



## PROCLAMATION CALLING A SPECIAL MEETING OF THE BERKELEY CITY COUNCIL

In accordance with the authority in me vested, I do hereby call the Berkeley City Council in special session as follows:

**Tuesday, April 26, 2022  
4:00 PM**

JESSE ARREGUIN, MAYOR

Councilmembers:

DISTRICT 1 – RASHI KESARWANI  
DISTRICT 2 – TERRY TAPLIN  
DISTRICT 3 – BEN BARTLETT  
DISTRICT 4 – KATE HARRISON

DISTRICT 5 – SOPHIE HAHN  
DISTRICT 6 – SUSAN WENGRAF  
DISTRICT 7 – RIGEL ROBINSON  
DISTRICT 8 – LORI DROSTE

### **PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH VIDEOCONFERENCE AND TELECONFERENCE**

*Pursuant to Government Code Section 54953(e) and the state declared emergency, this meeting of the City Council will be conducted exclusively through teleconference and Zoom videoconference. The COVID-19 state of emergency continues to directly impact the ability of the members to meet safely in person and presents imminent risks to the health of attendees. Therefore, no physical meeting location will be available.*

*Live captioned broadcasts of Council Meetings are available on Cable B-TV (Channel 33) and via internet accessible video stream at <http://www.cityofberkeley.info/CalendarEventWebcastMain.aspx>.*

*To access the meeting remotely: Join from a PC, Mac, iPad, iPhone, or Android device: Please use this URL <https://us02web.zoom.us/j/83685329120>. 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 by rolling over the bottom of the screen.*

*To join by phone: Dial 1-669-900-9128 or 1-877-853-5257 (Toll Free) and enter Meeting ID: 836 8532 9120. If you wish to comment during the public comment portion of the agenda, Press \*9 and wait to be recognized by the Chair.*

*Please be mindful that the teleconference will be recorded as any Council meeting is recorded, and all other rules of procedure and decorum will apply for Council meetings conducted by teleconference or videoconference.*

*To submit a written communication for the City Council's consideration and inclusion in the public record, email [council@cityofberkeley.info](mailto:council@cityofberkeley.info).*

*This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Mark Numainville, City Clerk, (510) 981-6900. The City Council may take action related to any subject listed on the Agenda. Meetings will adjourn at 11:00 p.m. - any items outstanding at that time will be carried over to a date/time to be specified.*

## Preliminary Matters

### Roll Call:

## Action Calendar

*The public may comment on each item listed on the agenda for action as the item is taken up. For items moved to the Action Calendar from the Consent Calendar or Information Calendar, persons who spoke on the item during the Consent Calendar public comment period may speak again at the time the matter is taken up during the Action Calendar.*

*The Presiding Officer will request that persons wishing to speak use the "raise hand" function to determine the number of persons interested in speaking at that time. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Presiding Officer may limit the public comment for all speakers to one minute per speaker. Speakers are permitted to yield their time to one other speaker, however no one speaker shall have more than four minutes. The Presiding Officer may, with the consent of persons representing both sides of an issue, allocate a block of time to each side to present their issue.*

*Action items may be reordered at the discretion of the Chair with the consent of Council.*

## Action Calendar – New Business

1. **2022 City Council Referral Prioritization Process Using Re-Weighted Range Voting (RRV)**  
**From: City Manager**  
**Recommendation:**
  1. Review the completed Re-Weighted Range Voting (RRV) rankings for all outstanding City Council referrals;
  2. Approve the removal of referrals that have been marked as rescinded by the sponsoring Councilmember or District;
  3. Adopt a Resolution approving the list of prioritized referrals to city staff.**Financial Implications:** No direct fiscal impacts  
Contact: Mark Numainville, City Clerk, (510) 981-6900
  
2. **Accept the Risk Analysis for Long-Term Debt (Bonding Capacity) Report provided by Government Finance Officers Association**  
**From: City Manager**  
**Recommendation:** Accept the report titled 'Risk-Based Analysis and Stress Test of Long-Term Debt Affordability' as provided by the Government Finance Officers Association (GFOA). This report is based on their research and development of a risk-modeling tool to address issuing long-term debt related to City of Berkeley Vision 2050.  
**Financial Implications:** None  
Contact: Henry Oyekanmi, Finance, (510) 981-7300

## Action Calendar – New Business

### 3. Berkeley Strategic Transportation Plan Update and Grant Application Opportunities

**From: City Manager**

**Recommendation:** Receive a presentation on the Berkeley Strategic Transportation (BeST) Plan and provide comments to staff on prioritization of projects for preparation of grant funding applications. Staff will return to Council May 31, 2022 for adoption of an amended BeST Plan with a list of grant funding applications to be submitted to the Alameda County Transportation Commission by the end of June.

**Financial Implications:** None

Contact: Liam Garland, Public Works, (510) 981-6300

## Adjournment

I hereby request that the City Clerk of the City of Berkeley cause personal notice to be given to each member of the Berkeley City Council on the time and place of said meeting, forthwith.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Berkeley to be affixed on this 21<sup>st</sup> of April 2022.



Jesse Arreguin, Mayor

Public Notice – this Proclamation serves as the official agenda for this meeting.

ATTEST:



Date: April 21, 2022  
Mark Numainville, City Clerk

**NOTICE CONCERNING YOUR LEGAL RIGHTS:** *If you object to a decision by the City Council to approve or deny a use permit or variance for a project the following requirements and restrictions apply: 1) No lawsuit challenging a City decision to deny (Code Civ. Proc. §1094.6(b)) or approve (Gov. Code 65009(c)(5)) a use permit or variance may be filed more than 90 days after the date the Notice of Decision of the action of the City Council is mailed. Any lawsuit not filed within that 90-day period will be barred. 2) In any lawsuit that may be filed against a City Council decision to approve or deny a use permit or variance, the issues and evidence will be limited to those raised by you or someone else, orally or in writing, at a public hearing or prior to the close of the last public hearing on the project.*

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Archived indexed video streams are available at <http://www.cityofberkeley.info/citycouncil>. Channel 33 rebroadcasts the following Wednesday at 9:00 a.m. and Sunday at 9:00 a.m.

Communications to the City Council are public record and will become part of the City's electronic records, which are accessible through the City's website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service

to the City Clerk Department at 2180 Milvia Street. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk Department for further information.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be posted on the City's website at <http://www.cityofberkeley.info>.

Agendas and agenda reports may be accessed via the Internet at  
<http://www.cityofberkeley.info/citycouncil>

**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.



Captioning services are provided at the meeting, on B-TV, and on the Internet.



Office of the City Manager

ACTION CALENDAR

April 26, 2022

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Mark Numainville, City Clerk

Subject: 2022 City Council Referral Prioritization Process Using Re-Weighted Range Voting (RRV)

RECOMMENDATION

1) Review the completed Re-Weighted Range Voting (RRV) rankings for all outstanding City Council referrals; 2) Approve the removal of referrals that have been marked as rescinded by the sponsoring Councilmember or District; 3) Adopt a Resolution approving the list of prioritized referrals to city staff.

FISCAL IMPACTS OF RECOMMENDATION

There are no direct fiscal impacts related to the review and approval of the referral list.

CURRENT SITUATION AND ITS EFFECTS

Through the March 22, 2022 City Council meeting, there were 46 outstanding long-term referrals to staff. The list does not include referrals that the City Manager has classified as short-term referrals or budget referrals. Status of the short-term referrals is reported to the City Council through a quarterly information report on the council agenda.

The Mayor and Council have assigned a score of 0-5 (0=low priority, 5=high priority) to each referral as shown in the RRV spreadsheet in Attachment 2. Staff has applied the RRV formula to the raw scoring resulting in a prioritized list. These results will be used to guide the City Manager and the Budget and Finance Committee in development of Strategic Plan projects and funding allocations needed for the referrals. Some flexibility in the order in which the referrals are assigned will need to be exercised by the City Manager to ensure that staff in each department has the available capacity to start work on the highly rated referrals and there are adequate funding resources to complete the referrals.

During the scoring process, Councilmembers had the option to identify referrals that should be removed from the prioritization process (Attachment 3). Generally, the sponsor or the district successor to the sponsor mark a referral for removal. However, the system does allow any member of the council to mark an item for removal.

The full Council will have an opportunity to vote to remove or retain the referrals that were marked for removal. The six referrals marked for removal are listed in the table below.

Rank	Demand	Meeting Date	Lead City Department	Sponsor
25	Referral Response: Deferral of Remaining Permit, Inspection, Connection, and Impact Fees for 2009 Addison Street and Referral to the City Manager to Develop a Limited-Term Citywide Fee Deferral Program DMND0003995	2021-03-09	PLANNING	City Manager
32	Referral to the City Manager to consider the videotaping of Planning Commission meetings DMND0002823	2018-10-16	IT	Kriss Worthington, Cheryl Davila
37	Freedom from Domestic Violence as a Human Right ResolutionDMND0002446	2018-01-23	CITY MANAGER	Peace & Justice Commission
40	Referral to City Manager to address the conversion of Not Available To Rent rental units to unregistered short term rentals and unregistered medium term rentals from 15 to 30 days DMND0002831	2018-10-30	PLANNING	Kriss Worthington, Kate Harrison
42	Accessory Dwelling Unit Ordinance Updates DMND0002603	2018-09-13	PLANNING	Sophie Hahn, Susan Wengraf, Kate Harrison
46	Providing our Unhoused Community with Fire ExtinguishersDMND0003938	2021-03-30	FIRE	Cheryl Davila

**BACKGROUND**

In 2016, the City Council adopted a system of Re-weighted Range Voting (RRV) to prioritize City Council referrals to staff. The RRV system enables City Council to provide direction to staff on which referrals are highest priority and should be completed first.

Reweightd Range Voting is a proportional representation voting system designed for a blend of fairness and consensus, meaning that it ensures some representation for minority views as well. It accomplishes this by reducing the influence of Councilmembers in proportion to the points they have awarded to the referrals prioritized thus far.

Under RRV, Each Councilmember rates every referral on a scale of 0-5 (zero being the least support and five being the most support) using a basic scoresheet. There is no limit to repeat scores (i.e. a Councilmember could give every referral a five). When the scores are tallied, the referral with the highest total score becomes the 1st priority. Once the first referral is assigned, the scores for the remaining referrals are reweighted based on how

much influence each Councilmember has had up to that point (based on the score they assigned, 0-5). If a Councilmember assigns high scores to several referrals, they use up the strength of their weighted vote more quickly and exercise diminishing influence when the scores are reweighted for subsequent referrals. This guarantees equal influence throughout the full list. If a Councilmember did not score a referral, the default score was set to zero.

#### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable environmental effects or opportunities, or climate impacts, associated with the subject of this report.

#### RATIONALE FOR RECOMMENDATION

This recommendation carries out the direction of the Council to implement a prioritization process for City Council referrals to staff.

#### ALTERNATIVE ACTIONS CONSIDERED

Council may decide to forgo a prioritization process and continue the referral process with no structured tracking or prioritization of referrals.

#### CONTACT PERSON

Mark Numainville, City Clerk, 981-6900

#### Attachments:

1: Resolution

Exhibit A: RRV Prioritized Referral List

2: Complete scores provided by the Mayor and each Councilmember

3: List of referrals marked by sponsoring Councilmember/District for removal

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

APPROVING THE 2022 LIST OF PRIORITIZED CITY COUNCIL REFERRALS USING  
THE REWEIGHTED RANGE VOTING SYSTEM

WHEREAS, On March 8, 2016 the City Council approved the use of Re-weighted Range Voting (RRV) for the prioritization of City Council referrals to staff; and

WHEREAS, the City Council has rated all the referrals; and

WHEREAS, the Re-Weighted Range Voting formula was applied to the ratings to create a weighted list of prioritization.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the list of prioritized referrals contained in Exhibit A is hereby approved.

BE IT FURTHER RESOLVED that the City Council grants the City Manager the authority to assign referrals to staff in a manner that ensures equitable distribution among departments and does not exceed the capacity of departmental staff to start work on the highly rated referrals even if that results in the referrals being assigned in an order that differs from the approved list.

