



Office of the Mayor

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CONSENT CALENDAR

June 25, 2024

To: Honorable Mayor and Members of the City Council

From: Mayor Jesse Arreguín (Author), Councilmember Hahn (Co-Sponsor)

Subject: Accepting grant funding of \$100,000 from San Francisco Foundation and engage Planet DMA (DBA DMA INK) in consulting work associated with the Equitable Black Berkeley (EBB) Initiative and execute a new contract with Gail McGuire to support EBB community engagement

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to:

- Receive \$100,000 of grant funds from the San Francisco Foundation (SFF) (see Attachment #2) for project support and implementation for the Equitable Black Berkeley (EBB) Initiative;
- Approve a PO with DMA INK (aka “DMA”) and the Mayor’s Office for services associated with supporting EBB for a total amount not to exceed \$45,000; and
- Execute a contract with the independent contractor between the Mayor’s Office and Gail McGuire to support EBB’s community engagement efforts at a weekly rate not to exceed \$2,000 for twelve weeks.

BACKGROUND

Equitable Black Berkeley (EBB) is an innovative, replicable model to support equity, opportunity and the well-being of Berkeley’s Black community. It will underpin policies to repair harm, create financing vehicles to sustain community investment and ensure Black families have a right to stay, right to return, and right to own/build equity.

The City of Berkeley’s Black population has experienced segregation, disinvestment, displacement, gentrification, health disparities and racial inequity. Construction of the Ashby BART station in the 1970s resulted in an eminent domain taking of property in the historically black and culturally rich South Berkeley neighborhood.

When BART was initially developed, the South Berkeley community rose up to underground the tracks to prevent elevated tracks to further divide the community along the historic red line of Grove Street (present day Martin Luther King Jr. Boulevard). While they were successful in the effort of undergrounding the tracks, the construction caused massive disruption and loss of businesses, and eminent domain took away many Black homes and businesses in South Berkeley.

As BART develops the Ashby station in the next few years, through EBB, the outcome will be designed to maximize equity outcomes for the African American community and low-income residents. With this initiative, Berkeley can begin to repair the harm done to the South Berkeley community, erase the legacy of segregation and make Berkeley a stronger, thriving and more equitable place for all.

For over 50 years, Berkeley's Black population has decreased from 23.5% to 7.9%. Two-thirds of South Berkeley residents are renters and 20% are below the poverty line. Between 2012 and 2018, the median home price in redlined districts more than doubled, from \$517,000 to \$1,140,000. This increase was 7% faster than anywhere else in the city as a result of gentrification. In that same time period, rents in South Berkeley increased 42%. Very little of the existing housing in South Berkeley is deed-restricted affordable, and prices have spiraled beyond what people who live in the community can afford.

Displaced Black homeowners suffered the missed opportunity for wealth building when gentrification escalated property values of historically redlined areas. Because disparities in wealth compound like an interest rate, the disinvestment in Black families in Berkeley and across the country throughout our history is still felt sharply today. The median Black American family has thirteen cents for every one dollar in wealth held by White families. EBB seeks to tackle these inequities head on through economic, housing, and community investments.

The San Francisco Foundation has been an unparalleled supporter of EBB. In addition to the previous grants the City received as part of SFF's Policy & Innovation grantmaking, the Mayor's Office was selected as part of the latest Partnership for the Bay Future (PBF) government partner. PBF is a multi-sector initiative focused on creating and maintaining a vibrant, racially and economically diverse Bay Area by addressing the interconnected and urgent needs in housing, transportation and economic opportunity providing funding, technical assistance. As part of our engagement with PBF, the Mayor's Office was selected to host a Fellow to help support the work of EBB and engage directly with our community partner, Healthy Black Families (HBF). Gail McGuire was the select Fellow placed at the Mayor's Office. The continuation of her support is imperative to maintaining the progress, knowledge retention, and relationship building with community stakeholders needed to ensure EBB is brought to success.

In January 2024, DMA was contracted directly with the Mayor's Office¹ to offer consulting support to launch a strategy for returning displaced Black and other marginalized former residents to housing in Berkeley. The deployment of this strategy led to the development and execution of a Strategy Session on April 3, 2024 where 25 Black community leaders, advocates, and residents were convened by the Mayor's Office, with support from HBF, to identify a priority outcome to be executed by his group. These leaders selected affordable housing for current and returning residents s their priority outcome, with a focus on a pathway through policy channels. The collective next step was to draft a letter for the Mayor of Berkeley to send to county, state, and federal officials, advocating for 100% affordable housing in the upcoming Adeline and Ashby BART development areas. A second strategy session will build from the information collected during this meeting. A

¹ DMA's work in January 2024 was funded directly by the Mayor's Office.

second group of City Staff and external leaders directly whose work is related to EBB's vision will be convened in an effort to blend ideas to create a truly cross-sectoral conversation and collaboration that produces prioritized actionable community-driven outcomes that can be articulated to external partners (namely funders) that builds a narrative of the impact EBB will have.

