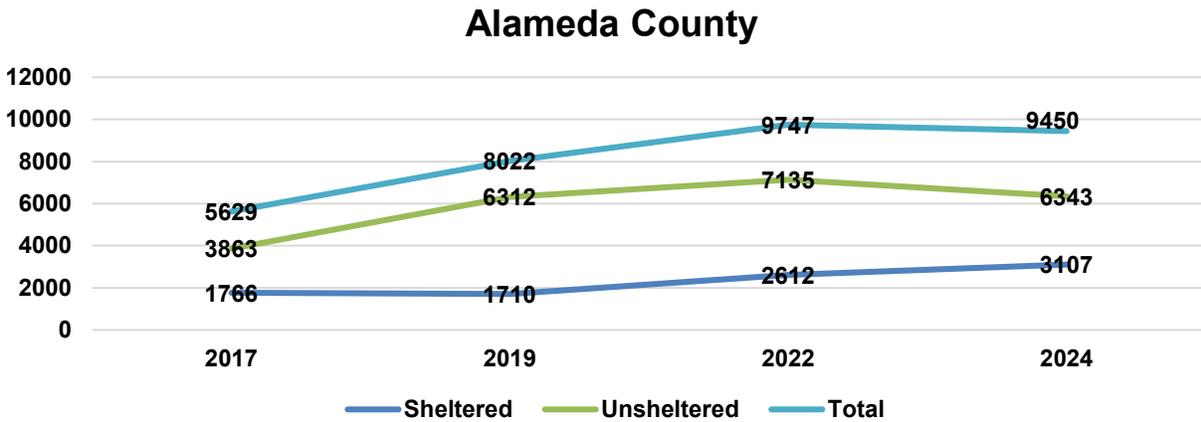
The city's local efforts to fund homelessness programs, alongside the City's use of Measure P to robustly leverage new State funding opportunities, has contributed to a measurable decrease in homelessness in our city.

Berkeley, in partnership with the Alameda County Continuum of Care, conducts a Point-in-Time Count every two years which provides a snapshot of who is experiencing homelessness on any given night in our community. The most recent count was conducted in January 2024 and showed a major 45% reduction in Berkeley's unsheltered homeless population and an increase of 57% in our sheltered population from the previous count in 2022. This continued a downward trend in homelessness observed in Berkeley between 2019 and 2022 as well.



As shown in the graphs above, Berkeley’s 45% reduction in unsheltered homelessness occurred while other major cities in the county continued to trend upwards. Hayward saw a 4% increase in their unsheltered population and Oakland saw an increase of 10%.

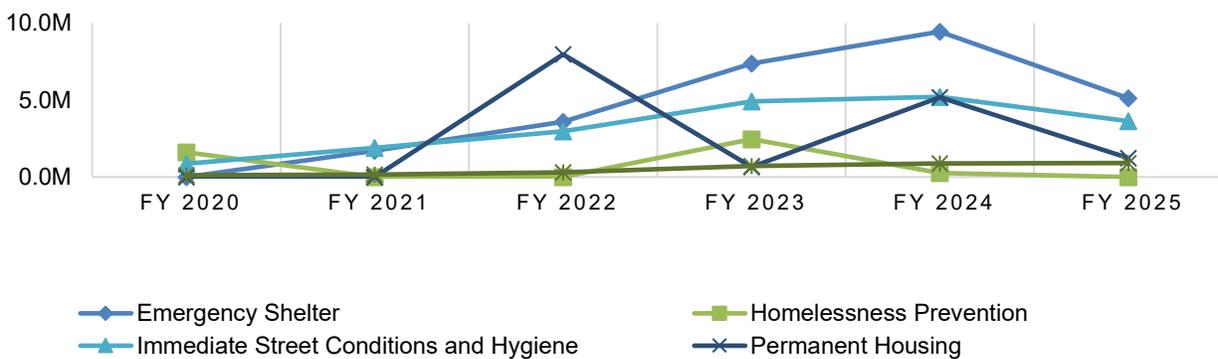
Overall, as seen in the graph below, the county’s homeless population dropped 3% from 9,747 in 2022 to 9,450 in 2024. We also saw a 19% increase of sheltered homelessness, going from 2,612 in 2022 to 3,107 in 2024. Meanwhile, unsheltered homelessness across the county dropped 11%, going from 7,135 in 2022 to 6,343 in 2024. Unsheltered homelessness remains the majority’s experience as 67% of the population experiencing homelessness in 2024 were unsheltered. Berkeley is getting closer to closing this gap, as only 52% of the population experiencing homelessness in 2024 were unsheltered.



