

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

**Thursday, October 22, 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/84358243790> 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 or 1-877-853-5257 (Toll Free)** and Enter Meeting ID: **843 5824 3790** 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: 10:01 a.m. All present.

Public Comment on Non-Agenda Matters: 1 speaker

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - October 8, 2020

Action: M/S/C (Droste/Arreguin) to approve the minutes of October 8, 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. Speakers are permitted to yield their time to one other speaker, however no one speaker shall have more than four minutes.

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. Presentation of Police Department Budget

From: City Manager

Contact: Andrew Greenwood, Police, (510) 981-5900

Action: 6 speakers. Presentation made and discussion held.

3. Annual Appropriation Ordinance Discussion

From: City Manager

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

Action: 1 speaker. Presentation made and discussion held.

Item continued to next meeting on November 12, 2020.

4. General Fund Reserve Replenishment Discussion

From: City Manager

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

Item continued to next meeting on November 12, 2020.

Committee Action Items

5. General Fund Revenues Update

From: City Manager

Contact: Henry Oyekanmi, Finance, (510) 981-7300

Action: 2 speakers (public comment combined with item #6). Presentation made and discussion held.

Item continued to next meeting on November 12, 2020.

6. FY 2020 Year-End Excess Equity Discussion

From: City Manager

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

Action: Presentation made and discussion held.

Item continued to next meeting on November 12, 2020.

7. Amend Berkeley's Property Tax Measures and Restore Tax Equity by Changing the Square Footage Tax Imposition through a Comprehensive Verification Process

From: Councilmember Bartlett (Author)

Referred: August 31, 2020

Due: February 15, 2021

Recommendation: In order to correct inequitable and inconsistently applied rates of property tax assessments, and to ensure that outstanding revenues due to the City are paid, the Finance Department should conduct a comprehensive verification analysis. This process will update and bring the city's taxable square footage database into alignment with Planning's building area database. Through this verification, the City shall also reconcile with the Alameda County Assessor's Public Roll to ensure that the City's tax database is up-to-date and accurate. This reconciliation will restore tax equity, which has been desired by Berkeley voters, while also unifying standards, protocols and terminology between departments. The City should adopt the following habitability criteria for taxation purposes:

1. Taxable space must have manufactured flooring. If the understory has dirt base, it shall not be taxed (Uniform Building Code R502 – floor material requirement).

(Acceptable proof: photo)

2. Taxable basement space must be of required height clearance. If understory has proper flooring and is of limited height, 6' 8" or less, with 6'4" allowance for ducting, then it shall not be taxed (Uniform Building Code R305 – basement height requirement) (Acceptable proof: photo with measuring tape)

3. Taxable attic space must have required height clearance. If finished attic, only areas of 6'4" height or more is taxed for city assessments (Acceptable proof: photo with measuring tape)

4. City of Berkeley shall post the property's taxable square footage in at least 12 point font on the City's Parcel Viewer page. City of Berkeley shall disclose the

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potential increase to taxable square footage liability for the taxpayer when application for building addition is made.

5. City of Berkeley shall make public the taxable square footage liability of the proposed finished building to the community when a Zoning Adjustments Board application is made.

6. City of Berkeley shall disclose a property's taxable square footage in writing to a property owner or interested buyer, upon request.

7. If the taxpayer requests a correction on the square footage assessments, and the space in question does not align with the above taxability requirements, the taxpayer shall be entitled to a refund on all 9 city and schools assessments for the previous four full years of taxes (Civil Code 5097). Requests for correction shall be allowed at any time.

Financial Implications: See report

Contact: Ben Bartlett, Councilmember, District 3, (510) 981-7130

Action: 3 speakers. Presentation made and discussion held.

Item continued to next meeting on November 12, 2020.

8. **“Step Up Housing” Initiative: Allocation of Measure P Funds to Lease and Operate a New Permanent Supportive Housing Project at 1367 University Avenue**

From: Councilmember Ben Bartlett (Author), Councilmember Kesarwani (Co-Sponsor), Councilmember Wengraf (Co-Sponsor), Mayor Arreguin (Co-Sponsor)

Referred: October 13, 2020

Due: March 15, 2021

Recommendation: Adopt a resolution allocating approximately \$900,000 per year for 10 years, as well as a one-time allocation of approximately \$32,975 from Measure P transfer tax receipts to support the lease and operation of a new permanent supportive housing project for the homeless at 1367 University Avenue. This resolution is put forward out of consideration that the City Council has already approved in its FY 2020-21 budget—on June 30, 2020—an allocation of \$2.5 million for permanent housing subsidy, a portion of which is available to be spent on the 1367 University Avenue project.

Refer to the next meeting of the Budget and Finance Policy Committee to confirm the availability of requested funding for the 1367 University project and to set priorities for other Measure P-funded programs and services as part of the mid-year budget process.

Financial Implications: See report

Contact: Ben Bartlett, Councilmember, District 3, (510) 981-7130

Item continued to next meeting on November 12, 2020.

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.

- 9. Housing Trust Fund Resources**
From: City Manager
Contact: Lisa Warhuus, Housing and Community Services, (510) 981-5400
- 10. Declare Juneteenth as a City Holiday for the City of Berkeley**
From: Councilmember Davila (Author)
Referred: June 29, 2020
Due: December 14, 2020
Recommendation: 1. Adopt a resolution declaring Juneteenth as a City Holiday for the City of Berkeley
2. Send copies of this resolution to State Assemblywoman Buffy Wicks, State Senator Nancy Skinner, and United States Congresswoman Barbara Lee.
Financial Implications: See report
Contact: Cheryl Davila, Councilmember, District 2, (510) 981-7120
- 11. Cash v. Accrual Basis Accounting**
From: City Manager
Contact: Henry Oyekanmi, Finance, (510) 981-7300
- 12. 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

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

Vote: All Ayes.

Adjourned at 12:45 p.m.

I hereby certify that this is a true and correct record of the Budget & Finance Committee meeting held on October 22, 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.