Exhibits

A: List of Prioritized Referrals



Final Rankings

(Shaded items are Marked for Removal)

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
1	Referral to the Planning Commission to Establish a Zoning Overlay at the Pacific Steel Casting Property DMND0003942	Refer to the Planning Commission to create a zoning overlay at the Pacific Steel Casting (PSC) property in West Berkeley—currently zoned Manufacturing (M) and redesignate it as Mixed Use - Light Industrial (MULI) due to the unique issues of public concern associated with this property (described below); specifically, include in the PSC zoning overlay allowances to enable all MULI uses and override any existing constraints in the Berkeley Municipal Code for Zoning (Title 23) on such MULI uses for the PSC property.	2021-04-20	PLANNING & DEVELOPMENT	Rashi Kesarwani, Terry Taplin	Councilmembers	
2	Pollinators and Habitat DMND0003807	Adopt three referrals that will deepen Berkeley's commitment to protecting pollinator plants and establishing habitats that will protect pollinators and our environment: 1. Refer to City Manager to establish a City Liaison to the Bee City USA program. 2. Refer to Public Works Commission and Parks and Waterfront Commission consideration of how to incorporate pollinators and habitat into the Adopt-A-Spot initiative referred on April 2, 2019. (COMMISSION REFERRAL) 3. Refer to the City Manager to transition the City's medians to non-turf green infrastructure, including pollinator gardens when appropriate.	2019-09-24	Parks, Recreation & Waterfront	Kate Harrison, Susan Wengraf, Ben Bartlett	Councilmembers	
3	Referral to Implement State Law AB 43 for Reduced Speed Limits on High-Injury Commercial Corridors DMND0004008	Refer to the City Manager to implement state law AB 43 on High-injury commercial corridors as identified in our Vision Zero Annual Report, 2020-2021 in order to allow a reduction in speed limits by 5 miles per hour; - Any other corridors covered by AB 43, as appropriate, in order to implement reduced prima facie speed limits and identify those corridors for future traffic studies where prima facie limits are presently unsafe. Upon completion of this referral, we note that a budget allocation would be needed in the amount of \$25,000 to \$50,000 for new speed limit signage. Funding will be requested later (likely for the FY 2023-24 budget) in order to allow time for staff to determine the applicable streets for additional signage.	2022-03-08	Public Works	Rashi Kesarwani, Terry Taplin, Rigel Robinson, Susan Wengraf	Councilmembers	
4	Health Care Facility Oversight DMND0003993	Refer to the City Manager and the Community Health Commission an assessment of the breadth of regulatory control the City of Berkeley can exert on skilled nursing facilities, and create a process of accountability if complaints are found to be substantiated that threaten, or could potentially escalate to the point of threatening, the wellbeing of patients and/or violate federal, state, or local law; the business license of the offending facility will be suspended until the skilled nursing facility submits a report demonstrating rectification of the situation.	2021-12-14	Health, Housing and Community Services	Ben Bartlett	Councilmembers	

**Final Rankings**

(Shaded items are Marked for Removal)

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
5	Development of the West Berkeley Service Center, 1900 6th Street, for Senior Housing with Supportive Services. [Parts a and b]DMND0003741	State the intent of the City Council that the West Berkeley Service Center property, 1900 6th Street, will be used for senior housing with on-site services consistent with Age Friendly Berkeley Plan recommendations, maximizing the number of affordable units. The Berkeley Way Project, 2012 Berkeley Way, is the City's top affordable housing priority. The West Berkeley Service Center, as a City-owned property, to be developed for affordable housing falls under the "High Priority" on the list of housing initiatives passed by Council on November 28, 2017. In light of the above, refer to the City Manager to take the following actions to initiate the process of developing senior housing at the West Berkeley Service Center: a. Refer to the City Manager to conduct a basic analysis of the development potential for the West Berkeley Service Center site including build-out scenarios for a three-, four-, five-, six- and seven-story building at the site, using Mixed-Use Residential (MUR), West Berkeley Commercial (C-W), and Multiple-Family Residential (R-3) Development Standards. Each buildout scenario should reflect base project conditions, and conditions if a Density Bonus is granted including waivers and concessions, or if Use Permits are used to modify standards. The scenarios should also incorporate space on the ground floor for resident amenities, supportive social services, and community space. The results of the development scenarios will be presented to the City Council and Planning Commission. b. Refer to the Planning Commission to consider any modifications to the underlying zoning at the West Berkeley Service Center site to maximize the production of senior housing, including consideration of an overlay zone.	2019-05-28	PLANNING & DEVELOPMENT	Jesse Arreguin, Rashi Kesarwani, Susan Wengraf, Ben Bartlett	Councilmembers	
6	Prioritizing Pedestrians at IntersectionsDMND0002584	Refer to the City Manager and the Transportation Commission the development of policies to improve the pedestrian crossing experience and reduce pedestrian wait times at intersections with "beg buttons," potentially by activating pedestrian crossing signaling with every cycle (as opposed to the current situation, which only activates crossing signals when a button is pushed). Consider the development of a pedestrian-driven intersection improvement process to address signaling and timing inadequacies.	2017-05-16	Public Works	Lori Droste, Susan Wengraf, Ben Bartlett	Council member	Transportation Commission

(Shaded items are Marked for Removal)

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
7	Changes to the Berkeley Municipal Code and City of Berkeley Policies with Respect to Local Emergency Declarations and First Amendment Curfews - Item ADMND0003879	<p>1. Direct the City Manager to return to the City Council for adoption amendments to the Berkeley Municipal Code and/or policies to approve that clarify and codify the following concepts with respect to the declaration of a Local Emergency:</p> <p>a. A Local Emergency can only be declared by the Director of Emergency Services if a regular or special meeting and session of the City Council cannot be called due to physical impossibility of holding a meeting, because a quorum cannot be established, or because the urgency of the Local Emergency is such that waiting 24 hours for the City Council to convene a session and/or Special Meeting would endanger the community;</p> <p>b. Should the Director declare a Local Emergency without action of the City Council (due to one of the reasons stated at (a), above), the City Manager should inform councilmembers immediately and Council ratification of such action should occur at the first possible opportunity, even if it requires calling a Special Meeting and/or session of the Council; and</p> <p>c. The applicable statutory and legal standards (Federal, State and Local) for calling a Local Emergency shall be presented to the City Council when seeking declaration or ratification of a Local Emergency, along with facts to support meeting those standards, so that the City Council, likely acting under rushed and exigent circumstances, is able to make a carefully considered and fact-based determination that declaration of such Local Emergency conforms with the legal standards and is supported by facts.</p> <p>2. Direct the City Manager to return to the City Council for adoption amendments to the Berkeley Municipal Code and/or policies to approve that clarify and codify policies, terms and procedures for the order, scope, terms, duration, and all other elements and conditions of curfews called in response to, or likely to have the effect of limiting or banning, planned, expected or reasonably foreseeable constitutionally protected speech, assembly and other activity,</p>	2020-07-28	CITY MANAGER'S OFFICE	Sophie Hahn, Ben Bartlett, Kate Harrison, Jesse Arreguin	Councilmembers	

(Shaded items are Marked for Removal)

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
8	Referral to the City Manager to Streamline Accessory Dwelling Unit (ADU) Permit Review and Approval DMND0003992	<p>Refer to the City Manager to streamline the Accessory Dwelling Unit (ADU) permitting process in order to reduce staff time spent on review and enhance customer service. Further, assess effectiveness of process improvements specified below by reviewing over time: the number of ADUs permitted, average amount of staff time spent on ADU permit review, and permit fee levels.</p> <p>Recommend that the City Manager develop for Planning staff use an ADU Universal Checklist and accompanying user-friendly webpage: ADU Universal Checklist. A clear set of universal guidelines and construction requirements should be developed among staff from Planning (both Land Use and Building and Safety Divisions), Fire, and Public Works Departments that is easy to follow in order to eliminate (or significantly reduce) the need for multiple departments to review ADU permit applications and for multiple rounds of review by the same department. The Universal Checklist should be a single document utilized by (1) all City staff to review ADU permit applications and (2) by customers to understand code requirements and development standards. The Universal Checklist should enable all City staff and customers to have the same clear understanding of all of the requirements that, if adhered to, would expedite the permitting process and lead to lower permit fees over time. Progress To Date: Recently, the City of Berkeley's Planning Department has added both a Single-Family ADU/JADU Checklist and a Multi-Family ADU Checklist which clearly delineate development standards as adopted by the State of California, effective January 1, 2020. An ADU Universal Checklist would take these checklists one step farther by including current amendments to Berkeley's local ADU ordinance (once adopted) as well as the full list of fire and safety code requirements.</p> <p>Accompanying User-Friendly Webpage. As a companion to the ADU Universal Checklist, the City should also create a user-friendly webpage for customers (and prospective customers) with up-to-date</p>	2021-12-14	PLANNING & DEVELOPMENT	Rashi Kesarwani, Susan Wengraf, Lori Droste, Ben Bartlett	Councilmembers	

**Final Rankings**

(Shaded items are Marked for Removal)

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
9	Refer to the City Manager to Establish a Framework for Parking Benefits Districts in the Gilman and Lorin Commercial DistrictsDMND0003998	Refer to the City Manager to create a basic framework for establishing a Parking Benefits District (PBD) in the Gilman and Lorin Commercial Districts. This framework should include: <ul style="list-style-type: none"> <li>● A map establishing the boundaries of the Gilman District PBD. Suggested borders of the district should include: (1) on the west, the east side of Eastshore Highway from Page Street to the Albany border; (2) on the north, the Albany border from Eastshore Highway to the east side of San Pablo Avenue; (3) on the east, the east side of San Pablo Avenue from the Albany border to Gilman Street, both sides of Gilman Street from San Pablo Avenue to Kains, and the east side of San Pablo Avenue to the north side of Page Street; and (4) on the south, the west side of San Pablo Avenue from Page Street to Camelia Street, the north side of Camelia Street from San Pablo Avenue to Sixth Street; the west side of Sixth Street from Camelia to Page; the north side of Page Street from Sixth Street to Eastshore Highway. See map in Attachment 1.</li> <li>● A map establishing the boundaries of the Lorin District PBD. Suggested borders of the district should include: (1) on the east, both sides of Shattuck Avenue from Carleton southward to Alcatraz Avenue; (2) on the</li> </ul>	2022-01-18	Public Works	Rashi Kesarwani, Ben Bartlett, Jesse Arreguin, Terry Taplin	Councilmembers	

**Final Rankings**

(Shaded items are Marked for Removal)

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
10	Resolution Recognizing Housing as Human Right; Referring to City Manager Several Measures to Begin Developing Social Housing in the City of BerkeleyDMND0003986	<p>Adopt a Resolution recognizing housing as a human right; refer to the City Manager's office several measures to begin developing social housing in the City of Berkeley. Measures shall include, but not be limited to:</p> <ol style="list-style-type: none"> <li>1. Study and report to council on development potential, including density bonuses, for mixed-income housing development starting with the city-owned parcels at 1011 University Ave, and seek information through an RFI or other process on the potential for cross-subsidized limited-equity leasehold and rental models or other social housing development models;</li> <li>2. Study and return to council a report and, if feasible, a proposal for a Reparative Justice Revolving Loan Fund with affirmative racial justice and anti-displacement goals in coordination with the city's Small Sites Program, including, but not limited to:                             <ol style="list-style-type: none"> <li>a. Providing low-interest loans for tenants, nonprofits, limited-equity co-operatives, and community land trusts to acquire real property; support Low Income Housing Tax Credit (LIHTC) funding; develop and/or maintain mixed-income and permanently affordable housing;</li> <li>b. Funding a Local Operating Subsidies Program to provide permanently affordable housing for Very Low and Extremely Low Income households;</li> <li>c. Leveraging local funds with state and regional partnerships through the Bay Area Housing Finance Agency (BAHFA) with the Association of Bay Area Governments (ABAG), Berkeley Housing Authority, Berkeley Unified School District (BUSD) and BART;</li> <li>d. Consider best practices from other agencies and other partnership opportunities;</li> </ol> </li> <li>3. Refer to the budget process up to \$300,000 for one or more consultants to study potential social housing models for the City of Berkeley;</li> <li>4. Establish a publicly available, user-friendly data dashboard potentially using third-party data visualization tools for monitoring</li> </ol>	2021-11-09	CITY MANAGER'S OFFICE	Terry Taplin, Jesse Arreguin, Kate Harrison, Sophie Hahn	Councilmembers	

(Shaded items are Marked for Removal)

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
11	Referral to the City Manager to Establish a Marina Master Plan for Parking with a Consideration for Establishing a Waterfront Parking Benefits DistrictDMND0003997	<p>Refer to the City Manager and FY 2022-23 June Budget Process to create a Berkeley Marina Master Plan for Parking with a goal of introducing demand-based paid parking in certain areas of the waterfront as appropriate. Further, refer consideration of a Parking Benefits District (PBD) at the waterfront as a means of reinvesting net parking revenues within this area to provide a dedicated funding source for the troubled Marina Fund.</p> <p>Considerations for a Marina Master Plan for Parking should include:</p> <ul style="list-style-type: none"> <li>● Conducting robust outreach to marina stakeholders in order to gather feedback about parking needs, communicating benefits of establishing a Parking Benefits District to maintaining and upgrading marina infrastructure, and other issues as appropriate;</li> <li>● Preparing a preliminary fiscal analysis for possible implementation, including projected revenues and expenditures;</li> <li>● Determining types of pay stations most appropriate for this area in addition to payment schedules, such as hourly, day passes, and/or frequent user/employee permits; and,</li> <li>● Discussion of efforts to make it easy and safe for visitors to access the marina by foot, bike, micro-mobility device, and/or public transit.</li> </ul>	2022-01-18	Public Works	Rashi Kesarwani, Jesse Arreguin, Terry Taplin, Rigel Robinson	Councilmembers	

(Shaded items are Marked for Removal)