Berkeley’s investment of Measure P funding to permanent housing, immediate street conditions, prevention, and emergency shelter, all contributed to ensuring that the number of people experiencing homelessness in our community continues to decrease over time.

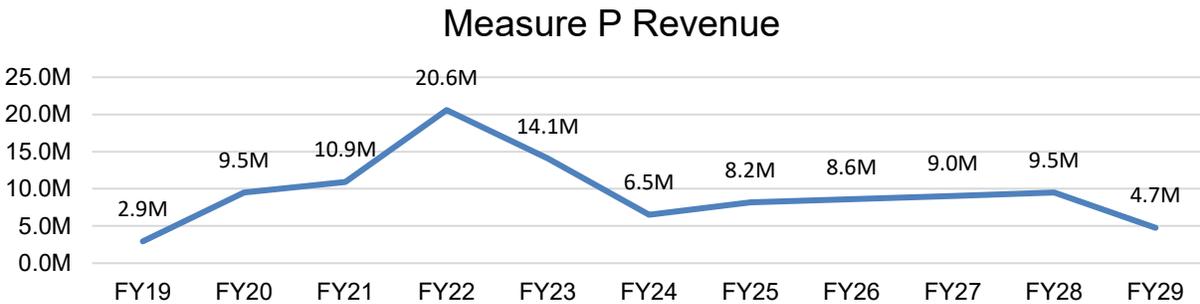
Funds expended to date

The following chart shows the amount of funding spent in each spending category since Measure P began funding projects in FY 2020:



Since FY 2020, \$58.3 million has been spent in Measure P funding in the above categories listed. The FY 25 budget allocated an additional \$10.9 million in Measure P revenue for a total of \$69.2 million spent by the end of this fiscal year.

If current projections remain the same, Measure P will have a 2.2 million-dollar deficit by the end of FY 2026. Without additional revenue or program cuts, this deficit will grow to \$19.8 million by the time the Measure sunsets in FY2029. The below chart shows the Measure P revenue that has been collected to-date as well as the projections moving through the measure’s sunset:



If interest rates, which greatly affect real estate market activity, decline in the coming years, these projections may change as revenues may come in stronger than forecasted. Alternatively, if the economy enters a recession, real estate activity may slow and deficit projections may worsen.

MANAGEMENT OVERSIGHT

The measure also established the Homeless Services Panel of Experts. The Panel was developed to make recommendations on how and to what extent the City should establish and/or fund programs to end or prevent homelessness in Berkeley and provide humane services and support. The panel is composed of members that have expertise in at least one of the following areas:

1. Development, administration, provision and/or evaluation of homeless programs in a government or non-profit capacity,
2. Current or past lived experience with homelessness,
3. Researching the causes, impacts and solutions to homelessness,
4. State and/or local homeless policy, funding or programs,
5. Federal homeless policy and funding administration such as the Continuum of Care Program,
6. Development and financing of affordable housing for formerly homeless persons, and
7. Provision of mental health and/or substance use programs for homeless persons.

The Homeless Services Panel of Experts meets the first Wednesday of each month except for August and December. Members of the public who are interested in learning more about Measure P funds as they are allocated and expended can consult the Homeless Services Panel of Experts' meeting agendas and materials online, and/or attend the Commission meetings.

Council will review and act on the additional funding required to reduce and address the impacts of homelessness and will undoubtedly continue to rely on Measure P as a source for such efforts until the measure sunsets in 2029.

Information about Measure P can be found in the [Bond and Revenue Measures](#)² section of [berkeleyca.gov](#). Members of the public interested in learning more about the allocation and expenditure of Measure P funds can also consult the [Homeless Services Panel of Experts](#)³, refer to their meeting agendas and documents, and/or attend their meetings.

