

REVISED AGENDA

(ADDED ITEM REFERRED FROM AGENDA COMMITTEE ON
JUNE 15, 2020)



BERKELEY CITY COUNCIL BUDGET & FINANCE COMMITTEE SPECIAL MEETING

Thursday, June 18, 2020
10:00 AM

Committee Members:

Mayor Jesse Arreguin, Councilmembers Cheryl Davila and Lori Droste
Alternate: Councilmember Kate Harrison

PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH VIDEOCONFERENCE AND TELECONFERENCE

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this meeting of the City Council Budget & Finance Committee will be conducted exclusively through teleconference and Zoom videoconference. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, there will not be a physical meeting location available.

To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL - <https://us02web.zoom.us/j/83187601060> If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon on the screen.

To join by phone: Dial **1-669-900-9128** and Enter Meeting ID: **831 8760 1060**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

Written communications submitted by mail or e-mail to the Budget & Finance Committee by 5:00 p.m. the Friday before the Committee meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record. City offices are currently closed and cannot accept written communications in person.

AGENDA

Roll Call

Public Comment on Non-Agenda Matters

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - June 9, 2020

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

2. Fiscal Year 2021 Budget Update

From: City Manager

Contact: Teresa Berkeley-Simmons, Budget Manager, (510) 981-7000

3. Councilmember Budget Recommendations

From: City Manager

Contact: Dee Williams-Ridley, City Manager, (510) 981-7000

4. Homeless Services Report

From: City Manager

Contact: Dave White, City Manager's Office, (510) 981-7000; Lisa Warhuus, Housing and Community Services, (510) 981-5400

A. Balancing the Budget in Uncertain Times: A Proposal to Increase Reserves and Balance the FY2021 Budget

From: Councilmember Sophie Hahn (Author); Councilmember Ben Bartlett (Co-Sponsor)

Referred: June 15, 2020

Due: November 30, 2020

Recommendation: 1) Allocate an additional approximately \$22M to the General Fund Stability Reserves, with 55% going to the Stabilization Reserve Fund and 45% to the Catastrophic Reserve Fund, using funds drawn from the unassigned General Fund Balance currently held in the City of Berkeley's Pooled Investment Portfolio, to fund Reserves at 30% of adopted FY2020 General Fund revenues; 30% being the minimum long term goal for the General Fund Reserves level provided under "Target Reserves Levels" in the General Fund Reserves Policy. 2) Amend the General Fund

Committee Action Items

Reserves Policy, as shown in Attachment 1 to this item, to: a. Limit the use of Catastrophic Reserves to up to $\frac{1}{3}$ of funds available per incident, per year. b. Limit the use of Stability Reserves to up to $\frac{1}{3}$ of funds available per incident, per year. c. Allow up to $\frac{1}{3}$ of both Catastrophic and Stability Reserves to be used in the same year to respond to the same incident if the catastrophic event triggers both immediate unanticipated expenses and a Fiscal Emergency, as defined in the General Fund Reserves Policy, and the City Council declares such Fiscal Emergency. 3) Declare a Fiscal Emergency due to the COVID-19 pandemic and allocate $\frac{1}{3}$ of fully funded Catastrophic Reserves and $\frac{1}{3}$ of fully funded Stability Reserves (approximately \$20M total out of \$60M, leaving a remainder of 40M in Reserves) to help fill the approximately \$32-35M projected shortfall in FY2021 revenues, to sustain General Fund operations and support essential services and necessary staffing levels. 4) Adopt a replenishment schedule, as required in the General Fund Reserves Policy, to replenish General Fund Reserves to 30% of prior year General Fund Revenues within ten years, as follows: Starting in FY2022, annually assign \$3M from unassigned General Fund Balance to the General Fund Reserves, with 55% to the Stabilization Reserve Fund and 45% to the Catastrophic Reserve Fund, until such time as the General Fund Reserves equal 30% of the previous year's General Fund Revenues (minus any additional Reserves that may be withdrawn to address another catastrophic event and/or downturn, or the same incident - COVID-19 - in a future year). It is expected that replenishment will be completed within 8 years of withdrawal, well within the General Fund Reserves Policy's requirement that funds be replenished within 10 years of withdrawal. The final replenishment installment may be less than \$3M. This proposed replenishment schedule applies only to the approximately \$20M withdrawal of General Fund Reserves to support the FY2021 Budget. Any additional amounts that may be withdrawn in this or a future year to address another catastrophic event, or for COVID-19, will be replenished according to a schedule adopted at the time of such withdrawal. 5) Direct the City Manager to return to Council for adoption a revised FY2021 budget that includes the approximately \$20M in additional General Funds made available through allocation of $\frac{1}{3}$ of fully funded Catastrophic and Stability Reserves. The Budget should include all Measure P allocations made by the City Council in December of 2019 and incorporate approximately \$12-15M in spending reductions (representing approximately 6%-8% of previously adopted FY 2021 General Fund expenditures).

Contact: Sophie Hahn, Councilmember, District 5, 510-981-7150

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

- 5. Open West Campus Pool and Martin Luther King Jr. Pool (King pool) to implement the City of Berkeley Shower Program at these locations, and provide the ability for our community to shower during the COVID 19 Pandemic**
(Item contains revised materials)
From: Councilmember Davila (Author)
Referred: March 30, 2020
Due: September 27, 2020
Recommendation: Direct the City Manager to open the West Campus Pool and Martin Luther King Jr. Middle School (King pool) Pool to implement the City of Berkeley Shower Program at these locations. Opening the West Campus Pool and Martin Luther King Jr. Middle School (King pool) pool will provide the ability for our community to shower during the COVID 19 Pandemic, a humane action required during this crisis.
Financial Implications: \$270,100
Contact: Cheryl Davila, Councilmember, District 2, (510) 981-7120
- 6. Housing Trust Fund Resources**
From: City Manager
Contact: Lisa Warhuus, Housing and Community Services, (510) 981-5400
- 7. Review of Council's Fiscal Policies**
From: City Manager
Contact: Teresa Berkeley-Simmons, Budget Manager, (510) 981-7000

Items for Future Agendas

- **Discussion of items to be added to future agendas**

Adjournment

Written communications addressed to the Budget & Finance Committee and submitted to the City Clerk Department will be distributed to the Committee prior to the meeting.

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Members of the City Council who are not members of the standing committee may attend a standing committee meeting even if it results in a quorum being present, provided that the non-members only act as observers and do not participate in the meeting. If only one member of the Council who is not a member of the committee is present for the meeting, the member may participate in the meeting because less than a quorum of the full Council is present. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Mark Numainville, City Clerk, (510) 981-6900.



COMMUNICATION ACCESS INFORMATION:

To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at (510) 981-6418 (V) or (510) 981-6347 (TDD) at least three business days before the meeting date.

I hereby certify that the agenda for this meeting of the Standing Committee of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City's website, on June 16, 2020.



Mark Numainville, City Clerk

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA.



SOPHIE HAHN
Berkeley City Council, District 5
2180 Milvia Street, 5th Floor
Berkeley, CA 94704
(510) 981-7150
shahn@cityofberkeley.info

ACTION CALENDAR
June 30, 2020

To: Honorable Members of the City Council
From: Vice Mayor Sophie Hahn (Author); Councilmember Ben Bartlett (Co-Sponsor)
Subject: Balancing the Budget in Uncertain Times: A Proposal to Increase Reserves and Balance the FY2021 Budget

RECOMMENDATION

1. Allocate an additional approximately \$22M to the General Fund Stability Reserves, with 55% going to the Stabilization Reserve Fund and 45% to the Catastrophic Reserve Fund, using funds drawn from the unassigned General Fund Balance currently held in the City of Berkeley's Pooled Investment Portfolio, to fund Reserves at 30% of adopted FY2020 General Fund revenues; 30% being the minimum long term goal for the General Fund Reserves level provided under "Target Reserves Levels" in the General Fund Reserves Policy.
2. Amend the General Fund Reserves Policy, as shown in Attachment 1 to this item, to:
 - a. Limit the use of Catastrophic Reserves to up to 1/3 of funds available per incident, per year.
 - b. Limit the use of Stability Reserves to up to 1/3 of funds available per incident, per year.
 - c. Allow up to 1/3 of both Catastrophic and Stability Reserves to be used in the same year to respond to the same incident if the catastrophic event triggers both immediate unanticipated expenses and a Fiscal Emergency, as defined in the General Fund Reserves Policy, and the City Council declares such Fiscal Emergency.
3. Declare a Fiscal Emergency due to the COVID-19 pandemic and allocate 1/3 of fully funded Catastrophic Reserves and 1/3 of fully funded Stability Reserves (approximately \$20M total out of \$60M, leaving a remainder of 40M in Reserves) to help fill the approximately \$32-35M projected shortfall in FY2021 revenues, to sustain General Fund operations and support essential services and necessary staffing levels.

4. Adopt a replenishment schedule, as required in the General Fund Reserves Policy, to replenish General Fund Reserves to 30% of prior year General Fund Revenues within ten years, as follows:

Starting in FY2022, annually assign \$3M from unassigned General Fund Balance to the General Fund Reserves, with 55% to the Stabilization Reserve Fund and 45% to the Catastrophic Reserve Fund, until such time as the General Fund Reserves equal 30% of the previous year's General Fund Revenues (minus any additional Reserves that may be withdrawn to address another catastrophic event and/or downturn, or the same incident - COVID-19 - in a future year).

It is expected that replenishment will be completed within 8 years of withdrawal, well within the General Fund Reserves Policy's requirement that funds be replenished within 10 years of withdrawal. The final replenishment installment may be less than \$3M.

This proposed replenishment schedule applies only to the approximately \$20M withdrawal of General Fund Reserves to support the FY2021 Budget. Any additional amounts that may be withdrawn in this or a future year to address another catastrophic event, or for COVID-19, will be replenished according to a schedule adopted at the time of such withdrawal.

5. Direct the City Manager to return to Council for adoption a revised FY2021 budget that includes the approximately \$20M in additional General Funds made available through allocation of $\frac{1}{3}$ of fully funded Catastrophic and Stability Reserves. The Budget should include all Measure P allocations made by the City Council in December of 2019 and incorporate approximately \$12-15M in spending reductions (representing approximately 6%-8% of previously adopted FY 2021 General Fund expenditures).