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
12	Streamlining Toxic Remediation in Manufacturing Districts DMND0004005	Refer to the City Manager the development of a streamlined process that would allow for one application process, rather than separate application processes for the City's Planning Department and the Toxics Division; and refer to the Planning Commission several amendments to the zoning code in order to facilitate toxic remediation in manufacturing districts; in addition, refer to expedite consideration of Councilmembers Wozniak and Moore's 2012 referral to the Planning Commission referenced in Background section, and request it be moved forward as quickly as possible; in addition, refer to the City Manager to consider any and all means to streamline and/or improve the city's processing of remediation of toxic sites. Policy Committee Recommendation: On January 20, 2022, the Land Use, Housing & Economic Development Policy Committee took the following action: M/S/C (Hahn/Robinson) Positive recommendation to refer the item to Council as amended to expand the scope of the referral and specifically request expedited Planning Commission review of the previous 2012 referral.	2022-02-22	PLANNING & DEVELOPMENT	Terry Taplin, Sophie Hahn, Ben Bartlett, Jesse Arreguin	Councilmembers	
13	Referral Response: Amending Chapter 19.34 of the Berkeley Municipal Code to Expand Automatic Gas Shut-Off Valve Requirements in Multifamily, Condominium and Commercial Buildings Undergoing Renovations DMND0003951	The proposed ordinance modifications in the referral dated October 29, 2019, shown in Attachment 2 to the staff report (the Referral), can be briefly summarized as: <ul style="list-style-type: none"> <li>Expand the Gas Shut-Off Valve requirements to remove exceptions for multi-family, condominium, and commercial buildings</li> </ul> The Disaster and Fire Safety Commission (DFSC) recommends that changes of the Berkeley Municipal Code be referred to the City Manager and Planning Department to be modified in accordance with the Referral as part of the 2022 Code adoption cycle, including the following changes: 1. Do not allow excess flow valves to substitute for motion-activated shut-off valves as a way to comply with this ordinance. 2. Clarify requirements for excess flow valves and motion activated (seismic) valves. 3. Include a provision to include gas valves for common areas when required for any individual unit of a building. 4. Do not include any requirements regarding sale or transfer of the building. 5. Remove the dollar limit on the modifications and replace with a requirement to comply any time a plumbing or mechanical permit is issued. In addition, the Commission recommends the inclusion of wording in the Berkeley Emissions Saving Ordinance (BESO) to require that in any transfer of property, that the property be required to equipped with a seismic gas shutoff valve.	2021-06-01	PLANNING & DEVELOPMENT		Commission	Disaster and Fire Safety Commission



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Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
14	Consideration of Expansion of Paid Parking to Support the Parking Meter Fund and Improved Pedestrian and Bicycle Facilities DMND0003994	1. Refer to the City Manager and the Transportation Commission to consider the extension of paid metered parking to include all days of the week, paralleling the calendar for off-street parking garages. 2. Consider a pilot, phasing-in, and/or exempting certain areas, and conduct broad outreach to merchants, faith-based and other institutions and organizations, neighborhood groups, and others potentially supported or impacted by change. 3. Consider allocation of potential additional revenues to help offset losses to the Parking Meter Fund incurred during COVID. Once the Fund has recovered, consider allocations to support pedestrian and bicycle facilities to help achieve Berkeley's Climate Action and Vision Zero goals on an accelerated basis.	2021-12-14	Public Works	Sophie Hahn, Kate Harrison, Terry Taplin, Rigel Robinson	Councilmembers	
15	Referral Response: Modifications to the Zoning Ordinance to Support Small Businesses (Beer/Wine in M Dist)DMND0002913	Refer to staff and the Planning Commission to consider amendments related to beer and wine sales in the M District.	2018-12-04	PLANNING & DEVELOPMENT		Councilmembers	
16	Prioritizing Berkeley Unified School District Public Works Service Requests DMND0003990	Refer to the City Manager to: 1. Work with the Berkeley Unified School District (BUSD) to create a system to better document, communicate, and prioritize Public Works service requests from BUSD schools and facilities; and 2. Establish protocols with BUSD for school principals to coordinate directly with Public Works staff to address school site-related concerns that fall under the City's jurisdiction.	2021-11-30	Public Works	Sophie Hahn, Kate Harrison, Jesse Arreguin, Susan Wengraf	Councilmembers	
17	Referral Response: Modifications to the Zoning Ordinance to Support Small BusinessesDMND0003813	Refer to the Planning Commission modifications to the Zoning Ordinance that are designed to streamline the zoning review process for new or expanding small businesses in Berkeley.	2019-10-15	PLANNING & DEVELOPMENT		Councilmembers	
18	Referral: South Sailing Basin DredgingDMND0004006	Refer to the City Manager to dredge the Berkeley Marina's South Sailing Basin (SSB), including 1) pursuing and proposing potential funding opportunities for both planning and implementation, and 2) performing the necessary bathymetric, hydrography, technical, permitting, and mitigation studies required to move forward as quickly as possible. Furthermore, refer \$350,000 to the June 2022 budget process for the purposes of South Sailing Basin Dredging planning & evaluation.	2022-02-22	Parks, Recreation & Waterfront	Rigel Robinson, Terry Taplin, Rashi Kesarwani, Jesse Arreguin	Councilmembers	
19	Referral to the City Manager and Planning Commission: Update BMC Chapter 22.16 Development Agreement Procedures DMND0002824	Refer to the City Manager and Planning Commission to review and update the Berkeley Municipal Code Chapter 22.16 Development Agreement Procedures to create a streamlined process that maximizes community benefits and conforms to State law.	2018-10-30	PLANNING & DEVELOPMENT	Sophie Hahn, Lori Droste, Kate Harrison	Council member	

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Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
20	Referral to the Planning Commission to Consider Amendments to the Zoning Ordinance and "Mini-Dorm" Ordinance DMND0003748	Referral to the Planning Commission to: 1. Amend the mini-dorm ordinance to enable the conversion of an accessory structure into an office (which is also considered a bedroom) without the required public hearing process under the mini-dorm regulations, as long as there are no other alterations to the subject property, and 2. Consider amendments to the Zoning Ordinance and "Mini-Dorm" Ordinance to provide more flexibility for accessory buildings on properties that are developed with single-family residences. ADD: Issues raised in supplemental memo.	2018-09-13	PLANNING & DEVELOPMENT	Susan Wengraf	Councilmembers	
21	Right to Choose Communications Services Provider DMND0003929	Refer to the City Manager and City Attorney to explore, and if deemed feasible, draft ordinance language to clarify that property owners of multi-unit properties cannot interfere with tenants' choice of communications services providers. The City of San Francisco has implemented such an ordinance, which has since been challenged. This recommendation requests the City Attorney to review the San Francisco law and Federal Communications Commission rulings pertaining to this topic to determine if Berkeley could effectively adopt a similar ordinance.	2021-02-09	City Attorney	Lori Droste, Jesse Arreguin, Terry Taplin, Rigel Robinson	Councilmembers	
22	Endorse All Home CA Regional Action Plan on Homelessness DMND0003963	1. Receive a presentation from All Home CA, a regional collective impact partnership, on their Regional Action Plan on homelessness. 2. Endorse the All Home CA Regional Action Plan and the 1-2-4 framework to support ending homelessness in the San Francisco Bay Area, with a goal of a 75% reduction by 2024. 3. Refer to the City Manager to utilize the assistance of All Home to analyze the City of Berkeley's current homelessness expenditures and programs and explore recalibrating and prioritizing investments to align with the 1-2-4 RAP framework. The City Manager should return to the City Council and the Homeless Services Panel of Experts with a report on the findings of this analysis.	2021-07-13	CITY MANAGER'S OFFICE	Jesse Arreguin, Sophie Hahn, Susan Wengraf	Councilmembers	

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Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
23	Development of the West Berkeley Service Center, 1900 6th Street, for Senior Housing with Supportive Services [Part c]DMND0003742	<p>State the intent of the City Council that the West Berkeley Service Center property, 1900 6th Street, will be used for senior housing with on-site services consistent with Age Friendly Berkeley Plan recommendations, maximizing the number of affordable units. The Berkeley Way Project, 2012 Berkeley Way, is the City's top affordable housing priority. The West Berkeley Service Center, as a City-owned property, to be developed for affordable housing falls under the "High Priority" on the list of housing initiatives passed by Council on November 28, 2017. In light of the above, refer to the City Manager to take the following actions to initiate the process of developing senior housing at the West Berkeley Service Center:</p> <p>c. Based on recommendations from the Health, Housing and Community Services Department, the Housing Advisory Commission, Measure O Bond Oversight Committee, Commission on Aging, and taking into consideration requirements and restrictions associated with potential funding sources, create recommendations to Council regarding levels of affordability, unit sizes, on-site services and other features to be included in a senior housing and social services development, including senior living housing types. These recommendations will be presented to the City Council to inform the issuance of an RFP.</p>	2019-05-28	HEALTH, HSG & COMMUNITY SVC	Jesse Arreguin, Rashi Kesarwani, Susan Wengraf, Ben Bartlett	Councilmembers	
24	Referral: Measures to Address Traffic Enforcement and Bicycle Safety DMND0003829	2. Refer to the City Manager to establish the opportunity for bicyclists to participate in a ticket diversion program that would provide safety education as an alternative to monetary fines related to other infractions, and to ensure integration of Vision Zero principles in implementation of state Office of Traffic Safety grants. Staff should consider either the creation of a City of Berkeley-operated ticket diversion program or cooperation with ticket diversion programs operated by neighboring jurisdictions.	2019-11-12	Police	Rigel Robinson	Councilmembers	
25	Referral Response: Deferral of Remaining Permit, Inspection, Connection, and Impact Fees for 2009 Addison Street and Referral to the City Manager to Develop a Limited-Term Citywide Fee Deferral Program DMND0003995	Consider Adopting a Resolution authorizing the City Manager to defer remaining building permit, inspection, connection, and impact fees estimated at \$676,464 for the Berkeley Repertory Theater's project at 2009 Addison Street for a period of ten years. In addition, city staff is asking City Council to refer to the City Manager the development of a limited-term citywide fee deferral program.	2021-03-09	PLANNING & DEVELOPMENT		Councilmembers	

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Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
26	Referral to Strengthen Public Health and Environmental Impact Mitigation for Industrial Facilities in the Manufacturing Zone DMND0003975	Refer to the City Manager to: Establish a procedure for enhanced review of use permits in the manufacturing zone for industrial facilities—upon initial submission or upon submission of an amended use permit—in order to ensure public health and environmental impacts are appropriately mitigated as a condition of the use permit. Further, if appropriate, consider mitigation that includes the use-permit applicant contracting with a certified third-party to install air quality monitoring device(s) that can enable periodic reporting on pollutants relevant to the particular industrial process proposed in the initial or amended use permit. Explore feasibility of increasing penalty fee schedule as a deterrence for use-permit violations related to public health and environmental impacts, such as air, noise, and water pollution.	2021-09-28	PLANNING & DEVELOPMENT	Rashi Kesarwani, Terry Taplin, Lori Droste, Susan Wengraf	Councilmembers	
27	Referring the Civic Arts Commission's affordable housing for artists in Berkeley Report and other Artist Live, Work and Live-Work opportunities to the Housing Element Update DMND0004003	2. Refer to the City Manager, Planning Commission, and Housing Advisory Commission consideration of the feasibility and impacts of allowing ground floor affordable live, work, and live-work space for artists in certain commercial, manufacturing, and mixed-use buildings/areas, both new-build and existing, and exploration of other opportunities for living, work and live-work space for artists.	2022-01-25	PLANNING & DEVELOPMENT	Sophie Hahn, Terry Taplin, Kate Harrison, Susan Wengraf	Councilmembers	
28	Adopt Resolutions Referring to the City Manager to Establish a Policy of Reducing or Waiving Park Fees for Free, Permitted Outdoor Theater, Arts Events, and Other Events Based on Objective Public Welfare Criteria and Relinquishing Council Funds to Support the San Francisco Mime Troupe's Payment of Park Fees for Its 2022 Free Outdoor Performance Season DMND0004009	Establishing a policy and referring to the City Manager to create a process to reduce or waive City Park Fees for free and permitted outdoor theater, arts events, and other events as appropriate based on objective consideration of their benefits to the public welfare, including but not limited to educational content, non-profit status, and means.	2022-03-08	CITY MANAGER'S OFFICE	Kate Harrison, Ben Bartlett	Councilmembers	
29	100% Sustainable Trips by 2040 DMND0003885	Adopt the attached Resolution, setting a goal of achieving 50% increase in trips taken by sustainable modes by 2030 and 100% by 2040, and refer to the Community Environmental Advisory Commission, the Energy Commission, and the Transportation Commission to develop relevant proposals and recommendations for accomplishing that goal.	2020-09-15	PLANNING & DEVELOPMENT		Commission	Community Environmental Advisory Commission

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Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
30	Accelerating the City of Berkeley's transition to Plant-Based Foods DMND0003965	1) Adopt a resolution establishing a goal to achieve a 50% decrease in animalbased food products served by the City of Berkeley by 2024, and refer to the City Manager to report to the City Council on progress towards reaching this goal by January 31, 2022. 2) Adopt an eventual goal of a 100% shift to plant-based food products served by the City of Berkeley and refer to the City Manager to report to the City Council by June 30, 2022 on potential feasibility and timelines to transition to 100% plant-based foods.	2021-07-27	CITY MANAGER'S OFFICE	Sophie Hahn, Jesse Arreguin	Councilmembers	
31	Enable Internal Renovation of a Residence That Does Not Increase the Footprint As an AUP if the Building is an Historic Non-Conforming Use in the Percent of Lot Coverage DMND0002537	Refer to the Planning Commission to enable an AUP for the renovation of an existing residence, rather than a Use Permit, in the following circumstances: 1. The renovation does not increase the percentage of lot coverage; 2. The residence is an pre-existing non-conforming use in the percentage of lot coverage; 3. The renovation does not appear to create an intensification of use; 4. No change to the building envelope.	2018-02-27	PLANNING & DEVELOPMENT	Linda Maio, Susan Wengraf, Lori Droste, Kate Harrison		
32	Referral to the City Manager to consider the videotaping of Planning Commission meetings DMND0002823	That the City Council refer to the City Manager to consider ways of videotaping the Planning Commission meetings in the same manner as Zoning Adjustment Board meetings.	2018-10-16	Information Technology	Kriss Worthington, Cheryl Davila	Council member	
33	Navigable Cities Framework for Ensuring Access and Freedom-of-Movement for People with Disabilities in Berkeley DMND0003909	1. Refer to the City Manager to incorporate relevant elements of the Navigable Cities Framework for Ensuring Access and Freedom-of-Movement for People with Disabilities in Berkeley, submitted to the City Council by the Commission on Disability, into the Berkeley Pedestrian Master Plan currently being updated, and any other planning processes for which the report would provide relevant information. 2. Refer to the Public Works and Parks and Waterfront Commissions to return to Council reports on ways that elements of the Navigable Cities Framework can be incorporated into the work, projects, contracts, and policies of the Public Works and the Parks, Recreation & Waterfront Departments.	2020-11-17	Parks, Recreation & Waterfront		Commission	Parks and Waterfront Commission

