



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

**Tuesday, June 22, 2021
10:00 AM**

Committee Members:

Mayor Jesse Arreguin, Councilmembers Kate Harrison and Lori Droste
Alternate: Councilmember Rashi Kesarwani

**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/83296160673>. 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: **832 9616 0673**. 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.

AGENDA

Roll Call

Public Comment on Non-Agenda Matters

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.

1. Discussion of Proposed FY 2022 Budget (Item contains supplemental material)

From: City Manager

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

2. Discussion of Council Referrals to the Budget Process

From: City Manager

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

3. Potential Measure P FY2022 Allocations (Item contains supplemental material)

From: Councilmember Droste (Author)

Referred: January 25, 2021

Due: June 24, 2021

Recommendation: Refer the Measure P funding discussion to the City Manager, Measure P Homeless Panel of Experts to determine next steps to ensure that the Measure P fund stays solvent. Specifically, these bodies should prioritize preferred programs and services within the various categories that the Measure P panel previously outlined according to updated projected revenues. During the course of these deliberations, the Panel of Experts should hear presentations from staff on which homeless services (e.g. permanent supportive housing exits, shelters, emergency interventions, multi-departmental staffing, and supportive services) are funded outside of Measure P so that the bodies can make recommendations after understanding the entirety of services and programs.

To the extent possible, the committees and commissions should attempt to find a non-volatile source of funding for permanent supportive housing, using the 1,000 person plan as a framework for best addressing the homelessness crisis on our streets.

The Panel of Experts should finalize their priorities in time for the budget committee's consideration in June of 2021.

Financial Implications: See report

Contact: Lori Droste, Councilmember, District 8, (510) 981-7180

Committee Action Items

4. **Proposal to Allocate Revenues Generated by the Transient Occupancy Tax in the Waterfront Area to the Marina Fund to Avoid Insolvency, Rebuild its Fund Balance and to Stabilize its Finances**
From: Parks and Waterfront Commission
Referred: April 5, 2021
Due: October 9, 2021
Recommendation: That Council adopt a Resolution adopting a policy that all Transient Occupancy Taxes (TOT hotel tax) generated at the Berkeley Waterfront be allocated to the City's Marina Enterprise Fund. All other property, sales, utility users, and parking taxes; as well as business license and franchise fees, would continue to be allocated to the City's General Fund.
Financial Implications: See report
Contact: Roger Miller, Commission Secretary, (510) 981-6700
5. **Establish A Pilot Climate Equity Action Fund to Assist Low-Income Residents with Transition to Zero-Carbon Transportation and Buildings**
From: Councilmember Harrison (Author), Mayor Arreguin (Author), Councilmember Robinson (Co-Sponsor), Councilmember Taplin (Co-Sponsor)
Referred: April 26, 2021
Due: October 11, 2021
Recommendation: 1. Adopt a Resolution establishing: a. a Climate Equity Action Fund as a repository of grant and municipal funds for equitable climate-related pilot programs for low-income households at or below 50% of Area Median Income or as otherwise designated by Council; and b. an annual process for the Energy Commission (or successor) and Facilities, Infrastructure, Transportation, Environment & Sustainability Policy Committee (FITES), in consultation with community groups, to provide input to staff and Council about eligible categories of fund expenditures (e.g., transportation modal shift or building electrification) to maximize equitable emissions reductions and impacts for eligible households.
2. Refer to the June, 2021 budget process: a. \$500,000 of general fund monies from excess equity as seed funding for the Climate Equity Action Fund pilot program; and b. \$100,000 for staff costs associated with the Finance Department and OESD in administering applications and disbursement of monies.
Financial Implications: See report.
Contact: Kate Harrison, Councilmember, District 4, (510) 981-7140

Committee Action Items

6. **Budget Referral and Resolution Establishing A Pilot Existing Building Electrification Incentive Program to Assist New Homeowners, Renters and Existing Homeowners with Transition to Zero-Carbon Buildings**
From: Councilmember Harrison (Author), Councilmember Bartlett (Co-Sponsor) *(Item contains revised material)*
Referred: May 17, 2021
Due: November 1, 2021
Recommendation: 1. Adopt a Resolution establishing: a. a two-year Pilot Existing Building Electrification Incentive Program to Assist New Homeowners, Renters and Existing Homeowners with Transition to Zero-Carbon Buildings; and b. an annual process for the Energy (or successor) Commission and the Facilities, Infrastructure, Transportation, Environment & Sustainability Policy Committee (FITES), in consultation with community groups, to provide input to staff and Council about eligible categories of fund expenditures to maximize equitable emissions reductions and impacts for eligible households while leaving the mechanisms for doing so to staff discretion. 2. Refer to the June, 2021 budget process: a. \$1,500,000 of general fund monies from excess equity as seed funding for the two-year pilot, inclusive of staff costs, for FY 2022.
Financial Implications: See report
Contact: Kate Harrison, Councilmember, District 4, (510) 981-7140

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.

7. **Predevelopment Allocation, Ashby Recreation and Community Housing (ARCH) Consortium**
From: Councilmember Bartlett (Author), Mayor Arreguin (Co-Sponsor), Councilmember Taplin (Co-Sponsor)
Referred: March 8, 2021
Due: July 26, 2021
Recommendation: Refer to staff to work with the Ashby Recreation and Community Housing (ARCH) Consortium to develop a planning grant for the Ashby BART East Parking Lot
Financial Implications: See report.
Contact: Ben Bartlett, Councilmember, District 3, (510) 981-7130
8. **Disposition of Referrals, Projects and Audits**
From: City Manager
Contact: Melissa McDonough, City Manager's Office, (510) 981-7000
9. **Housing Trust Fund Resources**
From: City Manager
Contact: Lisa Warhuus, Housing and Community Services, (510) 981-5400

Unscheduled Items

10. **Cash v. Accrual Basis Accounting**
From: City Manager
Contact: Henry Oyekanmi, Finance, (510) 981-7300
11. **Review of Council's Fiscal Policies**
From: City Manager
Contact: Rama Murty, Budget Office, (510) 981-7000

Items for Future Agendas

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

Adjournment

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*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.

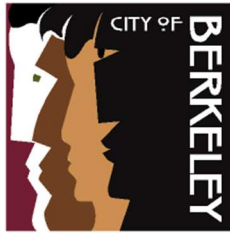
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I hereby certify that the agenda for this meeting of the Standing Committee of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City's website, on Thursday, June 17, 2021.



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, and are available upon request by contacting the City Clerk Department at (510) 981-6908 or policycommittee@cityofberkeley.info.



Office of the City Manager

Date: June 14, 2021
 To: Budget & Finance Policy Committee
 From: Dee Williams-Ridley, City Manager
 Submitted by: David White, Deputy City Manager
 Subject: Response to Questions from Budget and Finance Policy Committee #3

- What is the current vacancy level?

Attached to this memorandum is a **revised** summary vacancy report of all the positions that are vacant as of May 27, 2021. The vacancy report has been revised to account for an additional Deputy City Attorney that is vacant and inadvertently omitted. As of May 27, 2021, there are 180.1 full-time equivalent positions that are vacant. The tables below provide a high-level summary of vacancy by department and by fund.

**Summary of Vacancy by Department
As of May 27, 2021**

Department	Vacant Positions
City Attorney's Office	3.0
City Manager's Office	7.0
Finance	7.0
Fire	6.0
Health, Housing and Community Services	45.5
Human Resources	2.0
Information Technology	2.0
Parks, Recreation & Waterfront	11.0
Planning	15.6
Police	30.0
Police Accountability Board	1.0
Public Works	50.0
Total	180.1

**Summary of Vacancy by Fund
As of May 27, 2021**

Fund	Vacant Positions
General Fund	74.8
Mental Health Services Act	11.5
Permit Service Center	16.3
Sanitary Sewer	10.4
Zero Waste	12.7
All Other Funds	54.3
Total	180.1

The attached summary vacancy list includes positions that are proposed to be deferred, along with positions in which the recruitment process is underway. As a result, the total number of vacant positions outlined in the tables above that are available to be filled in FY 2022 is overstated. For example, as part of the proposed FY 2022 budget, there are thirty (30) positions in the Police Department that are proposed to be held vacant to accommodate the police reimagining process. In addition, there are positions that are vacant as of May 27, 2021 in which offers have been extended to individuals and / or the recruitment process is well underway.

Both members of the Budget and Finance Policy Committee and City Council have asked what would be the effect of increasing assumptions surrounding the vacancy rate in the budget. The proposed FY 2022 Budget currently assumes the following vacancy rates across the organization:

- Fire Department – 0%
- Police Department – 1%
- All Other Departments – 3%

In the event that the vacancy assumptions outlined above are increased (e.g., vacancy rate for All Other Departments increased from 3% to 5%), this would have the effect of reducing expenditures and could also result in impacts to service levels, as well. Even though a position is vacant, it does not necessarily mean that the work associated with the position does not occur. From time to time, staff will seek the resources of a third-party consultant or staffing agency to perform the work associated with a vacant position, which is paid for by the salary savings associated with the vacant position. If the vacancy assumption is increased, this would limit staff's ability to secure outside resources.

- Please provide a summary of the Police Department's FY 2022 Proposed Budget.

Attached to this memorandum is a revised summary of the Police Department's FY 2022 Proposed Budget. The revised summary includes the FY 2021 Adjusted Budget for the Police Department reflecting actions taken by City Council as part of the first and second amendments to the Annual Appropriations Ordinance. The FY 2021 Adjusted Budget reflects encumbrances, carryover requests and adjustments to the Police Department's budget that was approved by City Council.

The FY 2022 Proposed Budget reflects the deferral of 30 full-time equivalent positions and adjustments to the Police Department overtime budget along with increases in required pension and medical contributions. If the vacant positions were **not** deferred, the Police Department's Budget would need to be increased for the positions to be filled.

- Duration of vacancies in the Planning and Development Department

The following table summarizes vacancies in the Planning and Development Department and the duration of Department vacancies:

Position	Date of vacancy	Comment
Office of Director		
AOSIII (1 FTE)	Feb 2021	Recruitment underway
Assistant Management Analyst (1 FTE)	2018	Intentionally left vacant
Assistant Management Analyst (1 FTE)	Feb 2020	Proposed to be reallocated to Deputy Director position
Associate Management Analyst (1 FTE)	Jan 2021	Recruitment underway
Building & Safety Division		
Permit Center Coordinator (1 FTE)	Dec 2020	Intentionally left vacant
AOSIII (1 FTE)	Dec 2020	Recruitment underway; has been filled via temporary back-fill
Permit Specialist (1 FTE)	Jan 2020	Recruitment underway
CSSIII (1 FTE)	2018	Intentionally left vacant
Land Use Planning Division		
Assistant Planner (1 FTE)	Dec 2020	Intentionally left vacant
Associate Planner (1 FTE)	Unknown	Intentionally left vacant
Planning Technician (1 FTE)	May 2020	Intentionally left vacant
Planning Technician (1 FTE)	April 2021	Position created with a time-limited (2-year) term for implementation of short-term rental program, expiring June 2021. Proposed to be made permanent. Currently vacant.
Office of Energy & Sustainable Development		
Community Services Specialist I (.6FTE)	2017	Intentionally left vacant
Toxics Management		
Office Specialist II (1 FTE)	May 2018	Intentionally left vacant

- If the City Council wants to allocate funds to the comprehensive fee update proposed by the Planning and Development Department, can the work begin in July 2021?

If funds are allocated to this work, the Planning and Development Department is prepared to begin working on this assignment. If a commitment is made to allocate funds to this work in November 2021, the Planning and Development Department can do all of the work necessary (i.e., issue a Request for Proposal, select a vendor, etc.) to commence this project once the funds are officially appropriated.

- On page 105 of the budget book, why are projected Parking Meter Fund revenues significantly less in the FY 22 Proposed (\$4.6 million) column as compared to the FY21 Revised figure (\$11 million), and only slightly higher than the FY 2021 Projected? It seems that these numbers would be much higher due to vaccinations and business reopening.

For FY 2021, projected revenues in the proposed FY 2022 budget book reflect FY 2020 and FY 2021 revenues that were part of the adopted biennial budget. As a result, FY 2020 and FY 2021 revenue figures reflect pre-COVID-19 projections. As reported to the Budget and Finance Policy Committee, actual revenues were significantly lower due to the pandemic.

Revenue projections for FY 2022 and future years are based on actuals and trends through the time of budget development (January/February 2021). Since the FY 2022 budget was developed, the Public Works Department has revised its revenue projections based on actual revenues collected through March 2021 and April 2021. These updates have informed the Public Works Department requests surrounding the American Rescue Plan.

At this point in time, the Public Works Department estimates that the revenues associated with the Parking Meter Fund will be at 100% of monthly pre-COVID levels by Q4 FY 2022, and projected to 104% of pre-COVID levels in FY 2023

- Similarly, on page 103 of the budget book with respect to the Off-Street Parking numbers, why is the FY22 (\$2.2 million) proposed so low compared to the FY21 Revised (\$9.2 million) and Projected (\$4.7 million) figures?

As discussed above, FY 2021 Adopted/Revised Revenues for the Off-Street Parking Fund reflect pre-COVID revenue estimates that were part of the FY 2020 and FY 2021 adopted budget. Also, FY 2022 revenues were developed in the very early stages of vaccine distribution. Current estimates for the Off-Street Parking Fund indicate May 2021 actual revenues show improvement, but at a slower rate of recovery than revenues generated from parking meters. For the Off-Street Parking Fund, projected revenues are anticipated to average 90% of pre-COVID revenues

by May/June of FY 2022 and are anticipated to return to 100% of pre-COVID levels in FY 2023.

Camps Fund and Echo Lake ADA Improvements

- Can the Camps Fund pay for Echo Lake ADA improvements?

The Camps Fund does not have adequate resources to pay for ADA improvements at Echo Lake. The Camps Fund forecast in the proposed budget book combines operations and capital. When operations and capital are disaggregated, it is more readily apparent as to why additional resources outside of the Camps Fund are needed for this project. The table below provides an overview of the Camps Fund operating budget, excluding the Berkeley Tuolumne Camp Rebuild Project.

Camps Fund Forecast, Excluding Berkeley Tuolumne Camp Rebuild Project

	FY 20A	FY 21 Est.	FY 22 Proposed	FY 23 Projected
Beginning Fund Balance	\$939,969	\$383,066	(\$415,670)	\$337,190
Plus: Total Revenues	508,294	791,717	3,044,136	3,103,973
Less: Total Expenditures	1,065,198	1,590,452	2,291,276	3,298,304
Ending Fund Balance	\$383,066	(\$415,670)	\$337,190	\$142,859

Police Department Special Funds

- Are there resources available in any of the Police Department Special Funds to allocate to Police Department Budget requests?

Asset Forfeiture Fund 106

	FY 21 Estimated	FY 22 Proposed
Beginning Fund Balance	\$342,343	\$150,057
Revenue	0	0
Expenditures		
Personnel	100,000	0
Non-personnel	92,286	110,000
Total Expenditures	192,286	110,000
Ending Fund Balance	\$150,057	\$40,057

The Asset Forfeiture Account (Fund 106) has historically supported training along with the associated travel and per diem costs, equipment, and supplies. In the current year, there has been no additional revenue. Projected revenues are expected to continually hover around zero because historical revenue that was realized was attributable to court cases that were adjudicated from 2014, 2015, and

2016. The limited and evaporating revenue stream, will not be able to support on-going expenditures.

The following links provide background information on the use of these resources:

Police Department Policy 602 regarding asset seizure:

https://www.cityofberkeley.info/uploadedFiles/Police/Level_3_-_General/602%20Asset_Forfeiture.pdf

Relevant Section of California Health and Safety Code:

https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC§ionNum=11489

July 16, 2017 Information Report regarding Asset Forfeiture:

https://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3_-_General/Asset%20Forfeiture%20061617.pdf

State Proposition 172 Fund 126

	FY 21 Estimated	FY 22 Proposed
Beginning Fund Balance	\$1,237,593	\$882,280
Revenue	904,493	900,000
Expenditures		
Personnel	600,000	150,000
Non-personnel	659,806	1,000,000
Total Expenditures	1,259,806	1,150,000
Ending Fund Balance	\$882,280	\$632,280

Available funding in Fund 126 was used to offset general fund overtime costs in the current Fiscal Year. The annual funding stream of approximately \$900,000 supports various annual on-going expenditures to support police department operations such as telephone service costs, cellular service costs, Alameda County Information Technology service costs, Alameda County Crime Lab costs, DNA testing costs, and the current contract to convert legacy police records from obsolete systems to searchable data storage files. These on-going costs are trending higher annually and any further offsets could result in a negative fund balance and require general fund support to maintain a positive fund balance.

The following link will provide background information on the use of these resources:

<http://californiacityfinance.com/Prop172facts.pdf>

Citizen’s Options for Public Safety Fund 159

	FY 21 Estimated	FY 22 Proposed
Beginning Fund Balance	\$1,011,627	\$413,862
Revenue	192,235	250,000
Expenditures		
Personnel	660,000	100,000
Non-personnel	130,000	250,000
Total Expenditures	790,000	350,000
Ending Fund Balance	\$413,862	\$313,862

The available funding in Fund 159 was used to offset general fund overtime costs in FY 2021. The annual funding stream of approximately \$250,000 supports various on-going expenditures to support police department operations such as Phlebotomists for Driving Under the Influence of Drugs and Alcohol, Evidence testing through Santa Clara County Crime Lab, rental of undercover vehicles, and hourly wages for Police Aides. The on-going expenditures absorb the majority of the revenue and any further allocations to this fund could result in a negative fund balance and require general fund support to achieve a positive fund balance.

The following link will provide background information on the use of these resources:

<http://californiacityfinance.com/COPSfacts13.pdf>

Information Technology Department Questions

- What is the line item breakdown for all expenses (deferred 21 + Base Budget) for IT?

IT Cost Allocation Baseline Budget – FY 2022

Fiscal Year	Personnel	Hardware	Software	Operational	Total
FY 2022	\$8,549,605	\$920,649	\$3,883,670	\$1,192,286	\$14,546,210

FY 2022 IT Cost Allocation baseline budget doesn’t include deferrals in the amount of \$970,141.

For details refer to the tables below.

- IT Cost Allocation deferrals continued from FY 2021
 - FY 21 deferrals for Professional services, Small Equipment, Training, Supplies were not added back to the FY22 baseline budget (See Table 1 below)
 - The FY21 deferred projects continued and not added in FY22 in the baseline budget are:
 - GIS Master Address database
 - Customer Relationship Management Software (311 CRM)
 - Scripting Projects
 - Implementation of ServiceNow Additional Modules
- Deferrals added back in FY22 baseline budget are:
 - \$67,298 - Wifi and UPS Equipment Replacement Programs which can't be deferred another year due to hardware age and need for replacement
 - \$198,000 - VoIP Software Maintenance – VoIP upgrade project is completed. Ongoing software maintenance is needed for system support.
- General Fund:
 - Existing and Continuing - IT Rent – 2180 Milvia St., 4th Floor
 - New - Increased Costs - AT&T – Telephone / Circuit Charges
 - New Projects resulting in New Costs
 - New Website Costs - Website Hosting and Website Licensing
 - New FY22 Cyber Security Projects – Based on Projects listed in Closed Session
 - \$819,000 requested as part of General Fund request for June Budget
 - \$821,500 deferred for AAO#1 – NOV 2021
 - Deferred in FY 21 and added back
 - IT Move Project Rent 1947

Summary of Information Technology Department Deferrals, By Fund

Fund	FY 21 Deferrals	FY 21 Deferrals Part of FY 2022 Budget	FY 21 Deferrals NOT Part of FY 2022 Budget
General Fund			
IT Move project to 1947 Center St (1)	\$572,000	\$770,000	
IT Cost Allocation			
Equipment Replacement Programs- Wireless and UPS	\$67,298	\$67,298	
Professional Services	\$102,731		\$102,731
Projects Deferred (2)	\$704,260		\$704,260
Small Equipment	\$87,450		\$87,450
Supplies	\$18,500		\$18,500
Training	\$57,200		\$57,200
VoIP Replacement – Fund 502			
Projects	\$198,000	\$198,000	\$0
Grand Total	\$1,807,439	\$1,035,298	\$970,141

1. FY 2021 does not include rent as project was cancelled. FY 2022 project includes rent.
2. Includes the following: GIS Master Address database; Customer Relationship Management; Software (311 CRM); Scripting Projects; and Implementation of ServiceNow Additional Modules.

- IT Cost Allocation: If departments are charged for IT cost allocation how can the budget also be charged? Seems duplicative
 - IT Presents the total technology budget need and the Budget Office establishes the collection plan with Departments.
 - Many departments are General Fund Departments
- Cybersecurity for Telecommuting Needs: Was this/can it be paid for through COVID or FEMA funds??

It is highly unlikely that FEMA will reimburse the City for expenditures associated with cyber security and an alternative funding source has not been identified. The following outlines resource needs connect to the City's cyber security plan:

- The Cyber Security Assessment presented a 5-year plan with a list of projects, policies and procedures to be deployed.
- FY21 Projects for Cybersecurity were funded by General Fund -- \$819,000 as part of Nov 2020 AAO#1 process. In order to comply with California Civil Code Section 1798, the data safety program included 5 projects which are in progress and expected to be completed by December 2021. These projects resulted in ongoing costs estimate at \$489,000, as presented in the Closed Session to City Council on December 1, 2020.

- Additional Funds are needed for FY 22 thru FY 24 to deploy and improve the cyber security controls to meet and improve the standards.
- FY22 – Additional \$819,000 for Projects in June 2021 and \$821,500 deferred for November 2021 amendment to the annual appropriations ordinance process
- FY23/FY24 costs to be determined
- IT Licenses: What previous deferrals were included in the baseline budget and now much is new? Please itemize
 - For details on deferrals refer to table above on page 10.
 - For details on new requests refer to the table below on page 12.
 - FY21 deferred projects were continued to be deferred for FY22:
 - GIS Master Address database
 - Customer Relationship Management Software (311 CRM)
 - Scripting Projects
 - Implementation of ServiceNow Additional Modules
 - Increases include:
 - Personnel Increases
 - 5% increase on existing Software Licenses and industry standard is 3% - 7%. Since it varies from vendor to vendor it has been a past practice to average at 5% which balances out the overall cost
 - \$489,000 – Cyber Security ongoing maintenance for the projects deployed in FY21
- IT Milvia Rent: Isn't this amount part of the \$1.5M in cost sharing to departments?
 - Currently rent is not charged back to departments. If IT department moves to 1947 then other departments would occupy the current 2180 space and will be responsible for the rent which may offset the General Fund
 - FY22 – Pending Council approval of the project "IT move to 1947 Center St" the FY22 rent is included as part of project cost. If project is approved then starting FY23 the ongoing rent for 1947 Center St will be incorporated into the cost allocation plan.

Information Technology Budget details for deferrals added back, deferrals continued and new projects

Description	FY 21 Adjusted Budget	FY 21 Reduced Budget	Amount Reduced in FY21	FY 22 Requested	FY22 Budget Variance from FY21 Reduced Budget	Notes
General Fund	\$ 1,385,777.45	\$ 813,777.45	\$ 572,000.00	\$ 2,671,777.45	\$ 1,858,000.00	Deferral Added Back \$770,000 - IT Move Project to 1947 Center St New Projects \$72,000 - Website Hosting \$21,000 - Website Licensing \$106,000 - Rent 2180 Milvia Street New FY22 Cyber Security Projects \$819,000 - Requested in June New Request Deferred Until AAO# 1 (Nov. 2021) - \$821,500 – Additional Cyber Security Projects
VoIP Replacement	\$ 358,000.00	\$ 160,000.00	\$ 198,000.00	\$ 449,408.00	\$ 289,408.00	Deferral Added Back \$198,000 - Added back VoIP Software Maintenance New Additions \$77,208 – Circuit for Disaster Recovery Site \$14,200 - New Hardware for VOIP Upgrade
IT Cost Allocation Fund	\$ 14,357,042.00	\$ 13,319,603.00	\$ 1,037,439.00	\$ 14,546,210.16	\$ 1,226,607.16	Deferrals Continued / Not Included in Baseline Budget \$970,141 refer to table above (page 10) New Additions \$430,194.45 - Personnel Cost Increases \$489,000 - Ongoing Maintenance for Cyber Security Projects deployed in FY21 \$307,412.71 – Annual Software Licensing Increase
Total IT Budget	\$ 16,100,819.45	\$ 14,293,380.45	\$ 1,807,439.00	\$ 17,667,395.61	\$ 3,374,015.16	Net Increase from Reduced Budget

Fire Department Questions

- Why are Ambulance Billing Fees lower (assuming decrease in transports) and higher in Measure P? Where is the offsetting revenue captured?

Regarding the “Where is the offsetting revenue captured?”. It is important to note that Ambulance Billing Fees and Mental Health transports supported by Measure P funds are two distinct projects.

“Ambulance Billing” is our internal billing process for ambulance transport services. Revenues generated by this fund go to the General Fund. No Measure P funds are used to support these services.

“Measure P” is specific to the Falck contract for 5150 transports. There was \$2.4M set aside for the Falck contract. The Emergency Medical Services division of the Fire Department receives the invoice and confirms that the invoice is correct then the Fire Department pays the invoice. Any funds not used in the fiscal year are governed by rules and the direction of the Budget Office.

Falck transports are solely generated by mental health or law enforcement. As the Fire Department does not generate these calls for service we cannot definitely give reason for fluctuations to the number of 5150 transports requested. The terms of the original negotiated contract have not changed.