Attachment:

- Spreadsheet of Measure P projects

cc: David White, Deputy City Manager
Peter Radu, Assistant to the City Manager, Neighborhood Services
Scott Gilman, Director, Health, Housing and Community Services
Josh Jacobs, Homeless Services Coordinator, Neighborhood Services
Sharon Friedrichsen, Budget Director
Matthai Chakko, Communications Director/Assistant to the City Manager
Mark Numainville, City Clerk
Jenny Wong, City Auditor
Farimah Brown, City Attorney

² <https://berkeleyca.gov/your-government/our-work/bond-revenue-measures>

³ <https://berkeleyca.gov/your-government/boards-commissions/homeless-services-panel-experts>

TRANSFER TAX -- MEASURE P PROGRAM BUDGET-----DRAFT

TRANSFER TAX -- MEASURE P PROGRAM BUDGET-----DRAFT							
	Category of Spending	FY 2024 Preliminary Estimate	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate
Revenues							
<i>Beginning Fund Balance</i>		\$ 19,887,422	\$ 5,583,073	\$ 2,603,208	\$ (1,231,027)	\$ (10,099,726)	\$ (14,409,877)
<i>Measure P Revenues*</i>		\$ 6,500,000	\$ 6,199,580	\$ 6,509,559	\$ 6,835,037	\$ 7,176,789	\$ 3,588,395
Total Revenues and Balance of Funds		\$ 26,387,422	\$ 11,782,653	\$ 9,112,767	\$ 5,604,011	\$ (2,922,937)	\$ (10,821,482)
LESS: Total Expenses		\$ 20,804,349	\$ 9,179,445	\$ 10,343,794	\$ 15,703,736	\$ 11,486,940	\$ 11,968,445
<i>Personnel Costs (1)</i>		\$ 530,359	\$ 780,206	\$ 842,623	\$ 666,353	\$ 719,661	\$ 777,234
CMO: Homeless Services Coordinator	Staffing/Infrastructure	\$ 202,899	\$ 219,131	\$ 236,661	\$ 255,594	\$ 276,042	\$ 298,125
HHCS: Community Services Specialist II	Staffing/Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HHCS: 50% Senior Management Analyst	Staffing/Infrastructure	\$ 116,560	\$ 125,885	\$ 135,956	\$ 146,832	\$ 158,579	\$ 171,265
HHCS: 2 Year Limited Term Community Services Specialist II	Staffing/Infrastructure	\$ 17,459	\$ 226,274	\$ 244,376	\$ 263,926	\$ 285,040	\$ 307,843
<i>Non-Personnel Costs/ Program Expenses</i>		\$ 20,273,990	\$ 8,399,239	\$ 9,501,171	\$ 15,037,384	\$ 10,767,279	\$ 11,191,211
Fire: 5150 Response & Transport - Measure P portion of contract	Immediate Street Conditions and Hygiene	\$ 1,321,605	\$ 814,302	\$ 814,302	\$ 814,302	\$ 814,302	\$ 1,321,605
Dorothy Day House Shelter	Emergency Shelter	\$ 566,000	\$ 566,000	\$ 566,000	\$ 580,150	\$ 594,654	\$ 609,520
Dorothy Day House Drop In	Immediate Street Conditions and Hygiene	\$ 182,000	\$ -	\$ -			\$ 205,916
BACS Pathways STAIR Center	Emergency Shelter	\$ 2,499,525	\$ 2,002,768	\$ 2,002,768	\$ 2,002,768	\$ 2,002,768	\$ 2,499,530
BACS Coordinated Entry System (BACS HRC & Shallow Subsidies)	Immediate Street Conditions and Hygiene	\$ 829,498	\$ 1,235,411	\$ 1,235,411	\$ 1,235,411	\$ 1,235,411	\$ 1,235,411
BACS Permanent Housing Subsidies / Shallow Subsidies	Permanent Housing	\$ -	\$ -	\$ -			\$ 1,600,000
No Place Like Home - Scattered Unit Supportive Services	Permanent Housing	\$ -	\$ -	\$ -		\$ 105,000	\$ 105,000
No Place Like Home - Scattered Unit Supportive Services		\$ -	\$ -	\$ -	\$ 138,800	\$ 138,800	\$ 43,800
LifeLong Medical - Maudelle Shirek Affordable Housing (NPLH)		\$ 15,300	\$ 61,200	\$ 61,200	\$ 61,200	\$ 61,200	\$ 61,200
Insight Housing Hope Center (NPLH)	Permanent Housing	\$ 95,000	\$ -	\$ -			\$ 95,000
Insight Housing - Men's Housing Program	Emergency Shelter	\$ 170,502	\$ -	\$ -			\$ 170,502
BDIC Locker Program	Immediate Street Conditions and Hygiene	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
LifeLong Medical - Street Medicine	Immediate Street Conditions and Hygiene	\$ 525,001	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000
YSA Tiny Home	Emergency Shelter	\$ 78,000	\$ -	\$ -			
DBA- Homeless Outreach Worker	Immediate Street Conditions and Hygiene	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Downtown Streets Team	Immediate Street Conditions and Hygiene	\$ 225,000	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ 225,000
Shelter at 742 Grayson Street	Emergency Shelter	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shelter at 1720 San Pablo Ave Lease	Emergency Shelter	\$ 908,796	\$ 935,160	\$ 962,315	\$ 990,284	\$ -	\$ -
Dorothy Day House Berkeley Emergency Storm Shelter (Winter Shelter)	Emergency Shelter	\$ 350,000	\$ 350,000	\$ 358,750	\$ 367,719	\$ 376,912	\$ 386,335
Dorothy Day House - Inclement Weather Shelter	Emergency Shelter	\$ 412,185	\$ -	\$ -	\$ -	\$ -	\$ -