SUMMARY STATEMENT

Due to the COVID-19 pandemic and the effects of necessary Shelter-In-Place orders that have shut down much of the local, state and national economies, the City of Berkeley is simultaneously managing a major health crisis and facing an unprecedented financial shock, expected to lead to a short- or longer-term economic downturn or depression.

These conditions are exactly what the Council had in mind when the City's first formally designated General Fund Catastrophic and Stability Reserves were created in 2017. Assigned General Fund Reserves were first funded at 13.8% of adopted 2017 General Fund Revenues and have increased every year since. At the end of FY2019, the City had approximately \$36.6M in assigned General Fund Reserves, representing approximately 18.2% of adopted FY2019 General Fund revenues.

The City has instituted a hiring freeze and is looking at other measures to address an estimated \$32-\$35M shortfall as compared to revenues adopted in the existing 2021 Budget, including allocations of measure P funds made in December of 2019. Addressing this shortfall will require applying a portion of both Catastrophic and Stability Reserves as well as reducing previously adopted FY2021 expenditures.

To support the City's recovery from COVID-19 and its impacts on the health and economy of the community, this item proposes to (1) fully fund General Fund Reserves at 30% of FY2020 adopted General Fund revenues, (2) approve a policy that allows only 1/3 of General Fund Reserves to be allocated per year, per incident, (3) allocate 1/3 of fully funded General Fund Reserves to support COVID-related expenses and revenue shortfalls in FY2021, (4) pursuant to the General Fund Reserves Policy, adopt a replenishment plan for withdrawn General Fund Reserves, and (5) adopt a revised budget for FY2021 that incorporates allocation of approximately \$20M in General Fund Reserves to support General Fund Revenues plus reductions in expenditures necessary to achieve a balanced FY2021 budget.

BACKGROUND

Background for Referral #1: Allocate an additional approximately \$22M to the General Fund Stability Reserves to fund Reserves at 30% of adopted FY2020 General Fund revenues; 30% being the minimum long term goal for the General Fund Reserves level provided under "Target Reserves Levels" in the General Fund Reserves Policy.

Berkeley bases its annual budgets on estimated annual revenues; looking at expected income and expenditures over the same year.

But yearly income is not the only money Berkeley has. Berkeley also has "money in the bank" from a variety of sources, held for a variety of reasons. It keeps that money in two large funds that are invested according to strict rules about how a municipality, or Berkeley, may invest.

One is a trust fund, which holds money for employee retiree health benefits¹. As of March 31, 2020, that fund, the Retiree Medical Plan Trust Fund, had a balance of ~\$48M.

The other fund, the Pooled Cash Investment Portfolio (PCIP), holds the City's "idle funds²" - the fund balances from all other City funds - that are invested together. As of March 31, 2020, the PCIP held approximately \$476M. Most of the money in the PCIP is held for a specific purpose and is restricted, committed or assigned.³ These kinds of monies can only be used for purposes for which they are designated/held. Other monies in the PCIP are assigned and unassigned General Fund monies - referred to in financial documents as "General Fund Balance."

¹ [Investment Policy: Retiree Medical Plan Trust Funds](#)

² [Investment Policy: Pooled Cash](#)

³ [Pgs.61-62] [City of Berkeley Comprehensive Annual Financial Report for the year ended June 30, 2019](#)

This General Fund Balance is divided into “assigned” and “unassigned” categories. Among the “assigned” portion of the General Fund Balance (per the May 4, 2020 Budget Update) is the City’s approximately \$37.8M in previously designated General Fund Reserves. The “unassigned” General Fund Balance is available to be assigned to General Fund Reserves.

In light of the seriousness of the financial crisis we face as a City, this item proposes to assign approximately one half of unassigned General Fund Balance held in the PCIP to the City’s General Fund Reserves (also held in the PCIP), making additional Reserves funding available for the purposes outlined in the City’s General Fund Reserves Policy, raising the Reserve Balance up to the City’s long-term goal of at least 30% of Adopted General Fund Revenues, and helping the City meet needs and address shortfalls brought on by the current health and fiscal crises.

Background for Referral #2: Amend the General Fund Reserves Policy

The City’s adopted General Fund revenues for FY2020 are \$196,913,849,⁴ or approximately \$200M. Thirty percent of \$200M is \$60M. As of the May 4, 2020 Budget Update, the General Fund Reserve Balance was \$37.8M, with \$20.9M in the Stability Reserve and \$16.9M in the Catastrophic Reserve. The allocation of an additional approximately \$22M to Reserves brings the total General Fund Reserves Balance to ~\$60M, or 30% of adopted FY2020 General Fund revenues. With these additional Reserves in hand, there is additional money available to support the City’s projected 2021 revenue shortfalls due to the COVID-19 crisis.

Unfortunately, it cannot be assumed that (1) FY2021 will be the only year when the City faces shortfalls due to COVID-19 and (2) COVID-19 will be the only crisis the City faces in the near future.

COVID-19 will most likely impact Berkeley’s budget for several years, with actual impacts impossible to predict with much accuracy, despite the City Manager’s best efforts to make projections.⁵ It will be necessary to revisit decisions every year, quarter and month at a time until the City - and the state, country and world - understand the short, mid- and long-term impacts of the COVID-19-related economic shock we have experienced. For this reason, it would be imprudent to spend too large of a portion of the City’s General Fund Reserves, even fully funded, in one year.

Similarly, with high wildfire risks and the ever-present risk of a catastrophic earthquake, it’s not impossible that there may be additional demands on the City’s General Fund Reserves. The City must be prepared to meet these potential additional crises; and again, cannot devote too large a portion of Reserves, even fully funded, to addressing COVID-19.

⁴ [\[Pg. 83 \(Pg. 93 of the PDF\)\] City of Berkeley Fiscal Years 2020-2021 Adopted Biennial Budget](#)

⁵ [FY 2020 - 2024 Revenue Projections](#)

To address these two factors - the likely need to spread COVID-related relief across several years, and the need to hold Reserves for potential additional crises, the Budget and Finance Committee has recommended modifications to the City's General Fund Reserves Policy. *This item proposes adoption of a similar set of amendments that achieve the same goals with additional clarity, and additional clarifications to the Policy.* See Attachment 1.

The amendments allow for only $\frac{1}{3}$ of either General Fund Reserves to be allocated in response to a single event in a single year.

Background for Referral # 3: Declare a Fiscal Emergency due to the COVID-19 pandemic and allocate $\frac{1}{3}$ of fully funded Catastrophic Reserves and $\frac{1}{3}$ of fully funded Stability Reserves (approximately \$20M total) to help fill the approximately \$32-35M projected shortfall in FY2021 revenues

Once fully funded at 30% of adopted FY2020 General Fund Revenues, General Fund Reserves will equal approximately \$60M, with approximately \$27M in Catastrophic Reserves and \$33M in Stability Reserves. Because the COVID-19 crisis is both a catastrophic event and has brought about a protracted economic downturn, funds from both Reserves should be allocated. With the proposed amended Reserves policy in place, only $\frac{1}{3}$ of Reserves can be allocated in a single fiscal year; thus approximately \$20M is available to be allocated towards FY2021 shortfalls.

Given the extreme nature of this crisis, and the severity of the financial shock, this item allocates the full approximately \$20M - \$9M of Catastrophic Reserves and \$11M of Stability Reserves - to support COVID-19-related costs and loss of expected income for FY2021. It's important to note that, having fully funded Reserves at the 30% level (~60M), a withdrawal of $\frac{1}{3}$ of the "topped-off" Reserves fund *still leaves more funds in Reserves than are currently available*. Current Reserves = \$37.8M. Adding another ~\$22M brings the balance up to ~\$60M. One third of \$60M is \$20M - which would be allocated to support the FY2021 General Fund, leaving a full \$40M in Reserves for future use - \$2.2M more than we have now.

Assuming the shortfall for FY 2021 is \$32-35M (with Measure P funds going towards the allocations that were previously made by Council, or reallocated to other Homeless services/Measure P purposes), the allocation from Reserves would reduce the City's funding shortfall to \$12-15M. This reduction would allow for cuts at 6% to 8% rather than 10%, 12% or 15%, as previously anticipated.

With better information about the City's financial picture likely available one year from now, as the City Council determines the 2022-2023 Budget, additional allocations from Reserves, or cuts to General Fund expenditures, if any, can be determined based on better projections and information. Cutting too much at this time is unwarranted when adequate Reserves are available; additional reductions, if necessary, can be made at quarterly and mid-year 2021 updates, or when the budget for the next two-year cycle is determined. For now, supplementing the 2021 Budget with approximately \$20M from Reserves is prudent, and the use of General

Fund Reserves for these purposes, in this limited manner, is more than justified: the City's "rainy day" has arrived.

Background for Referral #4: Adopt a replenishment schedule, as required in the General Fund Reserves Policy, to replenish General Fund Reserves to 30% of prior year General Fund Revenues within ten years

As noted previously, with Reserves fully funded at 30% of adopted FY 2020 General Fund revenues, Reserves will be approximately the same, or possibly greater than the current Reserves balance, even after allocating $\frac{1}{3}$ of Reserves to support the FY2021 revenue shortfall. Nevertheless, it would be prudent to replenish Reserves to the full 30% level if possible, and this item proposes a means to replenish Reserves to the full 30% within 10 years, so that funds are available for a protracted COVID-19 downturn, or for another downturn or event.

General Fund Reserve Policy requires Council to adopt a "replenishment schedule" simultaneously with any draw down on Reserves Funds. The proposed schedule is as follows:

Starting In FY2022, \$3M from unassigned General Fund Balance is assigned to General Fund Reserves, with 55% assigned to the Stabilization Reserve Fund and 45% to the Catastrophic Reserve Fund, until such time as General Fund Reserves equal 30% of the previous year's General Fund Revenues (minus any additional Reserves that may be withdrawn to address another catastrophic event and/or downturn, or the same event - COVID-19 - in a future year).

With an approximately \$20M withdrawal from General Fund Reserves and a start date for replenishment of FY 2022, It is expected that full replenishment will be completed within 8 years of withdrawal ($\$3M \times 7 \text{ years} = \$21M$), well within the General Fund Reserves Policy's preference for Reserves to be replenished within 10 years of a withdrawal, if possible. The final replenishment installment may be less than \$3M.

The proposed replenishment schedule applies only to the approximately \$20M withdrawal of General Fund Reserves made in support of the FY2021 Budget. Any additional amounts that may be withdrawn to address another catastrophic event, or for COVID-19-related purposes in a future year, will be replenished according to a schedule adopted at the time of such withdrawal.