As far Falck 5150 transports, there is a 6-month delay in the billing that was built in to the contract. This allows Falck to invoice and process for the services provided. Any outstanding payments are then billed to the City of Berkeley. Falck continues to bill for an entire year following the transport and credits the City for any additional revenue collected. See the table below for billing data provided to us by Falck.

	MONTH	CALLS ON INVOICE	CHARGED	COLLECTED	% COLLECTED	COLLECTED FROM PRIOR MONTHS	TOTAL INVOICED
2019	JULY	84	\$ 170,100.00	\$ 26,431.87	16%	\$0.00	\$ 143,668.13
	AUGUST	102	\$ 206,550.00	\$ 27,910.71	14%	\$1,077.61	\$ 173,511.68
	SEPTEMBER	99	\$ 200,475.00	\$ 33,321.40	17%	\$7,475.17	\$ 159,678.43
	OCTOBER	116	\$ 234,900.00	\$ 49,689.72	21%	\$8,225.11	\$ 176,985.17
	NOVEMBER	64	\$ 129,600.00	\$ 20,321.68	16%	\$10,361.50	\$ 98,916.82
	DECEMBER	60	\$ 121,500.00	\$ 24,927.08	21%	\$2,717.08	\$ 93,855.84
2020	JANUARY	63	\$ 127,575.00	\$ 28,196.48	22%	\$7,314.06	\$ 92,064.46
	FEBRUARY	71	\$ 143,775.00	\$ 25,623.72	18%	\$9,180.89	\$ 108,970.39
	MARCH	85	\$ 172,125.00	\$ 46,517.43	27%	\$3,117.45	\$ 122,490.12
	APRIL	139	\$ 281,475.00	\$ 52,870.32	19%	\$1,889.57	\$ 226,715.11
	MAY	107	\$ 216,675.00	\$ 50,139.44	23%	\$6,352.47	\$ 160,183.09
	JUNE	94	\$ 190,350.00	\$ 35,115.34	18%	\$3,055.14	\$ 152,179.52
	JULY	111	\$ 224,775.00	\$ 48,672.10	22%	\$6,377.22	\$ 169,725.68
	AUGUST	101	\$ 204,525.00	\$ 46,534.46	23%	\$4,020.99	\$ 153,969.55
	SEPTEMBER	97	\$ 196,425.00	\$ 41,244.91	21%	\$7,931.52	\$ 148,401.16

As a reference, in calendar year 2019 the Fire Department transported 6,524 medical patients and in calendar year 2020 the Fire Department transported 2,050 medical patients. This significant change in transports was due to the pandemic and significantly impacted the ambulance billing revenue that comes to the General Fund.

- Can the Technical Rescue Team updated training be include in Measure FF? The City Attorney is evaluating the request from the Budget and Finance Policy Committee as to whether or not requests for the Technical Rescue Team and Hazardous Materials Team are eligible under the recently adopted Measure FF. From an operational perspective, these costs have not been factored in to the plans for Measure FF as presented to the Budget and Finance Policy Committee on May 27, 2021.

[https://www.cityofberkeley.info/uploadedFiles/Clerk/FY2022%20Fire%20Budget%20Presentation%20\(2\)\(1\).pdf](https://www.cityofberkeley.info/uploadedFiles/Clerk/FY2022%20Fire%20Budget%20Presentation%20(2)(1).pdf)

Technical rescue includes vehicle extrication, confined space rescue, rope rescue, trench rescue, and structural collapse rescue. These often require specialized equipment and skills that exceed the capabilities the Fire Department currently possess. The Fire Department's overall goal is to respond to emergencies involving technical rescues and hazardous materials in fast, safe manner by having the best training and equipment at the Department's immediate disposal.

- Hazardous Material Response Team equipment and training include in Measure FF?

The Hazardous Material Responses Team is an existing program, this is a request to maintain the base level of service/response. From an operational perspective, these costs have not been factored in to the plans for Measure FF as presented to the Budget and Finance Policy Committee on May 27, 2021.

The Hazardous Materials Team is comprised of specially trained firefighters to handle hazardous material (identified or unidentified) accidents and spills. Currently, the Fire Department has 12 certified Hazardous Materials Specialist assigned to the Team. Over the years, the Fire Department has had to defer requests for equipment and training for other priority funding needs.

- How many of the deferrals from FY21 will be hired July 1?

All but 1, Fire Prevention (Sworn) Inspector.

- What is the timeline of hiring for the open positions?

The goal is to have vacant positions filled by November 2021.

- Could some be deferred to Nov AAO1 if the hiring timeline makes sense?

Yes.

- What is “discretionary” overtime and can that overtime be managed with increased staffing?

Discretionary overtime is any overtime other than what would be considered to provide for “minimum staffing” on fire apparatus. This is the overtime budget that is used in order to fulfill training requirements, additional staffing for red flag events, or other special prioritized projects such as fire prevention or investigations. Additional staffing will not decrease the need for the use of these funds.

- Can Wildfire Mitigation and Vegetation Management be shifted to Measure FF?

Projects proposed under Measure FF were in addition to the projects these funds were allocated to.

- What number (not \$\$s) of transports are reimbursed in each category of payee?

Falck (09/2019-08/2020)	
% OF CLAIMS RECEIVED SOME PAYMENT	
Private Pay	3%
Insurance	88%
Medicaid	97%
Medicare	99%
Berkeley Fire Medical Transports (09/2019-08/2020)	
% OF CLAIMS RECEIVED SOME PAYMENT	
Private Pay	9%
Insurance	94%
Medicaid	98%
Medicare	99%

The percent of claims that have received some payment is not intended to suggest most of the bill was paid, just that some payment was received. It is important to note for Medicare this is the BLS bill rate at \$466.70. Medicare pays 80% of the bill and secondary payor is then billed for the remainder. Falk continues to work to collect on transports for 6 months after submitting a bill for payment to the city, if they collect additional money it is credited to the city. For the time period above Falck credited the city \$61,002.00.

For comparison we have included the fire departments billing for medical transports for the same time period (billing performed by a city contractor Wittman Enterprises).

- Is there anything that could improve that percentage? Is Falck doing everything it can to get reimbursed? Is there a way the City can incentivize that?

Falck is following all the industry standard collection procedures. The same procedures that the City’s 3rd party ambulance billing company follows. We are not aware of any additional measures – aside from sending patients to collections – that is not being done.

- Private pay are presumably uninsured people, would they not qualify for Medi-Cal? Is someone in charge of signing these people up for Medi-Cal?

While in the ambulance the primary concern for Falck first responders is patient care and transport. Ambulance companies are not staffed or have the resources to walk patients through the application process for medical/care. We understand this does occur at some level by social workers that work in hospitals.

- I assume that the reimbursement for unhoused is mostly Medi-Cal / Medicare. Is there a breakdown of 5150 transports that shows the reimbursement for housed vs unhoused and the different categories of reimbursement?

There is not. That piece of data is not brought over from the patient records system to the billing system.

- The County mental health facility is John George in San Leandro. I recall some discussion of transferring people somewhere closer to reduce costs since the County is no longer covering this cost. Any update on this potential?

The only transport options for the EMS system ambulances are John George and receiving emergency department. Patients are transported to emergency departments for medical clearance as needed for issues like high blood pressure, physical injuries, etc.

The idea of the alternate transportations is something that the Alameda County CATT team is doing. Because they are not an ambulance and do not fall under state regulation ([CCR Title 22, Division 9: Prehospital Emergency Medical Services](#)), they are able to take patients to alternate destinations.

- How is it determined when someone needs an ambulance transport vs a family member or Lyft?

When a person is placed on a [5150 hold](#) we are obligated to transport them as they have been deemed unable to care for themselves.

- How does Falck determine that someone is homeless?

The providers log basic demographic information for each call including a home or billing address. If the patient does not have one, or self-identifies as homeless, the provider documents as such.

- Do we know that Falck has been regularly billing Medi-Cal in all applicable transports?

Falck bills Medi-Cal in all cases that eligibility can be confirmed with the data made available.

The payer mix is 52.8% Medi-Cal

- Do we know how much Medi-Cal is paying for these services?

Some Medi-Cal payors pay full fee, some pay in increments, but for most of these transports, Medi-Cal pays the following per trip:

- \$118.20 for standard Medi-Cal Base
- \$220.80 on Base for Quality Assurance Fee (QAF) (Total base of \$339.00)
- \$3.55 per mile.
- Oxygen (if administered)

- When accepting Medi-Cal, is not a provider bound to accept the amount paid as paid in full without seeking further recovery?

Once Falck determines the patient is Medi-Cal covered, payment is accepted in full from Medi-Cal, and no further bills are sent to the patient. The City is billed for the balance to reach the contractually agreed upon per transport rate.

- Have there been Medi-Cal denials that could have been appealed by Falck?

Emergency trips rarely get appealable denials per Falck. Falck does infrequently have to appeal for the QAF money (which they always do). The majority of denials Falck receives from Medi-Cal are not appealable - such as: not eligible for date of service or another payor is primary.

- What is the average private reimbursement rate?

Here is the breakdown of average payment Falck is receiving on claims by payor type for the Berkeley contract:

- Medicare \$460
- Medi-Cal \$345
- Insurance \$2020
- Private pay \$34

- What is the most current information you have about total received from insurance this fiscal year? How about FY 20?

There is a six-month lag in the invoices the City receives from Falck which is a condition in the contract. During that six-month period of time Falck is billing insurance. In fact, that billing continues and the City receives credit on future invoices when additional revenue is collected, which happens routinely.

Information for FY 20 (7/1/2019 - 6/30/2020) is as follows:

- Amount Charged: 2,195,100
 - Amount Collected (From insurance): 491,831
 - Total Invoices to COB: 1,709,219
- If Falck gets fully reimbursed whether they get it from insurance or from COB, and billing insurance is labor intensive and has a cost, they may not be incentivized to get after it. How do we know they are rigorous about getting insurance reimbursement? Do we audit them? Do we check their insurance recovery rate for COB with what they get from other cities or with what they've projected for us?

Falck bills for City of Berkeley transports using their normal billing procedures/processes: e.g. – The City's calls/bills are mixed in with the bills generated from Alameda County 911 transports - the billing agents do not differentiate between the two.

Falck pursues all recovery using the same methods and strategies and with the same diligence applied to any other bill as the City of Berkeley. The only exception is that unpaid bills are not sent to collections per City policy.

- Is Falck currently on track to underspend/overspend or right on target for this FY?

There is a 6-7-month lag between when they provide service and when they bill the City. This lag provides them the lead time to recover costs the traditional way.

According to invoices received so far, the following are running totals:

- 7/1/2019 - 6/30/2020
 - Projected Transports: 1,400**
 - Projected Cost: \$2,835,000
 - Actual Transports: 1,084**
 - Actual Cost \$1,709,218.76
 - We are still in the 6-month lag in billing to have any good data on projections after 6/30/2020

** The Fire Department expects that as the region comes out of the pandemic that the call volume will rise to its pre-pandemic level of approximately 1,400 transports per year. Using the above data, this is the projection for a “normal” year.

- Projected transports: 1,400
- Cost to Berkeley: \$2,207,477

ATTACHMENTS

1. Vacancy Report
2. Police Department Summary of FY 2022 Proposed Budget

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Department	Position	FTE	Funding Source		
			Fund Name	Account Code	%
City Attorney	Deputy City Attorney III	1	General Fund	011-31-302-000-0000-000-411-511110-	25%
			Public Liability Fund	678-31-302-000-0000-000-471-511110-	75%
City Attorney	Deputy City Attorney III	1	General Fund	011-31-302-000-0000-000-411-511110-	100%
City Attorney	Legal Office Supervisor	1	General Fund	011-31-302-000-0000-000-411-511110-	100%
City Manager	Digital Communications Coordinator	1	General Fund	011-21-201-000-0000-000-412-511110-	100%
City Manager	Digital Communications Coordinator	1	General Fund	011-21-201-000-0000-000-412-511110-	100%
City Manager	Assistant to the City Manager	1	General Fund	011-21-202-000-0000-000-412-511110-	100%
City Manager	Budget Manager	1	General Fund	011-21-207-000-0000-000-412-511110-	100%
City Manager	Economic Development Manager	1	General Fund	011-21-208-250-0000-000-446-511110-	35%
			General Fund	011-21-208-251-0000-000-446-511110-	45%
			General Fund	011-21-208-252-0000-000-446-511110-	10%
			General Fund	011-21-208-253-0000-000-446-511110-	10%
			General Fund	011-21-208-252-0000-000-446-511110-	83%
City Manager	Assistant Management Analyst	1	Cultural Trust	148-21-208-252-0000-000-446-511110-	17%
			General Fund	011-21-203-000-0000-000-424-511110-	100%
City Manager	Senior Animal Control Officer	1	General Fund	011-21-203-000-0000-000-424-511110-	100%
Finance	Customer Service Specialist II (Hourly)	1	General Fund	011-33-324-342-0000-000-412-511110-	100%
Finance	Customer Service Specialist II (Hourly)	1	General Fund	011-33-324-342-0000-000-412-511110-	100%
Finance	Accounting Manager	1	General Fund	011-33-323-336-0000-000-412-511110-	100%
Finance	Revenue Development Specialist I	1	General Fund	011-33-322-332-0000-000-412-511110-	100%
Finance	Revenue Development Specialist II	1	General Fund	011-33-322-332-0000-000-412-511110-	100%
Finance	Field Representative	1	General Fund	011-33-322-332-0000-000-412-511110-	100%
Finance	Field Representative	1	General Fund	011-33-322-332-0000-000-412-511110-	100%
Fire	Fire Chief	1	General Fund	011-72-741-831-0000-000-422-511130-	100%
Fire	Fire Captain II	1	General Fund	011-72-742-835-0000-000-422-511130-	100%
Fire	Fire Captain II	1	General Fund	011-72-742-835-0000-000-422-511130-	100%
Fire	Fire Captain II	1	General Fund	011-72-742-835-0000-000-422-511130-	100%
Fire	Fire Prevention Inspec Nonswn	1	General Fund	011-72-743-000-0000-000-422-511110-	100%
Fire	Deputy Fire Marshal	1	General Fund	011-72-743-000-0000-000-422-511110-	72%



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Department	Position	FTE	Funding Source		
			Fund Name	Account Code	%
			PSC	621-72-743-000-0000-000-471-511130-	28%
HHCS	Accounting Office Specialist III	1	General Fund	011-51-501-502-0000-000-451-511110-	100%
HHCS	Assistant Management Analyst	1	One-Time Grant: No Cap	336-51-501-503-2075-000-451-511110-	100%
HHCS	Assistant Management Analyst	1	General Fund	011-51-501-502-0000-000-451-511110-	65%
			General Fund	011-51-505-540-0000-000-444-511110-	20%
			General Fund	011-51-505-541-0000-000-444-511110-	5%
			Health (General)	312-51-506-559-2066-000-451-511110-	5%
			Vector Control	325-51-502-510-0000-000-451-511110-	5%
HHCS	Assistant Mental Health Clinician	1	Mental Health Realignment	158-51-503-521-2007-000-451-511110-	50%
			Health (Short/Doyle)	316-51-503-521-2007-000-451-511110-	50%
HHCS	Behavioral Health Clinician II	1	General Fund	011-51-503-524-2015-000-451-511110-	100%
HHCS	Behavioral Health Clinician II	1	Mental Health Services Act	315-51-503-521-2006-000-451-511110-	100%
HHCS	Behavioral Health Clinician II	1	Mental Health Services Act	315-51-503-528-0000-000-451-511110-	100%
HHCS	Behavioral Health Clinician II	1	Mental Health Services Act	315-51-503-528-0000-000-451-511110-	100%
HHCS	Behavioral Health Clinician II	1	Mental Health Services Act	315-51-503-521-2006-000-451-511110-	60%
			Health (Short/Doyle)	316-51-503-521-2007-000-451-511110-	40%
HHCS	Behavioral Health Clinician II	1	General Fund	011-51-505-548-2043-000-444-511110-	44%
			Target Case Mgmt/Linkages	313-51-505-548-2043-000-444-511110-	56%
HHCS	Community Services Specialist I	1	General Fund	011-51-506-555-2025-000-451-511110-	100%
HHCS	Community Services Specialist I	0.5	Measure BB	136-51-505-542-2038-000-444-511110-	100%
HHCS	Community Services Specialist II	1	General Fund	011-51-504-535-0000-000-444-511110-	1%
			Shelter Plus Care (HUD)	347-51-504-535-0000-000-444-511110-	87%
			Shelter Plus Care (County)	348-51-504-535-0000-000-444-511110-	12%
HHCS	Community Services Specialist III	1	General Fund	011-51-506-555-2025-000-451-511110-	100%
HHCS	Community Services Specialist III	1	One-Time Grant: No Cap	336-51-501-503-2075-000-451-511110-	100%
HHCS	Environmental Health Supervisor	1	General Fund	011-51-502-510-0000-000-451-511110-	12%
			Ala Cty Abandoned Veh Abt Auth	161-51-502-510-0000-000-451-511110-	6%
			Vector Control	325-51-502-510-0000-000-451-511110-	37.5%
			Alameda County Grants	326-51-506-559-2053-000-451-511110-	6%
			One-Time Grant: No Cap	336-51-502-510-0000-000-451-511110-	12.5%



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			Fund Name	Account Code	%
			Sanitary Sewer	611-51-502-510-0000-000-471-511110-	5%
			Sanitary Sewer	611-51-502-511-2004-000-471-511110-	21%
HHCS	Health Nutrition Program Coordinator	1	Health (General)	312-51-506-562-2061-000-451-511110-	100%
HHCS	Health Services Supervisor	1	Health State Aid Realignment	156-51-506-555-0000-000-451-511110-	100%
HHCS	Mental Health Clinical Supervisor	1	General Fund	011-51-503-524-2015-000-451-511110-	45%
			Mental Health Services Act	315-51-503-524-2015-000-451-511110-	55%
HHCS	Mental Health Clinical Supervisor	1	Health (Short/Doyle)	316-51-503-521-2007-000-451-511110-	14%
			One-Time Grant: No Cap	336-51-503-521-2007-000-451-511110-	86%
HHCS	Mental Health Nurse	1	Health (Short/Doyle)	316-51-503-521-2007-000-451-511110-	100%
HHCS	Mental Health Nurse	1	Mental Health Services Act	315-51-503-528-0000-000-451-511110-	100%
HHCS	Mid-Level Practitioner	1	Health (General)	312-51-506-561-2057-000-451-511110-	100%
HHCS	Mini Bus Driver	1	General Fund	011-51-505-541-0000-000-444-511110-	100%
HHCS	Office Specialist II	1	General Fund	011-51-504-530-0000-000-444-511110-	60%
			Workforce Investment Act	108-51-504-532-2025-000-444-511110-	40%
HHCS	Office Specialist II	1	General Fund	011-51-505-541-0000-000-444-511110-	70%
			General Fund	011-51-505-542-2038-000-444-511110-	30%
HHCS	Office Specialist II	1	General Fund	011-51-506-561-0000-000-451-511110-	75%
			Health State Aid Realignment	156-51-506-555-0000-000-451-511110-	25%
HHCS	Office Specialist II	1	Health (General)	312-51-506-562-2061-000-451-511110-	100%
HHCS	Psychiatrist	1	Mental Health Services Act	315-51-503-521-2006-000-451-511110-	100%
HHCS	Psychiatrist	1	Mental Health Services Act	315-51-503-528-0000-000-451-511110-	100%
HHCS	Public Health Nurse	1	General Fund	011-51-506-562-0000-000-451-511110-	8%
			Health (General)	312-51-506-562-0000-000-451-511110-	17%
			Health (General)	312-51-506-562-0000-000-451-511110-	25%
			Health (General)	312-51-506-562-0000-000-451-511110-	30%
			Mental Health Services Act	315-51-506-562-2063-000-451-511110-	20%
HHCS	Public Health Nurse	1	Health (General)	312-51-506-559-2054-000-451-511110-	16%
			Health (General)	312-51-506-562-0000-000-451-511110-	16%
			Alameda County Grants	326-51-506-560-0000-000-451-511110-	68%
HHCS	Public Health Nurse	1	One-Time Grant: No Cap	336-51-501-503-2075-000-451-511110-	100%
HHCS	Public Health Nurse	1	One-Time Grant: No Cap	336-51-501-503-2075-000-451-511110-	100%



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			Fund Name	Account Code	%
HHCS	Public Health Nurse	1	General Fund	011-51-506-562-0000-000-451-511110-	6%
			General Fund	011-51-506-562-0000-000-451-511110-	0.77%
			Health (General)	312-51-506-556-2046-000-451-511110-	26.5%
			Health (General)	312-51-506-562-0000-000-451-511110-	15.23%
			Alameda County Grants	326-51-506-556-2046-000-451-511110-	51.5%
HHCS	Registered Environ Hlth Spec	1	General Fund	011-51-502-510-0000-000-451-511110-	57%
			Sanitary Sewer	611-51-502-511-2004-000-471-511110-	43%
HHCS	Registered Nurse	1	Health State Aid Realignment	156-51-506-555-0000-000-451-511110-	14.8%
			Mental Health Services Act	315-51-506-562-2063-000-451-511110-	13.2%
			BUSD Grant	324-51-506-560-0000-000-451-511110-	72%
HHCS	Senior Behavioral Health Clinician	1	Mental Health Services Act	315-51-503-522-2006-000-451-511110-	100%
HHCS	Senior Comm. Devlp. Proj Coordinator	1	General Fund	011-51-504-530-0000-000-444-511110-	20%
			General Fund	011-51-504-533-2032-000-444-511110-	12%
			Affordable Housing Mitigation	120-51-504-533-2032-000-444-511110-	20%
			CDBG	128-51-504-533-2032-000-444-511110-	48%
HHCS	Senior Health Management Analyst	1	General Fund	011-51-501-503-2076-000-451-511110-	62%
			General Fund	011-51-506-555-0000-000-451-511110-	20%
			Alameda County Grants	326-51-501-503-2053-000-451-511110-	18%
HHCS	Senior Health Services Prog Spec	1	General Fund	011-51-506-555-0000-000-451-511110-	100%
HHCS	Social Services Specialist	1	Mental Health Services Act	315-51-503-525-2020-000-451-511110-	100%
HHCS	Social Services Specialist	1	Mental Health Services Act	315-51-503-528-0000-000-451-511110-	100%
HHCS	Social Services Specialist	1	Mental Health Services Act	315-51-503-528-0000-000-451-511110-	100%
HHCS	Social Services Specialist	1	General Fund	011-51-505-548-2043-000-444-511110-	50%
			Target Case Mgmt/Linkages	313-51-505-548-2043-000-444-511110-	50%
			General Fund	011-51-502-510-0000-000-451-511110-	27%
HHCS	Vector Control Technician	1	General Fund	011-51-502-510-0000-000-451-511110-	27%
			Vector Control	325-51-502-510-0000-000-451-511110-	18.5%
			Sanitary Sewer	611-51-502-510-0000-000-471-511110-	4%
			Sanitary Sewer	611-51-502-511-2004-000-471-511110-	50.5%
HR	Associate HR Analyst	1	General Fund	011-34-342-000-0000-000-412-511110-	100%
HR	Occupational Health and Safety Coordinator	1	Worker's Compensation	676-34-343-000-0000-000-471-511110-	100%



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			Fund Name	Account Code	%
Information Technology	Information Systems Specialist	1	IT Cost Allocation	680-35-363-380-0000-000-471-511110-	100%
Information Technology	Applications Program Analyst I	1	FUND\$ Replacement	503-35-362-376-0000-000-412-511110-	100%
PRW	Accounting Office Specialist Supervisor	1	General Fund	011-52-541-598-0000-000-461-511110-	77%
			Parks Tax	138-52-541-598-0000-000-461-511110-	13%
			Marina Fund	608-52-541-598-0000-000-471-511110-	10%
PRW	Assistant Civil Engineer	1	Camps Fund	125-52-543-583-0000-000-461-511110-	20%
			Measure T1	511-52-545-000-0000-000-461-511110-	44%
			Marina Fund	608-52-545-000-0000-000-471-511110-	36%
PRW	Senior Landscape Gardener	1	Parks Tax	138-52-542-567-0000-000-461-511110-	100%
PRW	Forestry Climber	1	Parks Tax	138-52-542-566-0000-000-461-511110-	100%
PRW	Forestry Climber	1	Parks Tax	138-52-542-566-0000-000-461-511110-	100%
PRW	Building Maintenance Mechanic - Marina	1	Marina Fund	608-52-544-591-0000-000-471-511110-	100%
PRW	Marina Assistant	1	Marina Fund	608-52-544-592-0000-000-471-511110-	100%
PRW	Recreation Coordinator	1	General Fund	011-52-543-580-1011-000-461-511110-	100%
PRW	Assistant Recreation Coordinator	1	General Fund	011-52-543-570-0000-000-461-511110-	100%
PRW	Aquatic Facilities Supervisor	1	General Fund	011-52-543-570-0000-000-461-511110-	100%
PRW	Office Specialist II	1	General Fund	011-52-543-570-0000-000-461-511110-	100%
Planning	Accounting Office Specialist III	1	General Fund	011-53-581-000-0000-000-441-511110-	13%
			RHSP	129-53-581-000-0000-000-441-511110-	5%
			PSC	621-53-581-000-0000-000-471-511110-	72%
			CUPA	622-53-581-000-0000-000-471-511110-	10%
Planning	Assistant Management Analyst	1	PSC	621-53-581-000-0000-000-471-511110-	100%
Planning	Assistant Management Analyst	1	General Fund	011-53-581-000-0000-000-441-511110-	23%
			PSC	621-53-581-000-0000-000-471-511110-	77%



