



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

**Monday, June 29, 2020
10:30 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/86763057213> 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: **867 6305 7213**. 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 25, 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

Recommendation: Request that the Budget & Finance Policy Committee:

1. Discuss the City Manager's Fiscal Year 2021 deferral recommendations, balancing measures, and subsequent Councilmembers' budget recommendations.
2. Discuss and approve a Fiscal Year 2021 Budget Update.
3. Authorize staff to present the approved Fiscal Year 2021 Budget Update to the City Council on June 30, 2020, for consideration and adoption.

Financial Implications: See report

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

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.

- 3. 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
- 4. Housing Trust Fund Resources**
From: City Manager
Contact: Lisa Warhuus, Housing and Community Services, (510) 981-5400
- 5. 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 26, 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**

**Thursday, June 25, 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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## AGENDA

**Roll Call:** 10:00 a.m. Councilmember Davila absent.

**Public Comment on Non-Agenda Matters** – 1 speaker

Councilmember Davila present at 10:04 a.m.

### Minutes for Approval

*Draft minutes for the Committee's consideration and approval.*

#### 1. Minutes - June 18, 2020

**Action:** M/S/C (Davila/Arreguin) to approve the minutes of June 18, 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:** 4 speakers. Presentation made and discussion held.

Item continued to next meeting on June 29, 2020.

#### 3. Councilmember Budget Recommendations *(Item contains supplemental materials)*

**From: City Manager**

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

**Action:** 2 speakers. 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.*

4. **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
5. **Housing Trust Fund Resources**  
**From: City Manager**  
Contact: Lisa Warhuus, Housing and Community Services, (510) 981-5400
6. **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**
  - Discussion of cash v. accrual basis accounting

## Adjournment

**Action:** M/S/C (Arreguin/Davila) to adjourn the meeting.

**Vote:** All Ayes.

Adjourned at 11:57 a.m.

I hereby certify that this is a true and correct record of the Budget & Finance Committee meeting held on June 25, 2020.

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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.*





Office of the City Manager

Date: June 29, 2020  
 To: Budget and Finance Policy Committee  
 From: Dee Williams-Ridley, City Manager  
 Submitted by: Teresa Berkeley-Simmons, Budget Manger  
 Subject: Fiscal Year 2021 Budget Update

### RECOMMENDATION

Request that the Budget & Finance Policy Committee:

- 1) Discuss the City Manager's Fiscal Year 2021 deferral recommendations, balancing measures, and subsequent Councilmembers' budget recommendations.
- 2) Discuss and approve a Fiscal Year 2021 Budget Update.
- 3) Authorize staff to present the approved Fiscal Year 2021 Budget Update to the City Council on June 30, 2020, for consideration and adoption.

### BACKGROUND

The City Council adopted the FY 2020 and FY 2021 Biennial Budget (Biennial Budget) and the FY 2020 and FY 2021 Capital Improvement Program Budget (CIP Budget) on June 25, 2019. The Biennial Budget was a 2-year balanced budget. The Proclamation of Local Emergency for purposes of responding to COVID-19 was issued on March 3, 2020. This event is unprecedented and we have no historical experience to use as a base to pull from or to plan.

The City has numerous revenue streams that depend on economic activities and the "Shelter in Place" order practically stopped most economic activity. This has had immediate impact in the current fiscal year, and will continue into FY 2021, as those revenue streams that trail consumer and retail activity feel the brunt of this cessation. The economic and financial impacts of the COVID-19 pandemic on Berkeley's finances was significant and resulted in a projected General Fund deficit estimated at \$28.7 million in FY 2021

Staff met frequently with the Budget & Finance Policy Committee to resolved the FY 2021 projected General Fund shortfall. Below are the dates and topics that were discussed.