CURRENT SITUATION AND ITS EFFECTS

On November 30, 2021, the City Council approved a \$50,000 grant from the San Francisco Foundation (SFF) grant to support a six-month process to ideate increasing affordable housing at the North Berkeley and Ashby BART stations. On November 29, 2022 City Council accepted a grant of \$75,000 from SFF. SFF increased the grant funding by an additional \$75,000 on November 1, 2023 to continue the work of an existing part-time consultant to create a plan in collaboration with the community and multiple partners, to secure funding needed to meet the project goals of maximizing affordable housing at and around the Ashby and North Berkeley BART sites within a reparative framework, and assisting the City in outreach with Berkeley Flea Market vendors and community members, regarding resources to support the Berkeley Flea Market currently and plans for its relocation at a new Adeline Plaza as part of the new transit oriented development at Ashby Station.

On July 11, 2023, the Berkeley City Council passed the Right to Return Preference Policy that would prioritize offering affordable housing to people in select identity categories. The success of this policy is directly contributed to the work of PBF, Gail McGuire, and the SFF. EBB will continue to build upon this policy and seek to support racial justice, equity, opportunity and the well-being of Berkeley's African American community through three components:

1. Community driven development at the Ashby station, through an equitable development approach rooted in a reparative framework, incorporating supportive policies such as right to return/local preference.
2. Innovative public, philanthropic, and private funding streams to raise funds to support community benefits and services, infrastructure funding and equitable, affordable housing at the BART sites and the surrounding neighborhoods.
3. Developing a catalytic and replicable model for a reparative framework in communities throughout the region and beyond.

As EBB is moved from concept to implementation, the project needs additional support to achieve the following activities and goals:

- 1) Enhance the development of an investors pitch deck to describe the vision of EBB, document and communicate the historical accomplishments of our work
- 2) Develop and deploy public outreach and education tactics in coordination with the City to highlight the work of EBB, bring new audiences to EBB and its

progress, and highlight opportunities for investment to build sustainability for the initiative;

- 3) In combination with the work and deliverables generated from Creative Development Partners (Contract No. 32200161), prepare a refined and finalized a) operations, business, and strategic plan/s, b) board development and governance plan, c) transition plan for the temporary relocation and return of the Berkeley Flea Market to the new south plaza, and d) incorporate the Berkeley Flea Market into the community benefit agreement with the Ashby TOD; and
- 4) Create the foundational elements to build a non-governmental organization and governance structure to hold one or multiple investor funds as part of EBB.

The contract support provided by DMA will support the first two goals of this grant, with contract support provided by Gail McGuire contributing to all four activities and goals.

FISCAL IMPACTS OF RECOMMENDATION

Marginal. 100% of these funds were raised by the Mayor's office. No new City funds will be used to support the contract. The new PO and new contract execution may require staff time to administer, but will be maintained and overseen by the Mayor's Office staff.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Supports Climate Action goals by providing more affordable housing along transit corridors.

RATIONALE FOR RECOMMENDATION

EBB is at a point of transition with the completion of the Partnership for the Bay's Future grant term. Funding received during this juncture will ensure we continue the momentum of our work, bringing this initiative from conception to implementation. Accepting these funds will ensure timely progress is made through supportive measures with consultants who possess contextual and knowledge and skillset necessary to move this work forward.

CONTACT

Mayor Jesse Arreguín	(510) 981-7100
Anthony Rodriguez, Senior Legislative Assistant	(510) 981-7102

Attachment:

1. Resolution
2. Grant confirmation letter

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

ACCEPTING A GRANT FROM THE SAN FRANCISCO FOUNDATION, AUTHORIZING APPROVAL OF A PO WITH DMA INK, AND EXECUTING A NEW CONTRACT WITH GAIL MCGUIRE TO SUPPORT THE EQUITABLE BLACK BERKELEY INITIATIVE

WHEREAS, On November 30, 2021, the Berkeley City Council voted to receive a grant from the San Francisco Foundation to support a consultant to assist the Equitable Black Berkeley Initiative (EBB) in a six-month process to ideate financing alternatives to increase the level of affordable housing at the North Berkeley and Ashby BART stations within a reparative framework; and

WHEREAS, On November 28, 2023 the Berkeley City Council voted to receive a grant from the San Francisco Foundation to continue the work of the part time consultant in creating a plan, in collaboration with the community and multiple partners, to secure the funding needed to meet the project goals of maximizing affordable housing at and around the Ashby and North Berkeley BART sites within a reparative framework; and

WHEREAS, EBB is an innovative, replicable model to support equity, opportunity and the well-being of Berkeley's Black community and will underpin policies to repair harm, create financing vehicles to sustain community investment and ensure Black families have a right to stay, right to return, and right to own/build equity; and

WHEREAS, on May 1, 2024 the San Francisco Foundation provided an additional grant of \$100,000 for the period of May 1, 2024 through April 30, 2025 to the City of Berkeley to support the Equitable Black Berkeley Initiative; and

BE IT FURTHER RESOLVED that the Council of the City of Berkeley authorizes the City Manager to 1) receive \$100,000 of grant funds from the San Francisco Foundation for project support for the Equitable Black Berkeley (EBB) initiative, 2) approve a PO with DMA INK to fund services provided by DMA not to exceed a total of \$45,000, and 3) execute a new contract with the independent contractor Gail McGuire at a weekly rate of \$2,000 for twelve weeks.