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Department	Position	FTE	Funding Source		
			Fund Name	Account Code	%
Planning	Associate Management Analyst	1	General Fund	011-53-581-000-0000-000-441-511110-	10%
			PSC	621-53-581-000-0000-000-471-511110-	65%
			CUPA	622-53-581-000-0000-000-471-511110-	25%
Planning	Permit Center Coordinator	1	PSC	621-53-585-632-0000-000-471-511110-	100%
Planning	Accounting Office Specialist III	1	PSC	621-53-585-632-0000-000-471-511110-	50%
			PSC	621-53-585-637-0000-000-471-511110-	50%
Planning	Permit Specialist	1	PSC	621-53-585-632-0000-000-471-511110-	100%
Planning	Community Services Specialist III	1	RHSP	129-53-585-634-0000-000-441-511110-	50%
			PSC	621-53-585-634-0000-000-471-511110-	50%
Planning	Assistant Planner	1	PSC	621-53-584-622-0000-000-471-511110-	100%
Planning	Associate Planner	1	PSC	621-53-584-622-0000-000-471-511110-	100%
Planning	Associate Planner	1	PSC	621-53-584-622-0000-000-471-511110-	100%
Planning	Assistant Planner	1	PSC	621-53-584-622-0000-000-471-511110-	100%
Planning	Planning Technician	1	PSC	621-53-584-622-0000-000-471-511110-	100%



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Department	Position	FTE	Funding Source		
			Fund Name	Account Code	%
Planning	Planning Technician	1	General Fund	011-53-584-622-0000-000-441-511110-	50%
			PSC	621-53-584-622-0000-000-471-511110-	50%
Planning	Community Services Specialist I	0.6	General Fund	011-53-583-611-0000-000-441-511110-	80%
			Zero Waste	601-53-583-611-0000-000-471-511110-	6%
			PSC	621-53-583-611-0000-000-471-511110-	14%
Planning	Office Specialist II	1	General Fund	011-53-582-602-0000-000-429-511110	37%
			General Fund	011-53-583-611-0000-000-441-511110-	5%
			Clean Storm Water	616-53-582-602-0000-000-471-511110-	10%
			CUPA	622-53-582-601-0000-000-471-511110-	48%
Police	Communications Center Manager	1	General Fund	011-71-705-822-0000-000-421-511110-	100%
Police	Community Services Officer	3	General Fund	011-71-705-824-0000-000-421-511110-	100%
Police	Office Specialist II	1	General Fund	011-71-705-820-0000-000-421-511110-	100%
Police	Office Specialist III	1	General Fund	011-71-705-820-0000-000-421-511110-	100%
Police	Parking Enforcement Officer	1	General Fund	011-71-703-812-0000-000-421-511110-	100%
Police	Police Officer	23	General Fund	011-71-702-805-0000-000-421-511120-	100%
Police	Director of Police Accountability	1	General Fund	011-14-000-000-0000-000-412-511110-	100%
Accountability					
Public Works	Associate Traffic Engineer	1	PSC	621-54-622-663-0000-000-471-511110-	100%
Public Works	Associate Traffic Engineer	1	PSC	621-54-622-663-0000-000-471-511110-	100%
Public Works	Traffic Engineering Assistant	1	General Fund	011-54-622-663-0000-000-431-511110-	100%



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Department	Position	FTE	Funding Source		
			Fund Name	Account Code	%
Public Works	Accounting Office Specialist II	1	Measure B Local Streets & Roads	130-54-622-664-0000-000-431-511110-	20%
			Off-Street Parking	627-54-622-665-0000-000-471-511110-	35%
			On-Street Parking	631-54-622-665-0000-000-471-511110-	45%
Public Works	Associate Civil Engineer	1	Capital Improvement Fund	501-54-622-668-0000-000-431-511110-	70%
			PSC	621-54-622-668-0000-000-471-511110-	30%
Public Works	Traffic Maintenance Worker I	1	State Transportation Tax	127-54-622-664-0000-000-431-511110-	25%
			Measure B Local Streets & Roads	130-54-622-664-0000-000-431-511110-	75%
Public Works	Parking Meter Mechanic	1	On-Street Parking	631-54-622-666-0000-000-471-511110-	100%
Public Works	Accounting Office Specialist III	1	Measure B Local Streets & Roads	130-54-621-652-0000-000-412-511110-	5%
			Sanitary Sewer	611-54-621-652-0000-000-471-511110-	40%
			Equipment Replacement	671-54-621-652-0000-000-471-511110-	15%
			Equipment Maintenance	672-54-621-652-0000-000-471-511110-	40%
			State Transportation Tax	127-54-621-652-0000-000-412-511110-	15%
Public Works	Senior Management Analyst	1	Zero Waste	601-54-621-652-0000-000-471-511110-	30%
			Sanitary Sewer	611-54-621-652-0000-000-471-511110-	30%
			Building Purchases & Maintenance	636-54-621-652-0000-000-471-511110-	15%
			Equipment Maintenance	672-54-621-652-0000-000-471-511110-	5%
			Building Maintenance	673-54-621-652-0000-000-471-511110-	5%
			State Transportation Tax	127-54-621-652-0000-000-412-511110-	20%
			Streetlight Assessment District Fee	142-54-621-652-0000-000-426-511110-	5%
Public Works	Senior Management Analyst	1	Capital Improvement Fund	501-54-621-652-0000-000-412-511110-	20%
			Zero Waste	601-54-621-652-0000-000-471-511110-	20%
			Sanitary Sewer	611-54-621-652-0000-000-471-511110-	20%
			Clean Storm Fee	616-54-621-652-0000-000-471-511110-	5%
			On-Street Parking	631-54-621-652-0000-000-471-511110-	5%
			Building Maintenance	673-54-621-652-0000-000-471-511110-	5%
			Zero Waste	601-54-621-654-0000-000-471-511110-	20%
Public Works	Public Works Operations Manager	1	Zero Waste	601-54-621-654-0000-000-471-511110-	20%



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Department	Position	FTE	Funding Source		
			Fund Name	Account Code	%
Public Works	Manager of Engineering	1	Sanitary Sewer	611-54-621-654-0000-000-471-511110-	20%
			On-Street Parking	631-54-621-655-0000-000-471-511110-	5%
			Building Purchases & Maintenance	636-54-621-654-0000-000-471-511110-	5%
			Equipment Replacement	671-54-621-654-0000-000-471-511110-	5%
			Equipment Maintenance	672-54-621-654-0000-000-471-511110-	30%
			Building Maintenance	673-54-621-654-0000-000-471-511110-	15%
Public Works	Chief of Party	1	Sanitary Sewer	611-54-623-671-0000-000-471-511110-	80%
			PSC	621-54-623-678-0000-000-471-511110-	20%
Public Works	Engineering Inspector	1	Sanitary Sewer	611-54-623-672-0000-000-471-511110-	100%
Public Works	Engineering Inspector	1	General Fund	011-54-623-678-0000-000-412-511110-	50%
			Sanitary Sewer	611-54-623-678-0000-000-471-511110-	20%
			PSC	621-54-623-678-0000-000-471-511110-	30%
			PSC	621-54-623-678-0000-000-471-511110-	100%
			Drafting Aide	611-54-623-671-0000-000-471-511110-	100%
			Drafting Technician	611-54-623-676-0000-000-471-511110-	100%
Public Works	Senior Drafting Technician	1	Capital Improvement Fund	501-54-623-673-0000-000-431-511110-	40%
Public Works	Assistant Civil Engineer (Reg)	1	Sanitary Sewer	611-54-623-676-0000-000-471-511110-	60%
			Sanitary Sewer	611-54-623-676-0000-000-471-511110-	100%
			Building Maintenance	673-54-623-677-0000-000-471-511110-	100%
Public Works	Building Maintenance Mechanic	1	Building Purchases & Maintenance	636-54-624-692-0000-000-471-511110-	20%
			Building Maintenance	673-54-624-692-0000-000-471-511110-	80%
			Building Purchases & Maintenance	636-54-624-692-0000-000-471-511110-	30%
Public Works	Senior Building Maintenance Supervisor	1	Building Maintenance	673-54-624-692-0000-000-471-511110-	70%
			Building Maintenance	673-54-624-692-0000-000-471-511110-	100%
			Building Maintenance	673-54-624-692-0000-000-471-511110-	100%
Public Works	Warehouse Operations Specialist	1	Equipment Maintenance	672-54-621-651-0000-000-471-511110-	100%
Public Works	Electrical Parts Technician	1	State Transportation Tax	127-54-624-695-0000-000-431-511110-	25%
			Measure B Local Streets & Roads	130-54-624-695-0000-000-431-511110-	25%



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Department	Position	FTE	Funding Source		
			Fund Name	Account Code	%
Public Works	Electrician	1	Streetlight Assessment District Fee	142-54-624-694-3018-000-426-511110-	50%
			Streetlight Assessment District Fee	142-54-624-694-3018-000-426-511110-	100%
Public Works	Electrician	1	Streetlight Assessment District Fee	142-54-624-694-3018-000-426-511110-	100%
Public Works	Lead Electrician	1	State Transportation Tax	127-54-624-695-0000-000-431-511110-	50%
			Measure B Local Streets & Roads	130-54-624-695-0000-000-431-511110-	50%
Public Works	Electrician	1	Streetlight Assessment District Fee	142-54-624-694-3018-000-426-511110-	100%
Public Works	Electrician	1	State Transportation Tax	127-54-624-695-0000-000-431-511110-	25%
			Measure B Local Streets & Roads	130-54-624-695-0000-000-431-511110-	25%
Public Works	Office Specialist II	1	Streetlight Assessment District Fee	142-54-624-694-3018-000-426-511110-	50%
			Building Purchases & Maintenance	636-54-624-697-0000-000-471-511110-	20%
			Equipment Maintenance	672-54-626-721-0000-000-471-511110-	30%
			Building Maintenance	673-54-624-697-0000-000-471-511110-	50%
Public Works	Public Works Supervisor	1	Zero Waste	601-54-625-714-0000-000-471-511110-	100%
Public Works	Construction Equipment Operator	1	State Transportation Tax	127-54-625-715-0000-000-431-511110-	50%
			Sanitary Sewer	611-54-625-712-0000-000-471-511110-	50%
Public Works	Laborer	1	Sanitary Sewer	611-54-625-712-0000-000-471-511110-	100%
Public Works	Laborer	1	Sanitary Sewer	611-54-625-712-0000-000-471-511110-	100%
Public Works	Laborer	1	Clean Storm Fee	616-54-625-713-0000-000-471-511110-	100%
Public Works	Office Specialist III	1	Zero Waste	601-54-627-731-0000-000-471-511110-	100%
Public Works	Associate Management Analyst	1	Zero Waste	601-54-627-731-0000-000-471-511110-	100%
Public Works	Solid Waste Worker	1	Zero Waste	601-54-627-732-3019-000-471-511110-	100%
Public Works	Field Representative	1	Zero Waste	601-54-627-733-3019-000-471-511110-	60%
			Zero Waste	601-54-627-733-3026-000-471-511110-	40%
Public Works	Field Representative	1	Zero Waste	601-54-627-733-3019-000-471-511110-	50%



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Department	Position	FTE	Funding Source		
			Fund Name	Account Code	%
			Zero Waste	601-54-627-733-3019-000-471-511110-	50%
Public Works	Solid Waste Worker	1	Zero Waste	601-54-627-733-3019-000-471-511110-	100%
Public Works	Solid Waste Worker	1	Zero Waste	601-54-627-733-3019-000-471-511110-	100%
Public Works	Solid Waste Loader Operator	1	Zero Waste	601-54-627-734-3023-000-471-511110-	100%
Public Works	Solid Waste Worker	1	Zero Waste	601-54-627-734-3023-000-471-511110-	100%
Public Works	Solid Waste Worker	1	Zero Waste	601-54-627-733-3026-000-471-511110-	100%
Public Works	Solid Waste Worker	1	Zero Waste	601-54-627-732-3019-000-471-511110-	70%
			Zero Waste	601-54-627-733-3026-000-471-511110-	30%
Public Works	Mechanic	1	Equipment Maintenance	672-54-626-722-0000-000-471-511110-	100%
Public Works	Mechanic Supervisor	1	Equipment Maintenance	672-54-626-722-0000-000-471-511110-	100%
Public Works	Service Technician	1	Equipment Maintenance	672-54-626-722-0000-000-471-511110-	100%

Total Vacant Positions 180.1

Acronyms:

- BUSD** Berkeley Unified School District
- CDBG** Community Development Block Grant

- CSO** Community Services Officer
- CUPA** Certified Unified Program Agency
- HHCS** Health, Housing & Community Services
- HR** Human Resources
- HUD** Housing and Urban Development
- PRW** Parks, Recreation and Waterfront
- PO** Police Officers
- PSC** Permit Service Center
- RHSP** Rental Housing Safety Program

**POLICE DEPARTMENT FINANCIAL SUMMARY
DRAFT - SUBJECT TO CHANGE - BASED ON PROPOSED BUDGET**

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2021 Adjusted	FY 2022 Proposed
EXPENDITURES						
By Type:						
Salaries and Benefits	60,449,826	63,465,165	71,461,933	63,291,599	68,011,993	69,511,973
Services and Materials	2,867,289	3,212,616	3,181,080	2,505,653	4,059,365	2,945,661
Capital Outlay	587,707	361,371	111,713	407,857	477,637	444,817
Internal Services	2,446,712	2,527,951	5,007,986	4,120,005	4,325,213	4,904,992
Indirect Cost Transfer						
	<u>66,351,534</u>	<u>69,567,103</u>	<u>79,762,713</u>	<u>70,325,114</u>	<u>76,874,208</u>	<u>77,807,443</u>
By Division:						
Office of the Police Chief	1,437,690	1,265,065	3,977,025	2,810,795	2,930,275	2,672,028
Professional Standards	5,845,197	4,207,385	4,242,994	3,958,291	3,966,010	3,566,942
Support Services	5,667,255	14,108,242	14,949,574	13,968,805	14,712,843	15,470,096
Police Operations	39,673,087	36,284,878	41,810,086	32,567,064	35,833,083	38,651,691
Police Investigations	13,728,263	13,701,533	14,783,035	17,020,159	19,431,997	17,446,686
	<u>66,351,492</u>	<u>69,567,103</u>	<u>79,762,713</u>	<u>70,325,114</u>	<u>76,874,208</u>	<u>77,807,443</u>
By Fund:						
General Fund	62,628,518	65,493,664	75,754,210	65,460,524	69,812,906	73,228,172
Asset Forfeiture	129,973	93,522	69,751	201,000	201,000	201,000
Federal Grants	206,782	138,758	170,214	182,000	392,000	182,000
State/County Grants	453,194	811,635	702,352	1,240,902	3,137,007	738,221
Parking Funds	2,928,995	3,029,523	3,066,185	3,240,688	3,331,295	3,458,050
Other Funds	4,072					
	<u>66,351,534</u>	<u>69,567,103</u>	<u>79,762,713</u>	<u>70,325,114</u>	<u>76,874,208</u>	<u>77,807,443</u>

General Fund FTE	249.00	249.00	253.00	253.00	253.00	260.00
Total FTE	280.20	280.20	285.20	285.20	285.20	288.20

POLICE DEPARTMENT FINANCIAL SUMMARY
DRAFT - SUBJECT TO CHANGE - BASED ON PROPOSED BUDGET

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2021 Adjusted	FY 2022 Proposed
DIVISION/ACTIVITY SUMMARY						
Office of the Police Chief						
Admin & Fiscal Services		688,543	3,104,765	2,339,079	2,458,559	1,811,562
Police Administration	742,880					
Public Information	294,905					
Internal Affairs	399,905	576,523	872,260	471,716	471,716	860,466
Division Total	1,437,690	1,265,065	3,977,025	2,810,795	2,930,275	2,672,028
FTE Total	5.00	5.00	5.00	5.00	5.00	5.00
Professional Standards						
Policy And Audits		773,813	827,189	839,805	839,805	844,867
Policy & Accreditation	694,266					
Personnel and Training	2,604,776	3,433,573	3,415,805	3,118,486	3,126,205	2,722,075
Jail Unit	2,546,155					
Division Total	5,845,197	4,207,385	4,242,994	3,958,291	3,966,010	3,566,942
FTE Total	25.00	25.00	29.00	29.00	29.00	31.00
Support Services						
Support Services Admin		5,720,776	5,830,279	5,603,687	6,347,725	5,875,783
Communications Center		5,799,782	6,132,583	5,742,588	5,742,588	6,243,982
Jail		2,587,684	2,986,712	2,622,530	2,622,530	3,350,331
Administration	4,326,558					
Central Communications						
Police Services	1,340,697					
Division Total	5,667,255	14,108,242	14,949,574	13,968,805	14,712,843	15,470,096
FTE Total	12.00	16.00	13.00	13.00	13.00	17.00
Police Operations						
Patrol	33,658,532	36,115,508	41,757,984	32,167,839	35,433,858	38,427,710
Community Services		169,370	52,102	399,225	399,225	223,981
Police Reserves	379,236					
Central Communications	5,635,319					
Division Total	39,673,087	36,284,878	41,810,086	32,567,064	35,833,083	38,651,691
FTE Total	171.00	166.00	171.00	171.00	171.00	171.00
Police Investigations						
Detectives - SEU/CSU		7,432,272	8,776,998	9,332,416	9,723,594	10,019,960
Traffic And Parking		6,269,260	6,006,037	7,687,743	9,708,403	7,426,726
Detectives Bureau	5,366,898					
Traffic Bureau	2,611,637					
Parking Enforcement	3,845,914					
Special Enforcement Unit	945,457					
Crime Analysis	183,536					
Community Service/Field Support	20,837					
Crime Scene Unit	753,984					
Division Total	13,728,263	13,701,533	14,783,035	17,020,159	19,431,997	17,446,686
FTE Total	67.20	68.20	67.20	67.20	67.20	64.20
Department Total	66,351,492	69,567,103	79,762,713	70,325,114	76,874,208	77,807,443
FTE Total	280.20	280.20	285.20	285.20	285.20	288.20

CITY OF BERKELEY

**FY 2022 PROPOSED BUDGET
CITY MANAGER RECOMMENDATIONS**

June 14, 2021

OVERVIEW

- FY 2022 General Fund Budget Status
- American Rescue Plan Act
- City Manager Proposed Budget Recommendations
- Issues to Consider
- Questions

CITY OF BERKELEY

BUDGET PROCESS

5/25: Public Hearing #1,
Budget Introduced

6/1: Public Hearing #2

6/2: Budget and Finance
Policy Comm.

6/10: Budget and
Finance Policy Comm.

6/14: Budget and
Finance Policy Comm.

6/15: Public Hearing #2,
CM Recommendation

6/24: Budget and
Finance Policy Comm.

6/29: Public Hearing #3,
Budget Adopted



WHAT DOES THIS BUDGET ACHIEVE?

- Economic recovery
- Equity
- Continuity in government operations
- Critical, immediate infrastructure needs and planning for the future
- Addressing Climate Emergency and Sustainability Initiatives
- Focus on FY 2023

CITY OF BERKELEY

OVERVIEW OF PROGRAMS AND SERVICES

Equity

Addressing Homelessness

Specialized Care Unit

Fair Chance Ordinance

EBMUD Discount Program

Police Accountability Board

Economic Recovery

Support for Arts Organizations

Visit Berkeley

Small Business Technical Assistance

Infrastructure (1)

Vision 2050

Marina Projects

West Campus Pool

Restore Traffic Improvements

Echo Lake ADA

Climate Emergency

Building Emissions Savings Ordinance

Solar + Storage - Municipal Facilities

Fleet Electric Vehicles

Wildfire Mitigation / Veg. Management

Drought Tolerant Median Pilot

Continuity of Govt. Services

Reserves and Section 115 Trust

General Fund Deficit

Parking Funds Deficit

Marina Fund Deficit

Camps Fund Deficit

Community Agency Funding

1. Excludes projects that are part of the Capital Improvement Program.

CITY OF BERKELEY

FY 2022 GENERAL FUND BUDGET STATUS

		Notes
Projected Revenue (1)	\$190,875,002	Excludes Measures P and U1, Transfer Tax > \$12.5M
Project Expenditures	\$213,295,389	Includes \$8.6M in deferrals for FY 2022
Estimated Surplus / (Deficit)	(\$22,420,387)	

1. Reflects revised projected revenues presented to the Budget and Finance Policy Committee on June 3, 2021.

CITY OF BERKELEY

FY 2022 GENERAL FUND BUDGET STATUS

FY 2022 General Fund Deficit	(\$22,420,387)
Selected Department Funding Requests	(\$2,153,580)
Unfunded Budget Referrals	TBD
Revised FY 2022 General Fund Deficit	(\$24,573,967)

DEPARTMENT FUNDING REQUESTS (Tiers 1, 2, &3)

City Attorney Modernization of Office to Electronic Environment - \$26,000 (Tier 1)	Project Based Senior Planner in Land Use - \$180,374 (Tier 1)
Finance ERMA Phase II Staff - \$100,000 (Tier 1)	Improve Open Data Portal - \$40,000 (Tier 1)
West Campus Pool Tile & Plaster - \$510,000 (Tier 1)	Officer Development Training Programs - \$150,000 (Tier 1)
Building Emissions Savings Ordinance (BESO) Mandatory Requirements: Implement 2020 Amendments - \$20,000 (Tier 1)	Portable Radio Replacement - \$600,000 (Tier 1)
Zoning Ordinance Revision Project Publishing Costs- \$15,000	Vision 2050 Master Planning - \$400,000 (Tier 1)
Planning Technician - \$57,206 (Tier 1)	EBMUD Discount Program for Low-Income Customers - \$55,000 (Tier 3)
Total Amount : \$2,153,580	

American Rescue Plan Act of 2021 (ARPA) Coronavirus State and Local Fiscal Recovery Funds*

Amount	<ul style="list-style-type: none"> • \$66,646,289 	
Timing	<ul style="list-style-type: none"> • Two payments (12 months apart) • Cover costs incurred from March 3, 2021 to December 31, 2026 (funds must be obligated by December 31, 2024) 	
Allowable Uses	<ul style="list-style-type: none"> • Respond to the COVID-19 emergency and address its economic effects including assistance to small businesses, households, non-profits and hard-hit industries • Revenue replacement for the provision of government services (entity-wide analysis) • Premium pay for essential workers (telework excluded from premium pay) • Water, sewer, and broadband infrastructure 	
Ineligible Uses	<ul style="list-style-type: none"> • Federal matching requirement • Offset revenue resulting from a tax cut 	<ul style="list-style-type: none"> • Deposits into pension and rainy day funds or financial reserves • Funding debt service

* Based on Interim Final Guidelines issued on May 10, 2021 (<https://public-inspection.federalregister.gov/2021-10283.pdf>)

* Excludes \$2,777,361 in Homelessness Assistance Grants to develop affordable rental housing, to help acquire non-congregate shelter to be converted into permanent affordable housing or used as emergency shelter.

CITY OF BERKELEY

ARPA FUND OVERVIEW

	FY 2021	FY 2022	FY 2023
Beginning Fund Balance	\$0	\$33,323,144	\$18,991,322
Projected Revenue	\$33,323,144	\$33,323,144	\$0
Project Expenditures	0	\$47,654,967	\$4,050,000
Ending Fund Balance	\$33,323,144	\$18,991,322	\$14,941,322

CITY OF BERKELEY

ARPA FUND ALLOCATIONS

Provision of Government Services

FUND	FY 2022	FY 2023
General Fund	\$24,573,967	To be determined (1)
Marina Fund	1,400,000	\$1,150,000
Parking Meter Fund	4,340,000	\$2,700,000
Off-Street Parking Fund	3,940,000	\$200,000
Camps Fund	1,000,000	0
Sports Field Fund	196,000	0
Total	\$35,484,967	\$4,050,000

1. Long-term projections presented to City Council as part of the [Unfunded Liability Report](https://www.cityofberkeley.info/Clerk/City_Council/2021/03_Mar/Documents/2021-03-16_WS_Item_02a_Unfunded_Liability_Obligations_pdf.aspx) (https://www.cityofberkeley.info/Clerk/City_Council/2021/03_Mar/Documents/2021-03-16_WS_Item_02a_Unfunded_Liability_Obligations_pdf.aspx) indicate that additional resources will be needed to offset future deficits / program needs.

CITY OF BERKELEY

ARPA FUND ALLOCATIONS

Economic Recovery and COVID-19 Response

PROGRAMS	FY 2022 ALLOCATION
Emergency Operations Center (1)	\$1,500,000
Programs Addressing Community Safety and Crisis Response (Specialized Care Unit) (2)	\$8,000,000
Program to Support Arts in their Re-Opening (3)	\$2,000,000
Visit Berkeley (4)	\$500,000
Business Retention Program / Small Business Technical Assistance (5)	\$100,000
#DiscoveredinBerkeley Campaign	\$50,000
“Berkeley Ventures Berkeley Values” Initiative	\$20,000

1. Includes resources for the acquisition of PPE, community port-a-potties and handwashing stations, zoom account for city council meetings, and communication activities.
2. Includes short-term programs to address community safety and crisis response and resources to establish a Specialized Care Unit.
3. Portion of allocation for the arts will be needed to augment staffing resources to effectively implement the program.
4. Unlike other business improvement districts, Visit Berkeley revenues are tied to Transient Occupancy Tax.
5. ARPA resources augment General Fund resources allocated to small business technical assistance for a total of \$150,000.

