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CONSENT CALENDAR December 1, 2020

To: Honorable Mayor and Members of the City Council

From: Councilmember Robinson

Subject: Referral: Commission Low-Income Stipend Reform

#### RECOMMENDATION

Refer to the City Manager to develop and return to Council with a plan to improve equity, accessibility, and representation in City of Berkeley commissions by modernizing the low-income stipend program, and in doing so consider:

- 1. Increasing the annual household income cap for stipend eligibility from \$20,000 to align with the 50% Area Median Income (AMI) guidelines for Alameda County and reflect household size, and updating it annually with the latest HUD data.
- 2. Increasing the low-income stipend from \$40 to \$78 per meeting, and updating it annually with the City of Berkeley minimum wage to correspond to compensation for 2.5 hours of work.

#### **CURRENT SITUATION**

Under current policy, a City of Berkeley commissioner qualifies for the low-income stipend if their combined household income is under \$20,000. The income cap does not take household size into account. The Council last updated the stipend policy in April 2010, via Resolution No. 64,831–N.S.

An eligible commissioner is authorized to receive:

- \$40 for each official meeting attended, not to exceed four meetings each month.
- Reimbursement for actual childcare expenses incurred while they attend meetings.
- Reimbursement for actual expenses paid to an attendant to provide care for a dependent elderly person while the commissioner attends meetings.
- Reimbursement for actual expenses incurred for disabled support services necessary to participate fully in board, commission, or committee meetings.

If a commissioner is paid \$600 or more in stipend payments in one calendar year, an IRS Form 1099 will be generated by the Finance Department.

To establish eligibility, commissioners must file the Annual Declaration form, found in Appendix H of the Commissioner's Manual, with the secretary of their board, commission, or committee. Commissioners must file a new declaration form annually

prior to May 31 in order to maintain eligibility. Commissioners who are minors (under 18 years old) must have eligibility declaration forms cosigned by a parent or legal guardian attesting that the combined household income is under \$20,000.

Pursuant to Berkeley Municipal Code Section 3.32.060, Police Review Commissioners receive \$3 per hour for their time and work investigating complaints, reviewing policies and practices, and attending meetings, for a maximum compensation of \$200 per month.

#### **BACKGROUND**

The City of Berkeley has over 35 boards and commissions, which reflects the high level of political participation from its residents. The work that these commissioners carry out is invaluable to the City Council and Berkeley at large, providing expertise and in-depth policy recommendations on a wide range of subjects that the Council would otherwise only be capable of giving cursory attention to.

Outside of the regularly scheduled meetings that low-income commissioners are compensated for, extended work hours are almost always necessary. A commissioner's financial situation should not act as a barrier to civic engagement in any capacity. This referral seeks to make commission roles more accessible by expanding stipend eligibility and implementing a cost of living adjustment.

#### **Expanding Stipend Eligibility**

The \$20,000 income cap for stipend eligibility has not been adjusted in recent memory, despite inflation and cost of living skyrocketing in Berkeley and the greater Bay Area.

According to 2019 data from the U.S. Department of Housing and Urban Development (HUD), the median income in Alameda County for a household of four is \$111,700. This means that a family of four making \$61,950 is classified as "very low-income" and is eligible for Section 8 housing. Even a commissioner in a one-person household making \$26,050, which HUD considers "extremely low-income" at 30% AMI, would not qualify for the low-income stipend with the current criteria.

In order to ensure that everyone who wants to serve on a City of Berkeley commission can afford to do so, the criteria for stipend eligibility must be expanded to show an accurate picture of costs of living. If a household qualifies for low-income housing at 50% AMI, they should also qualify for low-income commissioner stipends. Furthermore, household size should be taken into account when determining eligibility, as shown in the chart below.

#### 2019 HUD Alameda County Income Guidelines

Effective April 24, 2019

Persons in Household	Annual Income Extremely Low (30%)	Annual Very Low Income (50%)	(60%)	Annual Low Income (80%)	Annual Income Median (100%)	Annual Income Moderate (120%)
1	\$26,050	\$43,400	\$52,080	\$69,000		\$104,100
2	\$29,750	\$49,600	\$59,520	\$78,850		\$118,950
3	\$33,450	\$55,800	\$66,960	\$88,700		\$133,800
4	\$37,150	\$61,950	\$74,340	\$98,550	\$111,700	\$148,700
5	\$40,150	\$66,950	\$80,340	\$106,450		\$160,550
6	\$43,100	\$71,900	\$86,280	\$114,350		\$172,450
7	\$46,100	\$76,850	\$92,220	\$122,250		\$184,350
8	\$49,050	\$81,800	\$98,160	\$130,100		\$196,250

### Implementing Cost of Living Adjustment

In 2010, when the Council approved the most recent version of the commissioner stipend resolution to amend the number of stipend-eligible meetings, the minimum wage in Berkeley was \$8 an hour. Today, in 2020, it is \$15.59 an hour plus CPI.

Commission meetings usually last around 3 to 5 hours, depending on the commission and the topics at hand. Additional work is needed on the part of the commissioner to prepare for the meeting by reading the agenda packet, attending subcommittee meetings, submitting items for discussion, and reaching out to stakeholders for input. In 2010, the \$40 stipend was equivalent to minimum wage pay for 5 hours of work. Today, it is only equivalent to approximately 2.5 hours of work. The equivalent stipend in today's dollars would be \$15.59 x 5, or \$77.95. For the purposes of this proposal, that number is rounded up to \$78.

#### FINANCIAL IMPLICATIONS

The financial implications depend on the number of commissioners who currently receive the low-income stipend, as well as the number of commissioners who would be newly eligible under the amended income caps. Costs can potentially be offset by reorganizing and consolidating commissions, as outlined in a separate Council proposal currently at the Agenda & Rules Committee.

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# **ENVIRONMENTAL SUSTAINABILITY**

None.

## **CONTACT PERSON**

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