Background for Referral #5: Direct the City Manager to return to Council for adoption a revised FY2021 budget that includes the approximately \$20M in additional General Funds made available through allocation of $\frac{1}{3}$ of fully funded Catastrophic and Stability Reserves, including all Measure P allocations made by the City Council in December of 2019, and incorporating approximately \$12-15M in spending reductions.

The City Manager has projected a budget shortfall of \$28M, but the projection assumes Measure P allocations made by the City Council in December of 2019 are nullified, and Measure P monies are available to support other General Fund expenditures. This proposed or assumed nullification of Measure P allocations does not conform with the promises made to

Berkeley voters, the community or Council's repeatedly expressed priorities, or with the humanitarian imperative that homelessness presents. With Measure P allocations included in the FY2021 budget, the General Fund shortfall is approximately \$32-35M. The allocation of \$20M from General Fund Reserves reduces the shortfall to approximately \$12-15M, representing only 6-8% total reductions in General Fund spending for FY2021, not 10-15% as might be necessary without the allocation of 1/3 of fully funded Reserves.

This less impactful set of expenditure reductions is a prudent way to start off; avoiding reductions that may be unnecessary when community needs are increasing. These budget allocations, as well as City's FY2021 revenue projections, will be revisited quarterly during FY2021, and can be adjusted as necessary.

Currently, the City is likely at the "apex of uncertainty" regarding near and longer-term revenues, as well as knowing the extent of evolving community needs. The City's income projections are conservative, as has been the practice of the City over time, and as is prudent in an environment of such uncertainty. Reducing services too deeply and too quickly can be harmful and costly to the City and the local economy in both the short and long terms; we suggest that a better course is to supplement FY2021 income with monies available from General Fund Reserves, and reduce expenditures a more modest amount. Additional adjustments, if necessary, can be made in the future.

ENVIRONMENTAL SUSTAINABILITY

The measures recommended in this item will protect important sustainability programs from potentially excessive reductions in funding, thus ensuring that important environmental initiatives can still move forward.

FINANCIAL IMPLICATIONS

This item proposes prudent measures that conform with the General Fund Reserves policy and other policies relating to management of the City of Berkeley's finances.

CONTACT INFORMATION

Vice Mayor Sophie Hahn, Council District 5, 510-682-5905 (cell)

ATTACHMENTS

Attachment 1: Proposed Amendments to City of Berkeley General Fund Reserves Policy

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

AMENDING THE CITY COUNCIL'S POLICY FOR THE GENERAL FUND RESERVES

WHEREAS, the General Fund Reserves ensures the City's ability to maintain vital services to the community during times of economic uncertainty; and

WHEREAS, the City is committed to achieving long-term fiscal stability as well as mitigating the negative impacts of extraordinary risk such as earthquakes, fires, floods, public health emergencies and pandemics; and

WHEREAS, the current General Fund Reserve level of 17.43% is consistent with GFOA's best practice recommended minimum General Fund level of 16.7%; and

WHEREAS, specific portions of the reserves should be designated for catastrophic and stabilization purposes and should be reported separately from the General Fund Balance; and

WHEREAS, when using the General Fund Reserves the City should specify the purpose for the use of reserve funds, the time frame in which the reserve funds can be used, and how much will be used during that time frame. In addition the use and replenishment of the General Fund Reserves policy should allow flexibility in the timeframe in which the reserve funds can be used and the definition of catastrophic reserve should be amended to include public health emergencies and pandemics.

Commented [SH1]: This section will need to be rewritten to reflect the changes to be adopted.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the attached exhibit titled General Fund Reserves Policy is hereby adopted.

City of Berkeley General Fund Reserves Policy

Policy

The General Fund is the City's primary operating fund. It is not connected to any one revenue source and may be used at the City's discretion. The General Fund is the operation fund that pays for general services provided by the City as well as public safety and capital improvements. The General Fund accounts for all general revenues and expenditures of the City related to the delivery of the City's general services not specifically collected or levied for other City funds.

The City of Berkeley is committed to achieving long-term fiscal stability as well as mitigating the negative impacts of extraordinary risk such as earthquakes, fires, floods, [public health emergencies, pandemics](#), and economic volatility. A key attribute of a financially stable organization is appropriate reserves. Strong reserves position an organization to weather significant economic downturns more effectively, manage the consequences of outside agency actions that may result in revenue reductions, and address unexpected emergencies such as natural disasters and other catastrophic events. Establishing an adequate General Fund Reserves policy allows the City to mitigate current and future financial risks resulting from economic instability or catastrophic loss.

Commented [SH2]: As recommended by the Budget and Finance Committee

Functions of Reserves: Stability and Catastrophic

The City of Berkeley will establish and maintain adequate General Fund Reserves ("Reserves") to prepare for the impact of economic cycles and catastrophic events and assure fluctuations in revenue do not impede the City's ability to meet expenditure obligations. When revenues fail to meet the City's normal operating requirements, or the need for disbursements temporarily exceeds receipts, General Fund Reserves, upon a two-thirds vote of the City Council, may be used in accordance with the standards set forth herein.

The Reserves shall be comprised of two elements: a Stability Reserve and a Catastrophic Reserve. The Reserves shall not be used for ongoing or new programs or services.

A **Stability Reserve** will be maintained to mitigate loss of service delivery and financial risks associated with unexpected revenue shortfalls during a single fiscal year or during a prolonged recessionary period. The purpose of the Stability Reserve is to provide fiscal stability in response to unexpected downturns or revenue shortfalls, and not to serve as a funding source for new programs or projects, [unless such programs or projects are directly related to recovery from the unexpected shortfall or recessionary period, and have been duly approved by the City Council.](#)

Commented [SH3]: Because General Fund reserves technically fund all General Fund expenditures, it's important to note that they can be allocated to support a General Fund budget that includes new programs or projects related to recovery that have been approved by the City Council

A **Catastrophic Reserve** will be maintained for the purpose of sustaining General Fund operations in the case of a public emergency such as a natural disaster or other catastrophic event. The Catastrophic Reserve will be used to respond to extreme, onetime events, such as earthquakes, fires, floods, civil unrest, terrorist attacks, [public health emergencies and pandemics](#). The Catastrophic Reserve will not be accessed to meet operational shortfalls or to fund new programs or projects, [unless such programs or projects are directly related to the response to the catastrophic event, and have been duly approved by the City Council.](#)

Commented [SH4]: As proposed by the Budget and Finance Committee

Commented [SH5]: Because General Fund reserves technically fund all General Fund expenditures, it's important to note that they can be allocated to support a General Fund budget that includes new programs or projects related to response to the event that have been approved by the City Council

Funding and Functions that are NOT Part of the General Fund Reserves

Not included in the General Fund Reserves are funds that are set aside for a specific purpose. This would include restricted, committed, and assigned funds.

- The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action by the City Council.
- Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Target Reserves Levels

The General Fund Reserves consists of the total of the Stability Reserve and the Catastrophic Reserve. 55% of the Reserves shall be allocated to the Stability Reserve and 45% to the Catastrophic Reserve.

Effective immediately, the target level for the Reserves shall be a minimum of 13.8% of 2017 Adopted General Fund Revenues with an Intermediate Goal of a minimum of 16.7% 2020 Adopted General Fund Revenues by the end of Fiscal Year 2020, if financially feasible. The Council hereby adopts a long-term goal of Reserves of a minimum of 30% of the same year's Adopted General Fund Revenues, to be achieved within no more than 10 years. Based on a risk assessment (according to best practices), to be updated at least every five years, the Council may consider increasing or lowering the General Fund Reserves level.

Commented [SH6]: Clarifications – original policy is vague on which year's Adopted General Fund Revenues reserves will be measured against. Without clarification, this could be read to mean 16.7% and 30% of 2017 Adopted General Fund Revenues.

Attaining the long-term goal of General Fund Reserves of a minimum of 30% of the same year's Adopted General Fund Revenues is important to the long-term financial health and stability of the City. Starting in Fiscal Year 2018, to achieve the City's intermediate and long-term Reserves Goals, 50% of Excess Equity above the first \$1 M shall be allocated to Reserves, until such time as the 30% long-term goal has been achieved, at which time only amounts necessary to maintain 30% reserves shall be allocated to Reserves by application of this formula. Additional Excess Equity or other available funds may be allocated to Reserves by a majority vote of the City Council at any time.

Commented [SH7]: Moved from another location in the Policy – belongs here

Commented [SH8]: Clarification that the automatic allocations to Reserves will end once 30% reserves have been achieved, and additional funds, if any, are to be allocated by majority vote of the Council.

Commented [SH9]: Clarifies that Council may allocate any available funds it deems advisable to Reserves, not just excess equity.

Methodology to Meet Reserve Levels

The General Fund Reserves are separate from the General Fund Balance. The sum of the Stability Reserve and the Catastrophic Reserve and the amount determined to be Excess Equity is deemed to be General Fund Unassigned Fund Balance. Unassigned Fund Balance is the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications.

Excess Equity is most commonly a non-recurring source of revenue and shall only be used for one-time, non-recurring expenditure needs of the City. Excess Equity should be reported separately from the General Fund Reserves.

Commented [SH10]: All of this is accounted for according to accounting standards. Not sure this is actually correct, and in any case this isn't the correct place for these policies to be stated. Suggest removing this and amending the correct policy/ies if the Finance Director believes these questions are not already handled in our existing rules, regs and financial practices. Also conflicts/confuses statements made under the heading **Funding and Functions that are NOT Part of the General Fund Reserves**

~~Attaining the long-term goal of General Fund Reserves of a minimum of 30% of General Fund Revenues is important to the long-term financial health and stability of the City.~~

Appropriation and Replenishment of the General Fund Reserves

No more than one-third (1/3) of General Fund Reserves shall be appropriated per year, per event. Appropriation of General Fund Reserves shall be for the purposes stated in this Policy. A catastrophic event may require an immediate response and also trigger unexpected revenue shortfalls during a single fiscal year or during a prolonged recessionary period, in which case the City Council may appropriate funds from both Catastrophic and Stability Reserves to respond to the same event in the same year, so long as the total amount appropriated does not exceed 30% of all General Fund Reserves.