ADDRESSING COMMUNITY SAFETY AND CRISIS RESPONSE

Proposal to address community safety concerns until a community-informed Specialized Care Unit is developed and deployed:

- Expanding prevention and outreach
 - Leverage existing teams and community-based organizations
 - Address basic needs (wellness checks, food, shelter, clothing, etc.)
 - Equipment and supplies
 - Estimated cost - \$1.2 million
- Crime Prevention and Data Analysis to support data driven policing / identify areas of community need
 - Establish data analysis team (2 non-sworn positions)
 - Deploy Problem Oriented Policing Team (overtime)
 - Estimated cost - \$1.0 million

ISSUES TO CONSIDER

- Future deficits / resource needs
 - General Fund
 - Marina Fund
 - Parking Meter Fund / Off-street Parking Fund
 - Permit Service Center
 - Other Funds ???
- ARPA Funds spent quickly
- Pace of economic recovery

CRITICAL UNFUNDED NEEDS

- Reserves Replenishment
 - General Fund (Stability and Catastrophic)
 - Parking Funds
- Section 115 Trust
- Workforce
 - Cost of living adjustments
 - PEPRAs employee pension contributions (1)
- Unfunded Infrastructure
- Other post-employment benefits

1. For Miscellaneous employees (all employees with the exception of sworn police and fire employees), "Classic" employee pension contributions are 8% of salary, whereas employees that receive a pension under the Public Employees' Pension Reform Act of 2013 (PEPRA) contribute 15.25% of salary.

ADDITIONAL RESOURCES TO ADDRESS UNFUNDED NEEDS

- Remaining American Rescue Plan Act Resources
- Adjust Transfer Tax Baseline
- Future revenue adjustments due to pace of economic recovery


NEXT STEPS

- November AAO#1 Process
 - Unfunded citywide referrals
 - Revisit Tier 2 and 3 Department requests
 - Address capital needs (excess property transfer tax)
 - Evaluate use of American Rescue Plan Act resources
 - Adjust revenue projections

- FY 2023 & FY 2024 Biennial Budget Process

CITY OF BERKELEY

QUESTIONS?

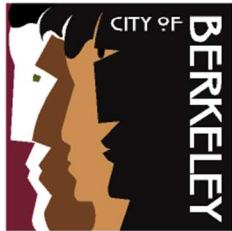


No Material
Available for
this Item

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](https://www.cityofberkeley.info/Clerk/Home/Policy_Committee_Budget_Finance.aspx)



Office of the City Manager

Date: June 10, 2021
To: Budget & Finance Policy Committee
From: Dee Williams-Ridley, City Manager
Submitted by: David White, Deputy City Manager
Subject: Measure P Projection and Allocations as of June 10, 2021

Attached to this memorandum is an update to Measure P projections and allocations prepared by city staff. At a high level, the attachment reflects the following:

- Increase in revenue projections to conform to the recent update provided to the Budget and Finance Policy Committee on June 2, 2021.
- A requested allocation of \$5.0 million in FY 2022 to support the City's efforts in acquiring a hotel under Project Homekey. The Homeless Panel of Experts recommends allocating \$3.0 million but staff believes additional resources may be needed to effectuate an acquisition. Importantly, under the American Rescue Plan, the City will receive approximately \$2.7 million that will be utilized as well.
- For 5150 transports, there is an allocation of \$2.4 million to enable the existing contract with Falck to be extended for an additional year to continue providing this service.
- Resources for the Coordinated Entry System have been reduced by a little more than \$400,000 to \$1.0 million.
- Adjustments to the costs of the Homeless Response Team that results in FY 2022 expenditures estimated at \$900,450. Previous estimates were slightly higher. (See Exhibit 2 for detail costs associated with the Homeless Response Team)
- Updated costs associated with the shelter at 742 Grayson Street. These costs reflect the costs associated with contracts that have been approved by City Council. The Homeless Panel of Experts allocates \$850,000 to the shelter but additional resources are needed.

- City staff is asking for the Budget and Finance Policy Committee to consider a recommendation from staff to provide flexibility to direct resources associated with permanent housing subsidies as a shallow subsidy program. Shallow rental subsidies provide a small amount of money to bridge the gap between income and rent. This approach recognizes persistent shortfalls in income for households living from paycheck-to-paycheck and struggling to cover housing and basic living expenditures at their earned wage levels.
- Resources for the University Avenue Step Up project have been adjusted to reflect when staff understands the project will open and resources will actually be needed.
- For FY 2022, staff is requesting an allocation of \$50,000 for training and evaluation whereas the Homeless Panel of Experts does not recommend that any resources be allocated to this activity. City staff would utilize these resources to evaluate the effectiveness of resources deployed under Measure P.

ATTACHMENTS

1. Measure P Projection and Allocations

i:\budget\fy 22\budget and finance policy committee questions\06-9 budget and finance policy committee measure p (02).docx

EXHIBIT 1
TRANSFER TAX -- MEASURE P PROGRAM PROJECTION

6/9/21 6:16 PM

	FY 2019 Actuals	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate
Revenues						
<i>Beginning Fund Balance</i>		\$2,932,313	\$9,859,779	\$11,374,137	\$4,185,966	\$219,822
<i>Measure P Revenues (1)</i>	2,932,313	9,512,603	9,200,000	8,500,000	8,500,000	8,500,000
<i>Permanent Local Housing Allocation (FY 21)</i>	0	0	0	0	0	0
Total Revenues and Balance of Funds	2,932,313	12,444,916	19,059,779	19,874,137	12,685,966	8,719,822
LESS: Total Expenses	0	2,585,137	7,685,642	15,688,170	12,466,144	12,218,776
Personnel Costs	0	118,521	279,927	336,951	460,909	477,041
Finance: Accountant II (2)		0	152,965	158,319	163,860	169,595
Finance: Contract Staffing		38,266	11,734	0	0	0
HHCS: Community Services Specialist II (Filled) (3)		80,255	115,228	178,633	184,885	191,356
HHCS: 50% Senior Management Analyst (Requested) (4)		0	0	0	112,164	116,090
Non-Personnel Costs/ Program Expenses	0	2,466,616	7,405,715	15,351,219	12,005,235	11,741,735
Fire: 5150 Response & Transport (2) (5)	0	846,616	2,753,384	2,400,000	2,400,000	2,400,000
Dorothy Day House Shelter (6)	0	0	300,000	566,000	566,000	566,000
Dorothy Day House Drop In (6)	0	0	21,340	182,000	182,000	182,000
Pathways STAIR Center	0	0	1,200,000	1,499,525	2,499,525	2,499,525
No Place Like Home	0	0	0	0	200,000	200,000
Coordinated Entry System	0	0	0	1,000,000	1,442,426	1,442,426
BDIC Locker Program	0	0	25,000	50,000	50,000	50,000
LifeLong Medical - Street Medicine	0	0	50,000	525,000	525,000	525,000
YSA Tiny Home	0	0	117,000	78,000	78,000	78,000
DBA- Homeless Outreach Worker	0	20,000	40,000	40,000	40,000	40,000
Downtown Streets Team	0	0	225,000	225,000	225,000	225,000
Shelter at 742 Grayson Street						
Lease Payments	0	0	33,000	198,000	49,500	0
Operator (Dorothy Day)	0	0	130,000	784,000	196,000	0
Portable Toilets	0	0	5,000	20,000	18,000	0
COVID-19 Housing Solutions (8)	0	0	0	0	0	0
Project Homekey	0	0	0	5,000,000	0	0
Permanent Housing Subsidies / Shallow Subsidies	0	0	1,501,078	1,600,000	1,600,000	1,600,000
1367 University Avenue Step Up Housing Project (9)	0	0	0	233,244	900,000	900,000
HHCS: Square One Hotel Vouchers	0	0	65,947	0	0	0
Training and Evaluation	0	0	0	50,000	133,334	133,334
Homeless Response Team	0	0	938,966	900,450	900,450	900,450
Berkeley Relief Fund	0	1,600,000	0	0	0	0
Fiscal Year Surplus (Shortfall)	2,932,313	6,927,466	1,514,358	(7,188,170)	(3,966,144)	(3,718,776)
Ending Fund Balance	\$2,932,313	\$9,859,779	\$11,374,137	\$4,185,966	\$219,822	(\$3,498,954)

Notes:

Measure P: General Fund (Fund 011)/ Program Code 5002

(1). Revenues revised to reflect FY 20 actuals and revised projections part of FY 21 adopted budget.

(2). Approved as part of FY 20 budget.

(3). This position supports the Measure P Panel of Experts, monitors contracts with BACS, tracks and reports on outcomes of homeless programs and represents Berkeley at county-wide homeless coordina

(4). Responsibilities include processing contracts and payments for homeless contracts, tracks expenditures and assists in reporting to funders. Funding to be shared with Measure U1 as proposed and discussed at Land Use Policy Committee.

(5). Assumes 1,200 calls per year and a cost per call of \$2,000. Reimbursement levels will vary and may impact this estimated cost.

(6). Existing program. FY 20 represents partial year funding. FY 21 and thereafter represents full year funding.

(7). FY 21 and FY 22 expenditures reduced by \$1.0M for costs that will be covered by revenues from the City's allocation of Permanent Local Housing Allocation funds.

(8). [Per Mayor's Recommended Adopted Budget for FY 21, STAIR Center Expansion \(\\$705,000\) and Safe RV Parking \(\\$100,000\) were combined for COVID-19 Homeless Solutions.](#) On December 15, 2020, City Council adopted FY 21 AAO#1 and reallocated these funds to the Homeless Response Team.

(9). Pursuant to Resolution 69,586-N.S. adopted by the City Council on October 13, 2020 and confirmation of resource availability by the Budget and Finance Policy Committee on January 28, 2020.

EXHIBIT 2
Homeless Response Team

	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate
<i>Personnel Costs</i>	\$261,449	\$735,100	\$735,100	\$735,100
CMO: Community Services Specialist II	47,750	191,000	191,000	191,000
CMO: Health Services Program Specialist	11,000	11,000	11,000	11,000
CMO: Social Services Specialist	75,362	163,940	163,940	163,940
PRW: Landscape Gardener	69,417	65,240	65,240	65,240
PW: Helper and Driver	0	246,000	246,000	246,000
PD: Staff Support Overtime	57,920	57,920	57,920	57,920
<i>Non-Personnel Costs/ Program Expenses</i>	\$677,517	\$356,350	\$356,350	\$356,350
CMO: Neighborhood Services Outreach Fund	15,000	15,000	15,000	15,000
CMO: Neighborhood Services Mitigation Flex Fund	29,167	50,000	50,000	50,000
CMO: Staff Operating Costs	43,600	21,600	21,600	21,600
CMO: Outreach Vehicle	32,000	0	0	0
CMO: Outreach Vehicle - Replacement and Maintenance Fees	1,000	6,700	6,700	6,700
Public Works: Downtown Streets Handsweep	50,000	100,000	100,000	100,000
Public Works: Tipping Fees	43,750	75,000	75,000	75,000
Public Works: Rear Loader and Stake Bed Truck	380,000	0	0	0
Public Works: Truck - Replacement and Maintenance Fees	83,000	88,050	88,050	88,050
Total Expenses	\$938,966	\$1,091,450	\$1,091,450	\$1,091,450
Measure P Expenses		900,450	900,450	900,450



Berkeley Homeless
Services Panel of Experts

CONSENT CALENDAR

June 10, 2021

To: Honorable Mayor and Members of the City Council
From: Homeless Services Panel of Experts
Submitted by: Carole Marasovic, Chairperson, Homeless Services Panel of Experts
Subject: Recommendations for Measure P funding

RECOMMENDATION

That Council accept the recommendations of the Homeless Services Panel of Experts (HSPE), as incorporated into the text summary, into the 2021-2022 budget and refer to staff for implementation.

SUMMARY

The Homeless Services Panel of Experts met on April 21, 2021, April 28, 2021, May 19, 2021 and June 2, 2021 to discuss and vote on recommendations for Measure P funding.

The recommendations are as follows:

(See chart with monetary figures attached). These recommendations were made with housing targeted as the highest priority for Measure P funds.

Purchase of motels to house the homeless: At least \$3 million, unless funds are not otherwise available.

On April 21, 2021, HSPE passed the following motion "HSPE strongly recommends that the City Council allocate a substantial amount of Measure P funding, at least \$3 million dollars, to purchase a hotel or hotels to house persons experiencing homelessness in alignment with other available funding opportunities, affirming its earlier motion again on April 28, 2021 "that at least 3 million of Measure P funding be leveraged with other sources of funding towards the purchase of motels".

HSPE was constant in its position as to purchase of hotels/motels as a high need priority, only uncertain if with the competing priorities including ongoing contracts how much Measure P monies would be available. That was prior to HSPE's learning of the updated Measure P projected revenue of 8.2 million.

Permanent Housing Subsidies: \$0

"Due to the difficulty of implementing permanent subsidies and the time limits of Measure P, HSPE recommends moving 1.6 million from permanent subsidies to shallow subsidies."

Shallow Subsidies: \$1.6 million

"HSPE recommends that Council allocate some Measure P monies to fund shallow subsidies to prevent homelessness for persons at risk and also to support persons experiencing homelessness." (These shallow subsidies would roll over from the unused \$1.6 million in permanent housing subsidies allocated in the previous year.)

5150 Transports: up to \$1 million (homeless transports only-estimated, based on recent prior years, as 40%-56%).

"HSPE prefers that no Measure P funds be used to pay for 5150 transports. HSPE recommends that the City utilize alternate funding sources including FF as well as insurance and MediCal reimbursements. However, we understand that Measure P funds may need to be used to cover 5150 homeless transports, which are 40-56% of all 5150 transports, up to \$1 million".

1367 University Avenue Permanent supportive housing: Funding as needed based on date of opening.

"The HSPE strongly supports the 1367 University Avenue project to provide needed housing for persons experiencing homelessness. The HSPE recommends that 25% of the needed operating expenses for this project be allocated for FY 2022 in the event that the facility opens in spring, 2022. If the facility does not open until FY23, we recommend rolling this allocation over to FY 23."

Coordinated entry system: \$1 million

"HSPE recommends that the Coordinated Entry program be funded at \$1 million based on actual expenses from FY 20 and FY 21."

Pathways: \$1.5 million

"HSPE recommends that Pathways be funded \$1.5 million to take advantage of the match from the state PHLA program for FY 2022."

HSPE indicated an interest in monitoring compliance with issues regarding lack of physical accessibility for persons with disabilities.

Downtown Business Association Outreach worker: \$40,000

"HSPE recommends continued funding for the DBA Homeless Outreach worker at current level of \$40,000."

Lifelong Medical: \$525,000

"HSPE recommends funding for Lifelong Medical Street Outreach at \$525,000".

HSPE believed this program to be successful at engaging persons experiencing homelessness, leading to positive housing outcomes.

Berkeley Drop-In Locker Program: \$50,000

"HSPE recommends funding BDIC locker program \$50,000."

There were serious concerns raised about the lockers not being fully utilized, nearly half below capacity. While recommending funding for an additional year, HSPE believed that the BDIC locker capacity needed to be monitored as to whether the low numbers were as a result of COVID or of their geographical location. It was noted that Dorothy Day's lockers, centrally located in downtown Berkeley, were full with a waiting list.

Dorothy Day House: \$748,000

"HSPE recommends funding Dorothy Day House for \$566,000 for the shelter and \$182,000 for the drop-in services." HSPE was highly pleased with this provider and believed that they worked well with persons experiencing homelessness, leading to permanent housing outcomes.

Downtown Streets Team: \$0

\$920,304 for Downtown Streets Team was approved on the 4/27/21 Council Consent Calendar without first referring this item to HSPE for review. HSPE recommends that Council support this program and encourage Council to look for alternate funding sources so that Measure P funding can be directed towards housing. We understand that Council has approved funding for the Downtown Streets Team in the amount of \$920,304 from Measure P. We believe that Council should have referred this item to the HSPE to consider. While the DST is an excellent program, it is not consistent with the HSPE primary priority recommendation which is providing housing for persons experiencing homelessness. We recommend that the DST funding come from the General Fund, state monies allocated for encampment cleaning, American Rescue Plan Act monies and other funding sources.

Youth Spirit Artworks: \$78,000

"HSPE recommends \$78,000 for YSA Tiny Homes."

HSPE discussed that YSA's contract required them to facilitate the Berkeley youth, whom they serve, into permanent housing within two years.

Evaluation and training: \$0

"HSPE strongly recognizes the importance of racial equity training and urges the City of Berkeley to use City funds to provide such training to City staff and non-profit contractors including those serving persons who are experiencing homelessness. While we do not recommend Measure P funding for evaluation of service providers, we acknowledge the importance of the gathering of this information and encourage the City to conduct comprehensive evaluation."

FISCAL IMPACTS of RECOMMENDATION

Going into this process, HSPE was advised to operate on a projected \$6.2 million Measure P revenue figure. As of May 25, 2021, the Interim Finance Director adjusted that figure to a projected \$8.2 million projected revenue for 2021. 2020 brought in \$9,512.600 million, attributed to the sale of large, multi-unit properties not anticipated for 2021.

HSPE's position is that it is providing its recommendations deferring to Council to modify based on revenue figures.

CURRENT SITUATION AND ITS EFFECTS

Homelessness is burgeoning in Berkeley. Affordable housing is virtually non-existent without assistance for persons of low-income not to speak of those who are homeless or at risk of homelessness.

For these reasons, HSPE believed the highest priority for Measure P should be housing and funding paths leading to housing.

Project Room Key was a successful effort during COVID. The American Rescue Plan Act has now made available Project Home Key monies for the purpose of purchasing hotels/motels for persons experiencing homelessness. Berkeley needs to leverage those monies with other monies to provide housing.

Other programs, where funding was not provided through other sources, have sought Measure P funding. HSPE primarily recommended funding for those most tied to housing. However, in some cases, HSPE was compelled to honor existing contracts or situations where no alternate arrangements had been made.

HSPE did not do so in all cases. It stood firm that the Downtown Streets Team, while a commendable program for employing persons who are homeless and providing them housing resources, was at nearly a million dollars too significant an amount of money to come from Measure P monies. Thus, HSPE recommended that those monies come from

the General Fund. Some monies, for encampment cleaning, may be able to be secured from a state source or even possibly, the American Rescue Plan Act.

5150 transport continues to be problematic for Measure P monies that should be directed towards meeting housing needs. HSPE recommends an alternate source such as FF; improved Medi-Cal or insurance reimbursement; mental health funding, or a better ambulance provider contract who absorbs the differential between payment and billing or any combination of the above.

Last year's \$1.6 million subsidy allocation for permanent housing subsidies sat dormant due to staff's position that it could not be implemented particularly due to the Measure P sunset clause. Thus, permanent housing subsidies need be relied on from other sources.

HSPE chose to recommend that \$1.6 million from last year be rolled over into shallow time-limited subsidies consistent with those monies being used for housing persons experiencing homelessness.

HSPE also directed monies towards 1367 University Avenue as it provides supportive housing. However, it was believed that most of those monies could be deferred to a following year due to delayed start-up.

All previous coordinated entry monies were not used so this year's allocation was adjusted consistent with actual need.

BACKGROUND

On June 2, 2021, HSPE's recommendations were approved as follows:

Vote: Ayes: Marasovic, Scheider, Carrasco, Bookstein, Keahola-Blake.
Noes: None. Abstain: None. Absent: None.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable environmental impacts.

RATIONALE for RECOMMENDATION

The rationale is detailed in the summary and current situation and effects as stated above.

ALTERNATIVE ACTIONS CONSIDERED

At the May 19, 2021 meeting, a commissioner, newly appointed as of that meeting, proposed an alternative proposal with all subsidy monies allocated towards homeless families, also proposing elimination of funding for Youth Spirit Artworks, the BDIC Locker Program and the DBA social worker.

CITY MANAGER

Concurs or see companion report if does not concur.

CONTACT PERSON

Josh Jacobs, Homeless Services Coordinator, (510) 981-5435

Attachments:

1. Summary of Fiscal Year 2022 Measure P Recommendations

Summary of Fiscal Year 2022 Measure P Recommendations

Revenues	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 CM Estimate	FY 2022 HSPOE Recommendations
Beginning Fund Balance	\$0	\$2,932,313	\$9,859,779	\$10,441,162	\$10,441,162
Measure P Revenues	\$2,932,313	\$9,512,603	\$9,200,000	\$8,500,000	\$8,500,000
Balance of Funds	\$2,932,313	\$12,444,916	\$19,059,779	\$18,941,162	\$18,941,162
LESS: Total Expenses	\$0	\$2,585,137	\$8,618,617	\$11,880,687	\$10,960,721
Personnel Costs	\$0	\$118,521	\$279,927	\$336,952	\$336,952
Finance: Accountant II	\$0	\$0	\$152,965	\$158,319	\$158,319
Finance: Contract Staffing	\$0	\$38,266	\$11,734	\$0	\$0
HHCS: Community Services Specialist II	\$0	\$80,255	\$115,228	\$178,633	\$178,633
HHCS: 50% Senior Management Analyst	\$0	\$0	\$0	\$0	\$0
Program Expenses	\$5,864,626	\$2,466,616	\$8,338,690	\$11,543,735	\$10,623,769
Fire: 5150 Response & Transport	\$0	\$846,616	\$2,753,384	\$2,400,000	\$1,000,000
Dorothy Day House Shelter	\$0	\$0	\$300,000	\$566,000	\$566,000
Dorothy Day House Drop In	\$0	\$0	\$21,340	\$182,000	\$182,000
Pathway STAIR Center	\$0	\$0	\$1,200,000	\$1,499,525	\$1,499,525
No Place Like Home	\$0	\$0	\$0	\$0	\$0
Coordinated Entry System	\$0	\$0	\$0	\$1,442,426	\$1,000,000
BDIC Locker Program	\$0	\$0	\$25,000	\$50,000	\$50,000
LifeLong Medical - Street Medicine	\$0	\$0	\$50,000	\$525,000	\$525,000
YSA Tiny Homes	\$0	\$0	\$117,000	\$78,000	\$78,000
DBA- Homeless Outreach Worker	\$0	\$20,000	\$40,000	\$40,000	\$40,000
Downtown Streets Team	\$0	\$0	\$225,000	\$225,000	\$0
Outdoor Shelter	\$0	\$0	\$168,000	\$1,002,000	\$850,000
Permanent Housing Subsidies	\$0	\$0	\$1,501,078	\$0	\$0
Homekey Project	\$0	\$0	\$0	\$0	\$3,000,000
Shallow Subsidies	\$0	\$0	\$0	\$1,600,000	\$1,600,000
1367 University Avenue	\$0	\$0	\$932,975	\$900,000	\$233,244
HHCS: Square One Vouchers	\$0	\$0	\$65,947	\$0	\$0
Training and Evaluation	\$0	\$0	\$0	\$133,334	\$0
Homeless Response Team	\$0	\$0	\$938,966	\$900,450	\$0
Berkeley Relief Fund	\$0	\$1,600,000	\$0	\$0	\$0
Fiscal Year Surplus (Shortfall)	\$2,932,313	\$6,927,466	\$581,384	\$(3,380,687)	\$(2,460,721)
Ending Fund Balance	\$2,932,313	\$9,859,779	\$10,441,162	\$7,060,475	\$7,980,441



Lori Droste
Vice Mayor District 8

Consent Calendar
February 9, 2021

To: Honorable Mayor and Members of the City Council
From: Vice Mayor Lori Droste
Subject: Potential Measure P FY2022 Allocations

Recommendation

Refer the Measure P funding discussion to the City Manager, Measure P Homeless Panel of Experts and the Health and Life Enrichment policy committee to determine next steps to ensure that the Measure P fund stays solvent. Specifically, these bodies should prioritize preferred programs and services within the various categories that the Measure P panel previously outlined according to updated projected revenues. During the course of these deliberations, the Panel of Experts should hear presentations from staff on which homeless services (e.g. permanent supportive housing exits, shelters, emergency interventions, multi-departmental staffing, and supportive services) are funded outside of Measure P so that the bodies can make recommendations after understanding the entirety of services and programs.

To the extent possible, the committees and commissions should attempt to find a non-volatile source of funding for permanent supportive housing, using the [1,000 person plan](#) as a framework for best addressing the homelessness crisis on our streets.

The Panel of Experts and ~~Health and Life Enrichment policy committee~~ should finalize their priorities in time for the budget committee's consideration in June of 2021.

Background

Current Measure P revenues projections for the upcoming fiscal years are currently estimated at \$3 6.2 million dollars while total annual expenses hover around \$11.54 (Attachment A). While the beginning fund balance is healthy for FY21 and FY22, if current allocations are sustained, the fiscal year shortfalls begin this year and extend to \$8.5 million dollar annual fiscal year deficits in the following fiscal years.¹

¹ <https://www.cityofberkeley.info/uploadedFiles/Clerk/Item%20%20Staff%20report.pdf>

In 2019, the Measure P Panel of Experts recommended that Council allocate its Measure P revenues accordingly:

- 30% permanent supportive housing
- 30% temporary accommodations and shelter
- 14% street conditions and hygiene
- 14% supportive services
- 10% flexible housing funds
- 2% infrastructure.

If Council chooses to strictly follow the recommended percentage allocations, this means that Council has the following revenue to allocate to the aforementioned categories:

- \$1,900,000 to permanent supportive housing
- \$1,900,000 to temporary accommodations and shelter
- \$420,875,000 to street conditions and hygiene
- \$420,875,000 to supportive services
- \$300,625,000 to flexible housing funds
- \$60,125,000 to infrastructure

For example, Council allocated approximately \$2.6 million for temporary shelters (STAIR, Dorothy Day, YSA, outdoor shelter) in FY2021. If Council wants to maintain these existing and new shelter programs *and* if overall revenues are anticipated to be only \$36 million, Council will exhaust all Measure P revenue and have ~~no~~ **limited** money to allocate to permanent supportive housing, street conditions and hygiene, supportive services, flexible housing funds, and infrastructure. Additionally, in October of 2020, City Council also approved a \$900,000 yearly [permanent supportive housing Measure P allocation](#) for homeless housing.