Internal

Dorothy Day House Beyond Horizon - 1720 San Pablo Avenue - Supportive Services	Emergency Shelter	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ -	\$ -
1367 University Avenue Step Up Housing Project*	Permanent Housing	\$ -	0	1,066,027	1,092,678	1,119,995	1,147,995
Russell Street Residence Acquisition	Permanent Housing	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
HHCS: Square One Hotel Vouchers	Emergency Shelter		\$ -	\$ -	\$ -	\$ -	\$ -
Training and Evaluation	Staffing/Infrastructure	\$ 133,334	\$ 133,334	\$ 133,334	\$ 133,334	\$ 133,334	\$ 133,334
Homeless Response Team	Immediate Street Conditions and Hygiene	\$ 920,085	\$ 690,064	\$ 690,064	\$ 690,064	\$ 690,064	\$ 690,064
Berkeley Relief Fund	Homelessness Prevention	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portable Toilets	Immediate Street Conditions and Hygiene	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000
Old City Hall Sprinkler system	Emergency Shelter	\$ 400,000	\$ -	\$ -			
Reimagining Public Safety-Expand Downtown Streets Teams as placement for low-level violations	Immediate Street Conditions and Hygiene	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expand the scope of services for the Downtown Streets Team to address the need for enhanced services around commercial and industrial areas in the Gilman District twice weekly	Immediate Street Conditions and Hygiene	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Reimagining Public Safety: Funding to organizations for Respite from Gender/Domestic Violence	Emergency Shelter	\$ 220,000	\$ -	\$ -	\$ -	\$ -	\$ -
701 Harrison Transition - Site Security	Emergency Shelter	\$ 88,000	\$ -	\$ -	\$ -	\$ -	\$ -
Encampment Resolution Fund 2 Awarded Grant Match- Super 8	Emergency Shelter	\$ -	\$ -	\$0	\$ 2,527,538	\$ -	\$ -
HCEB Contract- Interim Housing at Rodeway Inn		\$ 1,925,256	\$ -	\$ -			
Encampment Resolution Fund 3 Tentative Grant Match		\$ -	\$ -	\$ -	\$ 2,567,136	\$ 2,608,840	
Fiscal Year Surplus (Shortfall)		\$ (14,304,349)	\$ (2,979,865)	\$ (3,834,235)	\$ (8,868,699)	\$ (4,310,151)	\$ (8,380,051)
Ending Fund Balance		\$ 5,583,073	\$ 2,603,208	\$ (1,231,027)	\$ (10,099,726)	\$ (14,409,877)	\$ (22,789,927)

Notes:

(1) Personnel Costs from FY 2025 to FY 2029 assumes an 8 percent increase for increased pension costs