Subject: TIME SENSITIVE: City of Berkeley/EBB Grant Request & Invitation to Apply
Date: Wednesday, May 1, 2024 at 4:58:31 PM Pacific Daylight Time
From: Demetrius Burnett
To: Rodriguez, Anthony, Randolph Belle, Gail McGuire
CC: Rodney K. Nickens, Jr, Judith Bell, Ella Zimbalist, Ella Zimbalist, Jes Montesinos
Attachments: image001.jpg, SFF Project Budget EBB Oct. 2023-2024 (1) (3).xlsx, EBB Spring FY'24 Grant Outcomes & Activities.docx

WARNING: This is not a City of Berkeley email. Do not click links or attachments unless you trust the sender and know the content is safe.

Good Afternoon Everyone,

I'm following up on your modified proposal below. After discussing the proposal and reviewing the documents you shared, *we are moving forward with recommending the \$100,000 over 12 month grant for the Equity for Black Berkeley transition work.* **Please note the following intent of funds as well as the attached outcomes and activities.**

Since we are late in our grantmaking process, we are on a *tight* turnaround. To streamline our process, I've made a copy of your Fall application and updated the outcomes and activities to what is in the attachment. I will send the application to you in Fluxx to make sure it is up to date and complete. **Please have the application complete and submitted, including a project budget, by EOD Monday, 5/6.** I'll be working to get it into the approval pipeline on Tuesday, 5/7.

Intent of Funds

- These funds are intended to be flexible resources to support accomplishing the stated purpose, outcomes, and activities of the grant. These funds are NOT to be solely used for the consultant contract with BDO. This support is for whatever consultant support is needed (you can have multiple), including but not limited to DMA, and expenses that are necessary to complete the stated work.
- The City also made a request of the PBF TA fund through Enterprise to help extend DMA's contract. In lieu of the additional TA funds, which the TA fund is not able to fulfill at this time, outcome 2 and its activities have been written to include language you submitted in your TA fund request.
- As the PBF fellowship comes to an end, these funds can also be used to support the extension of Gail's role on a consultant basis. We understand this may not be necessary as you mentioned you all are considering a full-time staff role to hold this work for the city. We just want to be explicit about the flexibility of the funds.
- Wherever you land for the best use of the \$100k, a simple project budget will need to be attached to the application showing your anticipated spending. I've attached your last project budget for reference.

Let me know if you have any questions.

Best,

Demitrius

Demitrius Burnett

Senior Program Officer

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From: Demitrius Burnett <dburnett@sff.org>
Sent: Thursday, April 25, 2024 10:00 PM
To: Rodriguez, Anthony <ARodriguez@berkeleyca.gov>; Judith Bell <jbelle@sff.org>; Ella Zimbalist <ezimbalist@sff.org>; Rodney K. Nickens, Jr <rnickens@sff.org>
Cc: Gail McGuire <gmcguire@coronorcal.org>; Randolph Belle <rbelle@creativedevelopmentpartners.com>; Ella Zimbalist <ezimbalist@sff.org>
Subject: Re: Thank You + Request

Thank you, Anthony,

We'll review materials and get back to you next week.

Demitrius

From: Rodriguez, Anthony <ARodriguez@berkeleyca.gov>
Sent: Tuesday, April 23, 2024 6:02:14 PM
To: Demitrius Burnett <dburnett@sff.org>; Judith Bell <jbelle@sff.org>; Ella Zimbalist <ezimbalist@sff.org>; Rodney K. Nickens, Jr <rnickens@sff.org>
Cc: Gail McGuire <gmcguire@coronorcal.org>; Randolph Belle <rbelle@creativedevelopmentpartners.com>; Ella Zimbalist <ezimbalist@sff.org>
Subject: Thank You + Request

Hi Demitrius and Team SFF,

Thank you for the conversation and sharing your time with us. You and the team gave us a lot to think about. While debriefing, we recognize that we are trying to move forward an initiative we inherited. That being said, we see value in this work moving forward on a lot of parallel tracks. We have found particular value in the work we've engaged in through the consultant DMA. Her work contributes not only to identifying the minimum viable product (MVP), but also builds into a the theory of change, describes high value initiatives that can be achieved, and ultimately describes the "Why" someone would fund EBB. In addition, DMA's work bring us closer to bringing an NGO online as her work contributes to multiple needs and deliverables achieved by BDO or any other organization working to stand up this NGO.

If SFF decides not to fund our work with BDO at \$100K, we respectfully ask for your team to consider funding our work more broadly for EBB to achieve a set of outcomes, including

defining the value of a successful EBB initiative, which can be accomplished by DMA or another consultant. A \$100K grant would still be valuable for us to move this work forward and bring it from concept to implementation.

Thank you again.

Anthony

Anthony Rodriguez (he/él/they)
Senior Advisor
Office of Mayor Jesse Arreguín
City of Berkeley
on Huichin Ohlone Land



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