Questions for the Committee

1. What other funding sources are dedicated to helping our unhoused community?
2. How much money will be available from the recently passed stimulus bill to help our unhoused community? What criteria is attached to such funding?
3. Should the categories identified by the Measure P Panel be re-thought?
4. Should costs for infrastructure (personnel and technical assistance) come off the top to ensure that evaluation and personnel are always paid for with Measure P funds even if overall revenues are down?
5. If the panel and committee wants to retain the various categories established by the Measure P panel and funding is limited, which programs *within the categories* should be prioritized for Measure P funding?
6. Staff has indicated that approximately 57% of 5150 transports are for unhoused individuals. Is there an alternative non-Measure P source of funding to pay for the 5150 transports?
7. How can Measure P help sustain existing programs?

Fiscal Impacts

By addressing future funding shortfalls, this item will guide discussions to ensure that the Measure P fund remains financially solvent.

Contact

Lori Droste, Vice Mayor, ldroste@cityofberkeley.info

Attachment 1. Measure P Program Projection

**Budget &
Finance
Policy
Committee: Measure P**

Health, Housing & Community Services

AGENDA

- 1. Overview**
- 2. Measure P**
- 3. Reports**
- 4. Conclude**

Berkeley Homeless Programs and Funding

- [Intro to Homelessness] -

City of Berkeley

Non-profit Partners

23 agencies providing 57 programs. Receive \$19 million in City funding for homeless programs each year.

Homeless Commission

Advisory Role

Advises City Council on homeless policy and programs, including funding for homeless services.



Outreach, Housing Navigation & Prevention



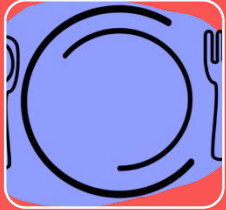
Emergency Shelter / Transitional Housing



Permanent Housing



Supportive Services



Basic Services

- Meals
- Drop-In Centers
- Showers



Permanent Supportive Housing

- Shelter Plus Care + Square One
- Case Management Support



Emergency Shelter

- Single Men/Women
- Families
- Winter Storm Shelter



Rapid Re-Housing

- Short-term rental subsidies



Transitional Housing

- Single Men/Women
- Families
- TAY



Alcohol and Drug Treatment

- Residential Treatment
- Daytime services



Homeless Outreach

- BACS, Lifelong Medical Care
- City Manager's Office
- DBA



Other Services

- Domestic Violence Services
- Representative Payee
- Benefits Advocacy

Many Departments Work on Homelessness

- HHCS
 - HCS
 - Community Agency Contracts
 - Shelter Plus Care
 - Homeless Policy / Coordination with County
 - Mental Health
 - Full Service Partnership
 - Aging Services
 - Case management
 - Senior Centers
 - Environmental Health
 - Encampments
- PW
 - Encampments
 - Abandoned Belongings
- Parks, Recreation & Waterfront
 - Encampments
 - Shower Program
- BPD
- City Manager's Office

CARES Act and Other Funding for COVID-19

Sources:

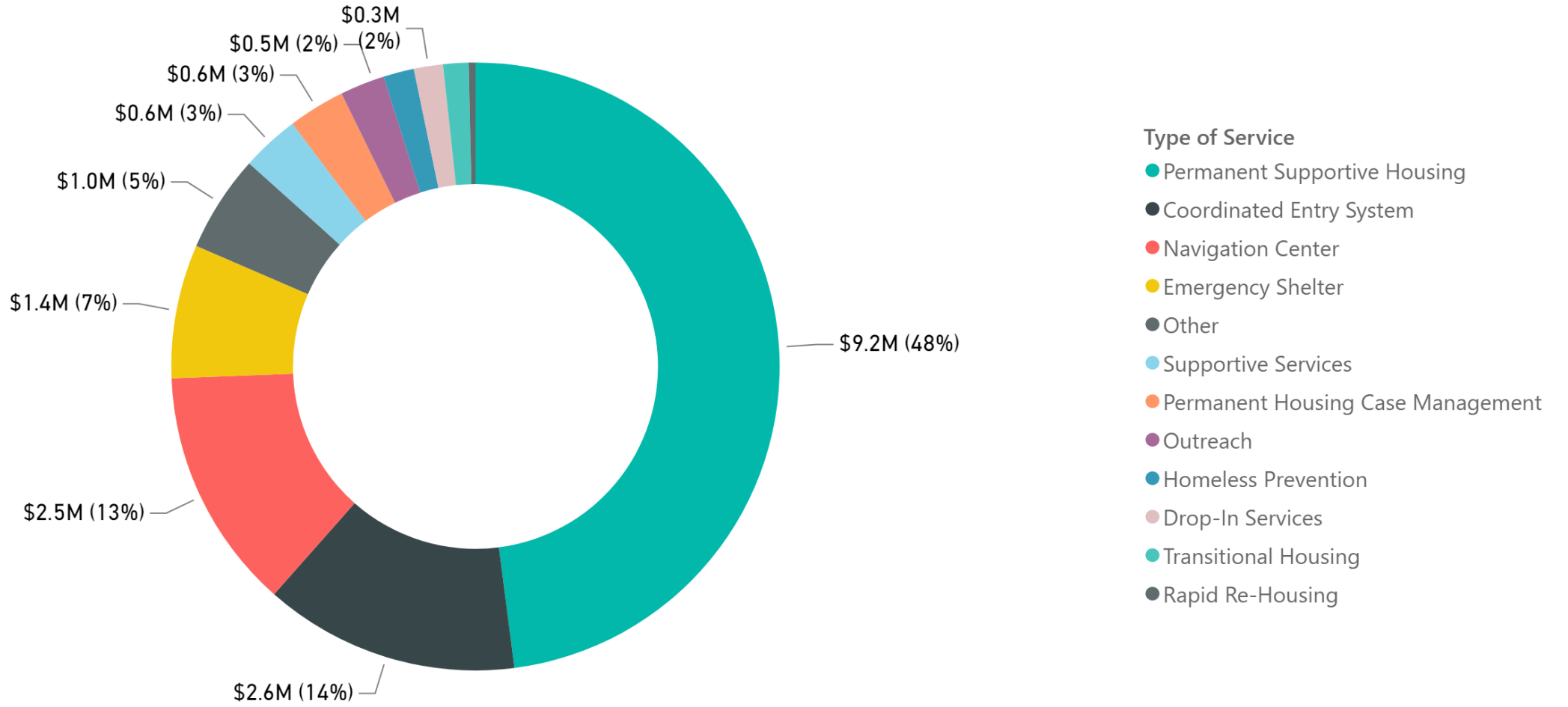
- CDBG – CV1: \$1,610,805
- CDBG – CV3: \$891,121
- ESG – CV1: \$808,117
- ESG-CV2: \$5,840,486
- CSBG : \$373,097
- HEAP : \$893,000

Uses:

- Berkeley Respite Program
- Rapid Re-Housing
- Hygiene and Food
- Additional Costs for Shelter Programs
- Mobile Shower Program
- Rental Subsidies



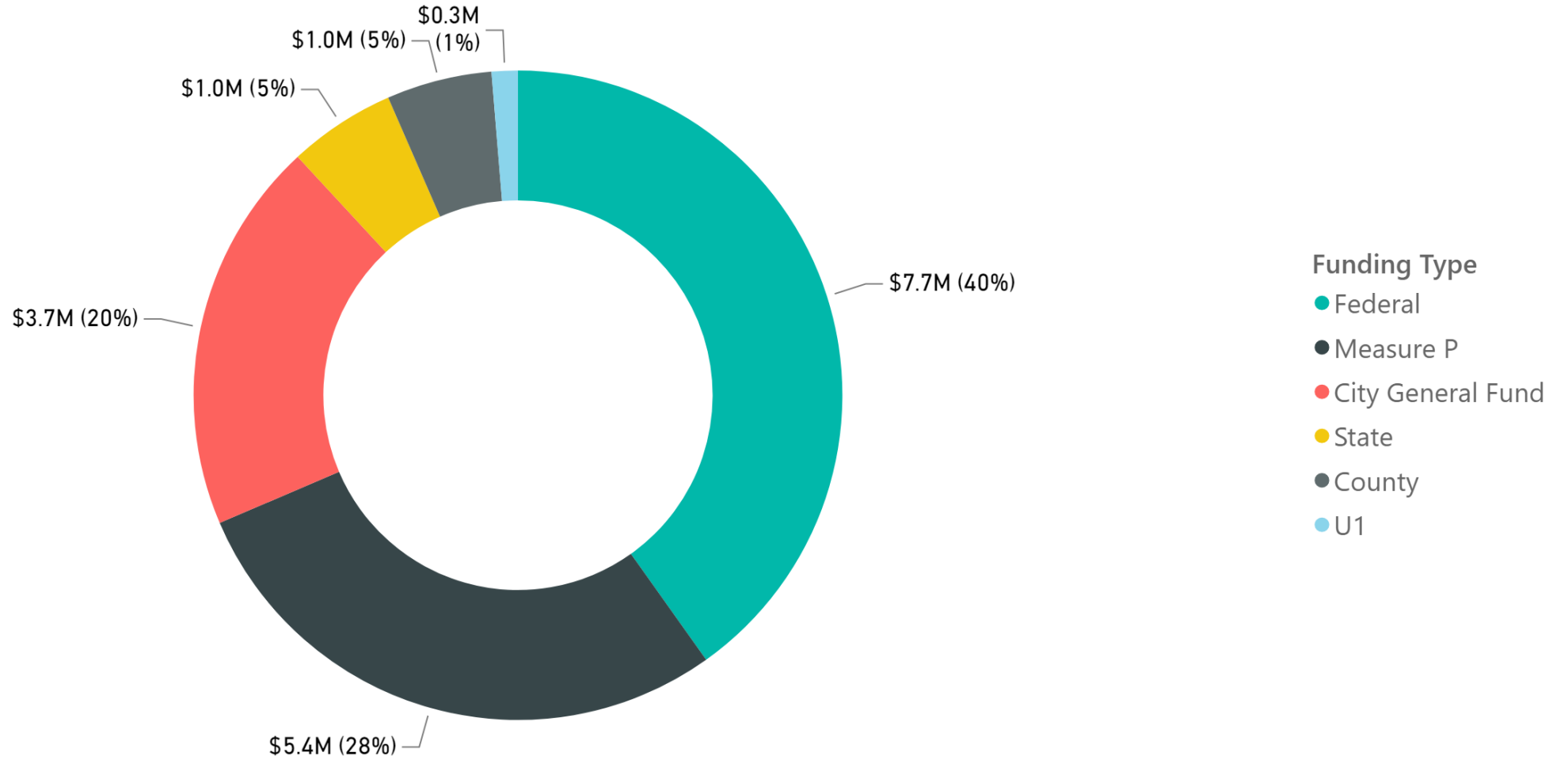
\$19.14M
FY20/21





\$19.14M

FY20/21



Measure P



Health, Housing & Community Services

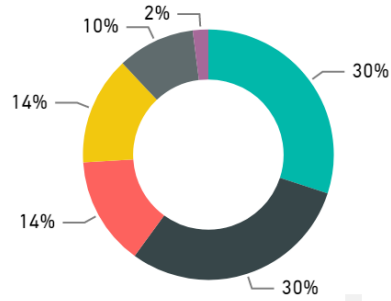
Page 25 of 40

Homeless Services Panel of Experts Periodic Report

Revenue **\$18.69M** Cost **\$12.33M** Surplus **\$6.36M**

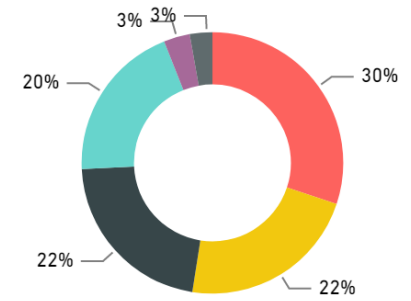
Select all Allocated Encumbered Spent

Panel of Experts Recommendations



- Program Component**
- 1. Permanent Supportive Housing
 - 2. Shelter and Temporary Accommodations
 - 3. Immediate Street Conditions & Hygiene
 - 4. Other Supportive Services
 - 5. Flexible Housing Subsidies
 - 6. Infrastructure

Program Component Allocated



FY Year	Cost	Cost Detail
2020	\$846,616	5150 Response & Transport (2) (5)
2020	\$1,600,000	Berkeley Relief Fund
2020	\$38,266	Finance Contract Specialist
2020	\$80,255	HHCS Community Services Specialist II (Filled)
2020	\$20,000	Homeless Outreach Worker
2021	\$932,975	1367 University Avenue Step Up Housing Proj...
2021	\$2,753,384	5150 Response & Transport (2) (5)
2021	\$21,340	Dorothy Day House Drop In (6)
2021	\$300,000	Dorothy Day House Shelter (6)
2021	\$11,734	Finance Contract Specialist
2021	\$152,965	Finance Finance Accountant II (2)
2021	\$115,228	HHCS Community Services Specialist II (Filled)
2021	\$65,947	HHCS: Square One Hotel Vouchers
2021	\$40,000	Homeless Outreach Worker
2021	\$934,533	Homeless Response Team
2021	\$25,000	Locker Program
2021	\$300,000	Outdoor Shelter
2021	\$2,200,000	Pathways STAIR Center
2021	\$1,501,078	Permanent Housing Subsidies
Total	\$12,331,321	

- Recipient**
- HHCS
 - Fire
 - BACS
 - DDH
 - Outdoor
 - DTST
 - Finance
 - YSA
 - DBA
 - LifeLong Medical
 - BDIC

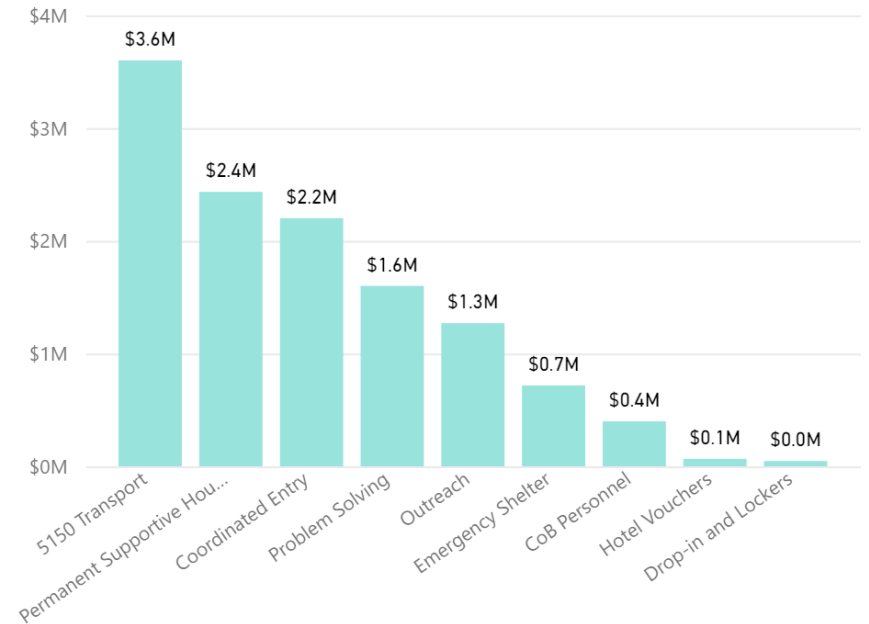
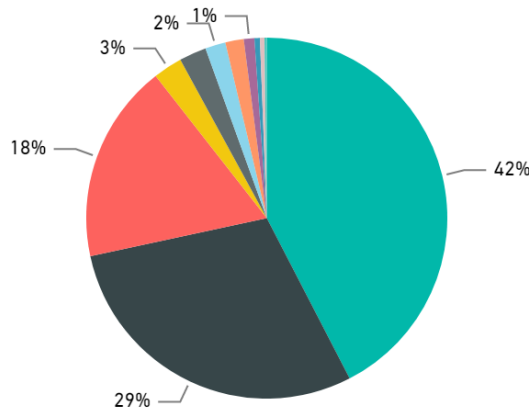


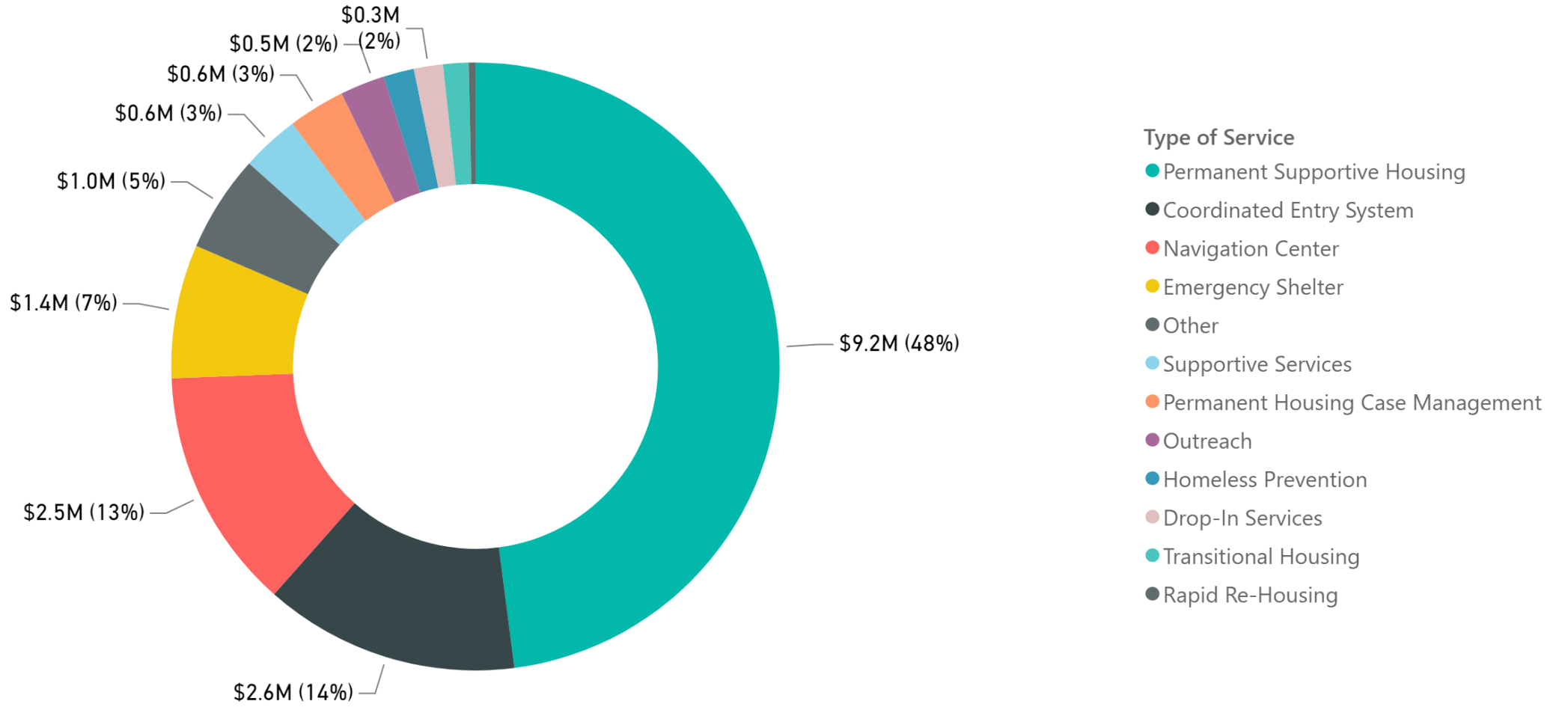
EXHIBIT 1
TRANSFER TAX -- MEASURE P PROGRAM PROJECTION

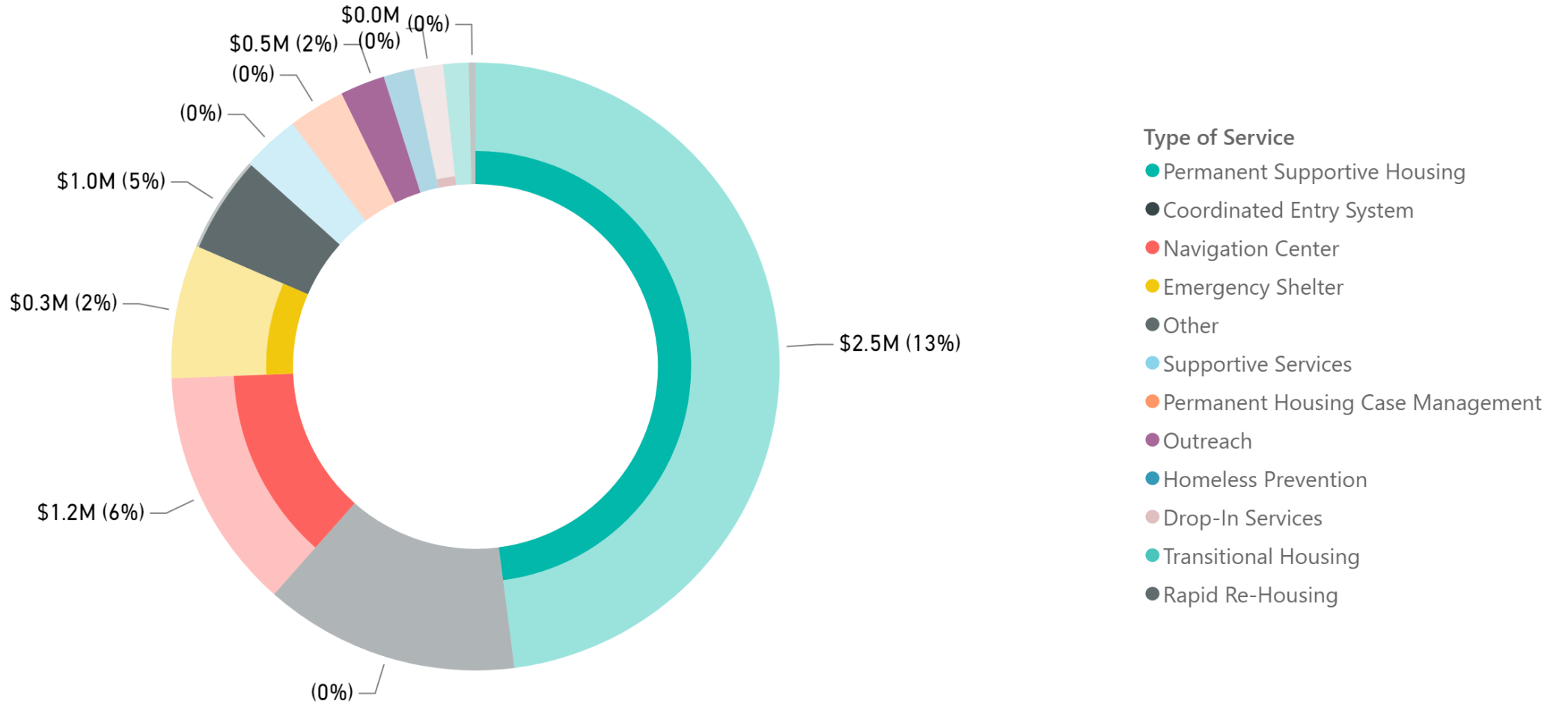
2/22/21 8:54 PM

	FY 2019 Actuals	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate
Revenues						
<i>Beginning Fund Balance</i>		\$2,932,313	\$9,859,779	\$7,361,009	\$2,780,186	(\$2,889,595)
<i>Measure P Revenues (1)</i>	2,932,313	9,512,603	6,247,414	6,247,414	6,247,414	6,247,414
<i>Permanent Local Housing Allocation (FY 21)</i>	0	0	0	0	0	0
Total Revenues and Balance of Funds	2,932,313	12,444,916	16,107,193	13,608,423	9,027,600	3,357,819
LESS: Total Expenses	0	2,585,137	8,746,184	10,828,237	11,917,194	11,933,326
<u>Personnel Costs</u>	0	118,521	279,927	336,951	460,909	477,041
Finance: Accountant II (2)		0	152,965	158,319	163,860	169,595
Finance: Contract Staffing		38,266	11,734	0	0	0
HHCS: Community Services Specialist II (Filled) (3)		80,255	115,228	178,633	184,885	191,356
HHCS: 50% Senior Management Analyst (Requested) (4)		0	0	0	112,164	116,090
<u>Non-Personnel Costs/ Program Expenses</u>	0	2,466,616	8,466,257	10,491,285	11,456,285	11,456,285
Fire: 5150 Response & Transport (2) (5)	0	846,616	2,753,384	2,400,000	2,400,000	2,400,000
Dorothy Day House Shelter (6)	0	0	300,000	566,000	566,000	566,000
Dorothy Day House Drop In (6)	0	0	21,340	182,000	182,000	182,000
Pathways STAIR Center	0	0	1,200,000	1,499,525	2,499,525	2,499,525
No Place Like Home	0	0	0	0	200,000	200,000
Coordinated Entry System	0	0	0	1,442,426	1,442,426	1,442,426
BDIC Locker Program	0	0	25,000	50,000	50,000	50,000
LifeLong Medical - Street Medicine	0	0	50,000	525,000	525,000	525,000
YSA Tiny Home	0	0	117,000	78,000	78,000	78,000
DBA- Homeless Outreach Worker	0	20,000	40,000	40,000	40,000	40,000
Downtown Streets Team	0	0	225,000	225,000	225,000	225,000
Outdoor Shelter	0	0	300,000	850,000	615,000	615,000
COVID-19 Housing Solutions (8)	0	0	0	0	0	0
Permanent Housing Subsidies	0	0	1,501,078	1,600,000	1,600,000	1,600,000
1367 University Avenue Step Up Housing Project (9)	0	0	932,975	900,000	900,000	900,000
HHCS: Square One Hotel Vouchers	0	0	65,947	0	0	0
Training and Evaluation	0	0	0	133,334	133,334	133,334
Homeless Response Team	0	0	934,533	0	0	0
Berkeley Relief Fund	0	1,600,000	0	0	0	0
Fiscal Year Surplus (Shortfall)	2,932,313	6,927,466	(2,498,770)	(4,580,823)	(5,669,780)	(5,685,912)
Ending Fund Balance	\$2,932,313	\$9,859,779	\$7,361,009	\$2,780,186	(\$2,889,595)	(\$8,575,507)



\$19.14M
FY20/21





Reports



Health, Housing & Community Services

Homeless Services Panel of Experts Periodic Report

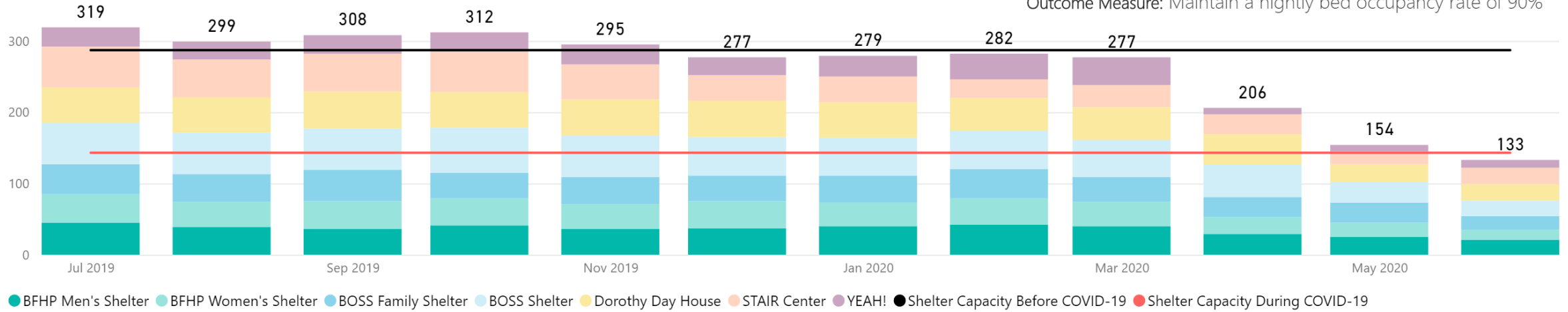
Select all	BFHP Women's Shelter	BOSS Shelter	STAIR Center
BFHP Men's Shelter	BOSS Family Shelter	Dorothy Day House	YEAH!

