

MEMORADUM

To: Homeless Services Panel of Experts, Lisa Warhuus and Peter Radu

From: Alice Feller, panel member

Date: April 25, 2023

Subject: Clarification re Measure P funds for Russell Street house

Since our vote on April 18 to support the \$8.8 million request for purchase of the property at 1741 Russell Street plus rehab expenses, several questions have come up.

First, what is the fair market value of this property?

Second, what is the plan for rehab and future building?

In our packet for Feb 1, 2023, there is a paragraph about this project which reads in full:

Berkeley Food and Housing Project (BFHP) IS REQUESTING \$8.3 M to purchase and rehabilitate two adjacent parcels where it currently operates a 17-bed Board and Care and 4 units of interim housing. BFHP proposes two development phases: In the first phase, BHFP will rehabilitate and operate 25 units of interim housing beds for people with a disability or mental illness who are experiencing or at risk of homeless. In the second phase, BFHP will convert 23 units to permanent supportive housing for unhoused persons and people at risk of homelessness, many of whom will be veterans.

I was informed by former Mayor Tom Bates that future plans include the building of a multi-story building with supportive housing.

At our HSPE meeting last week staff informed us that the rehab will cost \$4.3 million.

Questions about rehab and future building:

Will the 25 units of interim housing be at the Dwight Way structure that was damaged by fire? Is this structure already repaired? If not, will there be an additional cost for this rehab?

Which structure will be converted to 23 units?

What will happen to the current board and care home at 1741 Russell, a two-story building that now houses 17 people?

Does the \$4.3 million include the construction of the new multi-story building that Tom Bates said was planned for this property, or will there be a new expense for construction of the new building?

How large will this new building be, and how will it be placed on the property? Will it require the removal of any other structures? If so, will the two-story board and care currently housing 17 people be left standing?

Tom Bates also mentioned that a pro forma had been submitted to the city. Where could we get a copy of that?

In view of the planned multi-story building I'm including an abstract from an article in *JAMA* (Journal of the American Medical Association) about an experiment in Seattle where 95 homeless alcoholic men who were high users of city services were housed together and allowed to continue drinking. Crucially, those who moved out were welcome to return any time for supper at the large dining hall. This meant they could come back and socialize with their friends at 1811 Eastlake, their old house. This helped them to move on to new housing. The experiment was a success: it helped the formerly homeless men and saved the city significant amounts of money. Perhaps it could be a model for future projects in Berkeley.

Health care and public service use and costs before and after provision of housing for chronically homeless persons with severe alcohol problems.

Larimer ME¹, Malone DK, Garner MD, Atkins DC, Burlingham B, Lonczak HS, Tanzer K, Ginzler J, Clifasefi SL, Hobson WG, Marlatt GA

Author information

JAMA, 01 Apr 2009, 301(13):1349-1357

DOI: [10.1001/jama.2009.414](https://doi.org/10.1001/jama.2009.414) PMID: 19336710

A comment on this article appears in "[Housing the chronically homeless: high hopes, complex realities.](#)" **JAMA**. 2009 May 6;301(17):1822-4.

Abstract

Context

Chronically homeless individuals with severe alcohol problems often have multiple medical and psychiatric problems and use costly health and criminal justice services at high rates.

Objective

To evaluate association of a "Housing First" intervention for chronically homeless individuals with severe alcohol problems with health care use and costs.

Design, setting, and participants

Quasi-experimental design comparing 95 housed participants (with drinking permitted) with 39 wait-list control participants enrolled between November 2005 and March 2007 in Seattle, Washington.

Main outcome measures

Use and cost of services (jail bookings, days incarcerated, shelter and sobering center use, hospital-based medical services, publicly funded alcohol and drug detoxification and treatment, emergency medical services, and Medicaid-funded services) for Housing First participants relative to wait-list controls.

Results

Housing First participants had total costs of \$8,175,922 in the year prior to the study, or median costs of \$4066 per person per month (interquartile range [IQR], \$2067-\$8264). Median monthly costs decreased to \$1492 (IQR, \$337-\$5709) and \$958 (IQR, \$98-\$3200) after 6 and 12 months in housing, respectively. Poisson generalized estimating equation regressions using propensity score adjustments showed total cost rate reduction of 53% for housed participants relative to wait-list controls (rate ratio, 0.47; 95% confidence interval, 0.25-0.88) over the first 6 months. Total cost offsets for Housing First participants relative to controls averaged \$2449 per person per month after accounting for housing program costs.

Conclusions

In this population of chronically homeless individuals with high service use and costs, a Housing First program was associated with a relative decrease in costs after 6 months. These benefits increased to the extent that participants were retained in housing longer.