Commented [SH11]: This is moved up to a prior section of the Policy

The City Manager shall recommend a replenishment schedule for all monies proposed for appropriation from the General Fund Reserves. The replenishment schedule shall be adopted simultaneous with the appropriation to withdraw Reserve funds or, if infeasible due to emergency circumstances, no more than 3 months from the date of the withdrawal appropriation. Repayment shall begin no more than 5 years from the date of withdrawal and be completed within 10 years from the date of withdrawal. While staff envisions that, in most cases, repayment will start as soon as possible, the repayment guidelines are meant to reflect a commitment to maintain a sufficient Reserve, while also recognizing that a use of Reserve funds may occur during an economic downturn and it may be necessary to postpone repayment while the economy improves.

Commented [SH12]: This reflects, expands and clarifies changes proposed by the Budget and Finance Committee.

Usage of the General Fund Stability Reserve

The General Fund Stability Reserve shall only be drawn upon if all of the following criteria are met:

1. City revenues are insufficient to meet normal operating expenses.
2. A hiring freeze has been implemented, with exceptions only for designated positions as appropriate to maintain essential and core services to the public that support public health, safety, and welfare. Essential services will be determined at the time of fiscal emergency with a recommendation from the City Manager to be approved by City Council.
3. User fees and services charges are being fully utilized for those services for which they were collected.
4. A declaration of fiscal emergency is made by ordinance before drawing on the reserves. Fiscal emergency is defined as the following:

Commented [SH13]: This existing section of the policy already addresses some of the concepts the Budget and Finance Committee's proposed amendments tried to address, but the concepts are more tightly and completely covered here already.

- a. When General Fund revenues increase less than 3% from the prior fiscal year.
- b. When the City needs to mitigate State or Federal budget actions that may reduce revenue or increase expenditures.
- c. When the City must absorb liability settlements in excess of available resources in the City's litigation designation.

The General Fund Stability Reserve shall only be used in the following manner:

- 1. Stability Reserve funds shall be prioritized to preserve essential services and necessary staffing levels determined at the time of the fiscal emergency with a recommendation from the City Manager to be approved by the City Council.
- 2. All other reasonable and available expenditure reduction measures shall have been taken by the City Manager and the City Council before using one-time funding to support operational positions.
- 3. Operational positions shall not receive Stability Reserve funds for longer than two years except in extreme conditions.



**BERKELEY CITY COUNCIL BUDGET & FINANCE COMMITTEE
SPECIAL MEETING**

**Thursday, June 18, 2020
10:00 AM**

Committee Members:

Mayor Jesse Arreguin, Councilmembers Cheryl Davila and Lori Droste
Alternate: Councilmember Kate Harrison

**PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH
VIDEOCONFERENCE AND TELECONFERENCE**

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this meeting of the City Council Budget & Finance Committee will be conducted exclusively through teleconference and Zoom videoconference. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, there will not be a physical meeting location available.

To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL - <https://us02web.zoom.us/j/83187601060> If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon on the screen.

To join by phone: Dial **1-669-900-9128** and Enter Meeting ID: **831 8760 1060**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

Written communications submitted by mail or e-mail to the Budget & Finance Committee by 5:00 p.m. the Friday before the Committee meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record. City offices are currently closed and cannot accept written communications in person.

AGENDA

Roll Call

Public Comment on Non-Agenda Matters

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - June 9, 2020

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

2. Fiscal Year 2021 Budget Update

From: City Manager

Contact: Teresa Berkeley-Simmons, Budget Manager, (510) 981-7000

3. Councilmember Budget Recommendations

From: City Manager

Contact: Dee Williams-Ridley, City Manager, (510) 981-7000

4. Homeless Services Report

From: City Manager

Contact: Dave White, City Manager's Office, (510) 981-7000; Lisa Warhuus, Housing and Community Services, (510) 981-5400

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

5. **Open West Campus Pool and Martin Luther King Jr. Pool (King pool) to implement the City of Berkeley Shower Program at these locations, and provide the ability for our community to shower during the COVID 19 Pandemic**
(Item contains revised materials)
From: Councilmember Davila (Author)
Referred: March 30, 2020
Due: September 27, 2020
Recommendation: Direct the City Manager to open the West Campus Pool and Martin Luther King Jr. Middle School (King pool) Pool to implement the City of Berkeley Shower Program at these locations. Opening the West Campus Pool and Martin Luther King Jr. Middle School (King pool) pool will provide the ability for our community to shower during the COVID 19 Pandemic, a humane action required during this crisis.
Financial Implications: \$270,100
Contact: Cheryl Davila, Councilmember, District 2, (510) 981-7120
6. **Housing Trust Fund Resources**
From: City Manager
Contact: Lisa Warhuus, Housing and Community Services, (510) 981-5400
7. **Review of Council's Fiscal Policies**
From: City Manager
Contact: Teresa Berkeley-Simmons, Budget Manager, (510) 981-7000

Items for Future Agendas

- **Discussion of items to be added to future agendas**

Adjournment

~~~~~  
*Written communications addressed to the Budget & Finance Committee and submitted to the City Clerk Department will be distributed to the Committee prior to the meeting.*

*This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Members of the City Council who are not members of the standing committee may attend a standing committee meeting even if it results in a quorum being present, provided that the non-members only act as observers and do not participate in the meeting. If only one member of the Council who is not a member of the committee is present for the meeting, the member may participate in the meeting because less than a quorum of the full Council is present. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Mark Numainville, City Clerk, (510) 981-6900.*



### COMMUNICATION ACCESS INFORMATION:

To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at (510) 981-6418 (V) or (510) 981-6347 (TDD) at least three business days before the meeting date.

~~~~~  
I hereby certify that the agenda for this meeting of the Standing Committee of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City's website, on June 11, 2020.



Mark Numainville, City Clerk

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA.

**BERKELEY CITY COUNCIL BUDGET & FINANCE COMMITTEE
SPECIAL MEETING MINUTES**

**Tuesday, June 9, 2020
10:00 AM**

Committee Members:

Mayor Jesse Arreguin, Councilmembers Cheryl Davila and Lori Droste
Alternate: Councilmember Kate Harrison

**PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH
VIDEOCONFERENCE AND TELECONFERENCE**

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this meeting of the City Council Budget & Finance Committee will be conducted exclusively through teleconference and Zoom videoconference. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, there will not be a physical meeting location available.

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To join by phone: Dial **1-669-900-9128** and Enter Meeting ID: **854 1235 3866**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

Written communications submitted by mail or e-mail to the Budget & Finance Committee by 5:00 p.m. the Friday before the Committee meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record. City offices are currently closed and cannot accept written communications in person.

AGENDA

Roll Call: 10:00 a.m. All present.

Public Comment on Non-Agenda Matters – 10 speakers

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - June 4, 2020

Action: M/S/C (Arreguin/Davila) to approve the minutes of June 4, 2020.

Vote: All Ayes.

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

2. Fiscal Year 2021 Budget Update

From: City Manager

Contact: Teresa Berkeley-Simmons, Budget Manager, (510) 981-7000

Action: 22 speakers. Presentation made and discussion held. M/S/C (Droste/Davila) to approve and forward to Council with a positive recommendation the updated General Fund Reserve Policy Resolution.

Vote: All Ayes.

Item continued to next meeting on June 18, 2020.

3. Councilmember Budget Recommendations

From: City Manager

Contact: Dee Williams-Ridley, City Manager, (510) 981-7000

Action: 2 speakers. Presentation made and discussion held.

Item continued to next meeting on June 18, 2020.

Committee Action Items

4. Homeless Services Report

From: City Manager

Contact: Dave White, City Manager's Office, (510) 981-7000; Lisa Warhuus, Housing and Community Services, (510) 981-5400

Action: 2 speakers. Presentation made and discussion held.

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

5. Open West Campus Pool and Martin Luther King Jr. Pool (King pool) to implement the City of Berkeley Shower Program at these locations, and provide the ability for our community to shower during the COVID 19 Pandemic *(Item contains revised materials)*

From: Councilmember Davila (Author)

Referred: March 30, 2020

Due: September 27, 2020

Recommendation: Direct the City Manager to open the West Campus Pool and Martin Luther King Jr. Middle School (King pool) Pool to implement the City of Berkeley Shower Program at these locations. Opening the West Campus Pool and Martin Luther King Jr. Middle School (King pool) pool will provide the ability for our community to shower during the COVID 19 Pandemic, a humane action required during this crisis.

Financial Implications: \$270,100

Contact: Cheryl Davila, Councilmember, District 2, (510) 981-7120

6. Housing Trust Fund Resources

From: City Manager

Contact: Lisa Warhuus, Housing and Community Services, (510) 981-5400

7. Review of Council's Fiscal Policies

From: City Manager

Contact: Teresa Berkeley-Simmons, Budget Manager, (510) 981-7000

Items for Future Agendas

- Discussion of items to be added to future agendas

Adjournment


Adjourned at 1:00 p.m.

I hereby certify that this is a true and correct record of the Budget & Finance Committee meeting held on June 9, 2020.

April Richardson, Assistant City Clerk

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA.



No Material
Available for
this Item

There is no material for this item.