Clients Served
600

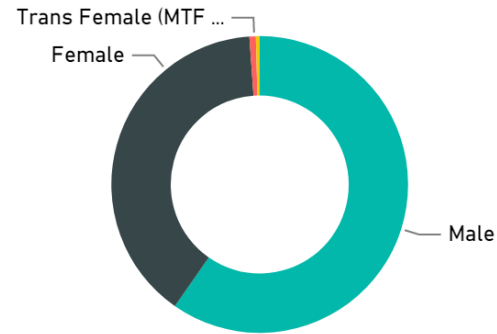
Average Age
42

Average Length of Stay
192

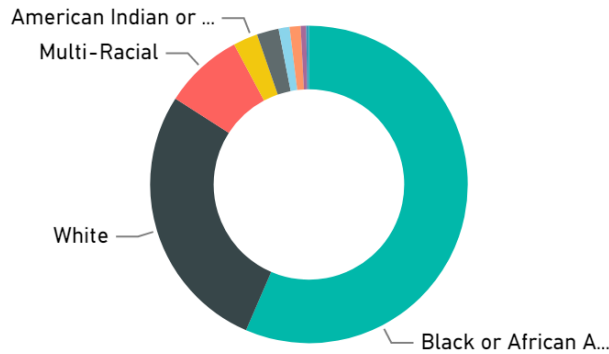
Outcome Measure: Maintain a nightly bed occupancy rate of 90%



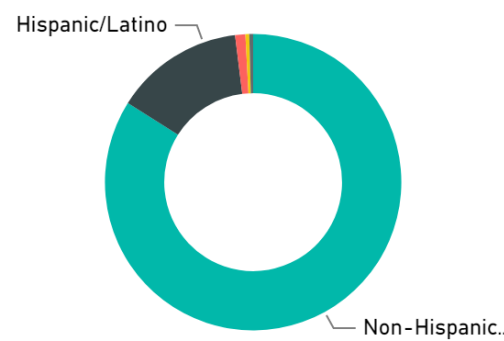
Gender



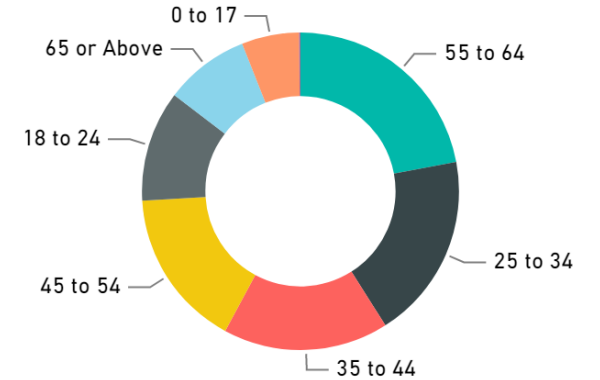
Race



Ethnicity



Age



FY 19-20 Shelter Stayers



Health, Housing & Community Services

Homeless Services Panel of Experts Periodic Report

Page 31 of 40

Clients Served

58

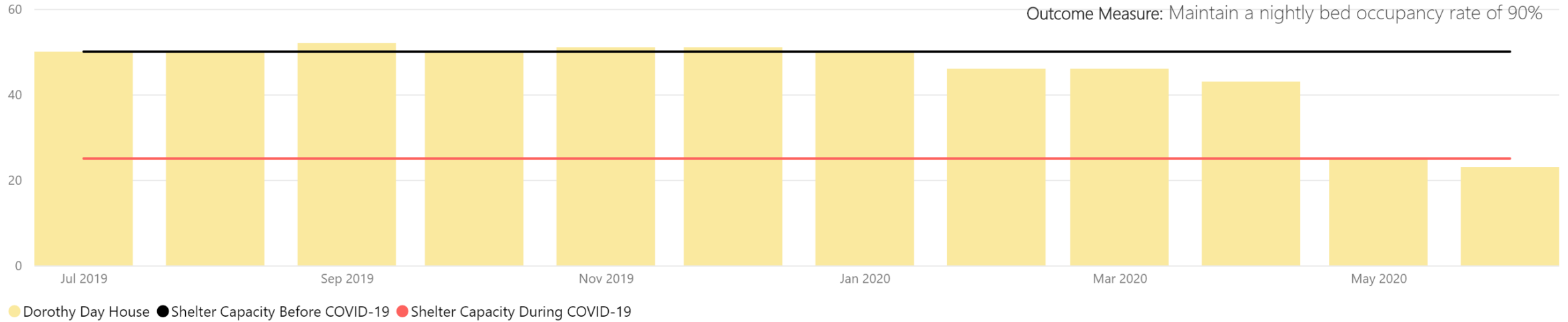
Average Age

55

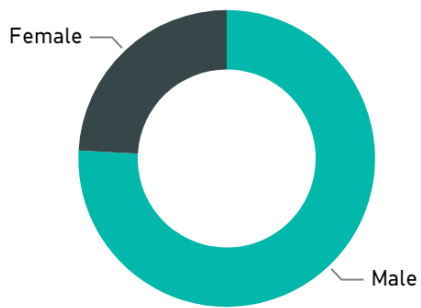
Average Length of Stay

502

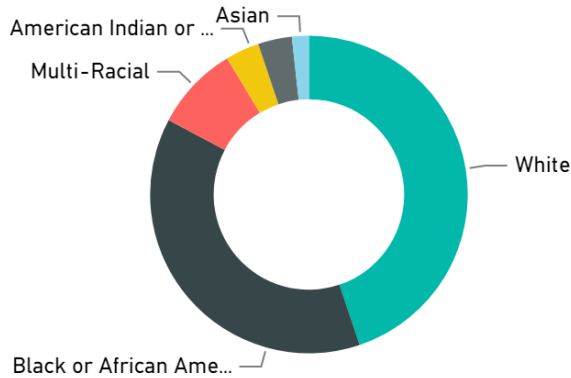
Select all	BFHP Women's Shelter	BOSS Shelter	STAIR Center
BFHP Men's Shelter	BOSS Family Shelter	Dorothy Day House	YEAH!



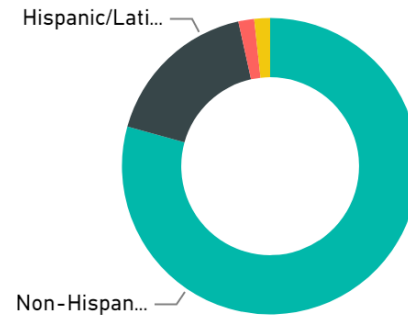
Gender



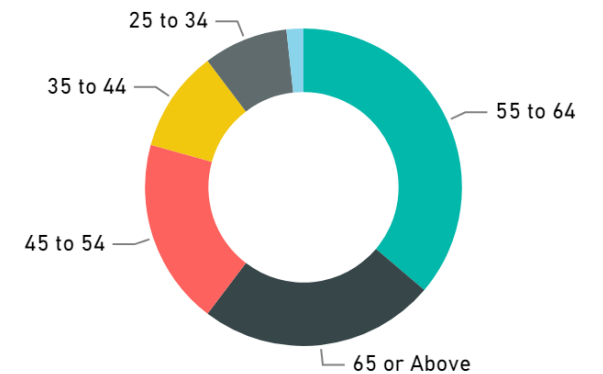
Race



Ethnicity



Age



FY 19-20 Shelter Stayers



Health, Housing & Community Services

Homeless Services Panel of Experts Periodic Report

Page 32 of 40

Clients Served

14

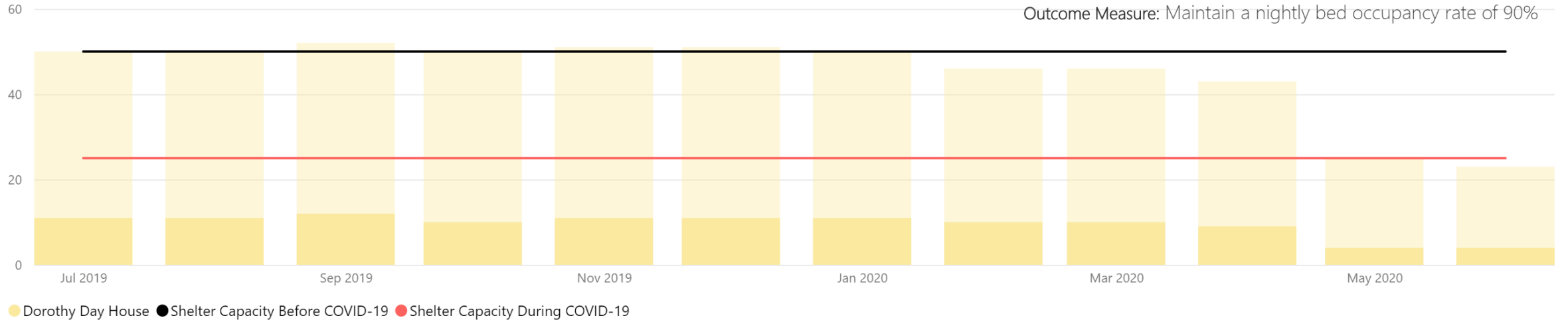
Average Age

50

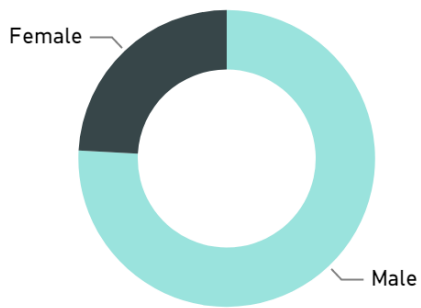
Average Length of Stay

473

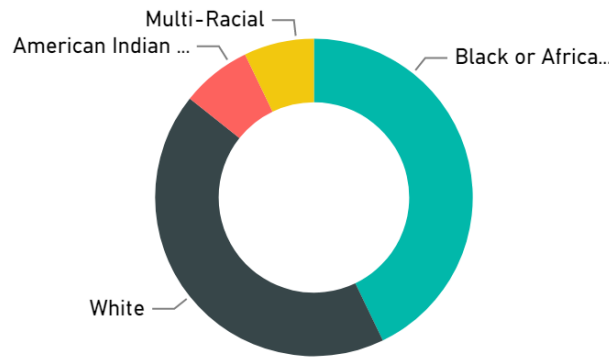
Select all	BFHP Women's Shelter	BOSS Shelter	STAIR Center
BFHP Men's Shelter	BOSS Family Shelter	Dorothy Day House	YEAH!



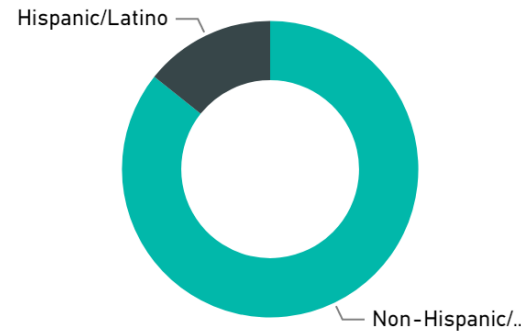
Gender



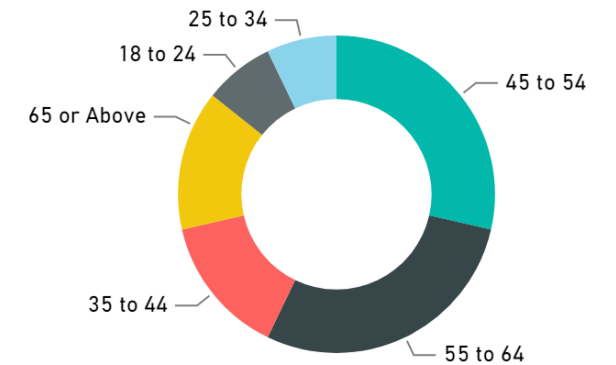
Race



Ethnicity



Age



FY 19-20 Shelter Stayers



Health, Housing & Community Services

Homeless Services Panel of Experts Periodic Report

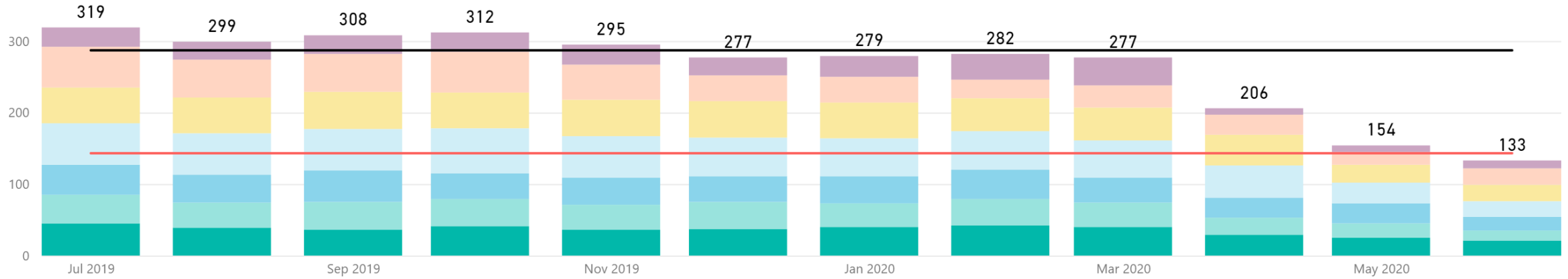
Page 33 of 40

Select all	BFHP Women's Shelter	BOSS Shelter	STAIR Center
BFHP Men's Shelter	BOSS Family Shelter	Dorothy Day House	YEAH!

Clients Served
600

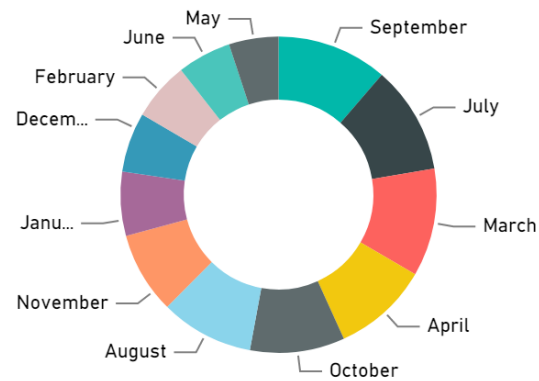
Average Age
42

Average Length of Stay
192

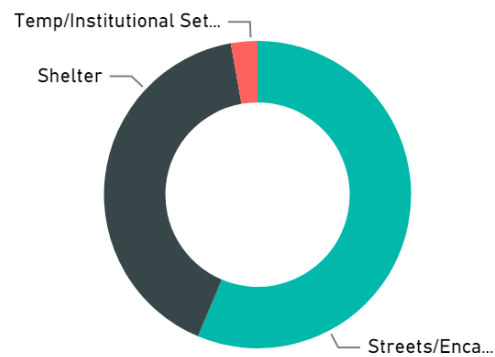


● BFHP Men's Shelter ● BFHP Women's Shelter ● BOSS Family Shelter ● BOSS Shelter ● Dorothy Day House ● STAIR Center ● YEAH! ● Shelter Capacity Before COVID-19 ● Shelter Capacity During COVID-19

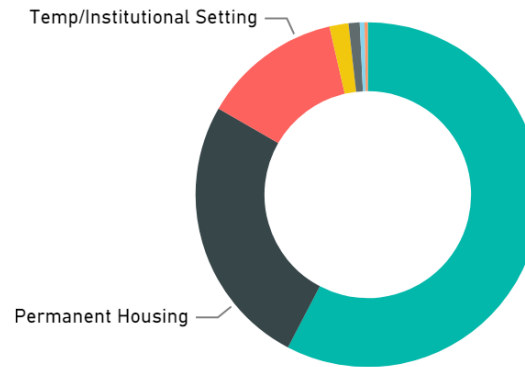
Clients Exited Per Month



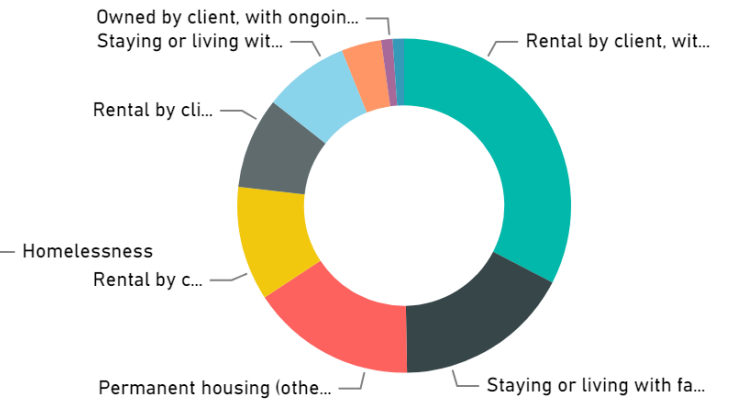
Prior Living Situation



Exit Destinations



Permanent Destinations



FY 19-20 Shelter Stayers



Health, Housing & Community Services

Homeless Services Panel of Experts Periodic Report

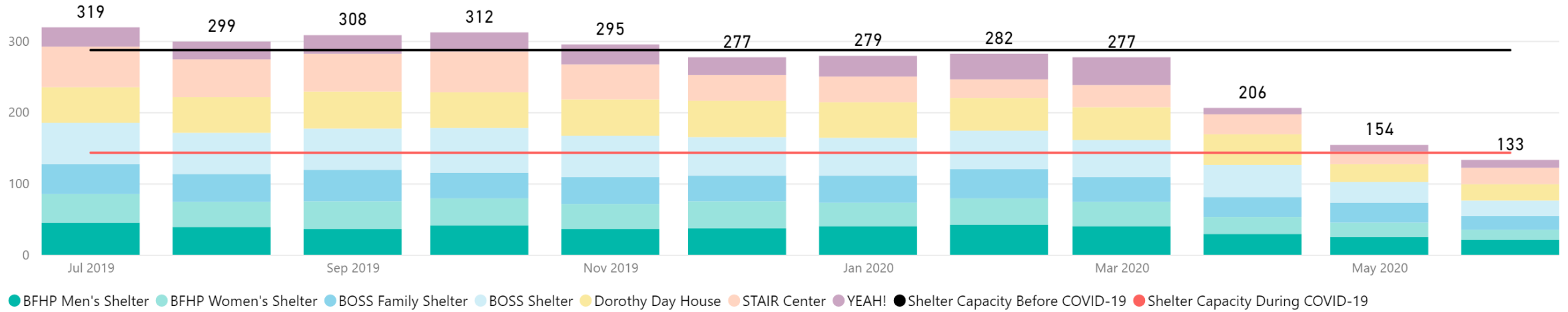
Page 34 of 40

Clients Served
600

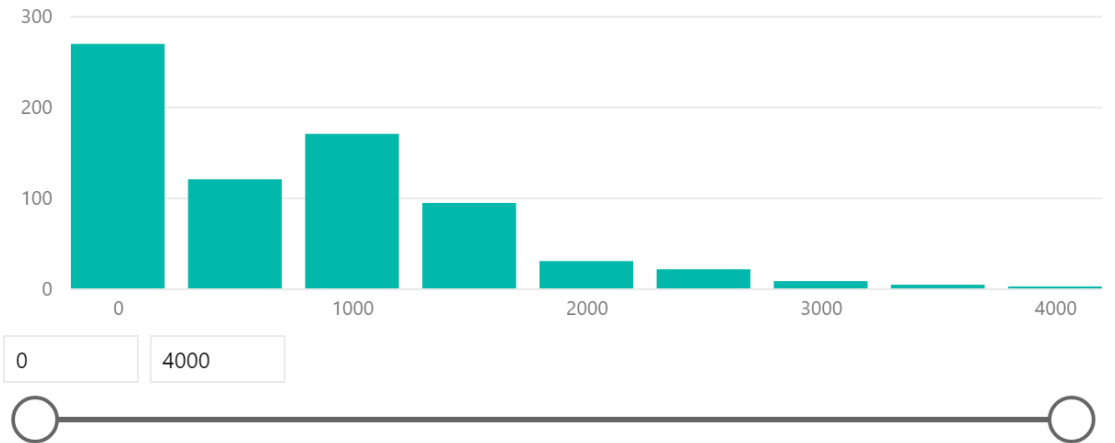
Average Income
\$591

Average Length of Stay
192

Select all	BFHP Women's Shelter	BOSS Shelter	STAIR Center
BFHP Men's Shelter	BOSS Family Shelter	Dorothy Day House	YEAH!



Income Brackets



FY 19-20 Shelter Stayers

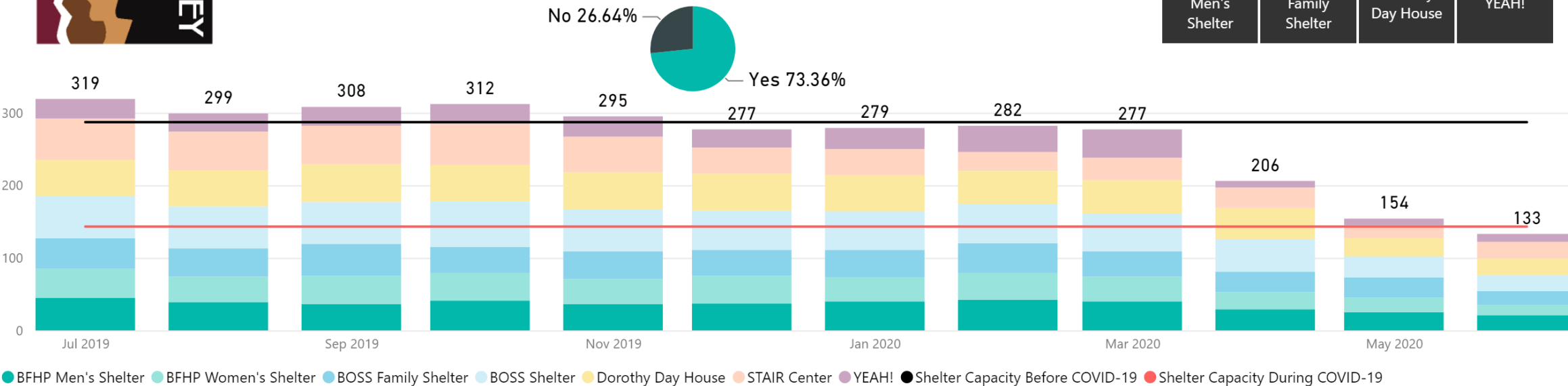


Health, Housing & Community Services

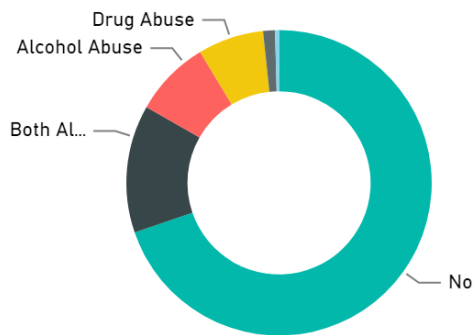
Homeless Services Panel of Experts Periodic Report

Health Condition

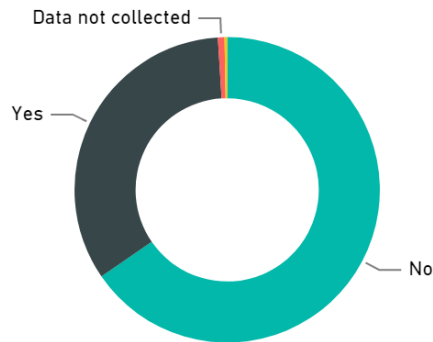
Select all	BFHP Women's Shelter	BOSS Shelter	STAIR Center
BFHP Men's Shelter	BOSS Family Shelter	Dorothy Day House	YEAH!



