



Office of the City Manager

CONSENT CALENDAR
February 28, 2023

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Lisa Warhuus, Director, Health, Housing and Community Services

Subject: Contract: Street Level Advisors and Strategic Economics for Housing Preference Policy Fair Housing Analysis Consultant

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract and any amendments with Street Level Advisors (Contractor), with Strategic Economics as a subcontractor, to provide Fair Housing Analysis services for a Housing Preference Policy for the Department of Health, Housing and Community Services (HHCS) from April 1, 2023 to April 1, 2024 in an amount not to exceed \$60,055.

FISCAL IMPACTS OF RECOMMENDATION

The term of this contract is from April 1, 2023 to April 1, 2024. Funding in the amount of \$60,055 for this Housing Preference Policy Fair Housing analysis project is available in the FY 2023 budget in the General Fund (ERMA Fund 011).

CURRENT SITUATION AND ITS EFFECTS

The Housing Preference Policy is a Strategic Plan Priority Project, advancing our goal to create affordable housing and housing support service for our most vulnerable community members. HHCS' Housing and Community Services Division (HHCS/HCS) issued a Request for Proposals (RFP) to obtain consulting services to conduct Fair Housing Analysis on a draft Housing Preference Policy (HPP). At the time of writing this report in January 2023, Council is scheduled to hold a Work Session on HPP on February 21, 2023. HHCS/HCS anticipates Council to consider the HPP for adoption in Summer 2023. Staff request this contract authorization in order to expedite policy implementation should the HPP be adopted. The contract scope of work will reflect future policy decisions made by Council.

The fair housing analysis project has three deliverables: 1) Disparate Impact Analysis on the proposed preferences to affordable housing created by the Housing Trust Fund (HTF) and Below Market Rate (BMR) programs; 2) Report summarizing Disparate Impact Analysis of each preference and any applicable Fair Housing implications; and 3) Editable tools for staff to conduct project-based Disparate Impact Analyses.

The City conducted RFP Specification No. 23-11539 with proposals due no later than September 13, 2022. The City received two proposals. The selection committee was comprised of a Senior Community Development Project Coordinator and two Community Development Project Coordinators in HHCS/HCS.

BACKGROUND

On October 6, 2022, Berkeley's Housing Advisory Commission (HAC) adopted recommendations for City Council to adopt a Housing Preference Policy (HPP). A HPP will establish priorities ("Preferences") for leasing new affordable housing units, in order to prioritize applicants with ties to Berkeley who have faced displacement or are at risk of displacement, and/or have faced historical housing injustice. The HPP represents an opportunity to target the new affordable housing for anti-displacement goals, as well as to partially address historical injustices.

The HPP is a Strategic Plan Priority Project, advancing our goal to create affordable housing and housing support services for our most vulnerable community members. Anti-displacement initiatives are a key priority for the City of Berkeley and an ongoing call from local community members. Berkeley currently has 21 anti-displacement policies in place, 14 of which are noted as best practices by UC Berkeley's Urban Displacement Project. The City of Berkeley is also making historic investments in affordable housing, particularly the \$135M Measure O bond dedicated to affordable housing which includes \$53M dedicated to affordable housing at Ashby and North Berkeley BART stations.

Fair Housing law requires Disparate Impact Analysis for preferences. This analysis assesses how racial groups and other protected classes will be impacted by a HPP and determines what percentage of units can receive preferences without creating disparate impacts on "protected classes" under state or federal law. In Fair Housing law, protected classes refer to a group of people with a common characteristic who are legally protected from housing discrimination on the basis of that characteristic, such as race, sex, or national origin. County, State, and federal agencies that contribute funding to the City's HTF developments will need to approve this analysis before permitting use of a HPP on those units.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Displacement can lead to long commutes, as displaced people continue to return to their community of origin for school, work, faith institutions, healthcare, and/or social networks. A HPP can help reduce greenhouse gas (GHG) emissions associated with these longer commutes by reducing or reversing displacement of those with ties to Berkeley. This study will assist with the implementation of a policy to mitigate such impacts.

RATIONALE FOR RECOMMENDATION

The Fair Housing analysis report and tools that will be produced will help determine how each preference can be applied to the maximum percentage of units permitted by disparate impact analysis. This will help secure approval for use of preferences from government funding agencies. These approvals are necessary in order for the policy to be implemented on HTF developments. This will also ensure there are no negative Fair Housing implications on the BMR program as well.

The City conducted a competitive bid process and the joint application from Street Level Advisors and Strategic Economics successfully met the bid requirements and ranked highest among all bidders given their applicable experience working on similar projects with other jurisdictions in California.

ALTERNATIVE ACTIONS CONSIDERED

Without Fair Housing Analysis of preferences, it will not be possible to implement a HPP in HTF developments consistent with the applicable laws. County, State, and federal agencies that contribute funding to the City's HTF developments need to approve this analysis before permitting use of a HPP on those units. Council could opt to wait to make a decision on proceeding with the Fair Housing Analysis until the Council finishes deliberation on a HPP.

CONTACT PERSON

Anna Cash, Community Development Project Coordinator, HHCS, 510 981-5403
Mike Uberti, Sr. Community Development Project Coordinator, HHCS, 510 981-5114

Attachments:

1: Resolution

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

CONTRACT: STREET LEVEL ADVISORS AND STRATEGIC ECONOMICS FOR FAIR HOUSING ANALYSIS CONSULTING

WHEREAS, the City of Berkeley issued a Request for Proposals (RFP) to obtain consulting services to conduct Fair Housing Analysis on the draft Housing Preference Policy; and

WHEREAS, the City conducted RFP Specification No. 23-11539 with proposals due no later than September 13, 2022; and

WHEREAS, the City received two proposals in response to this RFP; and

WHEREAS, the City conducted a competitive bid process and a joint application from Street Level Advisors and Strategic Economics successfully met the bid requirements.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract and any amendments with Street Level Advisors as a contractor, and Strategic Economics as a subcontractor, to provide consulting services to conduct Fair Housing Analysis on a draft Housing Preference Policy from April 1, 2023 to April 1, 2024 in an amount not to exceed \$60,055.