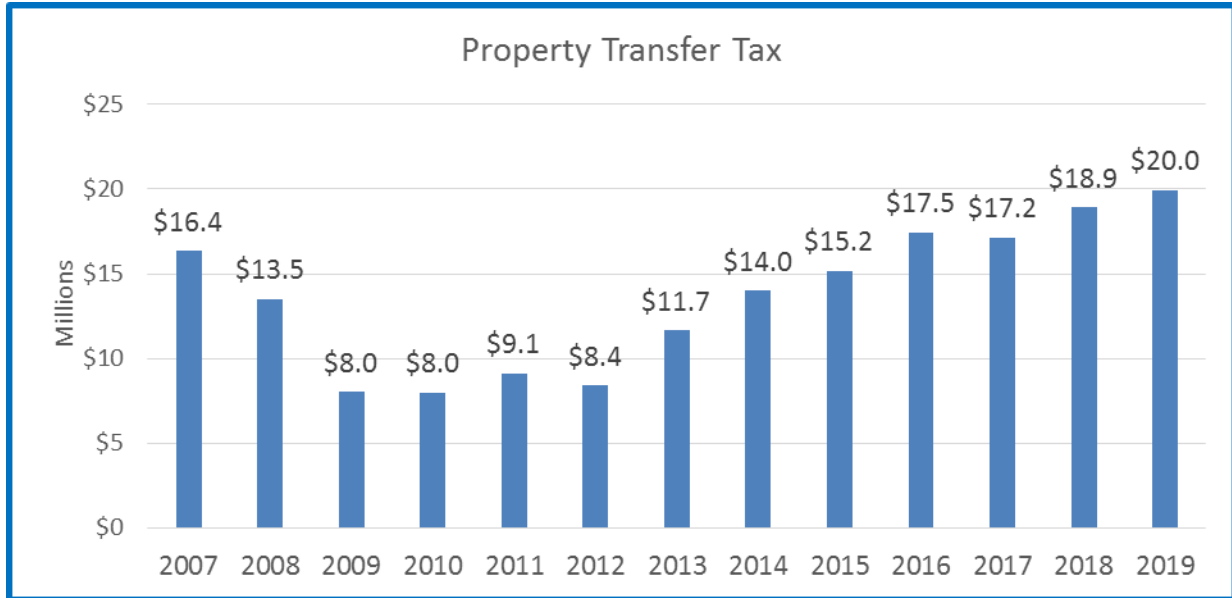
| <b>FY 2021 Budget Update Development Timeline</b> |                                   |                                                                                                                                                                                                                                   |
|---------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 27, 2020                                    | Budget & Finance Policy Committee | <ul style="list-style-type: none"> <li>FY 2021 Budget Update Status</li> </ul>                                                                                                                                                    |
| May 4, 2020                                       | Budget & Finance Policy Committee | <ul style="list-style-type: none"> <li>General Fund Revenues</li> <li>Measure P Revenues and Allocations</li> </ul>                                                                                                               |
| May 11, 2020                                      | Budget & Finance Policy Committee | <ul style="list-style-type: none"> <li>Budget Development Timeline</li> <li>Center Street Parking Garage</li> <li>Response to Questions (May 4, 2020)</li> </ul>                                                                  |
| May 19, 2020                                      | Budget & Finance Policy Committee | <ul style="list-style-type: none"> <li>Amending the General Fund Reserves Policy</li> <li>General Fund Capital Projects and Other Non-Personnel Deferrals</li> </ul>                                                              |
| May 26, 2020                                      | Budget & Finance Policy Committee | <ul style="list-style-type: none"> <li>General Fund Personnel Deferrals</li> </ul>                                                                                                                                                |
| June 4, 2020                                      | Budget & Finance Policy Committee | <ul style="list-style-type: none"> <li>Council Budget Referrals</li> <li>City Auditor's Recommendations for the General Fund Reserves</li> <li>Marina Update</li> <li>Homeless Services</li> </ul>                                |
| June 9, 2020                                      | Budget & Finance Policy Committee | <ul style="list-style-type: none"> <li>City Manager FY 2021 Deferral Recommendations</li> <li>Reserves Policy</li> <li>Response to Budget Questions</li> <li>Strategic Plan Impacts</li> <li>Homeless Services Reports</li> </ul> |
| June 18, 2020                                     | Budget & Finance Policy Committee | <ul style="list-style-type: none"> <li>FY 2021 Budget Update</li> <li>Response to Budget Questions</li> <li>Excess Property Transfer Tax</li> </ul>                                                                               |
| June 25, 2020                                     | Budget & Finance Policy Committee | <ul style="list-style-type: none"> <li>Discussion on budget recommendations continues</li> </ul>                                                                                                                                  |

On June 9, 2020, the following balancing measures were presented to the Budget & Finance Policy Committee.