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Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
34	Referral to the Community Environmental Advisory Commission: Cigarette Butt Pollution Prevention Program in South Berkeley DMND0002448	Refer to the Community Environmental Commission (CEAC) AND THE CITY MANAGER to consider developing a Cigarette Butt Pollution Prevention Program for South Berkeley. Explore the following items: a) Location. Work with the local business associations, business owners, as well as other neighborhood and community organizations to identify key locations for cigarette butt receptacles. b) Operation. Work with local businesses to develop a system for cleanup and disposal of the contents of the receptacles. c) Cost. Identify any one-time costs associated with the program, including purchasing and installation of the receptacles. Identify any costs that should be set aside for maintenance. There should not be regular ongoing costs. CEAC should work with the businesses and neighborhoods to develop a community-based system to facilitate daily operations.	2017-07-11	CITY MANAGER'S OFFICE	Ben Bartlett and Kate Harrison		
35	Adopt a resolution in support of the Good Food Purchasing Program's core values and join San Francisco, Oakland, Los Angeles and Chicago as one of the first five cities nationwide to become a Good Food Purchasing partner, and refer to the City Manager to incorporate over time the vision and standards of the Good Food Purchasing Program (GFPP) into City of Berkeley food purchasing practices. DMND0003733	Adopt a resolution in support of the Good Food Purchasing Program's core values and join 28 public institutions across 14 U.S. cities, including San Francisco, Oakland, Los Angeles, Chicago, and Washington, D.C. to endorse Good Food Purchasing values, and refer to the City Manager to incorporate over time the vision and standards of the Good Food Purchasing Program (GFPP) into City of Berkeley food purchasing practices.	2019-04-30	CITY MANAGER'S OFFICE	Sophie Hahn, Jesse Arreguin, Cheryl Davila, Rigel Robinson	Councilmembers	
36	Refer the Civic Arts Commission's recommended language to the Planning Commission on protecting Live Work spaces from conversion to cannabis uses. DMND0003749	Refer the Civic Arts Commission's recommended language to the Planning Commission on protecting Live Work spaces from conversion to cannabis uses. This action was adopted as part of the Cannabis Ordinance amendments.	2019-04-02	PLANNING & DEVELOPMENT		Commission	Civic Arts Commission
37	Freedom from Domestic Violence as a Human Right Resolution DMND0002446	Adopt the Freedom from Domestic Violence as a Human Right Resolution. City Manager shall prepare a report within the next six (6) months on the policy and practice of City departments on domestic violence, including but not limited to, the Berkeley Police Department, the Berkeley Fire Department, and Health, Housing & Community Services, with respect to the status of domestic violence and the City's work to overcome domestic violence and support survivors. BE IT FURTHER RESOLVED that City departments shall work to incorporate this Resolution into their work.	2018-01-23	CITY MANAGER'S OFFICE		Commission	Peace & Justice Commission

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Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
38	Creation and Adoption of a Transit Streets Cooperative Agreement with the Alameda-Contra Costa (AC) Transit DistrictDMND0002592	Refer to the City Manager the Creation and Adoption of a Transit Streets Cooperative Agreement with the Alameda-Contra Costa (AC) Transit District.	2017-04-04	Public Works	Sophie Hahn	Council member	
39	Mitigating Impacts of Outdoor Air Quality on Indoor Air Quality in BerkeleyDMND0002543	Refer the item to the Planning Commission to consider the analyses presented here, and the draft provided in Appendix II, to create new Standard Conditions of Approval (SCA) for new building construction near major sources of air pollution, to achieve an acceptable level of indoor air quality (IAQ) for sensitive receptors.	2017-07-11	PLANNING & DEVELOPMENT		Commission	Community Environmental Advisory Commission
40	Referral to City Manager to address the conversion of Not Available To Rent rental units to unregistered short term rentals and unregistered medium term rentals from 15 to 30 days DMND0002831	Referral to City Manager to address the apparent conversion of Not Available To Rent rental units to unregistered Short Term Rentals and unregistered medium term rentals from 15 to 30 days. Refer to Planning Department Permit Service Center, Code Enforcement, Finance Department, Rent Stabilization Board, and Host Compliance, to comprehensively review whether units that are not available for rent (NAR) are compliant with Rent Board Regulations, and short-term rental (STR) regulations.	2018-10-30	PLANNING & DEVELOPMENT	Kriss Worthington, Kate Harrison	Council member	
41	Creating Additional Administrative Powers of Zoning Officer to Grant or Recommend New Permits as Related to Code EnforcementDMND0002545	Refer to the City Manager and Berkeley Planning Commission to explore the creation of a mechanism that would explicitly allow staff new discretionary powers to prevent applicants from being granted new residential permits until they have abated outstanding noncompliance issues or code violations in other buildings they own in Berkeley within a reasonable time frame or taken good faith measures to commence doing so.	2014-09-09	PLANNING & DEVELOPMENT		Commission	Housing Advisory Commission
42	Accessory Dwelling Unit Ordinance Updates DMND0002603	Refer to the Planning Commission to consider additional elements for Berkeley's Accessory Dwelling Unit Ordinance (BMC 23C.24), on an expedited basis, and refer to the Disaster and Fire Safety Commission bullet point #5, relating to potential obstruction of emergency vehicles, and request that their recommendations be sent directly to the Planning Commission to inform the Planning Commission's review and recommendations. Amendments: Remove the language regarding view protections; Add new #9 on hillside heights measurements where no previous structure exists; Add "and any other solutions" to #5 regarding parking; Include the referral from Item 15 with this referral.	2018-09-13	PLANNING & DEVELOPMENT	Sophie Hahn, Susan Wengraf, Kate Harrison	Councilmembers	Disaster and Fire Safety Commission

**Final Rankings**

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Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission
43	Refer to the Planning Commission and Housing Advisory Commission to Research and Recommend Policies to Prevent Displacement and Gentrification of Berkeley Residents of Color and African AmericansDMND0003732	Refer to the Planning Commission and Housing Advisory Commission to research and recommend policies to prevent displacement and gentrification of Berkeley residents of color. Recommended policies should include real solutions. The Commission should do the following: - Develop a policy to address the erosion of People of Color (POC), including the African American sector of our Berkeley society. - Develop rules and regulations to halt the loss of People of Color including the African American communities. - Develop a "right to return" for Berkeley's People of Color including the African American communities who have been displaced by these economic and social developments, especially those who continue to be employed in our City, even after having to relocate beyond our boundaries. - Solicit expert and lived experience testimonies regarding displacement and gentrification. - Recommend alternatives to prevent displacement and gentrification of our valued Berkeley citizens of color and African Americans. Hold public workshops on the subject.	2019-04-30	PLANNING & DEVELOPMENT	Cheryl Davila, Ben Bartlett, Kate Harrison	Councilmembers	
44	Home Share Pilot Program Recommendation DMND0002822	Item 26a moved to the Consent Calendar to refer to the City Manager the possibility of working within existing similar programs such as Safe Home and Ashby Village.	2018-10-16	HEALTH, HSG & COMMUNITY SVC		Commission	Housing Advisory Commission
45	Developing a Mechanism to Facilitate an Improved Homeless Point-In-Time Count DMND0003867	The Homeless Commission recommends to Council that Council refer to staff to assign an intern or seek a volunteer affiliation, through an educational institution, to conduct outreach to, and engage with, community stakeholders including homeless advocates and persons who are experiencing or have experienced homelessness, to identify how homeless persons can be more thoroughly counted during the upcoming 2021 Berkeley Homeless Point-In-Time count.	2020-04-14	HEALTH, HSG & COMMUNITY SVC		Commission	
46	Providing our Unhoused Community with Fire ExtinguishersDMND0003938	Policy Committee Recommendation: Send the item to City Council with a qualified positive recommendation to refer the item to the City Manager and the Disaster and Fire Safety Commission to consider fire extinguishers and other fire prevention tools such as wool blankets.	2021-03-30	FIRE & EMERGENCY SERVICES	Cheryl Davila	Councilmembers	



Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
1	Referral to the Planning Commission to Establish a Zoning Overlay at the Pacific Steel Casting Property DMND0003942	Refer to the Planning Commission to create a zoning overlay at the Pacific Steel Casting (PSC) property in West Berkeley—currently zoned Manufacturing (M) and redesignate it as Mixed Use - Light Industrial (MULI) due to the unique issues of public concern associated with this property (described below); specifically, include in the PSC zoning overlay allowances to enable all MULI uses and override any existing constraints in the Berkeley Municipal Code for Zoning (Title 23) on such MULI uses for the PSC property.	2021-04-20	PLANNING & DEVELOPMENT	Rashi Kesarwani, Terry Taplin	Councilmembers		5	5	5	0	4	0	5	4	4	NO
2	Pollinators and Habitat DMND0003807	Adopt three referrals that will deepen Berkeley's commitment to protecting pollinator plants and establishing habitats that will protect pollinators and our environment: 1. Refer to City Manager to establish a City Liaison to the Bee City USA program. 2. Refer to Public Works Commission and Parks and Waterfront Commission consideration of how to incorporate pollinators and habitat into the Adopt-A-Spot initiative referred on April 2, 2019. (COMMISSION REFERRAL) 3. Refer to the City Manager to transition the City's medians to non-turf green infrastructure, including pollinator gardens when appropriate.	2019-09-24	Parks, Recreation & Waterfront	Kate Harrison, Susan Wengraf, Ben Bartlett	Councilmembers		2	0	4	5	5	4	2	4	1	NO
3	Referral to Implement State Law AB 43 for Reduced Speed Limits on High-Injury Commercial CorridorsDMND0004008	Refer to the City Manager to implement state law AB 43 on High-injury commercial corridors as identified in our Vision Zero Annual Report, 2020-2021 in order to allow a reduction in speed limits by 5 miles per hour; - Any other corridors covered by AB 43, as appropriate, in order to implement reduced prima facie speed limits and identify those corridors for future traffic studies where prima facie limits are presently unsafe. Upon completion of this referral, we note that a budget allocation would be needed in the amount of \$25,000 to \$50,000 for new speed limit signage. Funding will be requested later (likely for the FY 2023-24 budget) in order to allow time for staff to determine the applicable streets for additional signage.	2022-03-08	Public Works	Rashi Kesarwani, Terry Taplin, Rigel Robinson, Susan Wengraf	Councilmembers		5	4	5	0	0	0	5	5	4	NO
4	Health Care Facility Oversight DMND0003993	Refer to the City Manager and the Community Health Commission an assessment of the breadth of regulatory control the City of Berkeley can exert on skilled nursing facilities, and create a process of accountability if complaints are found to be substantiated that threaten, or could potentially escalate to the point of threatening, the wellbeing of patients and/or violate federal, state, or local law; the business license of the offending facility will be suspended until the skilled nursing facility submits a report demonstrating rectification of the situation.	2021-12-14	Health, Housing and Community Services	Ben Bartlett	Councilmembers		3	0	3	5	4	5	2	0	1	NO

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
5	Development of the West Berkeley Service Center, 1900 6th Street, for Senior Housing with Supportive Services. [Parts a and b]DMND0003741	State the intent of the City Council that the West Berkeley Service Center property, 1900 6th Street, will be used for senior housing with on-site services consistent with Age Friendly Berkeley Plan recommendations, maximizing the number of affordable units. The Berkeley Way Project, 2012 Berkeley Way, is the City's top affordable housing priority. The West Berkeley Service Center, as a City-owned property, to be developed for affordable housing falls under the "High Priority" on the list of housing initiatives passed by Council on November 28, 2017. In light of the above, refer to the City Manager to take the following actions to initiate the process of developing senior housing at the West Berkeley Service Center: a. Refer to the City Manager to conduct a basic analysis of the development potential for the West Berkeley Service Center site including build-out scenarios for a three-, four-, five-, six- and seven-story building at the site, using Mixed-Use Residential (MUR), West Berkeley Commercial (C-W), and Multiple-Family Residential (R-3) Development Standards. Each buildout scenario should reflect base project conditions, and conditions if a Density Bonus is granted including waivers and concessions, or if Use Permits are used to modify standards. The scenarios should also incorporate space on the ground floor for resident amenities, supportive social services, and community space. The results of the development scenarios will be presented to the City Council and Planning Commission. b. Refer to the Planning Commission to consider any modifications to the underlying zoning at the West Berkeley Service Center site to maximize the production of senior housing, including consideration of an overlay zone.	2019-05-28	PLANNING & DEVELOPMENT	Jesse Arreguin, Rashi Kesarwani, Susan Wengraf, Ben Bartlett	Councilmembers		4	3	4	0	5	0	5	5	1	NO
6	Prioritizing Pedestrians at IntersectionsDMND0002584	Refer to the City Manager and the Transportation Commission the development of policies to improve the pedestrian crossing experience and reduce pedestrian wait times at intersections with "beg buttons," potentially by activating pedestrian crossing signaling with every cycle (as opposed to the current situation, which only activates crossing signals when a button is pushed). Consider the development of a pedestrian-driven intersection improvement process to address signaling and timing inadequacies.	2017-05-16	Public Works	Lori Droste, Susan Wengraf, Ben Bartlett	Council member	Transportation Commission	4	0	5	0	3	0	5	5	5	NO