City Clerk Department
2180 Milvia Street
Berkeley, CA 94704
(510) 981-6900

The City of Berkeley Budget & Finance Policy Committee Webpage:
https://www.cityofberkeley.info/Clerk/Home/Policy_Committee_Budget_Finance.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|---|--------------------|---|---------------------------|--------------------|--|
| 1. Budget Referral: Remediation of Lawn Bowling, North Green and Santa Fe Right-of-Way, FY2020-2021 ¹ | June 25, 2019 | Refer to the FY20 (2020/2021) RRV Budget Process for consideration of at least \$150,000 and up to remediate the Lawn Bowlers, North Green and Santa Fe Right-of-Way in advance of Request for Proposal (RFP) for these areas that potentially could provide much needed affordable alternative housing. | \$150,000 | | Davila |
| 2. Adopt an Ordinance adding a new Chapter 12.80 to the Berkeley Municipal Code Prohibiting Natural Gas Infrastructure in New Building ² | July 9, 2019 | Refer to the November 2019 budget process for consideration of up to \$273,341 per year to fund a new career position in the Building & Safety Division of the Department of Planning and Development. The staff person will assist with implementing the gas prohibition ordinance and reach codes, and perform other duties as specified in the Financial Implications section of this item | \$273,341 | Funded | Harrison, Davila, Bartlett and Hahn |
| 3. Recommendation to Install an Outdoor Public Warning System (Sirens) and Incorporate It Into a Holistic Emergency Alerting Plan ³ | September 10, 2019 | Recommend that City of Berkeley immediately begin the process to purchase, install, and maintain an outdoor public warning system (sirens) as a supplement to other alert and warning technologies within our boundaries and coordinated with abutting jurisdictions and Alameda County. | \$1,500,000 - \$2,000,000 | | Gradiva Couzin, Chair, Disaster and Fire Safety Commission |

¹ https://www.cityofberkeley.info/Clerk/City_Council/2019/07_Jul/Documents/2019-07-09_Item_21_Adopt_an_Ordinance_adding_a_new.aspx

² https://www.cityofberkeley.info/Clerk/City_Council/2019/06_June/Documents/2019-06-25_Item_38_Budget_Referral_Remediation_of_Lawn.aspx

³ https://www.cityofberkeley.info/Clerk/City_Council/2019/09_Sep/Documents/2019-09-10_Item_33_Commission_Referral_Recommendation.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|---|--------------------|---|---|--------------------|----------------------------------|
| 4. Funding the Pavement of Derby Street Between Telegraph Avenue and Shattuck Avenue ⁴ | September 10, 2019 | Refer to the budget process for the paving of Derby St. between Shattuck Ave. and Telegraph Ave. in order to repair deteriorating street that serves as a part of major commuter corridor. | \$1.6 million for pavement reconstruction Per 2017 Bicycle Plan: \$60,000 for traffic diverter at Fulton \$360,000 for Ped. Hybrid Signal at Shattuck | | Bartlett |
| 5. Funding the Construction of a Pedestrian Signal at Ashby Street and Fulton Street ⁵ | September 10, 2019 | Refer to the November budget AAO process for the construction of a pedestrian crossing signal at the intersection of Ashby and Fulton St. in order to reduce traffic accidents, and further safeguard the community. | \$400,000 - \$800,000 | | Bartlett |
| 6. Funding for Pedestrian Crossing Signal at Intersection of Shattuck and Prince ⁶ | September 10, 2019 | Refer to the November Budget Annual Appropriations Ordinance to fund pedestrian crossing signals on all directions of the Shattuck Avenue and Prince Street intersection in order to address inadequate traffic control and ensure the safety of travelers along these streets. | \$400,000 - \$800,000 | | Bartlett |
| 7. Funding Streetlight Near South East Corner of Otis Street ⁷ | September 10, 2019 | Council refers to the City Manager to fund construction of a streetlight on the corner of Otis near Ashby. | \$10,000 to \$20,000 | | Bartlett |

⁴ https://www.cityofberkeley.info/Clerk/City_Council/2019/09_Sep/Documents/2019-09-10_Item_44_Pavement_of_Derby_Street_and_Ward.aspx

⁵ https://www.cityofberkeley.info/Clerk/City_Council/2019/09_Sep/Documents/2019-09-10_Item_45_Funding_the_Construction_of_a_Pedestrian.aspx

⁶ https://www.cityofberkeley.info/Clerk/City_Council/2019/09_Sep/Documents/2019-09-10_Item_46_Funding_for_Pedestrian_Crossing_Signal.aspx

⁷ https://www.cityofberkeley.info/Clerk/City_Council/2019/09_Sep/Documents/2019-09-10_Item_47_Funding_Streetlight_Near_South_East.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|---|--------------------|---|-----------|--------------------|----------------------------------|
| 8. RFP for a Freestanding Public restroom Facility ⁸ | September 24, 2019 | Refer to the budget process to set aside up to \$100,000 to issue an RFP for a freestanding, 24/7 public restroom facility in the Telegraph Business Improvement District. | \$100,000 | Funded | Robinson |
| 9. Grant referral for Capoeira Arts Foundation ⁹ | October 15, 2019 | Refer a Grant of \$150,000 for the benefit of the Capoeira Arts Foundation (CAF) to the mid-year budget process to support their purchase of the Casa De Cultura-1901 San Pablo Ave-in partnership with BrasArte to create a permanent home for their organizations, their school, the United Capoeira Association (UCA) Berkeley, and for other Brazilian art forms. | \$150,000 | Funded | Arreguin, Kesarwani and Davila |
| 10. Health Impact Assessment Outreach Coordinator ¹⁰ | October 15, 2019 | Refer to the Mid-Year Budget Process an amount of \$25,000 for Berkeley's contribution towards a budget of \$50,000 to support an Outreach Coordinator for the purpose of community education about the health impacts associated with the proposed closure of Alta Bates Hospital as indicated in the Health Impact Analysis completed by the Institute of Urban and Regional Development, UC Berkeley in December 2018. | \$25,000 | Funded | Arreguin, Harrison, and Droste |

⁸ https://www.cityofberkeley.info/Clerk/City_Council/2019/09_Sep/Documents/2019-09-24_Item_28_Budget_Referral_RFP_for_a_Freestanding_Public.aspx

⁹ https://www.cityofberkeley.info/Clerk/City_Council/2019/10_Oct/Documents/2019-10-15_Item_18_Grant_Referral_for_Capoeira_Arts.aspx

¹⁰ https://www.cityofberkeley.info/Clerk/City_Council/2019/10_Oct/Documents/2019-10-15_Item_19_Health_Impact_Assessment_Outreach.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|--|------------------|--|-----------|--------------------|--|
| 11. RFP for a Freestanding Public restroom Facility ¹¹ | October 15, 2019 | Continued from September 24, 2019 Council Meeting | | | Robinson |
| 12. Referral to City Manager to Authorize Additional Inclement Weather Shelter at Old City Hall from October 15, 2019 - April 30, 2020 ¹² | October 15, 2019 | Approving the allocation of \$140,000 in funding for this inclement weather shelter with funds from the budget appropriations for an expanded Emergency Shelter program or by State Homeless Emergency Aid Program (HEAP) funding. | \$140,000 | \$60,000 - Funded | Davila, Harrison, Bartlett and Kesarwani |
| 13. Berkeley Age-Friendly Continuum ¹³ | October 29, 2019 | Refer to the mid-year budget process \$20,000 for the Berkeley Age-Friendly Continuum. | \$20,000 | Funded | Mayor Arreguin and Bartlett |
| 14. Funding Illegal Dumping Component of "Clean & Livable Commons Initiative" ¹⁴ | October 29, 2019 | Refer to the November budget process consideration for providing \$200,000 to fund a key component of the "Clean & Livable Commons Initiative" unanimously passed by the City Council on February 28, 2019. | \$200,000 | Funded | Kesarwani, Harrison, and Mayor Arreguin |

¹¹ https://www.cityofberkeley.info/Clerk/City_Council/2019/10_Oct/Documents/2019-10-15_Item_28_Budget_Referral_RFP_for_a_Freestanding.aspx

¹² https://www.cityofberkeley.info/Clerk/City_Council/2019/10_Oct/Documents/2019-10-15_Item_21_Referral_to_City_Manager_to_Authorize.aspx

¹³ https://www.cityofberkeley.info/Clerk/City_Council/2019/10_Oct/Documents/2019-10-29_Item_14_Budget_Referral_Berkeley_Age-Friendly.aspx

¹⁴ https://www.cityofberkeley.info/Clerk/City_Council/2019/10_Oct/Documents/2019-10-29_Item_16_Budget_Referral_Funding_Illegal_Dumping.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|---|-------------------|---|-----------|--------------------|----------------------------------|
| 15. Allocate \$27,000 from the General Fund to Secure Potential Matching State Certified Local Government Landmarks Preservation Grants ¹⁵ | October 29, 2019 | Refer to the FY 2021 November Budget Process to allocate \$27,000 from the General Fund to secure potential matching state Certified Local Government landmarks preservation grant. | \$27,000 | Funded | Harrison and Hahn |
| 16. Budget Referral and Approving Installation of Cameras at Ohlone Park Mural ¹⁶ | October 29, 2019 | Refer \$6,000 to the FY20 November 2019 AAO Process for the purpose of purchasing and installing a surveillance camera. | \$6,000 | | Harrison and Kesarwani |
| 17. Wildfire Mitigation Mid-Year Budget Referral ¹⁷ | November 12, 2019 | Refer to the Mid-Year Budget Process an amount of \$550,000 for wildfire mitigation measures, including the removal of fire fuel on City properties and the extension by six additional months of the Fire Captain position to provide wildfire safety planning, Safe Passages implementation, and oversight of mitigation programs and public education. | \$550,000 | Funded | Wengraf |

¹⁵ https://www.cityofberkeley.info/Clerk/City_Council/2019/10_Oct/Documents/2019-10-29_Item_21_Budget_Referral_Allocate_27,000.aspx

¹⁶ https://www.cityofberkeley.info/Clerk/City_Council/2019/10_Oct/Documents/2019-10-29_Item_24_Budget_Referral_and_Approving_Installation.aspx

¹⁷ https://www.cityofberkeley.info/Clerk/City_Council/2019/11_Nov/Documents/2019-11-12_Item_20_Wildfire_Mitigation_Mid-Year_Budget.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|---|-------------------|--|-----------|--------------------|----------------------------------|
| 18. BART Station Environmental Planning ¹⁸ | November 12, 2019 | Refer to the budget process \$250,000 for BART station planning. This budget allocation will allow the initiation of environmental review required as part of developing and adopting zoning for the Ashby and North Berkeley BART Stations that is in conformance with Assembly Bill 2923. | \$250,000 | Funded | Mayor Arreguin |
| 19. Additional funding to Enhance Services at the Berkeley Drop-In Center ¹⁹ | November 12, 2019 | Refer to the November Budget Annual Appropriations Ordinance to fund \$210,000 to enhance services at the Berkeley Drop-In Center, specifically for the installation of a public shower, installation of washer and dryer, renovation of the existing publicly accessible restroom, and additional payee service capacity. | \$210,000 | | Bartlett |
| 20. Expansion of Homeless Navigation Facilities and Programs ²⁰ | November 12, 2019 | Refer to the budget process to allocate funds to establish a third sleeping unit and additional facilities as needed to increase capacity at the STAIR Center, and to fund operational and programmatic needs. | \$850,000 | | Hahn and Mayor Arreguin |

¹⁸ https://www.cityofberkeley.info/Clerk/City_Council/2019/11_Nov/Documents/2019-11-12_Item_12_Budget_Referral_BART_Station.aspx

¹⁹ https://www.cityofberkeley.info/Clerk/City_Council/2019/11_Nov/Documents/2019-11-12_Item_15_Additional_Funding_to_Enhance_Services.aspx

