



Housing Advisory Commission

ACTION CALENDAR

June 27, 2017

To: Honorable Mayor and Members of the City Council
 From: Housing Advisory Commission
 Submitted by: Marian Wolfe, Acting Chairperson, Housing Advisory Commission
 Subject: Allocation of U1 Funds by the City Council

RECOMMENDATION

The Housing Advisory Commission recommends that:

1. As specified by Measure U1, the City Council shall receive and consider housing strategy recommendations from the Housing Advisory Commission prior to allocating any Measure U1 funds.
2. When considering allocations for U1 funds, the City Council will make specific findings of how the spending meets the goals of Measure U1: improve housing affordability in Berkeley and protect residents from homelessness.

FISCAL IMPACTS OF RECOMMENDATION

Revenues from Measure U1 will not be received until fiscal year 2017-2018. In that year, only half of the projected full-year revenues will be received (approximately \$1.5M) during the first year and in subsequent years, the amount is estimated at \$3M.

CURRENT SITUATION AND ITS EFFECTS

The City Council has already begun considerations of future Measure U1 revenue commitments without consulting the HAC. At the May 4, 2017 meeting, the HAC discussed this recommendation to Council Regarding the Use of City U1 Funds and the Role of the HAC.

The following vote was taken to send this recommendation to the City Council:

Action: M/S/C (Martinucci/Slaughter) to recommend temporary suspension of allocation of U1 funds by Council.

Vote: Ayes: Amezcua, Harr, Johnson, Lord, Martinucci, Slaughter, and Wolfe.
 Noes: None. Abstain: None. Absent: Tregub (excused).

BACKGROUND

In November of 2016, Berkeley voters passed Measure U1 which permanently increased the gross receipts tax on owners of five or more residential rental units from 1.081% to 2.880% (with certain exceptions). The ordinance recommended that the Housing Advisory Commission would:

“...make recommendations on how and to what extent the City should establish and fund programs to increase the supply of affordable housing and protect residents of Berkeley from homelessness” and “The Commission’s recommendations shall be promptly published on the City’s web site and transmitted to the City Council. The City Council shall consider, but need not follow, the Commission’s recommendations, and shall annually inform the Commission as to the extent to which it has implemented the recommendations.”

ENVIRONMENTAL SUSTAINABILITY

Temporarily suspending U1 allocations will have no detrimental impact on environmental sustainability.

RATIONALE FOR RECOMMENDATION

The HAC would like to complete its recommendations about allocating Measure U1 funds before the City Council makes its recommendations. There are few, if any, detrimental consequences from waiting to allocate Measure U1 revenue in order for the HAC to develop a strategy for allocation.

ALTERNATIVE ACTIONS CONSIDERED

Suggesting that U1 funds be allocated without following the process outlined in the ballot measure is against the intent of Measure U1.

CITY MANAGER

See companion report.

CONTACT PERSON

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