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
7	Changes to the Berkeley Municipal Code and City of Berkeley Policies with Respect to Local Emergency Declarations and First Amendment Curfews - Item ADMND0003879	<p>1. Direct the City Manager to return to the City Council for adoption amendments to the Berkeley Municipal Code and/or policies to approve that clarify and codify the following concepts with respect to the declaration of a Local Emergency:</p> <p>a. A Local Emergency can only be declared by the Director of Emergency Services if a regular or special meeting and session of the City Council cannot be called due to physical impossibility of holding a meeting, because a quorum cannot be established, or because the urgency of the Local Emergency is such that waiting 24 hours for the City Council to convene a session and/or Special Meeting would endanger the community;</p> <p>b. Should the Director declare a Local Emergency without action of the City Council (due to one of the reasons stated at (a), above), the City Manager should inform councilmembers immediately and Council ratification of such action should occur at the first possible opportunity, even if it requires calling a Special Meeting and/or session of the Council; and</p> <p>c. The applicable statutory and legal standards (Federal, State and Local) for calling a Local Emergency shall be presented to the City Council when seeking declaration or ratification of a Local Emergency, along with facts to support meeting those standards, so that the City Council, likely acting under rushed and exigent circumstances, is able to make a carefully considered and fact-based determination that declaration of such Local Emergency conforms with the legal standards and is supported by facts.</p> <p>2. Direct the City Manager to return to the City Council for adoption amendments to the Berkeley Municipal Code and/or policies to approve that clarify and codify policies, terms and procedures for the order, scope, terms, duration, and all other elements and conditions of curfews called in response to, or likely to have the effect of limiting or banning, planned, expected or reasonably foreseeable constitutionally protected speech, assembly and other activity,</p>	2020-07-28	CITY MANAGER'S OFFICE	Sophie Hahn, Ben Bartlett, Kate Harrison, Jesse Arreguin	Councilmembers		4	0	0	5	5	5	2	0	0	NO

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
8	Referral to the City Manager to Streamline Accessory Dwelling Unit (ADU) Permit Review and Approval DMND0003992	<p>Refer to the City Manager to streamline the Accessory Dwelling Unit (ADU) permitting process in order to reduce staff time spent on review and enhance customer service. Further, assess effectiveness of process improvements specified below by reviewing over time: the number of ADUs permitted, average amount of staff time spent on ADU permit review, and permit fee levels.</p> <p>Recommend that the City Manager develop for Planning staff use an ADU Universal Checklist and accompanying user-friendly webpage: ADU Universal Checklist. A clear set of universal guidelines and construction requirements should be developed among staff from Planning (both Land Use and Building and Safety Divisions), Fire, and Public Works Departments that is easy to follow in order to eliminate (or significantly reduce) the need for multiple departments to review ADU permit applications and for multiple rounds of review by the same department. The Universal Checklist should be a single document utilized by (1) all City staff to review ADU permit applications and (2) by customers to understand code requirements and development standards. The Universal Checklist should enable all City staff and customers to have the same clear understanding of all of the requirements that, if adhered to, would expedite the permitting process and lead to lower permit fees over time. Progress To Date: Recently, the City of Berkeley's Planning Department has added both a Single-Family ADU/JADU Checklist and a Multi-Family ADU Checklist which clearly delineate development standards as adopted by the State of California, effective January 1, 2020. An ADU Universal Checklist would take these checklists one step farther by including current amendments to Berkeley's local ADU ordinance (once adopted) as well as the full list of fire and safety code requirements.</p> <p>Accompanying User-Friendly Webpage. As a companion to the ADU Universal Checklist, the City should also create a user-friendly webpage for customers (and prospective customers) with up-to-date</p>	2021-12-14	PLANNING & DEVELOPMENT	Rashi Kesarwani, Susan Wengraf, Lori Droste, Ben Bartlett	Councilmembers		4	5	0	0	0	0	5	4	5	NO

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Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
9	Refer to the City Manager to Establish a Framework for Parking Benefits Districts in the Gilman and Lorin Commercial DistrictsDMND0003998	Refer to the City Manager to create a basic framework for establishing a Parking Benefits District (PBD) in the Gilman and Lorin Commercial Districts. This framework should include: <ul style="list-style-type: none"> <li>● A map establishing the boundaries of the Gilman District PBD. Suggested borders of the district should include: (1) on the west, the east side of Eastshore Highway from Page Street to the Albany border; (2) on the north, the Albany border from Eastshore Highway to the east side of San Pablo Avenue; (3) on the east, the east side of San Pablo Avenue from the Albany border to Gilman Street, both sides of Gilman Street from San Pablo Avenue to Kains, and the east side of San Pablo Avenue to the north side of Page Street; and (4) on the south, the west side of San Pablo Avenue from Page Street to Camelia Street, the north side of Camelia Street from San Pablo Avenue to Sixth Street; the west side of Sixth Street from Camelia to Page; the north side of Page Street from Sixth Street to Eastshore Highway. See map in Attachment 1.</li> <li>● A map establishing the boundaries of the Lorin District PBD. Suggested borders of the district should include: (1) on the east, both sides of Shattuck</li> </ul>	2022-01-18	Public Works	Rashi Kesarwani, Ben Bartlett, Jesse Arreguin, Terry Taplin	Councilmembers		2	3	4	0	4	0	3	4	3	NO

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
10	Resolution Recognizing Housing as Human Right; Referring to City Manager Several Measures to Begin Developing Social Housing in the City of BerkeleyDMND0003986	<p>Adopt a Resolution recognizing housing as a human right; refer to the City Manager's office several measures to begin developing social housing in the City of Berkeley. Measures shall include, but not be limited to:</p> <ol style="list-style-type: none"> <li>1. Study and report to council on development potential, including density bonuses, for mixed-income housing development starting with the city-owned parcels at 1011 University Ave, and seek information through an RFI or other process on the potential for cross-subsidized limited-equity leasehold and rental models or other social housing development models;</li> <li>2. Study and return to council a report and, if feasible, a proposal for a Reparative Justice Revolving Loan Fund with affirmative racial justice and anti-displacement goals in coordination with the city's Small Sites Program, including, but not limited to:                             <ol style="list-style-type: none"> <li>a. Providing low-interest loans for tenants, nonprofits, limited-equity co-operatives, and community land trusts to acquire real property; support Low Income Housing Tax Credit (LIHTC) funding; develop and/or maintain mixed-income and permanently affordable housing;</li> <li>b. Funding a Local Operating Subsidies Program to provide permanently affordable housing for Very Low and Extremely Low Income households;</li> <li>c. Leveraging local funds with state and regional partnerships through the Bay Area Housing Finance Agency (BAHFA) with the Association of Bay Area Governments (ABAG), Berkeley Housing Authority, Berkeley Unified School District (BUSD) and BART;</li> <li>d. Consider best practices from other agencies and other partnership opportunities;</li> </ol> </li> <li>3. Refer to the budget process up to \$300,000 for one or more consultants to study potential social housing models for the City of Berkeley;</li> <li>4. Establish a publicly available, user-friendly data dashboard potentially using third-party data visualization tools for monitoring</li> </ol>	2021-11-09	CITY MANAGER'S OFFICE	Terry Taplin, Jesse Arreguin, Kate Harrison, Sophie Hahn	Councilmembers		4	1	5	0	4	0	3	5	2	NO

(Shaded Items are Marked for Removal)

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
11	Referral to the City Manager to Establish a Marina Master Plan for Parking with a Consideration for Establishing a Waterfront Parking Benefits DistrictDMND0003997	Refer to the City Manager and FY 2022-23 June Budget Process to create a Berkeley Marina Master Plan for Parking with a goal of introducing demand-based paid parking in certain areas of the waterfront as appropriate. Further, refer consideration of a Parking Benefits District (PBD) at the waterfront as a means of reinvesting net parking revenues within this area to provide a dedicated funding source for the troubled Marina Fund. Considerations for a Marina Master Plan for Parking should include: <ul style="list-style-type: none"> <li>• Conducting robust outreach to marina stakeholders in order to: gather feedback about parking needs, communicating benefits of establishing a Parking Benefits District to maintaining and upgrading marina infrastructure, and other issues as appropriate;</li> <li>• Preparing a preliminary fiscal analysis for possible implementation, including projected revenues and expenditures;</li> <li>• Determining types of pay stations most appropriate for this area in addition to payment schedules, such as hourly, day passes, and/or frequent user/employee permits; and,</li> <li>• Discussion of efforts to make it easy and safe for visitors to access the marina by foot, bike, micro-mobility device, and/or public transit.</li> </ul>	2022-01-18	Public Works	Rashi Kesarwani, Jesse Arreguin, Terry Taplin, Rigel Robinson	Councilmembers		2	4	4	0	0	0	4	5	3	NO

**All Council Scores**

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12	Streamlining Toxic Remediation in Manufacturing Districts DMND0004005	Refer to the City Manager the development of a streamlined process that would allow for one application process, rather than separate application processes for the City's Planning Department and the Toxics Division; and refer to the Planning Commission several amendments to the zoning code in order to facilitate toxic remediation in manufacturing districts; in addition, refer to expedite consideration of Councilmembers Wozniak and Moore's 2012 referral to the Planning Commission referenced in Background section, and request it be moved forward as quickly as possible; in addition, refer to the City Manager to consider any and all means to streamline and/or improve the city's processing of remediation of toxic sites.  Policy Committee Recommendation: On January 20, 2022, the Land Use, Housing & Economic Development Policy Committee took the following action: M/S/C (Hahn/Robinson) Positive recommendation to refer the item to Council as amended to expand the scope of the referral and specifically request expedited Planning Commission review of the previous 2012 referral.	2022-02-22	PLANNING & DEVELOPMENT	Terry Taplin, Sophie Hahn, Ben Bartlett, Jesse Arreguin	Councilmembers		3	3	5	0	0	0	4	4	2	NO



Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
13	Referral Response: Amending Chapter 19.34 of the Berkeley Municipal Code to Expand Automatic Gas Shut-Off Valve Requirements in Multifamily, Condominium and Commercial Buildings Undergoing Renovations DMND0003951	<p>The proposed ordinance modifications in the referral dated October 29, 2019, shown in Attachment 2 to the staff report (the Referral), can be briefly summarized as:</p> <ul style="list-style-type: none"> <li>Expand the Gas Shut-Off Valve requirements to remove exceptions for multi-family, condominium, and commercial buildings</li> </ul> <p>The Disaster and Fire Safety Commission (DFSC) recommends that changes of the Berkeley Municipal Code be referred to the City Manager and Planning Department to be modified in accordance with the Referral as part of the 2022 Code adoption cycle, including the following changes:</p> <ol style="list-style-type: none"> <li>Do not allow excess flow valves to substitute for motion-activated shut-off valves as a way to comply with this ordinance.</li> <li>Clarify requirements for excess flow valves and motion activated (seismic) valves.</li> <li>Include a provision to include gas valves for common areas when required for any individual unit of a building.</li> <li>Do not include any requirements regarding sale or transfer of the building.</li> <li>Remove the dollar limit on the modifications and replace with a requirement to comply any time a plumbing or mechanical permit is issued.</li> </ol> <p>In addition, the Commission recommends the inclusion of wording in the Berkeley Emissions Saving Ordinance (BESO) to require that in any transfer of property, that the property be required to equipped with a seismic gas shutoff valve.</p>	2021-06-01	PLANNING & DEVELOPMENT		Commission	Disaster and Fire Safety Commission	2	0	3	0	4	0	5	4	3	NO
14	Consideration of Expansion of Paid Parking to Support the Parking Meter Fund and Improved Pedestrian and Bicycle Facilities DMND0003994	<ol style="list-style-type: none"> <li>Refer to the City Manager and the Transportation Commission to consider the extension of paid metered parking to include all days of the week, paralleling the calendar for off-street parking garages.</li> <li>Consider a pilot, phasing-in, and/or exempting certain areas, and conduct broad outreach to merchants, faith-based and other institutions and organizations, neighborhood groups, and others potentially supported or impacted by change.</li> <li>Consider allocation of potential additional revenues to help offset losses to the Parking Meter Fund incurred during COVID. Once the Fund has recovered, consider allocations to support pedestrian and bicycle facilities to help achieve Berkeley's Climate Action and Vision Zero goals on an accelerated basis.</li> </ol>	2021-12-14	Public Works	Sophie Hahn, Kate Harrison, Terry Taplin, Rigel Robinson	Councilmembers		0	0	4	0	5	0	2	5	4	NO