| <b>Balancing Measures (dollars in millions)</b>           |                  |
|-----------------------------------------------------------|------------------|
| Original General Fund Deficit Based on the Adopted Budget | \$ 25.60         |
| Downtown PBID                                             | \$ 0.01          |
| Increased Insurance Costs                                 | \$ 1.17          |
| Center Street Garage Debt Service                         | \$ 1.91          |
| <b>Revised General Fund Deficit as of 5/19/20</b>         | <b>\$ 28.69</b>  |
| <i>Additional General Fund Allocations</i>                |                  |
| Measure P                                                 | \$ 5.12          |
| Measure U1                                                | \$ 3.50          |
| COVID-19 Ongoing Response                                 | \$ 1.00          |
| Families at La Quinta                                     | \$ 0.03          |
| Vegetation Management                                     | \$ 0.25          |
| Waterfront Immediate Capital Needs                        | \$ 0.55          |
| <b>Sub-total</b>                                          | <b>\$ 10.45</b>  |
| <b>Total FY 21 General Fund Shortfall</b>                 | <b>\$ 39.14</b>  |
| <i>Proposed Solutions to Resolve the Shortfall</i>        |                  |
| FY 21 Proposed Deferrals @ 15%                            | \$ 26.51         |
| Filled Positions in Police Department                     | \$ (2.66)        |
| Use of General Fund Reserves (1/3)                        | \$ 11.38         |
| <b>Total General Fund Solutions</b>                       | <b>\$ 35.23</b>  |
| <b>Unresolved Shortfall</b>                               | <b>\$ (3.91)</b> |

On June 18, 2020, the Budget & Finance Policy Committee met and voted to forward to the City Council a recommendation approving a one-time \$3.9 million increase to the Property Transfer Tax baseline. This would reset the FY 2021 excess property transfer tax from \$12.5 million to \$16.4 million. The Budget & Finance Policy Committee also voted to request the City Council to temporarily suspend Council's Fiscal Policy that requires Transfer Tax in excess of \$12.5 million baseline be treated as one-time revenue to be used for the City's capital infrastructure needs.

The chart below documents the historical trend of the City’s Property Transfer Tax from FY 2007 through FY 2019.



In FY 2020 the Property Transfer Tax included in the Adopted Budget was \$12.5 million. As of May 4, 2020, the FY 2020 Property Transfer Tax is estimated to be \$21.9 million. It is reasonable to assume that we will hit the \$16.5 million target based on Property Transfer Tax generated over the past 4 years.

Conclusion

The shortfall resulting from the impacts of the pandemic is unprecedented. The City has numerous revenue streams that depend on economic activities and the “Shelter in Place” order practically stopped most economic activity. The revenue streams that trail consumer and retail activity feel the brunt of this cessation and the economic outcome is largely dependent on the development of the virus itself.

In developing the FY 2021 Mid-Biennial Budget update, City staff acknowledges that there is a significant amount of uncertainty including limited data to accurately determine the fiscal impacts of the pandemic on City revenues. There is a lot that City staff doesn’t know at this point in time. More data and time are necessary to determine the long-term effects of the COVID-19 pandemic on the City’s budget, which will be critical to inform the FY 2022; FY 2023 Biennial Budget process that will commence November 2020. For this reason, City staff is committed to providing timely updates to City Council and reevaluating the City’s budget and projections on a reoccurring basis.

In addition, staff is recommending a second round of budget deliberation in November. The discussion would align with the adoption of the First Amendment to the FY 2021 Appropriation Ordinance. City Council is scheduled to adopt the FY 2021 Budget Update on June 30, 2020.

#### FISCAL IMPACT

See information described above.

#### ENVIRONMENTAL SUSTAINABILITY

Actions included in the budget will be developed and implemented in a manner that is consistent with the City's environmental sustainability goals and requirements.

#### CONTACT PERSON

Teresa Berkeley-Simmons, Budget Manager, City Manager's Office, 981-7000

Attachments





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 Item<sup>14</sup>. "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 <sup>2</sup> 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 Item<sup>14</sup>"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 <sup>2</sup> 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](mailto:cdavila@cityofberkeley.info)

## ATTACHMENTS:

1. Resolution

## CONTACT PERSON

Cheryl Davila  
Councilmember District 2  
510.981.7120, [cdavila@cityofberkeley.info](mailto: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.

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.

In January 2018, the City Council considered Council Item<sup>-1</sup>: "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 <sup>2</sup> 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

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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 1990<sup>1</sup>. 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.

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<sup>1</sup> <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.

| <b>Table 1. Housing Trust Fund Available Balance 3/3/2020</b> |                    |
|---------------------------------------------------------------|--------------------|
| <b>Source of Funds</b>                                        | <b>Amount</b>      |
| 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        |
| <b>HTF Total</b>                                              | <b>\$6,704,128</b> |

### 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.

| <b>Table 2. Housing Trust Fund Fees Collected Over Time</b> |                   |                       |
|-------------------------------------------------------------|-------------------|-----------------------|
| <b>Fee Program and Fund Code</b>                            | <b>First Year</b> | <b>Total Received</b> |
| 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           |
| <b>Total</b>                                                |                   | <b>\$21,585,510</b>   |



### *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