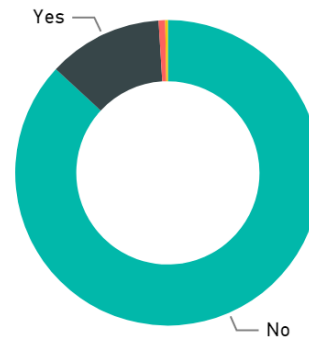
Substance Use Condition



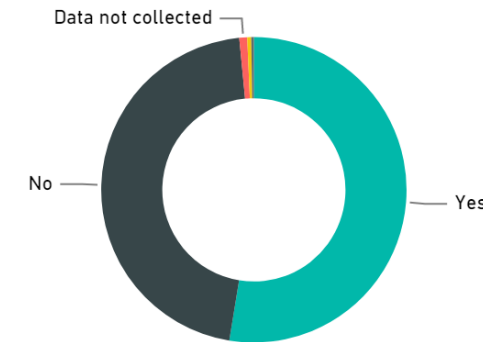
Chronic Health Condition



Developmental Condition



Mental Health Condition



FY 19-20 Shelter Stayers

Questions?



Lori Droste
Vice Mayor District 8

Consent Calendar
February 9, 2021

To: Honorable Mayor and Members of the City Council
From: Vice Mayor Lori Droste
Subject: Potential Measure P FY2022 Allocations

Recommendation

Refer the Measure P funding discussion to the City Manager, Measure P Homeless Panel of Experts, and the Health and Life Enrichment policy committee to determine next steps to ensure that the Measure P fund stays solvent. Specifically, these bodies should prioritize preferred programs and services within the various categories that the Measure P panel previously outlined according to updated projected revenues. During the course of these deliberations, the Panel of Experts should hear presentations from staff on which homeless services (e.g. permanent supportive housing exits, shelters, emergency interventions, multi-departmental staffing, and supportive services) are funded outside of Measure P so that the bodies can make recommendations after understanding the entirety of services and programs.

To the extent possible, the committees and commissions should attempt to find a non-volatile source of funding for permanent supportive housing, using the [1,000 person plan](#) as a framework for best addressing the homelessness crisis on our streets.

The Panel of Experts and Health and Life Enrichment policy committee should finalize their priorities in time for the budget committee's consideration in June of 2021.

Background

Current Measure P revenues projections for the upcoming fiscal years are currently estimated at \$3 million dollars while total annual expenses hover around \$11.5 (Attachment A). While the beginning fund balance is healthy for FY21 and FY22, if current allocations are sustained, the fiscal year shortfalls begin this year and extend to \$8 million dollar annual fiscal year deficits in the following fiscal years.¹

¹ <https://www.cityofberkeley.info/uploadedFiles/Clerk/2020-11-12%20Budget%20Item%203a.pdf>

In 2019, the Measure P Panel of Experts recommended that Council allocate its Measure P revenues accordingly:

- 30% permanent supportive housing
- 30% temporary accommodations and shelter
- 14% street conditions and hygiene
- 14% supportive services
- 10% flexible housing funds
- 2% infrastructure.

If Council chooses to strictly follow the recommended percentage allocations, this means that Council has the following revenue to allocate to the aforementioned categories:

- \$900,000 to permanent supportive housing
- \$900,000 to temporary accommodations and shelter
- \$420,000 to street conditions and hygiene
- \$420,000 to supportive services
- \$300,000 to flexible housing funds
- \$60,000 to infrastructure

For example, Council allocated approximately \$2.6 million for temporary shelters (STAIR, Dorothy Day, YSA, outdoor shelter) in FY2021. If Council wants to maintain these existing and new shelter programs *and* if overall revenues are anticipated to be only \$3 million, Council will exhaust all Measure P revenue and have no money to allocate to permanent supportive housing, street conditions and hygiene, supportive services, flexible housing funds, and infrastructure. (Additionally, in October of 2020, City Council also approved a \$900,000 yearly [permanent supportive housing Measure P allocation](#) for homeless housing.)

Fiscal Impacts

By addressing future funding shortfalls, this item will guide discussions to ensure that the Measure P fund remains financially solvent.

Contact

Lori Droste, Vice Mayor, ldroste@cityofberkeley.info

Attachment 1. Measure P Program Projection

EXHIBIT 1
TRANSFER TAX -- MEASURE P PROGRAM PROJECTION

1/13/21 2:56 PM

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
	Actuals	Actual	Estimate	Estimate	Estimate	Estimate
Revenues						
Beginning Fund Balance		\$2,932,313	\$9,859,779	\$5,008,436	(\$3,514,040)	(\$12,100,474)
Measure P Revenues (1)	2,932,313	9,512,603	4,747,414	3,000,000	3,060,000	3,121,200
Permanent Local Housing Allocation (FY 21)	0	0	1,000,000	0	0	0
Total Revenues and Balance of Funds	2,932,313	12,444,916	15,607,193	8,008,436	(454,040)	(8,979,274)
LESS: Total Expenses						
Personnel Costs	0	118,521	279,927	336,951	460,909	477,041
Finance: Accountant II (2)		0	152,965	158,319	163,860	169,595
Finance: Contract Staffing		38,266	11,734	0	0	0
HHCS: Community Services Specialist II (Filled) (3)		80,255	115,228	178,633	184,885	191,356
HHCS: 50% Senior Management Analyst (Requested) (4)		0	0	0	112,164	116,090
Non-Personnel Costs/ Program Expenses	0	2,466,616	10,318,830	11,185,524	11,185,524	11,185,524
Fire: 5150 Response & Transport (2) (5)	0	846,616	2,753,384	2,400,000	2,400,000	2,400,000
Dorothy Day House Shelter (6)	0	0	300,000	566,000	566,000	566,000
Dorothy Day House Drop In (6)	0	0	21,340	182,000	182,000	182,000
Pathways STAIR Center	0	0	2,200,000	2,499,525	2,499,525	2,499,525
Coordinated Entry System	0	0	0	1,442,426	1,442,426	1,442,426
BDIC Locker Program	0	0	25,000	50,000	50,000	50,000
LifeLong Medical - Street Medicine	0	0	454,239	454,239	454,239	454,239
YSA Tiny Home	0	0	117,000	78,000	78,000	78,000
DBA- Homeless Outreach Worker	0	20,000	40,000	40,000	40,000	40,000
Downtown Streets Team	0	0	225,000	225,000	225,000	225,000
Outdoor Shelter	0	0	615,000	615,000	615,000	615,000
COVID-19 Housing Solutions (7)	0	0	0	0	0	0
Permanent Housing Subsidies	0	0	2,434,053	2,500,000	2,500,000	2,500,000
HHCS: Square One Hotel Vouchers	0	0	65,947	0	0	0
Training and Evaluation	0	0	133,334	133,334	133,334	133,334
Homeless Response Team	0	0	934,533	0	0	0
Berkeley Relief Fund	0	1,600,000	0	0	0	0
Fiscal Year Surplus (Shortfall)	2,932,313	6,927,466	(5,851,343)	(8,522,476)	(8,586,433)	(8,541,365)
Ending Fund Balance	\$2,932,313	\$9,859,779	\$5,008,436	(\$3,514,040)	(\$12,100,474)	(\$20,641,839)

Notes:

Measure P: General Fund (Fund 011)/ Program Code 5002

(1). Revenues revised to reflect FY 20 actuals and revised projections part of FY 21 adopted budget.

(2). Approved as part of FY 20 budget.

(3). This position supports the Measure P Panel of Experts, monitors contracts with BACS, tracks and reports on outcomes of homeless programs and represents Berkeley at county-wide homeless coordinating meetings

(4). Responsibilities include processing contracts and payments for homeless contracts, tracks expenditures and assists in reporting to funders. Funding to be shared with Measure U1 as proposed and discussed at Land Use Policy Committee.

(5). Assumes 1,200 calls per year and a cost per call of \$2,000. Reimbursement levels will vary and may impact this estimated cost.

(6). Existing program. FY 20 represents partial year funding. FY 21 and thereafter represents full year funding.

(7). [Per Mayor's Recommended Adopted Budget for FY 21, STAIR Center Expansion \(\\$705,000\) and Safe RV Parking \(\\$100,000\) were combined for COVID-19 Homeless Solutions.](#) On December 15, 2020, City Council adopted FY 21 AAO#1 and reallocated these funds to the Homeless Response Team.

EXHIBIT 2
Homeless Response Team

	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate
<i>Personnel Costs</i>	\$257,016	\$1,000,673	\$1,000,673	\$1,000,673
CMO: Community Services Specialist II (Existing, Not Filled)	47,750	191,000	191,000	191,000
CMO: Community Services Specialist III (New)	53,487	213,949	213,949	213,949
CMO: Health Services Program Specialist (Existing, Filled)	11,000	11,000	11,000	11,000
CMO: Social Services Specialist (New)	75,362	150,724	150,724	150,724
PRW: Landscape Gardener	69,417	119,000	119,000	119,000
PW: Helper and Driver	0	315,000	315,000	315,000
PD: Community Services Officer	0	0	0	0
PD: Staff Support Overtime	57,920	57,920	57,920	57,920
<i>Non-Personnel Costs/ Program Expenses</i>	\$677,517	\$414,300	\$414,300	\$414,300
CMO: Neighborhood Services Outreach Fund	15,000	15,000	15,000	15,000
CMO: Neighborhood Services Mitigation Flex Fund	29,167	50,000	50,000	50,000
CMO: Staff Operating Costs	43,600	21,600	21,600	21,600
CMO: Outreach Vehicle	32,000	0	0	0
CMO: Outreach Vehicle - Replacement and Maintenance Fees	1,000	6,700	6,700	6,700
Public Works: Downtown Streets Handsweep	50,000	100,000	100,000	100,000
Public Works: Tipping Fees	43,750	75,000	75,000	75,000
Public Works: Rear Loader and Stake Bed Truck	380,000	0	0	0
Public Works: Truck - Replacement and Maintenance Fees	83,000	146,000	146,000	146,000
Total Expenses	\$934,533	\$1,414,973	\$1,414,973	\$1,414,973



Parks and Waterfront Commission

ACTION CALENDAR

April 20, 2021

To: Honorable Mayor and Members of the City Council

From: Parks and Waterfront Commission

Submitted by: Gordon Wozniak, Chairperson

Subject: Proposal to allocate revenues generated by the Transient Occupancy Tax in the Waterfront Area to the Marina Fund to avoid insolvency, rebuild its fund balance and to stabilize its finances

RECOMMENDATION

That Council adopt a resolution adopting a policy that all Transient Occupancy Taxes (TOT hotel tax) generated at the Berkeley Waterfront be allocated to the City's Marina Enterprise Fund. All other property, sales, utility users, and parking taxes, as well as business license and franchise fees, would continue to be allocated to the City's General Fund.

FINANCIAL IMPLICATIONS

Allocating funding from the Transient Occupancy Tax annually, generated at the Waterfront, will create a healthy Marina Fund that is able to operate, maintain, and keep safe the existing assets. The sizeable past and ongoing contributions from Waterfront-generated revenues to the City's General Fund should be taken into consideration when assessing the financial implications.

CURRENT SITUATION AND ITS EFFECTS

The area now comprising the Berkeley Waterfront was granted to the City by the State of California in 1913, as a grant of state tidelands. In 1962, the City obtained a state loan to develop the current marina with 1,000 slips, parking lots, launch ramps, restrooms, parks, and several commercial plots for lease.

- By 1966, 15 boat dock systems were constructed.
- By 1970, two restaurants, a hotel, and an office building were developed.
- By 1980, the two sailing clubs and sailing docks, the boat yard, and a third restaurant were developed.
- By 1991, the City landfill at the marina was capped and graded to become North Waterfront Park. In 1996, it was renamed Cesar Chavez Park.

The total area under City management includes the entrance to the Marina (University Avenue and the Bay Trail, from Frontage Road to Marina Blvd) and all the infrastructure and Marina waters west of Marina Blvd. In all, there are:

Allocate Transient Occupancy Tax (TOT) generated at the Waterfront back to the Marina Fund

ACTION CALENDAR
April 20, 2021

- 100 acres of open space and parks,
- over 1,000 berths in the Berkeley Marina,
- a large hotel, 4 restaurants,
- the Adventure Playground,
- Shorebird Nature Center,
- the Berkeley Marine Center boat yard,
- a two-story office building,
- a 4-lane public launch ramp,
- 9 restroom buildings, and
- 11 parking lots.

The Waterfront requires the daily administration of what essentially is a “small city”.

Marina Fund

A requirement of the State Tidelands Grant is that revenue generated at the Waterfront be spent at the Waterfront. The Marina Enterprise Fund was set up to comply with this requirement for managing revenue and expenditures at the Berkeley Waterfront. Marina Revenues come primarily from boat slip rental fees and business leases, and a number of smaller sources. Community users of the open space and amenities at the Berkeley Waterfront such as independent fishermen, windsurfers, small boat users, tourists, walkers, runners, dogwalkers, and other park users do not provide direct income to the Marina Fund.

During the 1970s – 90s, the Waterfront infrastructure was new and maintenance and replacements costs were low. Even with low berthing fees, surplus monies were generated. Instead of investing this surplus in a Reserve Fund for future capital expenditures, these monies were diverted to the General Fund.

By FY2019, one-third of the total revenue generated annually at the Waterfront was being transferred to the General fund as follows:

- \$10.9 Million in Total Waterfront Revenue
- \$6.9 Million allocated to the Marina Fund
- \$4 Million allocated to the General Fund

In addition, \$0.59 Million was being transferred annually from the Marina Fund to the City’s internal service funds.

In FY2020, the Covid Pandemic decimated the hospitality industry and the lease portion of the Marina revenue. While revenues have plummeted during the pandemic, community use of recreation and open space at the Waterfront has soared.

Marina Fund Financial Sustainability

From FY18-20, the Marina Fund contributed ~\$11 Million to the General Fund. Now, the Marina Fund needs help from the General Fund to survive this pandemic-induced fiscal crisis.

To immediately avoid the eminent insolvency of the Marina Fund, the TOT tax generated in the Waterfront should be allocated to the Marina Fund.

Waterfront Capital Fund

The estimated \$87.5 M - \$131 M in future infrastructure costs are too large to be solved by stabilizing the Marina operations budget. To fund such large capital costs, a Reserve Fund needs to be created with new revenues developed as a result of the BMASP process that is underway.

Commission

At a regular meeting on March 10, 2021, the Parks and Waterfront Commission M/S/C to send this action to Council for consideration: (McGrath/Kamen/U). Ayes: Cox; Diehm; Kamen; Kawczynska; Landoni; McGrath; Skjerpjng; Srioudom; Wozniak; Noes: None; Absent: None; Leave of Absence: None.

ENVIRONMENTAL SUSTAINABILITY

No environmental impacts or opportunities were identified as a result of this recommendation.

RATIONALE FOR RECOMMENDATION

See body of report

ALTERNATIVE ACTIONS CONSIDERED

None

CITY MANAGER

The City Manager recommends referring the contents of this commission report to the budget process because this action will potentially impact revenue available to the General Fund. The Marina Fund revenue losses associated with Covid-19 are projected to exceed \$3.6M from FY20-23 in comparison to FY 19 and a potential funding source to offset actual and projected revenue losses is the American Rescue Plan. Additionally, City Council may want to explore other long-term revenue sources to stabilize the Marina Fund, as discussed during February 16, 2021 work session presentation on the Berkeley Marina Area Specific Plan.

CONTACT PERSON

Roger Miller, Secretary, Parks and Waterfront Commission, (510) 981-6704
Gordon Wozniak, Chairperson, (510) 654-4103

Attachments

1: Resolution

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

ALLOCATE REVENUES GENERATED BY THE TRANSIENT OCCUPANCY TAX IN THE WATERFRONT AREA TO THE MARINA FUND TO AVOID INSOLVENCY, REBUILD ITS FUND BALANCE, AND STABILIZE ITS FINANCES

WHEREAS, the Parks and Waterfront Commission reviews the policies, projects, programs, planning efforts, activities, funding and the physical condition of parks, pools, camps, recreation centers, the Marina, and public greenery, and advises the City Council on these matters; and

WHEREAS, a requirement of the State Tidelands Grant is that revenue generated in the Waterfront be spent at the Waterfront; and

WHEREAS, in FY2019, one-third of the total revenue (\$10.9 million) generated annually at the Waterfront was transferred to the General Fund (GF) and an additional \$0.58 million was transferred to the City's Internal Service Funds; and

WHEREAS, in FY2020, Waterfront revenues have plummeted due the shutdown of the hospitality industry by the Covid Pandemic; and

WHEREAS, the Marina Fund is projected to be insolvent in FY2022 and beyond; and

WHEREAS, over the last three years, the revenues generated in the Waterfront Area contributed ~\$11 million to the City's General Fund; and

WHEREAS, Transient Occupancy Tax (TOT) was generated annually at the Waterfront during pre-pandemic times, and

WHEREAS, by allocating the TOT revenue generated at the Waterfront to the Marina fund, it could be made solvent; and

WHEREAS the Marina Fund is facing an unprecedented financial crisis, with more than \$100M of unfunded capital need and an annual structural deficit of \$1 million.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley hereby adopts a policy that all Transient Occupancy Taxes (TOT hotel tax) generated at the Berkeley Waterfront be allocated to the City's Marina Enterprise Fund. All other property, sales, utility users, and parking taxes, as well as business license and franchise fees, would continue to be allocated to the City's General Fund.

NOW THEREFORE, BE IT FURTHER RESOLVED that all other property, sales, utility users, and parking taxes, as well as business license and franchise fees, would continue to be allocated to the General Fund.



Kate Harrison
Councilmember District 4

CONSENT CALENDAR
May 11, 2021

To: Honorable Mayor and Members of the City Council

From: Councilmember Harrison (Author), Mayor Arreguín (Author), Councilmember Terry Taplin (Co-Sponsor), and Councilmember Rigel Robinson (Co-Sponsor)

Subject: Budget Referral and Resolution Establishing A Pilot Climate Equity Action Fund to Assist Low-Income Residents with Transition to Zero-Carbon Transportation and Buildings

RECOMMENDATION

1. Adopt a Resolution establishing:
 - a. a Climate Equity Action Fund as a repository of grant and municipal funds for equitable climate-related pilot programs for low-income households at or below 50% of Area Median Income or as otherwise designated by Council; and
 - b. an annual process for the Energy Commission (or successor) and Facilities, Infrastructure, Transportation, Environment & Sustainability Policy Committee (FITES), in consultation with community groups, to provide input to staff and Council about eligible categories of fund expenditures (e.g., transportation modal shift or building electrification) to maximize equitable emissions reductions and impacts for eligible households.
2. Refer to the June, 2021 budget process:
 - a. \$500,000 of general fund monies from excess equity as seed funding for the Climate Equity Action Fund pilot program; and
 - b. \$100,000 for staff costs associated with the Finance Department and OESD in administering applications and disbursement of monies.

CURRENT SITUATION, EFFECTS, AND RATIONALE FOR RECOMMENDATION

The City of Berkeley and broader world is facing a grave climate emergency, requiring municipalities to rapidly transition towards zero carbon economy by 2030. Transitioning Berkeley's economy will require significant investment on the part of both government and residents. Lower-income communities are most impacted by global climate change and have the least financial ability to address it. It is in the public interest to establish a Climate Equity Action Fund to assist low-income residents with the cost of transitioning from a carbon-based city. This item establishes a Climate Equity Action Fund as a

depository of funds related to climate equity, allocates an initial funding amount of \$500,000, contingent on the availability of excess equity, from the General Fund, and asks the Energy Commission (or successor) and FITES Committee, in consultation with community groups, to provide input to staff and Council on at least an annual basis about categories of fund expenditures that have the most benefit for low-income households and to maximize equitable emissions reduction impacts. It also provides \$100,000, contingent on the availability of excess equity, for staff costs associated with the Finance Department and Office of Energy and Sustainable Development (OESD) in administering applications and disbursement of monies

BACKGROUND

According to the best available science, a 50% reduction in emissions is needed worldwide by 2030 or earlier in order to delay extremely catastrophic warming. Implicit in the U.N.'s global 2050 net-zero targets to keep emissions as close as possible to 1.5 degrees Celsius is the assumption that wealthy nations and cities will near zero by 2030.¹

The people of Berkeley, especially low-income people, are already disproportionately impacted by the effects of climate change and fossil fuel pollution. Low-carbon technology can often be out of reach of many low-income households, and without direct assistance, many will be left behind.

The City's Electric Mobility Roadmap notes that key to ensuring equity in access to electric mobility is to improve its affordability, including through subsidized e-bike and EV charging incentive pilots and public transit passes.

In addition, Berkeley's Existing Building Electrification strategy includes recommendations for potential pilot projects prioritizing low-income communities with rebates and incentives. According to recent research conducted by the California Energy Commission, low-income residents will face the brunt of natural gas price increases as a result of communitywide electrification trends, highlighting the necessity of increasing access and affordability of all-electric technologies for low-income communities.

¹ IPCC, 2018: Summary for Policymakers. In: *Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty* [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. *World Meteorological Organization, Geneva, Switzerland, 32 pp.*
<https://www.ipcc.ch/sr15/chapter/spm/>.

While incentives are currently available to Berkeley residents for all-electric water heating and cooking appliances from BayRen and East Bay Community Energy (EBCE), lower-income households face structural barriers in accessing those incentives. As an example, rebates often provide only for high-end purchases rather than leases of items such as solar arrays and for premium appliances rated as Energy Star, which many lower-income households cannot afford.² Lower-income households are often denied the opportunity both to save money in energy costs and create cleaner, more efficient homes.

Additionally, with regard to building decarbonization, rebates are typically aimed at property owners that have sufficient capital available to replace natural gas building systems as part of a larger renovation or on an ad hoc basis when systems fail. These programs are not necessarily geared towards those with limited upfront capital and those less acquainted with the often confusing and complex all-electric building systems available to property owners. Rebates are also not necessarily geared towards the benefit of renters, such as those living in affordable housing complexes.

Existing BayRen incentives are in most cases not enough to cover the bulk of the all-electric retrofit. Further, BayRen's \$1,000 electric-heat pump space heater incentive will be out of reach for most Berkeleyans, regardless of income, as it requires the property owner to replace an existing gas heating system *combined* with an existing air conditioning unit. Air conditioning units have historically been a rarity in Bay Area homes in the more temperate climate zones such as Berkeley, and therefore this incentive will have little impact on Berkeleyans, and leaves a large gap across Berkeley's decarbonization strategy. Therefore, larger and more flexible incentives for low-income households and/or opportunities to lease, rent (and still receive rebates) or purchase low-carbon systems are needed.

Berkeley Climate Equity Action Fund Pilot – Initial Proposal for FY 2022

In March 2021, Congress passed a \$1.9 trillion economic stimulus and recovery bill in response to the COVID-19 crisis. The law provides the City of Berkeley with approximately \$68 million dollars of one-time flexible funding that can be used to offset revenue reductions and costs associated with the City's COVID-19 response in addition to certain infrastructure projects. Congress provided local jurisdictions with flexibility about how to allocate these funds, and any excess equity resulting from using federal funds to supplant existing or planned appropriations. In other words, the Mayor and

² Marti Frank, "Expanding Access to Energy Efficient Appliances," <https://ilsr.org/local-energy-rules-podcast-homepage/>.

Council could appropriate a certain proportion of any equity resulting from the Act towards municipal services, including services or programs that assist residents with transitioning towards a zero-carbon city.

The initial purpose of the Climate Equity Action Fund is to provide direct subsidies to low-income residents to help them transition away from fossil fuel building and transportation infrastructure.

Low-income households that qualify would be defined as those at or below 50% of Area Median Income (about \$59,000 per year for a family of 3), with a certain percentage of funds reserved for very-low-income families earning below 138% of the Federal Poverty Level (about \$30,000 per year for a family of 3). However, in recognition that equity requires consideration of more than just income alone, the Resolution provides for Council to approve other equitable investments and uses as recommended by staff in consultation with the community.

This item refers to the Energy (or successor) Commission and the FITES Committee on an annual basis to recommend how to best appropriate funds to maximize equitable emissions reduction impacts of funds to include, but not limited to:

- ***Transportation Modal Shift***

Income qualified subsidies for:

1. Renting or purchasing bicycles, electric bicycles, scooters, and other forms of micro mobility. The City of Berkeley is working with nearby jurisdictions to create a municipal micro-mobility rental program;
2. EV charging infrastructure, including membership in ChargePoint and other charging systems;
3. Public transit passes, including the AC Transit EasyPass.

- ***Building Decarbonization***

Income qualified subsidies for:

1. purchasing and installing induction stoves and electric ovens, heat pump water heaters, heat pump space heaters, energy-efficient refrigerators and heat pump washers and dryers;
2. electric panel upgrades associated with electrification of appliances;

3. leasing or purchasing solar arrays;
4. weatherization;
5. purchasing and installing smart thermostats and smart plugs/energy monitoring devices;
6. permit fees in connection with electrification retrofits and solar installation.

On November 3, 2020, Berkeley voters narrowly defeated Measure HH, which would have established a Climate Equity Action Fund and provided \$2.4 million annually through an increase in the electricity and gas portion of the Utility Users Tax. In contrast to Measure HH, this budget referral will not result in any tax increases as it relies on a one-time appropriation of General Fund monies associated with the American Rescue Act. However, by establishing a Climate Equity Action Fund, the Council would create a locus for grant funds and for future appropriate appropriations, whether through the General Fund or otherwise.