All Council Scores

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15	Referral Response: Modifications to the Zoning Ordinance to Support Small Businesses (Beer/Wine in M Dist)DMND0002913	Refer to staff and the Planning Commission to consider amendments related to beer and wine sales in the M District.	2018-12-04	PLANNING & DEVELOPMENT		Councilmembers		2	3	4	0	0	0	3	4	3	NO
16	Prioritizing Berkeley Unified School District Public Works Service Requests DMND0003990	Refer to the City Manager to: 1. Work with the Berkeley Unified School District (BUSD) to create a system to better document, communicate, and prioritize Public Works service requests from BUSD schools and facilities; and 2. Establish protocols with BUSD for school principals to coordinate directly with Public Works staff to address school site-related concerns that fall under the City's jurisdiction.	2021-11-30	Public Works	Sophie Hahn, Kate Harrison, Jesse Arreguin, Susan Wengraf	Councilmembers		4	0	3	0	0	0	5	5	3	NO
17	Referral Response: Modifications to the Zoning Ordinance to Support Small BusinessesDMND0003813	Refer to the Planning Commission modifications to the Zoning Ordinance that are designed to streamline the zoning review process for new or expanding small businesses in Berkeley.	2019-10-15	PLANNING & DEVELOPMENT		Councilmembers		4	0	5	0	3	0	4	0	3	NO
18	Referral: South Sailing Basin DredgingDMND0004006	Refer to the City Manager to dredge the Berkeley Marina's South Sailing Basin (SSB), including 1) pursuing and proposing potential funding opportunities for both planning and implementation, and 2) performing the necessary bathymetric, hydrography, technical, permitting, and mitigation studies required to move forward as quickly as possible. Furthermore, refer \$350,000 to the June 2022 budget process for the purposes of South Sailing Basin Dredging planning & evaluation.	2022-02-22	Parks, Recreation & Waterfront	Rigel Robinson, Terry Taplin, Rashi Kesarwani, Jesse Arreguin	Councilmembers		4	1	4	0	0	0	2	5	2	NO
19	Referral to the City Manager and Planning Commission: Update BMC Chapter 22.16 Development Agreement Procedures DMND0002824	Refer to the City Manager and Planning Commission to review and update the Berkeley Municipal Code Chapter 22.16 Development Agreement Procedures to create a streamlined process that maximizes community benefits and conforms to State law.	2018-10-30	PLANNING & DEVELOPMENT	Sophie Hahn, Lori Droste, Kate Harrison	Council member		5	0	3	0	4	0	4	0	1	NO
20	Referral to the Planning Commission to Consider Amendments to the Zoning Ordinance and "Mini-Dorm" Ordinance DMND0003748	Referral to the Planning Commission to: 1. Amend the mini-dorm ordinance to enable the conversion of an accessory structure into an office (which is also considered a bedroom) without the required public hearing process under the mini-dorm regulations, as long as there are no other alterations to the subject property, and 2. Consider amendments to the Zoning Ordinance and "Mini-Dorm" Ordinance to provide more flexibility for accessory buildings on properties that are developed with single-family residences. ADD: Issues raised in supplemental memo.	2018-09-13	PLANNING & DEVELOPMENT	Susan Wengraf	Councilmembers		3	0	4	0	0	0	5	4	2	NO

**All Council Scores**

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21	Right to Choose Communications Services Provider DMND0003929	Refer to the City Manager and City Attorney to explore, and if deemed feasible, draft ordinance language to clarify that property owners of multi-unit properties cannot interfere with tenants' choice of communications services providers. The City of San Francisco has implemented such an ordinance, which has since been challenged. This recommendation requests the City Attorney to review the San Francisco law and Federal Communications Commission rulings pertaining to this topic to determine if Berkeley could effectively adopt a similar ordinance.	2021-02-09	City Attorney	Lori Droste, Jesse Arreguin, Terry Taplin, Rigel Robinson	Councilmembers		3	0	3	0	0	0	2	5	4	NO
22	Endorse All Home CA Regional Action Plan on Homelessness DMND0003963	1. Receive a presentation from All Home CA, a regional collective impact partnership, on their Regional Action Plan on homelessness. 2. Endorse the All Home CA Regional Action Plan and the 1-2-4 framework to support ending homelessness in the San Francisco Bay Area, with a goal of a 75% reduction by 2024. 3. Refer to the City Manager to utilize the assistance of All Home to analyze the City of Berkeley's current homelessness expenditures and programs and explore recalibrating and prioritizing investments to align with the 1-2-4 RAP framework. The City Manager should return to the City Council and the Homeless Services Panel of Experts with a report on the findings of this analysis.	2021-07-13	CITY MANAGER'S OFFICE	Jesse Arreguin, Sophie Hahn, Susan Wengraf	Councilmembers		5	0	3	0	0	0	3	4	2	NO

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
23	Development of the West Berkeley Service Center, 1900 6th Street, for Senior Housing with Supportive Services [Part c]DMND0003742	State the intent of the City Council that the West Berkeley Service Center property, 1900 6th Street, will be used for senior housing with on-site services consistent with Age Friendly Berkeley Plan recommendations, maximizing the number of affordable units. The Berkeley Way Project, 2012 Berkeley Way, is the City's top affordable housing priority. The West Berkeley Service Center, as a City-owned property, to be developed for affordable housing falls under the "High Priority" on the list of housing initiatives passed by Council on November 28, 2017. In light of the above, refer to the City Manager to take the following actions to initiate the process of developing senior housing at the West Berkeley Service Center:  c. Based on recommendations from the Health, Housing and Community Services Department, the Housing Advisory Commission, Measure O Bond Oversight Committee, Commission on Aging, and taking into consideration requirements and restrictions associated with potential funding sources, create recommendations to Council regarding levels of affordability, unit sizes, on-site services and other features to be included in a senior housing and social services development, including senior living housing types. These recommendations will be presented to the City Council to inform the issuance of an RFP.	2019-05-28	HEALTH, HSG & COMMUNITY SVC	Jesse Arreguin, Rashi Kesarwani, Susan Wengraf, Ben Bartlett	Councilmembers		2	0	5	0	0	0	4	4	1	NO
24	Referral: Measures to Address Traffic Enforcement and Bicycle Safety DMND0003829	2. Refer to the City Manager to establish the opportunity for bicyclists to participate in a ticket diversion program that would provide safety education as an alternative to monetary fines related to other infractions, and to ensure integration of Vision Zero principles in implementation of state Office of Traffic Safety grants. Staff should consider either the creation of a City of Berkeley-operated ticket diversion program or cooperation with ticket diversion programs operated by neighboring jurisdictions.	2019-11-12	Police	Rigel Robinson	Councilmembers		3	0	4	0	0	0	1	5	2	NO
25	Referral Response: Deferral of Remaining Permit, Inspection, Connection, and Impact Fees for 2009 Addison Street and Referral to the City Manager to Develop a Limited-Term Citywide Fee Deferral Program DMND0003995	Consider Adopting a Resolution authorizing the City Manager to defer remaining building permit, inspection, connection, and impact fees estimated at \$676,464 for the Berkeley Repertory Theater's project at 2009 Addison Street for a period of ten years. In addition, city staff is asking City Council to refer to the City Manager the development of a limited-term citywide fee deferral program.	2021-03-09	PLANNING & DEVELOPMENT		Councilmembers		3	2	0	0	0	0	5	0	2	YES

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26	Referral to Strengthen Public Health and Environmental Impact Mitigation for Industrial Facilities in the Manufacturing Zone DMND0003975	Refer to the City Manager to: Establish a procedure for enhanced review of use permits in the manufacturing zone for industrial facilities—upon initial submission or upon submission of an amended use permit—in order to ensure public health and environmental impacts are appropriately mitigated as a condition of the use permit. Further, if appropriate, consider mitigation that includes the use-permit applicant contracting with a certified third-party to install air quality monitoring device(s) that can enable periodic reporting on pollutants relevant to the particular industrial process proposed in the initial or amended use permit. Explore feasibility of increasing penalty fee schedule as a deterrence for use-permit violations related to public health and environmental impacts, such as air, noise, and water pollution.	2021-09-28	PLANNING & DEVELOPMENT	Rashi Kesarwani, Terry Taplin, Lori Droste, Susan Wengraf	Councilmembers		2	0	5	0	0	0	4	0	3	NO
27	Referring the Civic Arts Commission's affordable housing for artists in Berkeley Report and other Artist Live, Work and Live-Work opportunities to the Housing Element Update DMND0004003	2. Refer to the City Manager, Planning Commission, and Housing Advisory Commission consideration of the feasibility and impacts of allowing ground floor affordable live, work, and live-work space for artists in certain commercial, manufacturing, and mixed-use buildings/areas, both new-build and existing, and exploration of other opportunities for living, work and live-work space for artists.	2022-01-25	PLANNING & DEVELOPMENT	Sophie Hahn, Terry Taplin, Kate Harrison, Susan Wengraf	Councilmembers		3	0	4	0	0	0	5	0	2	NO
28	Adopt Resolutions Referring to the City Manager to Establish a Policy of Reducing or Waiving Park Fees for Free, Permitted Outdoor Theater, Arts Events, and Other Events Based on Objective Public Welfare Criteria and Relinquishing Council Funds to Support the San Francisco Mime Troupe's Payment of Park Fees for Its 2022 Free Outdoor Performance Season DMND0004009	Establishing a policy and referring to the City Manager to create a process to reduce or waive City Park Fees for free and permitted outdoor theater, arts events, and other events as appropriate based on objective consideration of their benefits to the public welfare, including but not limited to educational content, non-profit status, and means.	2022-03-08	CITY MANAGER'S OFFICE	Kate Harrison, Ben Bartlett	Councilmembers		3	0	0	0	4	0	2	0	0	NO
29	100% Sustainable Trips by 2040 DMND0003885	Adopt the attached Resolution, setting a goal of achieving 50% increase in trips taken by sustainable modes by 2030 and 100% by 2040, and refer to the Community Environmental Advisory Commission, the Energy Commission, and the Transportation Commission to develop relevant proposals and recommendations for accomplishing that goal.	2020-09-15	PLANNING & DEVELOPMENT		Commission	Community Environmental Advisory Commission	0	0	2	0	0	0	1	5	3	NO

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30	Accelerating the City of Berkeley's transition to Plant-Based Foods DMND0003965	1) Adopt a resolution establishing a goal to achieve a 50% decrease in animalbased food products served by the City of Berkeley by 2024, and refer to the City Manager to report to the City Council on progress towards reaching this goal by January 31, 2022. 2) Adopt an eventual goal of a 100% shift to plant-based food products served by the City of Berkeley and refer to the City Manager to report to the City Council by June 30, 2022 on potential feasibility and timelines to transition to 100% plant-based foods.	2021-07-27	CITY MANAGER'S OFFICE	Sophie Hahn, Jesse Arreguin	Councilmembers		3	0	0	0	4	0	2	0	0	NO
31	Enable Internal Renovation of a Residence That Does Not Increase the Footprint As an AUP if the Building is an Historic Non-Conforming Use in the Percent of Lot Coverage DMND0002537	Refer to the Planning Commission to enable an AUP for the renovation of an existing residence, rather than a Use Permit, in the following circumstances: 1. The renovation does not increase the percentage of lot coverage; 2. The residence is an pre-existing non-conforming use in the percentage of lot coverage; 3. The renovation does not appear to create an intensification of use; 4. No change to the building envelope.	2018-02-27	PLANNING & DEVELOPMENT	Linda Maio, Susan Wengraf, Lori Droste, Kate Harrison			0	0	0	0	0	0	4	4	3	NO
32	Referral to the City Manager to consider the videotaping of Planning Commission meetings DMND0002823	That the City Council refer to the City Manager to consider ways of videotaping the Planning Commission meetings in the same manner as Zoning Adjustment Board meetings.	2018-10-16	Information Technology	Kriss Worthington, Cheryl Davila	Council member		0	0	0	0	3	0	1	4	0	YES
33	Navigable Cities Framework for Ensuring Access and Freedom-of-Movement for People with Disabilities in Berkeley DMND0003909	1. Refer to the City Manager to incorporate relevant elements of the Navigable Cities Framework for Ensuring Access and Freedom-of-Movement for People with Disabilities in Berkeley, submitted to the City Council by the Commission on Disability, into the Berkeley Pedestrian Master Plan currently being updated, and any other planning processes for which the report would provide relevant information. 2. Refer to the Public Works and Parks and Waterfront Commissions to return to Council reports on ways that elements of the Navigable Cities Framework can be incorporated into the work, projects, contracts, and policies of the Public Works and the Parks, Recreation & Waterfront Departments.	2020-11-17	Parks, Recreation & Waterfront		Commission	Parks and Waterfront Commission	2	0	0	0	0	0	3	0	3	NO

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
34	Referral to the Community Environmental Advisory Commission: Cigarette Butt Pollution Prevention Program in South Berkeley DMND0002448	Refer to the Community Environmental Commission (CEAC) AND THE CITY MANAGER to consider developing a Cigarette Butt Pollution Prevention Program for South Berkeley. Explore the following items: a) Location. Work with the local business associations, business owners, as well as other neighborhood and community organizations to identify key locations for cigarette butt receptacles. b) Operation. Work with local businesses to develop a system for cleanup and disposal of the contents of the receptacles. c) Cost. Identify any one-time costs associated with the program, including purchasing and installation of the receptacles. Identify any costs that should be set aside for maintenance. There should not be regular ongoing costs. CEAC should work with the businesses and neighborhoods to develop a community-based system to facilitate daily operations.	2017-07-11	CITY MANAGER'S OFFICE	Ben Bartlett and Kate Harrison			0	0	2	0	3	0	0	0	1	NO
35	Adopt a resolution in support of the Good Food Purchasing Program's core values and join San Francisco, Oakland, Los Angeles and Chicago as one of the first five cities nationwide to become a Good Food Purchasing partner, and refer to the City Manager to incorporate over time the vision and standards of the Good Food Purchasing Program (GFPP) into City of Berkeley food purchasing practices. DMND0003733	Adopt a resolution in support of the Good Food Purchasing Program's core values and join 28 public institutions across 14 U.S. cities, including San Francisco, Oakland, Los Angeles, Chicago, and Washington, D.C. to endorse Good Food Purchasing values, and refer to the City Manager to incorporate over time the vision and standards of the Good Food Purchasing Program (GFPP) into City of Berkeley food purchasing practices.	2019-04-30	CITY MANAGER'S OFFICE	Sophie Hahn, Jesse Arreguin, Cheryl Davila, Rigel Robinson	Councilmembers		0	0	1	0	3	0	1	0	0	NO
36	Refer the Civic Arts Commission's recommended language to the Planning Commission on protecting Live Work spaces from conversion to cannabis uses. DMND0003749	Refer the Civic Arts Commission's recommended language to the Planning Commission on protecting Live Work spaces from conversion to cannabis uses. This action was adopted as part of the Cannabis Ordinance amendments.	2019-04-02	PLANNING & DEVELOPMENT		Commission	Civic Arts Commission	0	0	0	0	0	0	4	0	2	NO
37	Freedom from Domestic Violence as a Human Right Resolution DMND0002446	Adopt the Freedom from Domestic Violence as a Human Right Resolution. City Manager shall prepare a report within the next six (6) months on the policy and practice of City departments on domestic violence, including but not limited to, the Berkeley Police Department, the Berkeley Fire Department, and Health, Housing & Community Services, with respect to the status of domestic violence and the City's work to overcome domestic violence and support survivors. BE IT FURTHER RESOLVED that City departments shall work to incorporate this Resolution into their work.	2018-01-23	CITY MANAGER'S OFFICE		Commission	Peace & Justice Commission	3	0	0	0	0	0	1	0	1	YES