²⁰ https://www.cityofberkeley.info/Clerk/City_Council/2019/11_Nov/Documents/2019-11-12_Item_19_Budget_Referral_Expansion_of_Homeless.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|---|-------------------|---|-------------|--------------------|----------------------------------|
| 21. Transportation to Support Mobility-Impaired Individuals Experiencing Homelessness who are Engaged in Rehousing and other Services ²¹ | November 12, 2019 | Refer to the budget process to allocate funds to provide transportation for mobility-impaired individuals experiencing homelessness who are engaged with rehousing and other services through the STAIR Center, The Hub, or other City of Berkeley-funded homeless services | unknown | | Hahn and Mayor Arreguin |
| 22. Evaluation and Implementation of Pedestrian and Bicycle Safety Along Oxford Street ²² | November 12, 2019 | Refer \$75,000 to the FY20 2019 AAO Process for the purpose of assessing, identifying, and implementing improvements to pedestrian and bicycle safety across Oxford Street, particularly between University Avenue and Bancroft Street. | \$75,000 | Funded | Harrison |
| 23. Additional funding for Berkeley Community Gardening Collaborative/ Moving South Berkeley Forward ²³ | November 12, 2019 | Refer to the November Budget AAO to fund \$10,582.06 to Berkeley Community Gardening Collaborative for a coordinator for the year-long Moving South Berkeley Forward project | \$10,582.06 | Funded | Bartlett and Mayor Arreguin |
| 24. BigBelly Trash Receptacles in Ohlone Park ²⁴ | November 19, 2019 | Refer \$15,000 to the November 2019 Annual Appropriations Ordinance Budget Process to purchase two BigBelly trash receptacles for Ohlone Park. | \$15,000 | Funded | Harrison |

²¹ https://www.cityofberkeley.info/Clerk/City_Council/2019/11_Nov/Documents/2019-11-12_Item_19_Budget_Referral_Expansion_of_Homeless.aspx

²² https://www.cityofberkeley.info/Clerk/City_Council/2019/11_Nov/Documents/2019-11-12_Item_17_Budget_Referral_Evaluation_and_Implementation.aspx

²³ https://www.cityofberkeley.info/Clerk/City_Council/2019/11_Nov/Documents/2019-11-12_Item_16_Additional_funding_for_Berkeley.aspx

²⁴ https://www.cityofberkeley.info/Clerk/City_Council/2019/11_Nov/Documents/2019-11-19_Item_13_Budget_Referral_BigBelly_Trash.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|---|-------------------|---|-----------|--------------------|---|
| 25. Funding for Strawberry Creek Lodge Food Program for FY20 ²⁵ | November 19, 2019 | Adopt a resolution amending the FY20 budget to include at least \$100,000 to fund the Strawberry Creek Lodge food Program | \$100,000 | Funded | Davila |
| 26. Budget referral to Conduct an Equal Pay Audit ²⁶ | January 21, 2020 | Refer to the June 2020 Budget Process \$20,000 to pay for an Equal Pay Audit for City of Berkeley employees. The audit would include pay band analyses and analyses of job segregation and glass ceilings | \$20,000 | | Harrison |
| 27. Establishing an Outdoor Emergency Shelter ²⁷ | January 21, 2020 | Refer to the City Manager to establish an outdoor emergency shelter in Berkeley. Refer to the budget process \$615,000 to be considered alongside other Measure P recommendations. | \$615,000 | | Harrison, Davila, Robinson and Mayor Arreguin |
| 28. 2-Lane Option on Adeline St. between MLK Way and Ward St. ²⁸ | February 11, 2020 | Refer to the City Manager to analyze the potential for a major redesign of the section of Adeline St. between MLK Way and Ward St. Refer \$250,000 to the budget process to fund this important project. | \$250,000 | | Bartlett |

²⁵ https://www.cityofberkeley.info/Clerk/City_Council/2019/11_Nov/Documents/2019-11-19_URGENCY_Strawberry_Creek_Lodge_pdf.aspx

²⁶ https://www.cityofberkeley.info/Clerk/City_Council/2020/01_Jan/Documents/2020-01-21_Item_33_Budget_Referral_to_Conduct_an_Equal.aspx

²⁷ https://www.cityofberkeley.info/Clerk/City_Council/2020/01_Jan/Documents/2020-01-21_Item_44_Establishing_an_Outdoor_Emergency.aspx

²⁸ https://www.cityofberkeley.info/Clerk/City_Council/2020/02_Feb/Documents/2020-02-11_Item_21_2-Lane_Option_on_Adeline_St.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|--|----------------|--|-----------|--------------------|---|
| 29. Ronald V. Dellums Fair Chance Access to Housing Ordinance; Adding BMC Chapter 13.106. ²⁹ | March 10, 2020 | Direct the City Manager to take all necessary steps to implement this chapter including but not limited to developing administrative regulations in consultation with all relevant City Departments including the Rent Stabilization Board, preparing an annual implementation budget, designating hearing officers and other necessary staffing for administrative complaint, exploring the development of a compliance testing program similar to that used by the Seattle Office of Civil Rights, developing timelines and procedures for complaints, conducting outreach and education in partnership with the Alameda County Fair Chance Housing Coalition, and referring program costs to the June budget process. | unknown | | Mayor Arreguin, Davila, Harrison and Bartlett |
| 30. \$279,000 to Fund Berkeley Youthworks Participants Commensurate with the Berkeley Minimum Wage ³⁰ | April 14, 2020 | Refer to the FY 2020-21 budget process the allocation of \$184,000 for the purpose of funding Youthworks participants at the local minimum wage, which is scheduled to increase in July 2020 to \$15.75 per hour plus the Consumer Price Index. | \$279,000 | | Davila |

²⁹ https://www.cityofberkeley.info/Clerk/City_Council/2020/03_Mar/Documents/2020-03-10_Item_24_Ronald_V_Dellums_Fair_Chance.aspx

³⁰ https://www.cityofberkeley.info/Clerk/City_Council/2020/04_Apr/Documents/2020-04-14_Item_32_Budget_Referral_279,000_to_Fund_Berkeley_Youthworks.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|---|----------------|--|-----------|--------------------|--|
| 31. Adopt a Resolution to Upgrade Residential and Commercial Customers to 100% Greenhouse Gas Emissions-Free Electricity Plan and Municipal Accounts to 100% Renewable Plan ³¹ | April 21, 2020 | Opt up Berkeley's municipal accounts to Renewable 100 (100% renewable and 100% greenhouse gas-free) electricity service, and refer the estimated increased cost of \$100,040 to the June 2020 budget process. | \$100,040 | | Harrison, Mayor Arreguin, Robinson, and Hahn |
| 32. Budget Referral: Telegraph Shared Streets ³² | May 12, 2020 | Refer \$500,000 to the FY2021-FY2022 Budget Process and subsequent budget processes for 30% designs of the Telegraph Shared Streets Project. | \$500,000 | | Robinson and Harrison |
| 33. Establishing a COVID-19 Business Damage Mitigation Fund ³³ | June 2, 2020 | <i>(continued from May 26 Council Meeting)</i> Refer to the City Manager to establish a COVID-19 Business Damage Mitigation Fund in an amount up to \$100,000 to provide one-time grants to small businesses who experience property damage due to vandalism and other problematic behavior during this COVID-19 local State of Emergency | \$100,000 | | Mayor Arreguin, Robinson, and Harrison |

³¹ https://www.cityofberkeley.info/Clerk/City_Council/2020/04_Apr/Documents/2020-04-21_Item_07_Adopt_a_Resolution_to_Upgrade_pdf.aspx


³² https://www.cityofberkeley.info/Clerk/City_Council/2020/05_May/Documents/2020-05-12_Item_22_Budget_Referral_Telegraph_Shared.aspx

³³ https://www.cityofberkeley.info/Clerk/City_Council/2020/06_June/Documents/2020-06-02_Item_A_Establishing_a_COVID-19_Business_pdf.aspx

Summary of Council Referrals to the Budget Process

| Title and Item # | Council Date | Description (Purpose) | Amount | Funding Allocation | Referred by: Council Member Name |
|---|---------------|---|---------------------------|--------------------|----------------------------------|
| 34. Referral to the FY 21 Budget Process: Housing Retention Program and Basic Needs Funds ³⁴ | June 16, 2020 | Refer to the FY 2021 Budget Process, up to \$1,000,000 of General Fund revenues derived from Measure U1 tax receipts to replenish funding for the Housing Retention Program that will be exhausted due to significant demand resulting from housing security faced by residents during the COVID-19 pandemic; Direct the City Manager to identify resources to develop a Basic Needs Fund to support undocumented Berkeley residents who are ineligible for other forms of assistance, including assistance under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and pandemic unemployment benefits, because of their immigration status, and refer an amount up to \$250,000 to the FY 21 Budget Process | \$1,000,000 \$ 250,000 | | Mayor Arreguin |
| TOTAL | | | \$11,905,963.06 | | |

³⁴ https://www.cityofberkeley.info/Clerk/City_Council/2020/05_May/Documents/2020-05-12_Item_22_Budget_Referral_Telegraph_Shared.aspx



No Material
Available for
this Item

There is no material for this item.

City Clerk Department
2180 Milvia Street
Berkeley, CA 94704
(510) 981-6900

The City of Berkeley Budget & Finance Policy Committee Webpage:
https://www.cityofberkeley.info/Clerk/Home/Policy_Committee_Budget_Finance.aspx



Cheryl Davila
Councilmember
District 2

CONSENT CALENDAR

April 14, 2020

To: Honorable Mayor and Members of the City Council

From: Councilmember Cheryl Davila

Subject: Open Pathways (including laundry services), West Campus Pool and Martin Luther King Jr. Pool (King pool) to implement the City of Berkeley Shower Program at these locations and provide the ability for our community to shower during the COVID 19 pandemic.

~~Subject: Open West Campus Pool and Martin Luther King Jr. Pool (King pool) to implement the City of Berkeley Shower Program at these locations, and provide the ability for our community to shower during the COVID 19 Pandemic.~~

RECOMMENDATION

Direct the City Manager to open the Pathways (including laundry services), West Campus Pool and Martin Luther King Jr. Middle School (King pool) Pool to implement the City of Berkeley Shower Program at these locations. Opening these locations will provide the ability for our community to shower during the COVID 19 Pandemic, a humane action required during this crisis.