Berkeley Climate Equity – Moving into the Future

The FITES Committee is currently considering a separate ordinance expanding eligibility for the Seismic Transfer Tax Rebate Program for electrification. Since only individuals who can afford to buy and sell property in Berkeley qualify for the proposed transfer tax rebate program, the Climate Equity Action Fund in subsequent years would be an equitable companion program aimed at lower-income populations, but could draw upon the same source of revenue.

Examples of Equitable Climate Programs Provided by Other Jurisdictions

Neighboring jurisdictions already offer their residents various equitable income-based subsidies related to the climate transition. For example, Marin County maintains the Natural Gas Appliance Replacement Rebate Program known as Electrify Marin. This program is funded through a one-time grant from the Bay Area Air Quality Management District and provides generous subsidies for all-electric appliances and electric service panel upgrades. While funding is universal, it also provides qualified supplemental assistance such that low-income residents can equitably receive substantially more funding:

Appliance Type	Standard Rebate	Income Qualified Rebate
Heat Pump Water Heater	\$1,000	\$2,000
Heat Pump Space Heater		
Central Heat Pump	\$1,000	\$4,500
Mini-Split Heat Pump	\$800	\$3,000
Induction Cooking		
Range (Cooktop & Oven)	\$500	\$500
Cooktop only	\$250	\$250
Service Panel Upgrade	\$500	\$1,200

In addition, the City and County of San Francisco Public Utilities Commission provides residents with solar installation rebates through its GoSolarSF program; these rebates are in addition to those from PG&E. The program offers generous additional subsidies to low-income residents, nonprofit/municipal and nonprofit affordable housing applicants:

Incentive Levels for Calendar Year 2021	
CleanPowerSF & Hetch Hetchy Residential Basic*	\$0/kW
Add on if eligible: Environmental Justice or CalHome Loan	\$100/kW. Cap: 4.0 kW per meter.
Add on if eligible: City Installer	\$250/kW. Cap: 4.0 kW per meter.
Add on if eligible: Low-Income	\$2,000/kW. Cap: 4.0 kW per meter.
Business*	\$0/kW
Nonprofit/Municipal	\$1,000/kW. Cap: \$50,000 per service site.
Nonprofit Residential	\$1,000/kW. Cap: \$50,000 per service site.
Multi-Unit Residential Virtual Net Metering*	\$0/kW
Net Energy Metering Aggregation (NEM-A)*	\$0/kW

Several cities and countries offer financial incentives to purchase electric bikes as part of their GHG emissions reduction strategy.³ Sonoma’s Community Choice Aggregator, Sonoma Clean Power, recently offered up to \$1,000 for qualified customers to purchase electric bikes. Eligible customers included those who participate in CARE/FERA rates or income-qualified programs such as SNAP (aka food stamps), Medicaid/Medical, Cash Assistance Program for Immigrants (CAPI), Women Infants and Children (WIC), Head

³ “Electric Bike Subsidies and Grants Around the World. US, UK, Canada, and more,” eBikeHQ, <https://ebikeshq.com/electric-bike-subsidies-grants-around-world/>

Start, and many others. In addition, long term electric bike leasing and lease to own programs help to remove the cost barrier to electric bike use and ownership. Swapfiets has been offering leasing for \$20/month in several European cities, with roughly 35,000 leases in Amsterdam and 200,000 elsewhere in Europe.⁴

Currently, all Berkeley residential property owners are eligible for electrification incentives through BayRen, which does not provide a differential subsidy based on income. These rebates could be leveraged in combination with supplemental Berkeley Climate Equity Action fund subsidies for maximum impact:

Eligible Program Measures & Rebate Amounts

Measure	Rebate Amount
Operations and Maintenance Measures	
Smart Thermostat (must be listed on the ENERGY STAR qualified product list for Smart Communicating Thermostat)	\$150
Duct sealing ≤ 10% total leakage (Ducts or Furnace/Air Handler/FAU located in garage disqualify this measure)	\$200
Duct Replacement ≤ 5% total leakage	\$800
Building Shell Measures	
Attic insulation ≥ R-44 (includes attic air sealing)	\$0.75 / ft ² (not to exceed \$1,000 per home)
Wall insulation ≥ R-13 (2x4 framing) or ≥ R-19 (2x6 framing)	\$0.70 / ft ² (not to exceed \$1,000 per home)

⁴ Feargus O'Sullivan, "How Paris Hopes to Build an E-Bike Boom," September 24, 2019, <https://www.citylab.com/transportation/2019/09/electric-bikes-paris-bicycle-rental-france-e-bike-subsidy/598192>. See also, Alex Ledson, "This Is The New Transport Trend Sweeping Europe" Oct 10, 2020, <https://www.forbes.com/sites/alexledson/2020/10/10/this-is-the-new-transport-trend-sweeping-europe/?sh=3667577c100b>

Heating and Cooling Measures	
High efficiency central gas furnace ≥ 95% AFUE w/ Variable Speed Motor (must replace existing central gas furnace)	\$300
High efficiency split central air conditioner ≥ 17 SEER High efficiency packaged central air conditioner ≥ 16 SEER (must replace entire load associated with existing central AC)	\$800
High efficiency heat pump ≥ 17 SEER / 9.4 HSPF (must replace entire load associated with electric heating system or heat pump or for electrification must replace existing central natural gas furnace and air conditioner with ducted direct exchange (non mini-split) heat pump or replace wall furnace and window air conditioner with a ductless mini-split heat pump.) ⚡	\$1,000
Water Heating Measures	
High efficiency storage gas water heater medium usage ≥ 0.64 UEF, high usage ≥ 0.68 UEF Instantaneous water heater ≥ 0.87 UEF (must replace existing gas storage water heater)	\$400
Heat pump water heater ≥ 3.1 UEF (must replace existing gas or electric water heater) ⚡	\$1,000
Bonus Rebates	
Combine one or more Building Shell measures with a Heating or Cooling measure (measures must be completed simultaneously)	\$500
Combine attic with exterior wall insulation (measures must be completed simultaneously)	\$500
Downsize heating and/or cooling system compared to existing system (requires a minimum 12 kBtu or 1 ton <i>input</i> reduction)	\$100
Building air sealing ≥ 30% total leakage reduction (must be combined with another measure, otherwise requires blower door test-in and test-out to qualify as a standalone building shell measure)	\$150
Combustion Appliance Safety (CAS) test-out (CAS test-out required for all measures. Not available as a standalone rebate. Only one per service address)	\$150
Electrification Appliance Measures	
*Induction electric range (no hybrid) or cooktop (must replace existing natural gas range or cooktop) ⚡	\$300
*Heat pump clothes dryer ≥ 4.50 Combined Energy Factor (CEF) (must replace existing natural gas clothes dryer and listed as ENERGY STAR Efficient heat pump clothes dryer. ⚡	\$300

⚡ Electrification measures can replace gas equipment

In addition, EBCE and Stopwaste currently offer Berkeley customers through the Home+ Energy Efficiency Program an additional \$1,000 incentive to help cover the installation cost of heat pump water heaters for a total of \$2,000 when combined with BayRen incentives. Again, these rebates do not provide for supplemental funding for lower-income households.

Finally, the city of Portland recently allocated \$8.6 million through the newly voter-approved Portland Clean Energy Community Benefits Fund grants to fund organizations conducting low-income energy retrofits.

FINANCIAL IMPLICATIONS

This item would result in a one-time investment of \$500,000 from excess equity to seed a Climate Equity Action Fund, and an additional \$100,000 for Finance Department and OESD staff costs associated with administering applications and disbursement of Fund monies.

ENVIRONMENTAL SUSTAINABILITY

Supporting low-income incentives for building decarbonization and transportation modal shift will complement and accelerate Berkeley's ongoing efforts to reduce carbon emissions at an emergency and equitable pace in line with the Climate Action Plan, Climate Emergency Declaration, Mobility Roadmap and Existing Building Electrification Strategy.

CONTACT PERSON

Councilmember Kate Harrison, Council District 4, 510-981-7140

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

RESOLUTION ESTABLISHING A CLIMATE EQUITY ACTION FUND

WHEREAS, the City of Berkeley and broader world is facing a grave climate emergency, requiring municipalities to rapidly transition towards a zero-carbon economy by 2030; and

WHEREAS, transitioning Berkeley's economy will require significant investment on the part of both government and residents; and

WHEREAS, lower-income communities are most impacted by global climate change and have the least financial ability to address it; and

WHEREAS, low-carbon technology and infrastructure can often be out of reach for many low-income households and, without direct assistance, many will be left behind; and

WHEREAS, City's Electric Mobility Roadmap and Existing Building Electrification strategy both cite the importance of ensuring equity in access to carbon-free technology and infrastructure; and

WHEREAS, it is in the public interest to establish a Climate Equity Action Fund to assist low-income residents with the cost of transitioning from a carbon-based city; and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager establish a Climate Equity Action Fund as a repository of city, regional, state, and federal funds related to climate equity for low-income households at or below 50% of Area Median Income, or as designated by Council.

BE IT FURTHER RESOLVED that the Berkeley Energy Commission, or successor, and the Facilities, Infrastructure, Transportation, Environment & Sustainability Policy Committee, in consultation with community groups, provide input to staff and Council on at least an annual basis about eligible categories of fund expenditures to maximize equitable emissions reductions and impacts for eligible households.

BE IT FURTHER AND FINALLY RESOLVED that any unexpended funds shall carry over from year to year.



Kate Harrison
Councilmember District 4

ACTION CALENDAR

June 1, 2021

To: Honorable Mayor and Members of the City Council

From: Councilmember Harrison (Author), Councilmember Bartlett (Co-Sponsor)

Subject: Budget Referral and Resolution Establishing a Pilot Existing Building Electrification Incentive Program to Assist New Homeowners, Renters and Existing Homeowners with Transition to Zero-Carbon Buildings

RECOMMENDATION

1. Adopt a Resolution establishing:
 - a. a two-year Pilot Existing Building Electrification Incentive Program to Assist New Homeowners, Renters and Existing Homeowners with Transition to Zero-Carbon Buildings; and
 - b. an annual process for the Energy (or successor) Commission and the Facilities, Infrastructure, Transportation, Environment & Sustainability Policy Committee (FITES), in consultation with community groups, to provide input to staff and Council about eligible *categories* of fund expenditures to maximize equitable emissions reductions and impacts for eligible households while leaving the mechanisms for doing so to staff discretion.
2. Refer to the June, 2021 budget process:
 - a. \$1,500,000 of general fund monies from excess equity as seed funding for the two-year pilot, inclusive of staff costs, for FY 2022.

CURRENT SITUATION, EFFECTS, AND RATIONALE FOR RECOMMENDATION

The world is facing a grave climate emergency, requiring municipalities to rapidly transition towards zero carbon economy by 2030. Transitioning Berkeley's economy will require significant investment on the part of both government and residents. It is in the public interest to establish a financial incentive program to assist new homeowners, renters and existing homeowners with the transition to zero-carbon buildings. This item establishes the general scope of a two-year Existing Building Electrification Incentive Program Pilot and refers to staff to design an equitable program with \$1,500,000 for FY22, inclusive of staffing costs, and contingent on the availability of excess equity, from the General Fund. It also asks the Energy (or successor) Commission and FITES Committee, in consultation with community groups, to provide input to staff and Council on at least an annual basis about categories of fund expenditures that would provide the

most benefit for low-income households and to maximize equitable emissions reduction impacts. The establishment of this program is consistent with staff and Council goals and budgetary priorities.

BACKGROUND

According to the best available science, a 50% reduction in emissions must happen worldwide by 2030 or earlier in order to delay extremely catastrophic warming. To meet the U.N.'s global 2050 target to keep emissions as close as possible to 1.5 degrees Celsius, wealthy nations and cities will near zero by 2030.¹

As a result of the scientific and economic realities of climate change, and despite the people of Berkeley's average relative wealth, it is not realistic to expect the owners of the City's approximately 46,000 residential housing units to electrify their buildings in a decade without significant government co-investment. Low-carbon technology can often be out of reach of many low-income households and, without direct assistance, many will be left behind. Transitioning Berkeley's economy will require significant investment on the part of both residents and the government. Following Berkeley's 2019 landmark prohibition on natural gas infrastructure, staff have released a Draft Berkeley Existing Buildings Electrification Strategy that is currently unfunded.

Such investments would significantly lower Berkeley's carbon emissions, at least 37% of which are from buildings, and provide residents with a plethora of health and safety benefits that will likely outweigh upfront costs. The program can be crafted in a way that supports good paying jobs, for example including unionized contractors, workforce development and local hire requirements. The transition to a zero-carbon city thus has the potential to uplift both workers and residents.


In January 2021, the City's Office of Energy and Sustainable Development reported to the Energy Commission that the cost of electrifying the City's entire low-rise building stock (approximately 36,000 units, or 90% of all Berkeley buildings and 65% of floor area) would be between \$700 and \$880 million. An additional \$120 million is needed for efficiency improvements and solar.

¹ IPCC, 2018: Summary for Policymakers. In: *Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty* [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. *World Meteorological Organization, Geneva, Switzerland, 32 pp.* <https://www.ipcc.ch/sr15/chapter/spm/>.

Item 9 - Communications
Energy Commission
January 27, 2021

1/27/2021

Draft Total Costs



Approximate total modeled costs for converting Berkeley's low-rise housing stock today:

- Covers 36,000 1-3 floor homes (90% of all Berkeley buildings and 65% of floor area)
- \$280-430 Million more than business-as-usual gas replacements (no solar or envelope improvements)
- Additional \$220-660 Million for envelope efficiency and solar PV

	No Solar	Minimum Solar (Offset)	Maximum Solar (Net Zero Energy)
Economy Appliances	\$700 Million	\$930 Million	\$1.2 Billion
Mid-Tier Appliances	\$880 Million	\$1 Billion	\$1.2 Billion
Mid-Tier + Envelope Improvements	\$1 Billion	\$1.2 Billion	\$1.4 Billion

	Single-family			Multi-family	
	Under 1,500 ft ²	1,500-3,500 ft ²	Over 3,500 ft ²	Under 1,000 ft ²	1,000 ft ² and over
1.1: Economy Appliances	\$12,770	\$15,350	\$19,220	\$9,730	\$11,980
1.2: Economy Appliances + Offset Solar	\$5,710	\$4,130	\$2,770	\$6,550	\$5,940
1.3: Economy Appliances + NZE Solar	\$1,190	\$0	\$0	\$2,770	\$1,300
2.1: Mid-Tier Appliances	\$10,090	\$10,620	\$11,850	\$9,190	\$9,790
2.2: Mid-Tier Appliances + Offset Solar	\$6,100	\$3,970	\$1,990	\$7,550	\$6,500
2.3: Mid-Tier Appliances + NZE Solar	\$1,720	\$0	\$0	\$3,990	\$1,780
3.1: Mid-Tier Appliances + Envelope	\$12,010	\$16,180	\$22,500	\$9,700	\$13,020
3.2: Mid-Tier Appliances + Envelope + Offset Solar	\$8,930	\$10,960	\$14,190	\$8,270	\$10,150
3.3: Mid-Tier Appliances + Envelope + NZE Solar	\$4,300	\$4,310	\$4,870	\$4,550	\$5,090

Clearly, this relatively modest pilot program would only make a small dent in the City's retrofit challenge, perhaps facilitating 400-500 retrofits per year. However, the success of this pilot program will likely spur the Council and residents to seek additional federal, state and local funds to expand the program in subsequent years. The expertise and lessons learned through this pilot will help guide future efforts aimed at closing the 46,000 gas-powered residential unit challenge.

Since 2018, the Council has explored opportunities to increase public investment in building electrification retrofits. Councilmember Harrison's November 27, 2018 referral, following the passage of the Climate Emergency Declaration, requested that the City Manager draft an ordinance expanding eligibility for the existing Seismic Transfer Tax Rebate Program to include electrification and other resiliency measures. Staff subsequently presented the draft ordinance to Council in July of 2020 at the outset of the COVID-19 pandemic with a recommendation to take no action for a year due to COVID-19-related fiscal uncertainty, and the item was held over at the Facilities, Infrastructure, Transportation, Environment & Sustainability Policy Committee (FITES).

At the same time, staff also presented to FITES a related referral to design a companion Resilient Homes Equity Pilot Program that would provide funding for home retrofit improvements to low-income residents. FITES and Council agreed to move the Resilient Homes Equity Pilot Program design and research process forward in November, 2020.

Many economic and public health indicators suggest that the City is entering a more optimistic phase in the pandemic, to include the influx of substantial – but temporary – federal stimulus monies through the 2021 American Rescue Plan Act and the anticipation of a fairly rapid rebound in revenues to pre-pandemic levels. Transfer tax revenues for FY21 are estimated at \$20 million (compared with \$20 million in FY 19) and the city expects to receive a one-time two-year allocation of approximately \$68 million from the 2021 American Rescue Plan Act.

As a result, it is in the public interest to revisit the July 2020 item to see how the City can best move forward with providing residents with critical greenhouse gas reduction incentives in order to address our larger and longer-term crisis: climate change.

According to recent 2020 transfer tax data from OESD, on average between 2014-2019, 845 residential units were transferred per year, generating approximately an average of \$4.6 million total per year in eligible rebates for the Seismic Transfer Tax Program. The city has approximately 46,000 occupied housing units, with the vast majority being gas-powered.

Existing Building Electrification Incentive Program Pilot

Since early 2021, Councilmember Harrison's office and the FITES Committee have been working with City staff to explore opportunities to fund retrofits through general fund transfer tax revenues and establishing a cap on total and per beneficiary allocations. In working with the City Manager, we have concluded that while the existing transfer tax rebate system is a good vehicle for allocating at point of sale, it does not provide funding for existing homeowners who may need to replace a broken appliance or who want to make voluntary retrofits. A better vehicle is a two-year pilot; this requires fewer staff resources to administer and builds on significant staff experience and expertise administering incentive programs.

This item provides an alternative to the Seismic Transfer Tax Rebate model in the form of a budget referral and resolution establishing two-year pilot incentive program funded via general fund allocations, which are currently partially funded by transfer tax revenue.

Currently, the Council approved amount in transfer tax revenues is allocated to the General Fund (as in the past, at \$12.5 million) and some portion is typically set aside for capital projects (generally at \$2 million). For the first year of this pilot program this item proposes to allocate a total of \$1.5 million in excess Transfer Tax equity which would be inclusive of staff's administrative costs.² On adoption of this proposal, total transfer tax expenditures would amount to approximately \$17 million, including the \$12.5 million typically allocated to the General Fund programs and the \$2 million to capital programs.

While the program will ultimately be designed by OESD staff through administrative regulation, this item also includes a resolution officially establishing the program and providing general parameters for how staff should allocate the proposed \$1.5 million retrofit fund. This program and the \$1.5 million allocation are already included as a line item in the Planning & Development Department's Fiscal Year 2022 proposed budget.

New property owners are most likely to remodel their units shortly completing the purchase. Thus, the Draft Berkeley Existing Buildings Electrification Strategy recommends allocating some portion of the fund for transferees of residential properties within two years of point of sale. The City is also exploring opportunities to adopt certain mandatory electrification requirements for transferees of new buildings through its BESO program, starting with the largest buildings.

² This amount would be in addition to a separate \$500,000 Climate Equity Action incentive fund proposed by Councilmember Harrison, Mayor Arreguin, and Councilmembers Taplin and Robinson.

Equitably supporting existing homeowners and renters whose appliances, e.g., their water heater, break down suddenly, and those who wish to embark upon voluntary electrification projects to include new appliances, electrical work (e.g., panel upgrades) are also elements of the Building Electrification strategy. This part of the program would be similar to Marin County’s Electrify Marin program which provides residents with income-qualified incentives for building electrification and panel upgrades. Since 2019, Marin has disbursed over \$100,000 in rebates.

Electrify Marin		
Appliance Type	Standard Rebate	Income Qualified Rebate
Heat Pump Water Heater	\$1,000	\$2,000
Heat Pump Space Heater		
Central Heat Pump	\$1,000	\$4,500
Mini-Split Heat Pump	\$800	\$3,000
Induction Cooking		
Range (Cooktop & Oven)	\$500	\$500
Cooktop only	\$250	\$250
Service Panel Upgrade	\$500	\$1,200

These incentives would be paired with rebates available through BayRen and EBCE, which are helpful but fall far short of the actual cost. For example, BayRen and EBCE offer \$2,000 for water heaters, which typically cost approximately \$5,000-\$10,000 when one includes the cost of potential electrical and panel upgrades. Berkeley’s incentive program is also needed to pay for space heating electrification, and needed panel and other electrical upgrades for which there are currently no incentives. Electrical, panel and space heating upgrades are typically the most expensive part of any electrification project.

Staff have indicated that they believe an additional incentive of approximately \$2,500 per property owner would be significant to persuade many property owners to electrify.

Alternatives Considered

FITES discussed whether to expand this program beyond building electrification to include fire safety and resilience upgrades. However, at this time, fire programs have separate revenue sources and greenhouse gas reduction is a top priority given the need to reduce emissions to near zero by 2030 per the 2018 IPCC report. For example, fire safety measures have received generous support from the voters through Measure FF, whereas climate is still severely underfunded. In addition, global warming is one of the chief causes of increased fire threats.

FINANCIAL IMPLICATIONS

This item would result in a one-time investment of \$1,500,000 from excess equity to provide initial funding for a two-year Existing Building Electrification Incentive Program Pilot to assist property owners and renters with the transition to a zero-carbon economy. This investment includes staff costs to run the program.

ENVIRONMENTAL SUSTAINABILITY

Supporting incentives for building decarbonization will complement and accelerate Berkeley's ongoing efforts to reduce carbon emissions at an emergency and equitable pace in line with the Climate Action Plan, Climate Emergency Declaration, and Existing Building Electrification Strategy.

CONTACT PERSON

Councilmember Kate Harrison, Council District 4, 510-981-7140

ATTACHMENTS

1. Resolution

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

RESOLUTION ESTABLISHING A BUILDING ELECTRIFICATION INCENTIVE PILOT PROGRAM

WHEREAS, the world is facing a grave climate emergency, requiring municipalities to rapidly transition towards a zero-carbon economy by 2030; and

WHEREAS, transitioning Berkeley's economy will require significant investment on the part of both government and residents as staff have estimated that converting Berkeley's approximately 46,000 residential housing units will likely cost hundreds of millions of dollars; and

WHEREAS, low-carbon technology and infrastructure can often be out of reach for many households and, without direct assistance, many will be left behind; and

WHEREAS, moderate and lower-income communities are most impacted by global climate change and have the least financial ability to address it; and

WHEREAS, City's Draft Existing Building Electrification strategy both cite the importance of ensuring equity in access to carbon-free technology; and

WHEREAS, it is in the public interest to establish a two-year Existing Building Electrification Incentive Program to assist residents with the cost of transitioning from a carbon-based city; and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager establish an Existing Building Electrification Incentive Program to invest in the following priorities, to be further defined by staff:

1. incentives for transferees of residential property to include appliance retrofits and electrical upgrades (including panel upgrades);
2. equitable incentives for existing residential property owners and renters pursuing electrification retrofits or replacing broken or outdated appliances, to include electrical upgrades (including panel upgrades);
3. a nexus with good paying jobs, for example use of unionized contractors, workforce development programs and local hire requirements.

BE IT FURTHER RESOLVED that the Berkeley Energy Commission, or successor, and the Facilities, Infrastructure, Transportation, Environment & Sustainability Policy Committee, in consultation with community groups, provide input to staff and Council on at least an annual basis about eligible categories of fund expenditures to maximize equitable emissions reductions and impacts for eligible households.

BE IT FURTHER AND FINALLY RESOLVED that any unexpended funds shall carry over from year to year.



Kate Harrison
Councilmember District 4

ACTION CALENDAR
June 1, 2021

To: Honorable Mayor and Members of the City Council
From: Councilmember Harrison (Author), Councilmember Bartlett (Co-Sponsor)
Subject: Budget Referral and Resolution Establishing A Pilot Existing Building Electrification Incentive Program to Assist New Homeowners, Renters and Existing Homeowners with Transition to Zero-Carbon Buildings

RECOMMENDATION

1. Adopt a Resolution establishing:
 - a. a two-year Pilot Existing Building Electrification Incentive Program to Assist New Homeowners, Renters and Existing Homeowners with Transition to Zero-Carbon Buildings; and
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CURRENT SITUATION, EFFECTS, AND RATIONALE FOR RECOMMENDATION

The world is facing a grave climate emergency, requiring municipalities to rapidly transition towards zero carbon economy by 2030. Transitioning Berkeley's economy will require significant investment on the part of both government and residents. It is in the public interest to establish a financial incentive program to assist new homeowners, renters and existing homeowners with the transition to zero-carbon buildings. This item establishes the general scope of a two-year Existing Building Electrification Incentive Program Pilot and refers to staff to design an equitable program with \$1,500,000 for FY22, inclusive of staffing costs, and contingent on the availability of excess equity, from the General Fund. It also asks the Energy (or successor) Commission and FITES Committee, in consultation with community groups, to provide input to staff and Council on at least an annual basis about categories of fund expenditures that would provide the

most benefit for low-income households and to maximize equitable emissions reduction impacts. The establishment of this program is consistent with staff and Council goals and budgetary priorities.

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Energy Commission
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CONTACT PERSON

Councilmember Kate Harrison, Council District 4, 510-981-7140

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WHEREAS, low-carbon technology and infrastructure can often be out of reach for many households and, without direct assistance, many will be left behind; and

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