All Council Scores

(Shaded Items are Marked for Removal)

Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
38	Creation and Adoption of a Transit Streets Cooperative Agreement with the Alameda-Contra Costa (AC) Transit District DMND0002592	Refer to the City Manager the Creation and Adoption of a Transit Streets Cooperative Agreement with the Alameda-Contra Costa (AC) Transit District.	2017-04-04	Public Works	Sophie Hahn	Council member		2	0	3	0	0	0	0	0	0	NO
39	Mitigating Impacts of Outdoor Air Quality on Indoor Air Quality in Berkeley DMND0002543	Refer the item to the Planning Commission to consider the analyses presented here, and the draft provided in Appendix II, to create new Standard Conditions of Approval (SCA) for new building construction near major sources of air pollution, to achieve an acceptable level of indoor air quality (IAQ) for sensitive receptors.	2017-07-11	PLANNING & DEVELOPMENT		Commission	Community Environmental Advisory Commission	2	0	0	0	0	0	3	0	0	NO
40	Referral to City Manager to address the conversion of Not Available To Rent rental units to unregistered short term rentals and unregistered medium term rentals from 15 to 30 days DMND0002831	Referral to City Manager to address the apparent conversion of Not Available To Rent rental units to unregistered Short Term Rentals and unregistered medium term rentals from 15 to 30 days. Refer to Planning Department Permit Service Center, Code Enforcement, Finance Department, Rent Stabilization Board, and Host Compliance, to comprehensively review whether units that are not available for rent (NAR) are compliant with Rent Board Regulations, and short-term rental (STR) regulations.	2018-10-30	PLANNING & DEVELOPMENT	Kriss Worthington, Kate Harrison	Council member		3	0	1	0	0	0	0	0	0	YES
41	Creating Additional Administrative Powers of Zoning Officer to Grant or Recommend New Permits as Related to Code Enforcement DMND0002545	Refer to the City Manager and Berkeley Planning Commission to explore the creation of a mechanism that would explicitly allow staff new discretionary powers to prevent applicants from being granted new residential permits until they have abated outstanding noncompliance issues or code violations in other buildings they own in Berkeley within a reasonable time frame or taken good faith measures to commence doing so.	2014-09-09	PLANNING & DEVELOPMENT		Commission	Housing Advisory Commission	0	0	0	0	0	0	0	0	3	NO
42	Accessory Dwelling Unit Ordinance Updates DMND0002603	Refer to the Planning Commission to consider additional elements for Berkeley's Accessory Dwelling Unit Ordinance (BMC 23C.24), on an expedited basis, and refer to the Disaster and Fire Safety Commission bullet point #5, relating to potential obstruction of emergency vehicles, and request that their recommendations be sent directly to the Planning Commission to inform the Planning Commission's review and recommendations. Amendments: Remove the language regarding view protections; Add new #9 on hillside heights measurements where no previous structure exists; Add "and any other solutions" to #5 regarding parking; Include the referral from Item 15 with this referral.	2018-09-13	PLANNING & DEVELOPMENT	Sophie Hahn, Susan Wengraf, Kate Harrison	Councilmembers	Disaster and Fire Safety Commission	0	0	0	0	0	0	4	0	0	YES



Rank	Referral Title	Recommendations	Meeting Date	Lead City Department	Sponsor	Referral by	Referral Commission	Mayor	D1	D2	D3	D4	D5	D6	D7	D8	Mark for Removal
43	Refer to the Planning Commission and Housing Advisory Commission to Research and Recommend Policies to Prevent Displacement and Gentrification of Berkeley Residents of Color and African AmericansDMND0003732	Refer to the Planning Commission and Housing Advisory Commission to research and recommend policies to prevent displacement and gentrification of Berkeley residents of color. Recommended policies should include real solutions. The Commission should do the following: - Develop a policy to address the erosion of People of Color (POC), including the African American sector of our Berkeley society. - Develop rules and regulations to halt the loss of People of Color including the African American communities. - Develop a "right to return" for Berkeley's People of Color including the African American communities who have been displaced by these economic and social developments, especially those who continue to be employed in our City, even after having to relocate beyond our boundaries. - Solicit expert and lived experience testimonies regarding displacement and gentrification. - Recommend alternatives to prevent displacement and gentrification of our valued Berkeley citizens of color and African Americans. Hold public workshops on the subject.	2019-04-30	PLANNING & DEVELOPMENT	Cheryl Davila, Ben Bartlett, Kate Harrison	Councilmembers		2	0	0	0	0	0	0	0	0	NO
44	Home Share Pilot Program Recommendation DMND0002822	Item 26a moved to the Consent Calendar to refer to the City Manager the possibility of working within existing similar programs such as Safe Home and Ashby Village.	2018-10-16	HEALTH, HSG & COMMUNITY SVC		Commission	Housing Advisory Commission	0	0	0	0	0	0	0	0	1	NO
45	Developing a Mechanism to Facilitate an Improved Homeless Point-In-Time Count DMND0003867	The Homeless Commission recommends to Council that Council refer to staff to assign an intern or seek a volunteer affiliation, through an educational institution, to conduct outreach to, and engage with, community stakeholders including homeless advocates and persons who are experiencing or have experienced homelessness, to identify how homeless persons can be more thoroughly counted during the upcoming 2021 Berkeley Homeless Point-In-Time count.	2020-04-14	HEALTH, HSG & COMMUNITY SVC		Commission		0	0	0	0	0	0	1	0	0	NO
46	Providing our Unhoused Community with Fire ExtinguishersDMND0003938	Policy Committee Recommendation: Send the item to City Council with a qualified positive recommendation to refer the item to the City Manager and the Disaster and Fire Safety Commission to consider fire extinguishers and other fire prevention tools such as wool blankets.	2021-03-30	FIRE & EMERGENCY SERVICES	Cheryl Davila	Councilmembers		0	0	0	0	0	0	0	0	0	YES

Rank	Demand	Recommendations	Meeting Date	Lead City Department	Sponsor	Mark for Removal
25	Referral Response: Deferral of Remaining Permit, Inspection, Connection, and Impact Fees for 2009 Addison Street and Referral to the City Manager to Develop a Limited-Term Citywide Fee Deferral Program DMND0003995	Consider Adopting a Resolution authorizing the City Manager to defer remaining building permit, inspection, connection, and impact fees estimated at \$676,464 for the Berkeley Repertory Theater's project at 2009 Addison Street for a period of ten years. In addition, city staff is asking City Council to refer to the City Manager the development of a limited-term citywide fee deferral program.	2021-03-09	PLANNING & DEVELOPMENT	City Manager	TRUE
32	Referral to the City Manager to consider the videotaping of Planning Commission meetings DMND0002823	That the City Council refer to the City Manager to consider ways of videotaping the Planning Commission meetings in the same manner as Zoning Adjustment Board meetings.	2018-10-16	Information Technology	Kriss Worthington, Cheryl Davila	TRUE
37	Freedom from Domestic Violence as a Human Right Resolution DMND0002446	Adopt the Freedom from Domestic Violence as a Human Right Resolution. City Manager shall prepare a report within the next six (6) months on the policy and practice of City departments on domestic violence, including but not limited to, the Berkeley Police Department, the Berkeley Fire Department, and Health, Housing & Community Services, with respect to the status of domestic violence and the City's work to overcome domestic violence and support survivors. BE IT FURTHER RESOLVED that City departments shall work to incorporate this Resolution into their work.	2018-01-23	CITY MANAGER'S OFFICE	Peace & Justice Commission	TRUE

Rank	Demand	Recommendations	Meeting Date	Lead City Department	Sponsor	Mark for Removal
40	Referral to City Manager to address the conversion of Not Available To Rent rental units to unregistered short term rentals and unregistered medium term rentals from 15 to 30 days DMND0002831	Referral to City Manager to address the apparent conversion of Not Available To Rent rental units to unregistered Short Term Rentals and unregistered medium term rentals from 15 to 30 days. Refer to Planning Department Permit Service Center, Code Enforcement, Finance Department, Rent Stabilization Board, and Host Compliance, to comprehensively review whether units that are not available for rent (NAR) are compliant with Rent Board Regulations, and short-term rental (STR) regulations.	2018-10-30	PLANNING & DEVELOPMENT	Kriss Worthington, Kate Harrison	TRUE
42	Accessory Dwelling Unit Ordinance Updates DMND0002603	Refer to the Planning Commission to consider additional elements for Berkeley's Accessory Dwelling Unit Ordinance (BMC 23C.24), on an expedited basis, and refer to the Disaster and Fire Safety Commission bullet point #5, relating to potential obstruction of emergency vehicles, and request that their recommendations be sent directly to the Planning Commission to inform the Planning Commission's review and recommendations. Amendments: Remove the language regarding view protections; Add new #9 on hillside heights measurements where no previous structure exists; Add "and any other solutions" to #5 regarding parking; Include the referral from Item 15 with this referral.	2018-09-13	PLANNING & DEVELOPMENT	Sophie Hahn, Susan Wengraf, Kate Harrison	TRUE

Rank	Demand	Recommendations	Meeting Date	Lead City Department	Sponsor	Mark for Removal
46	Providing our Unhoused Community with Fire ExtinguishersDMND0003938	Policy Committee Recommendation: Send the item to City Council with a qualified positive recommendation to refer the item to the City Manager and the Disaster and Fire Safety Commission to consider fire extinguishers and other fire prevention tools such as wool blankets.	2021-03-30	FIRE & EMERGENCY SERVICES	Cheryl Davila	TRUE



Office of the City Manager

ACTION CALENDAR

April 26, 2022

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Henry Oyekanmi, Director, Finance

Subject: Accept the Risk Analysis for Long-Term Debt (Bonding Capacity) Report provided by Government Finance Officers Association

RECOMMENDATION

Accept the report titled 'Risk-Based Analysis and Stress Test of Long-Term Debt Affordability' as provided by the Government Finance Officers Association (GFOA). This report is based on their research and development of a risk-modeling tool to address issuing long-term debt related to City of Berkeley Vision 2050.

FISCAL IMPACTS OF RECOMMENDATION

There are no fiscal impacts of accepting the report

CURRENT SITUATION AND ITS EFFECTS

The Risk-Based Analysis and Stress Test of Long-Term Debt Affordability (Bonding Capacity) report is a Strategic Plan Priority Project, advancing our goal to:

- Provide an efficient and financially-healthy City government

The City engaged GFOA to conduct this analysis of the City's bonding capacity through their risk-modeling approach. This analysis will support the City's later development of a thirty-year borrowing plan, which will enable the City to replace its aging infrastructure assets, maintain its General Obligation Bond rating at AA+ at S & P Global and Aa1 at Moody's, and keep the bond property tax rate at an affordable level (which was .0540% at June 30, 2020). The GFOA's risk model and report look at a comprehensive financial analysis with particular focus on options to maintain the City's debt affordability within the framework of the City's huge unfunded pensions and other post-employment benefits (OPEB) and overall City operations.

The study and report are intended to help develop recommendations for a combination of infrastructure-focused revenue measures slated for November 2022 and beyond.

The context provided for GFOA to build the risk model and draft the subsequent report was framed through initially providing these items to GFOA:

1. Vision 2050
2. Unfunded Liabilities Report
3. Capital Improvement Plan in the most recent biennial budget and five-year planning horizon
4. Annual Comprehensive Financial Reports (ACFR)
5. GO Bonds, Revenue Bonds, and Certificates of Participation Debt Repayment Schedules
6. Current Bond Authority and Outstanding Amounts (GO Bonds for the past 20 years as of 7/12/21)
7. City's Debt Policy
8. S and P Global Ratings Letter Re: GO Bonds
9. S and P Global Ratings Letter Re: Lease Revenue Bonds
10. Analysis of City's Debt and Contingent Liability Profile
11. GO Rating Report – April 2021
12. GO Rating Report – February 2020

The GFOA report details these and additional factors that GFOA researched and incorporated into their construction of the risk model and their drafting of the final report.

### BACKGROUND

The City has an extensive portfolio of capital assets and infrastructure, including 95 public buildings; 254 miles of public sanitary sewer mains and 130 miles of public sewer laterals; 52 parks, two pools; three camps; and 42 different facilities served by the City's IT systems. Maintaining these assets is costly and requires significant resources and constant attention. As an older city, 50% of Berkeley's \$837 million of capital assets have exceeded their useful life.

The City's FY 2021 Capital Plan called for spending of \$57 million/year on capital and maintenance needs. Even at this increased level of funding, Berkeley's infrastructure will deteriorate faster than it is being repaired and replaced, and construction cost escalation at four (4) percent/year will significantly increase replacement costs.