~~Direct the City Manager to open the West Campus Pool and Martin Luther King Jr. Middle School (King pool) Pool to implement the City of Berkeley Shower Program at these locations. Opening the West Campus Pool and Martin Luther King Jr. Middle School (King pool) pool will provide the ability for our community to shower during the COVID 19 Pandemic, a humane action required during this crisis.~~

FINANCIAL IMPLICATIONS

To operate a year-round shower program that duplicates the program at the Willard Pool would cost to establish a shower program would be approximately \$270,100 plus for the two locations.

~~To operate a year-round shower program that duplicates the program at the Willard Pool would cost to establish a shower program would be approximately \$270,100 for both locations.~~

BACKGROUND

Berkeley, now impacted by the COVID19 pandemic crisis, a housing affordability crisis, and a homelessness crisis. COVID 19 requires one to have good personal hygiene and washing one's

hands multiple times during the day for 20+ seconds, wiping surfaces, and enhanced cleanliness. Currently, there are no shower programs in West or South Berkeley where there are high concentrations of our curbside communities who do not have access to showers. The contract with Project WeHope / Dignity on Wheels that provides homeless individual access to clean showers, laundry service and bathroom facilities is pending. Therefore, Project WeHope / Dignity on Wheels is not available at this time. We are in a pandemic which requires ways for our community to be cleaner to prevent further community spread transmissions.

~~The Coronavirus or COVID 19 pandemic requires cleanliness, washing our hands, often for twenty seconds or longer, washing our face, etc. Currently, there is no shower program in West or South Berkeley where there are high concentrations of our curbside communities who do not have access to showers. The contract with Project WeHope / Dignity on Wheels that provides homeless individual access to clean showers, laundry service and bathroom facilities is pending. Therefore, Project WeHope / Dignity on Wheels is not available at this time. We are in a pandemic which requires ways for our community to be cleaner to prevent further community transmissions.~~

The Willard Shower program is operated by the Parks, Recreation and Waterfront Department (PRW) at the Willard Recreation Administration office, 2701 Telegraph Avenue. The Telegraph location is not convenient for the curbside community in West and South Berkeley. Pathways, West Campus Pool and the Martin Luther King Jr. Middle School pool will enable the curbside community in West and South Berkeley access to showers closer to their location.

~~The Willard Shower program is operated by the Parks, Recreation and Waterfront Department (PRW) at the Willard Recreation Administration office, 2701 Telegraph Avenue. The Telegraph location is not convenient for the curbside community in West and South Berkeley. West Campus Pool and the Martin Luther King Jr. Middle School pool will enable the curbside community in West and South Berkeley access to showers closer to their location.~~

Pathways should open their showers and laundry facilities to be utilized, as well during the COVID 19 pandemic.

In January 2018, the City Council considered Council Item¹⁴. "Open the West Campus Pool All Year Round and Start the Shower Program at the West Campus Pool". Months later, the City Manager provided a response² to the City Council in June 2018, where it identified the cost to establish a shower program similar to the Willard Shower Program at West Campus pool. The COVID 19 Pandemic is upon us we must do all that we can to mitigate the dire consequences. We need to ensure that the shower program is also accessible and equitable to all residents.

~~In January 2018, the City Council considered Council Item¹⁴"Open the West Campus Pool All Year Round and Start the Shower Program at the West Campus Pool". Months later, the City Manager provided a response² to the City Council in June 2018, where it identified the cost to establish a shower program similar to the Willard Shower Program at West Campus pool. The COVID 19 Pandemic is upon us we must do all that we can to mitigate the dire consequences. We need to ensure that the shower program is also accessible and equitable to all residents.~~

ENVIRONMENTAL SUSTAINABILITY

Access to the West Campus pool and Martin Luther King Jr. Middle School Pool is an important part of a healthy living lifestyle for the residents in West, South and all of Berkeley.

REFERENCES

1. Open the West Campus Pool All Year Round and Start the Shower Program at the West Campus Pool
2. https://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3_-_General/Shower%20Referral%20Response%20061218.pdf

CONTACT PERSON

Cheryl Davila
Councilmember District 2
510.981.7120
cdavila@cityofberkeley.info

ATTACHMENTS:

1. Resolution

CONTACT PERSON

Cheryl Davila
Councilmember District 2
510.981.7120, cdavila@cityofberkeley.info

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

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BERKELEY DIRECTING THE CITY MANAGER TO OPEN PATHWAYS (INCLUDING LAUNDRY SERVICES), WEST CAMPUS POOL AND MARTIN LUTHER KING JR. POOL (KING POOL) TO IMPLEMENT THE CITY OF BERKELEY SHOWER PROGRAM AT THESE LOCATIONS, AND PROVIDE THE ABILITY FOR OUR COMMUNITY TO SHOWER DURING THE COVID 19 PANDEMIC, A HUMANE ACTION REQUIRED DURING THIS CRISIS.

~~A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BERKELEY DIRECTING THE CITY MANAGER TO OPEN THE WEST CAMPUS POOL AND MARTIN LUTHER KING JR. MIDDLE SCHOOL POOL TO IMPLEMENT THE CITY OF BERKELEY SHOWER PROGRAM AT THESE LOCATIONS, AND PROVIDING THE ABILITY FOR OUR COMMUNITY TO SHOWER DURING THE COVID 19 PANDEMIC, A HUMANE ACTION REQUIRED DURING THIS CRISIS.~~

WHEREAS, Berkeley, now impacted by the COVID19 pandemic crisis, a housing affordability crisis, and a homelessness crisis; and

WHEREAS, the Coronavirus or COVID 19 pandemic requires cleanliness, washing our hands, often for twenty seconds or longer, washing our face, etc.; and

~~WHEREAS, The Coronavirus or COVID 19 pandemic requires cleanliness, washing our hands, often for twenty seconds or longer, washing our face, etc., and~~

WHEREAS, there is no shower program in West or South Berkeley where there are high concentrations of our curbside communities who do not have access to showers; and

~~WHEREAS, There is no shower program in West or South Berkeley where there are high concentrations of our curbside communities who do not have access to showers and,~~

WHEREAS, The Telegraph location is not convenient for the curbside community in West and South Berkeley. West Campus Pool and the Martin Luther King Jr. Middle School pool will enable the curbside community in West and South Berkeley access to showers closer to their location; and

~~WHEREAS, The Telegraph location is not convenient for the curbside community in West and South Berkeley. West Campus Pool and the Martin Luther King Jr. Middle School pool will~~

~~enable the curbside community in West and South Berkeley access to showers closer to their location, and,~~

WHEREAS, In January 2018, the City Council considered Council Item: “Open the West Campus Pool All Year Round and Start the Shower Program at the West Campus Pool”.

WHEREAS, The COVID 19 Pandemic is upon us we must do all that we can to mitigate the dire consequences. We need to ensure that the shower program is also accessible and equitable to all residents; and

~~WHEREAS, The COVID 19 Pandemic is upon us we must do all that we can to mitigate the dire consequences. We need to ensure that the shower program is also accessible and equitable to all residents.~~

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley, hereby directs the City Manager to open the Pathways, West Campus Pool and Martin Luther King Jr. Middle School (King pool) Pool to implement the City of Berkeley Shower Program at these locations. Opening these locations will provide the ability for our community to shower during the COVID 19 Pandemic, a humane action required during this crisis.

~~NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley, hereby directs the City Manager to open the West Campus Pool and Martin Luther King Jr Middle School (King pool) Pool to implement the City of Berkeley Shower Program at these locations. Opening the West Campus Pool and Martin Luther King Jr. Middle School (King Pool) pool will the ability for our community to shower during the COVID 19 Pandemic, a humane action required during this crisis.~~



Cheryl Davila
Councilmember
District 2

CONSENT CALENDAR

April 14, 2020

To: Honorable Mayor and Members of the City Council

From: Councilmember Cheryl Davila

Subject: Open West Campus Pool and Martin Luther King Jr. Pool (King pool) to implement the City of Berkeley Shower Program at these locations, and provide the ability for our community to shower during the COVID 19 Pandemic.

RECOMMENDATION

Direct the City Manager to open the West Campus Pool and Martin Luther King Jr. Middle School (King pool) Pool to implement the City of Berkeley Shower Program at these locations. Opening the West Campus Pool and Martin Luther King Jr. Middle School (King pool) pool will provide the ability for our community to shower during the COVID 19 Pandemic, a humane action required during this crisis.

FINANCIAL IMPLICATIONS

To operate a year-round shower program that duplicates the program at the Willard Pool would cost to establish a shower program would be approximately \$270,100 for both locations.

BACKGROUND

The Coronavirus or COVID 19 pandemic requires cleanliness, washing our hands, often for twenty seconds or longer, washing our face, etc. Currently, there is no shower program in West or South Berkeley where there are high concentrations of our curbside communities who do not have access to showers. The contract with Project WeHope / Dignity on Wheels that provides homeless individual access to clean showers, laundry service and bathroom facilities is pending. Therefore, Project WeHope / Dignity on Wheels is not available at this time. We are in a pandemic which requires ways for our community to be cleaner to prevent further community transmissions.

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In January 2018, the City Council considered Council Item⁻¹: “Open the West Campus Pool All Year Round and Start the Shower Program at the West Campus Pool”. Months later, the City Manager provided a response ² to the City Council in June 2018, where it identified the cost to establish a shower program similar to the Willard Shower Program at West Campus pool. The COVID 19 Pandemic is upon us we must do all that we can to mitigate the dire consequences. We need to ensure that the shower program is also accessible and equitable to all residents.

ENVIRONMENTAL SUSTAINABILITY

Access to the West Campus pool and Martin Luther King Jr. Middle School Pool is an important part of a healthy living lifestyle for the residents in West, South and all of Berkeley.

REFERENCES

1. Open the West Campus Pool All Year Round and Start the Shower Program at the West Campus Pool
2. [https://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3 -
_General/Shower%20Referral%20Response%20061218.pdf](https://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3_-_General/Shower%20Referral%20Response%20061218.pdf)

CONTACT PERSON

Cheryl Davila
Councilmember District 2
510.981.7120
cdavila@cityofberkeley.info

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

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BERKELEY DIRECTING THE CITY MANAGER TO OPEN THE WEST CAMPUS POOL AND MARTIN LUTHER KING JR. MIDDLE SCHOOL POOL TO IMPLEMENT THE CITY OF BERKELEY SHOWER PROGRAM AT THESE LOCATIONS, AND PROVIDING THE ABILITY FOR OUR COMMUNITY TO

Page 8 of 8
SHOWER DURING THE COVID 19 PANDEMIC, A HUMANE ACTION REQUIRED DURING THIS CRISIS.

WHEREAS, The Coronavirus or COVID 19 pandemic requires cleanliness, washing our hands, often for twenty seconds or longer, washing our face, etc., and

WHEREAS, There is no shower program in West or South Berkeley where there are high concentrations of our curbside communities who do not have access to showers and,

WHEREAS, The Telegraph location is not convenient for the curbside community in West and South Berkeley. West Campus Pool and the Martin Luther King Jr. Middle School pool will enable the curbside community in West and South Berkeley access to showers closer to their location, and,.

WHEREAS, In January 2018, the City Council considered Council Item: "Open the West Campus Pool All Year Round and Start the Shower Program at the West Campus Pool".

WHEREAS, The COVID 19 Pandemic is upon us we must do all that we can to mitigate the dire consequences. We need to ensure that the shower program is also accessible and equitable to all residents.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley, hereby directs the City Manager to open the West Campus Pool and Martin Luther King Jr Middle School (King pool) Pool to implement the City of Berkeley Shower Program at these locations. Opening the West Campus Pool and Martin Luther King Jr. Middle School (King Pool) pool will the ability for our community to shower during the COVID 19 Pandemic, a humane action required during this crisis.



Health Housing and
Community Services Department
Office of the Director

MEMORANDUM

To: David White, Deputy City Manager

From: Kelly Wallace, Interim Director

Date: March 3, 2020

Subject: **City of Berkeley Housing Trust Fund Resources**

The purpose of this memo is to provide an overview of the City's Housing Trust Fund (HTF), the current balance of HTF program funds, and an overview of how HTF funds can be used.

The City of Berkeley created its HTF program in 1990¹. Berkeley's HTF pools funds for affordable housing development and predevelopment costs from a variety of sources with different requirements, and makes them available through one single application process to local developers. The purpose of the HTF is to develop and preserve long-term below market rate housing for low, very low, and extremely-low income households in order to maintain and enhance the ethnic and economic diversity of the City.

Revenues for the HTF come from the following sources:

- Federal HOME Partnership for Investment Program (HOME Program) annual allocations;
- Allocated Community Development Block Grant (CDBG) funds;
- Housing fees provided by development projects, demolitions and condominium conversions;
- Proceeds obtained from the sale of City-owned residential properties;
- Payments of interest and principal due to the City from borrowers of previous HTF loans;
- Funds from other sources authorized by the City Council and the voters.

Under the HTF Guidelines, the Housing Advisory Commission advises Council on HTF allocations. HTF proceeds are awarded to eligible projects as loans that must be repaid on favorable terms.

¹ <http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=6532>

Total Housing Trust Fund Resources

While the “Housing Trust Fund” name may imply that all funds are pooled together in a single fund code for accounting purposes, the City maintains each source separately. The balance of funds available for the HTF program as of this writing on March 3, 2020 is \$6,704,128.

| Table 1. Housing Trust Fund Available Balance 3/3/2020 | |
|---|--------------------|
| Source of Funds | Amount |
| HOME (310) | \$0 |
| Housing Mitigation Fee (Commercial) (331) | \$1,084,680 |
| Inclusionary In Lieu Fee (122) | \$329,778 |
| Condo Conversion Fee (123) | \$1,109,459 |
| Housing Mitigation Fee (Residential) (120) | \$4,180,210 |
| HTF Total | \$6,704,128 |

Housing Trust Fund Mitigation Fee Revenue

The majority of the funding now available for allocation in the HTF came from fees, and has accrued over time. Fee income is variable with the market and the timing difficult to predict precisely because it depends on individual development project timelines.

Table 2 provides an overview of the total HTF fees collected over time. The vast majority of the AHMF have been collected in the past year. The first AHMF was collected in 2015 with a payment of \$280,000 for the Aquatic at 800 University then \$1.58M for the Varsity on Durant. Over the next three years, \$2.9 million in AHMF were collected. Since January 2019, over \$7.8 million in AHMF have been collected.

| Table 2. Housing Trust Fund Fees Collected Over Time | | |
|---|-------------------|-----------------------|
| Fee Program and Fund Code | First Year | Total Received |
| Inclusionary Housing Fund (254) | FY 2006 | \$1,533,441 |
| Condo Conversion Fund (258) | FY 2009 | \$2,960,826 |
| Affordable Housing Mitigation Fee (249) | FY 2015 | \$12,604,968 |
| Housing Mitigation Fee on Commercial Development (250) | FY 1992 | \$4,486,275 |
| Total | | \$21,585,510 |

Housing Mitigation Fee (Commercial)

In 1993, the City established a housing linkage fee on commercial development, designed to mitigate the need for affordable housing it creates. On June 3, 2014 Council adopted Resolution 66,617 N.S. which updated this fee which applies to all new commercial construction in which the net additional, newly constructed gross floor area is over 7,500 square feet. Most commercial new construction projects in the City are below this threshold. Applicants may either 1) create one unit of housing either on site or off site within the City of Berkeley (with an average size of two bedrooms) affordable to households whose income is at or below 30% of the area median income, or 2) pay an equivalent In-Lieu Impact Fee according to a schedule. None of these funds can be used for administration.

Inclusionary In Lieu Fee [BMC 23C.12](#)

In 1986 the City adopted an Inclusionary Housing Ordinance (IHO), which required, among other things, that a percentage of all new residential rental units in projects of 5 or more units be provided at below market rates for the life of the project. The IHO only includes an in-lieu fee option for ownership units, not for rental, although it does allow for fractional unit fees for rental. A 2009 decision of the California Court of Appeal (Palmer/Sixth Street Properties v. City of Los Angeles (2009) 175 Cal. App. 4th 1396) held that the City may not require rents to be limited in rental projects unless it provides assistance to the rental project, thus invalidating the City's IHO requirements for rental projects. The City still enforces the IHO for ownership projects, but this year's Bloom project is the first new condo development since 2007. 100% of the fee must be deposited in the City's HTF; none of these funds can be used for administration.

Condominium Conversion Fee [BMC 21.28.070](#)

The Condominium Conversion Ordinance allows property owners to convert rental units to ownership units subject to certain requirements and payment of an Affordable Housing Mitigation Fee (AHMF). This fee shares a name with—but is different from—the AHMF for new construction market-rate housing in BMC 22.20.065. The ordinance went through a period of frequent revisions so previously converted properties were subject to a variety of requirements. Currently, the fee is based on the appraised value or sales price of the unit and is 4% for properties with two units and 8% for properties with three or more units. Not more than 10% of revenues can be used for HTF program delivery. Not more than 10% of revenues can be used for HTF program and project monitoring and enforcement. Not less than 80% of revenues must be placed into the City of Berkeley HTF to finance activities described as eligible in the City of Berkeley HTF Program Guidelines.

Affordable Housing Mitigation Fee (Residential)

<http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=74682>

In 2010, as a result of the Palmer court decision, the City replaced its IHO requirements for rental housing with the Affordable Housing Mitigation Fee (AHMF). Developments are subject to whichever requirement was in place at the time they obtained a Use Permit. Together these requirements are referred to as the City's Below Market Rate (BMR) program.

The AHMF requires new market rate developments to provide affordable housing units equal in number to 20% of the market rate units, or to pay a fee per market rate unit, or provide a combination of units and fee. Effective July 1, 2018, the AHMF is \$37,962 per new unit of rental housing, payable at the issuance of Certificate of Occupancy. If the AHMF is paid in its entirety no later than issuance of the building permit, the fee is \$34,884 per new unit of rental housing. Resolution 68,074-N.S. established the fee and the method to adjust the fee every other year. In most cases, developers choosing to provide units on site in lieu of paying the fee also receive credit under the state Density Bonus law, allowing them to increase the number of market rate units produced. Ten percent of the funds can be used for program delivery.

HOME Investment Partnership Program

Historically, the most consistent source of funds in the HTF has been HOME funds. From FY 2000 through FY 2012, the City received an average of nearly \$1.3M in HOME funds annually. The HOME allocation peaked in FY 2005 when the City received \$1.5M. In FY 2013, however, the allocation was cut by over one-half and has remained near this level ever since. The City's FY2020 allocation of HOME funds is \$737,273. Ninety percent of this allocation is placed in the HTF and ten percent is used for program delivery costs. HOME funds come with many federal requirements, including onerous commitment deadlines and required scopes of work, that make administering decreasing funds increasingly challenging. For at least five years each federal budget process has involved proposals to greatly reduce or eliminate HOME, though City of Berkeley HOME funding has not changed appreciably.

Council's Fiscal Policies

The fiscal policies adopted by the Council include:

- ❖ Focusing on the long-term fiscal health of the City by adopting a two-year budget and conducting multi-year planning;
- ❖ Building a prudent reserve;
- ❖ Developing long-term strategies to reduce unfunded liabilities;
- ❖ Controlling labor costs while minimizing layoffs;
- ❖ Allocating one-time revenue for one-time expenses;
- ❖ Requiring enterprise and grant funds to balance and new programs to pay for themselves; and
- ❖ Any new expenditure requires new revenue or expenditure reductions.
- ❖ Transfer Tax in excess of \$12.5 million will be treated as one-time revenue to be used for the City's capital infrastructure needs (Fund 501).
- ❖ As the General Fund subsidy to the Safety Members Pension Fund declines over the next several years, the amount of the annual decrease will be used to help fund the new Police Employee Retiree Health Plan (Fund 731).
- ❖ Starting in FY 2019, staff costs as approved by the City Council that exceed the enforcement fees and penalties shall be appropriated from the short term rental taxes collected pursuant to BMC Section 23C.22.050, Section H, with the primary allocation of the rental tax to the purposes listed below:
 - Two thirds (66.7%) allocated to the Affordable Housing Trust Fund.
 - One third (33.3%) allocated to the Civic Arts Grant Fund.

Proposed new policy:

- ❖ Funding the 115 Pension Trust

Additional Information

At the meeting on January 23, 2020, the Committee stated it will continue to review and revise specific policies and added the following items to future agendas:

1. Transfer tax revenue policy amendment for Measure P
2. Provide more flexible language in policy that new programs need to pay for themselves
3. Change CIP to longer-term (possibly 5 years)
4. Short-term rental distribution – no longer use percentages for distribution; set priorities and prioritize programs
5. Community agency funding process overview – what role can the Budget & Finance committee play in this process?
6. 115 Pension Trust funding