To modernize these old physical structures with resilient, durable, and climate-smart infrastructure will require substantial new investments. To adequately address the \$882 million in unfunded infrastructure liabilities, the City needs to double its annual capital spending over the next decade to \$80 million/year. Capital expenditures are typically funded through a combination of debt financing (pay-as-you-use) and cash (pay-as-you-go). Paying in cash avoids the cost of interest, but requires the City to accumulate sufficient cash to fund the project, while construction costs escalate. Using debt to finance capital projects incurs interest expense but allows the project to start earlier, thereby avoiding escalation costs.

The City has an infrastructure system that has allowed it to thrive for over 100 years. Now, the City wants to incorporate new technologies and be able to adapt to meet environmental trends so that the infrastructure systems can continue to support the City for another 100 years. The risk analysis report shows the potential impact of multiple factors on the City's capacity to issue debt during the next thirty years.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable effects or opportunities associates with this item.

RATIONALE FOR RECOMMENDATION

The City administered Request for Proposals #21-11459-C for consulting services to determine the City's bonding capacity. The RFP was published twice with neither publication generating responses from the market. In the course of staff researching why no responses were received, staff met with GFOA. GFOA provided their relatively new risk-modeling approach to the bonding capacity topic. Thus, it was determined, since a traditional RFP was not generating market response, that it would be advantageous to contract with GFOA for their services to research and develop the risk-model for City of Berkeley to evaluate its capacity for issuance of long-term debt.

ALTERNATIVE ACTIONS CONSIDERED

Not conducting the study

CONTACT PERSON

Henry Oyekanmi, Director, Finance, 981-7326

Attachments:

1: Report: Risk-Based Analysis and Stress Test of Long-Term Debt Affordability (from GFOA, 2022)

A Risk-Based Analysis and Stress Test of Long-Term Debt Affordability for the City of Berkeley, California

April 2022

Produced by:

The Government Finance Officers Association





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## Section 1 – Introduction

Long-term debt is an important tool for municipal governments to invest in long-term assets that serve their community. The City of Berkeley, California (City) is considering seeking authorization from its voters on a large amount of long-term debt, perhaps up to \$600 million, to support the City of Berkeley’s infrastructure needs included in its Vision 2050 plan. The debt would be used to fund assets like streets, public buildings, and more. This would be the largest amount of debt the City has sought to authorize in at least the last 20 years.<sup>1</sup> Therefore, the City has, prudently, decided to analyze the long-term affordability of this debt and has engaged the Government Finance Officers Association (GFOA) to perform this analysis.

GFOA is a non-profit association of more than 21,000 state and local government finance professionals and elected officials from across the United States and Canada. A key part of GFOA’s mission is to promote best practices in public finance, including analyzing important financial risks like the affordability of long-term debt. GFOA’s approach to risk analysis is distinctive because we use the same basic methods used by insurance companies and climate scientists to evaluate risk. We use computer simulation to build hundreds, if not thousands, of scenarios of how the City’s financial situation could play out over 30 years. Each scenario changes important variables that influence how affordable the City’s debt might be. For example, each scenario features a different interest rate environment. The variation in these variables is governed by parameters we set, where the parameters keep the variation within the realm of possibility. To continue our interest rate example, we gathered data on the rate of change in bond interest rates since 1970. This information was used to create the parameters for the interest rate environments generated for each scenario. We then see how often the City’s debt remains affordable over those thousands of scenarios. If the debt is shown to be affordable under a high proportion of those scenarios, then that suggests there is a good chance that the debt will ultimately be affordable in the real world. Conversely, if the debt is not affordable under a high portion of the scenarios that suggests the debt is unlikely to be affordable in the real world. This computer simulation is built in Microsoft Excel using open standards for the data.<sup>2</sup> We’ll refer to this computer simulation as the GFOA “Risk Model”. The Risk Model is completely available to the City to use as it sees fit, including the ability to adjust many of the assumptions utilized for the simulations.

The rest of this report is divided into the following sections:

- **Defining What is “Affordable” Debt.** This section describes our rationale for using a typical bond ratings analysis as the basis for determining what is “affordable” for the City government.
- **Key Financial Indicators and Assumptions.** This section examines the key indicators of debt affordability that are taken into consideration by bond ratings companies and our method of approximating how the indicators suggest debt affordability in our simulation of the City government’s future.

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<sup>1</sup> History of the City’s bond issuances compiled with the help of the City Clerk.

<sup>2</sup> Visit [probabilitymanagement.org](http://probabilitymanagement.org) for more information on the standards we use.

- **Results of the Analysis and Recommendations.** In this section, we will address the findings from our analysis, including recommendations to help the City retain its credit rating.

## Section 2 – Defining What is “Affordable” Debt

The definition of what is “affordable” debt is at the foundation of this analysis.

The first step to defining what is affordable is defining the type of debt the City is considering. The City is considering “general obligation (GO) debt”. This debt is paid for by a dedicated property tax levy. Thus, the City **does not** have to pay for this debt out of its existing revenue streams. This means that taking on more general obligation debt **will not** have a **direct** impact on the City’s operating budget. There is **indirect** impact – for example, perhaps the higher tax bills faced by taxpayers would cause them to vote against future tax measures intended to support the operating budget. Or, maybe residents or businesses feel the impact of higher taxes in their businesses or personal finances and decide to move. These are important considerations, but are outside the scope of this analysis, which is focused on the **direct** impacts to City government. That said, the financial indicators we will examine do include measures of personal income and the size of the tax base relative to the size of the population, which do provide some insight into affordability to taxpayers. It is also worth remembering that, according to California law, debt like the City is considering must be approved by two-thirds of voters in an election. If approval is not obtained, the debt cannot be issued. Thus, taxpayers evaluate the affordability of the proposed debt themselves by choosing to approve it or not. However, affordability to the taxpayers might not be that simple. We’ll have more to say on this topic later in the report.

The impact of general obligation debt on the City government’s finances is to add to the City’s total debt burden. Generally, the more debt a City takes on the less attractive its debt becomes to investors, all else being equal.<sup>3</sup> This is because, in theory, the more debt a City has, the less likely it is that it will be able to pay it all back. This is important because if the City’s debt becomes too unattractive, it will need to offer higher interest rates to investors. That would make it more expensive to borrow and, thus, more expensive for the City to make future investments in long-term assets. **Thus, we will define debt affordability as the extent to which issuing more debt in support of any City Council program might cause the City’s debt to cross a threshold point where the City has to offer a higher interest rate to attract investors.**

Threshold points where higher interest rates must be offered are known as bond ratings. There are three major agencies that issue bond ratings: Moody’s Investors Service, Standard and Poor’s, and Fitch Ratings. Each rating agency has its own approach, but there are broad similarities between all three. For purposes of this analysis, we will focus on Moody’s approach. This is because Moody’s method is: A) well documented; and B) makes use of quantitative financial information to help standardize the approach to issuing ratings. This means we can collect the same financial information Moody’s would collect and evaluate it in a similar, albeit much simplified, manner. By doing this, our Risk Model was able to essentially duplicate the City’s current rating, which is “Aa”, according to Moody’s. Aa is the second best rating on Moody’s scale (which is similar to the scales used by the other rating agencies). The complete scale is shown in the accompanying table. The reader should note that rating agencies also make finer grained distinctions within the rating tiers. For example, technically, the City’s rating is “Aa1”, which

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<sup>3</sup> Municipal governments might issue more debt, but their tax base and revenues might also continue to grow. In this case, all else has not remained equal so the debt of that municipality may not become less attractive.

indicates the City is a strong Aa or at the upper end of what is considered Aa. An Aa2 would be in the middle and Aa3 would be considered a weak Aa. For the majority of this report we will not refer to these finer grained distinctions. This is, first, in the interest of simplicity. Using just the ratings scale showing in our accompanying table, the reader will be required to track six different categories of ratings. Multiplying the number of categories by three might make this analysis much more difficult to follow. Second, we do not have access to reliable historical data on how big a difference these finer distinctions would make on the interest rate the City could obtain for its bonds. We have data back to 1970 for the differences between the tiers shown in our table. Therefore, most the analysis will take place at the level of these six tiers. Occasionally, though, we will refer to the finer distinctions (e.g., Aa1 vs. Aa2 vs. Aa3) to discuss how the City’s credit rating could change in response to different conditions.

If the City’s debt were to be downgraded to an “A” we would expect the City to have to pay a higher interest rate on future debt. How much more would depend on the interest rate environment at the time. Historically, the difference between the interest rate of Aa and A has ranged from 1.05 to 0.08 percentage points, with an average of 0.26 percentage points. If, for example, a \$100 million 30-year bond sold at 2.26% interest rather than 2.00% interest, this would translate to \$5 million more in total interest cost over the life of the bond.

Moody’s Rating Scale	
The best->	Aaa
	Aa
	A
	Baa
	Ba
The worst->	B or below

To evaluate the affordability of the City of Berkeley’s borrowing plan including its Vision 2050 debt issuance plan we can do the following:

1. Update the key financial indicators used within the Moody’s rating system to reflect what the indicators would look like with the additional debt over the 30-year analysis period covered by our Risk Model.
2. Use computer simulation to vary key variables that impact the financial indicators over the 30-year analysis period. We’ll describe what these variables are and the assumptions our analysis makes in the next section.

### Section 3 – Key Financial Indicators and Assumptions

The purpose of this section is to summarize the key financial indicators used to help frame bond ratings and to describe key assumptions we have made with respect to future values of the important variables that go into the analysis. Our analysis considers the next 30 years, so we had to make assumptions about how key variables would behave. Before we delve into these topics, we’d like to bring five important points to the attention of the reader:

1. The amount of debt the City takes on is not the only, or even primary, factor that determines bond ratings. Bond ratings take into account a number of factors besides debt. Therefore, our analysis include other factors that impact bond ratings, such as pensions, fund balance and tax base, along with debt.
2. Bond ratings are intended, primarily, to help investors decide how risky it is to invest in a municipality’s debt. Though many of the factors bond ratings take into account are reflective of

the general financial health of a municipality, the ratings are not a perfect measure of financial health. This is because ratings are intended to judge the ability of the City to pay back its bondholders and nothing more. This is a limited perspective on financial health.<sup>4</sup>

3. Bond ratings method are not a purely mechanical exercise where a given value for the financial indicators leads to a perfectly predictable bond rating. For example, Moody's rating method includes "notching factors", which are essentially the wiggle room to adjust a municipality's rating up or down, based on local circumstances and the judgment of bond rating analysts. Nevertheless, given that our approximation of the financial indicators that Moody's uses did produce the City's current rating in our Risk Model, we can assume that the financial indicators will produce useful insights into what the City's rating might be under different circumstances.
4. Our analysis is based largely on the future looking a lot like the past in many important respects. For example, we will see that the size of the City's tax base is regarded as a big strength by the Moody's evaluation method. We will assume it will continue to be. Of course, it is plausible that that a large natural disaster, like an earthquake, could severely damage property stock in Berkeley to the point where the tax base is seriously impaired and is no longer the strength it once was. These kinds of extreme scenarios (e.g., natural catastrophes) are not within the scope of our analysis. This is not to say such scenarios are not important. In fact, GFOA analyzes the impact of catastrophic scenarios on municipal financial health on a regular basis. However, given the scope for this project we focused on the key financial indicators of the City's financial health that are described in the following pages and not on catastrophe events. The Risk Model is not intended as a perfect representation of reality. It has been said "all models are wrong, but some are useful". We would suggest that focusing on the trajectory of key financial indicators given the decisions that City makes is a useful perspective on the affordability of its debt plan.
5. Readers who are not interested in the details of the Moody's methods and the assumptions we made about the future of the City's finances are invited to skip the rest of this section and go directly to the next section for our findings and recommendations.

The rest of this section will delve into key financial indicators that are salient to bond ratings and which underlies how we are defining "debt affordability" for this study.

The key financial indicators Moody's considers are described by what Moody's calls its "scorecard". Moody's has four broad factors for its bond rating scorecard and a number of sub-factors, which are shown in Exhibit 3.1.<sup>5</sup> We will summarize each immediately following. With respect to the overview provided by Exhibit 3.1, the reader should note the factor weightings. We see that measures of the City's debt constitute only 10% of the total scorecard. Thus, the City's plan to issue more debt, by itself, can only have a marginal impact on the score. The City's actions with respect to its financial position, in whole, will be what really matters for debt affordability.

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<sup>4</sup> A comprehensive approach can be found in GFOA's Financial Foundations for Thriving Communities.

<sup>5</sup> Our primary source on Moody's methods is "US Local Government General Obligation Debt" dated January 26, 2021, published by Moody's Investors Service.

**Exhibit 3.1 – Moody’s Scorecard Factors and Weights (for Local Governments)**

Broad Scorecard Factors	Factor Weighting	Sub-factors	Sub-factor Weighting
Economy/Tax Base	30%	Tax Base Size (full value)	10%
		Full Value Per Capita	10%
		Wealth (median family income)	10%
Finances	30%	Fund Balance (% of revenues)	10%
		Fund Balance Trend (5-year change)	5%
		Cash Balance (% of revenues)	10%
		Cash Balance Trend (5-year change)	5%
Management	20%	Institutional Framework	10%
		Operating History	10%
Debt/Pensions	20%	Debt to Full Value	5%
		Debt to Revenue	5%
		Moody's-adjusted Net Pension Liability (3-year average) to Full Value	5%
		Moody's-adjusted Net Pension Liability (3-year average) to Revenue	5%

Source: Moody's Investor Service

### Economy / Tax Base

The tax base ultimately determines if a city can pay back its debt. There are three sub-factors considered:

**Tax-base size:** The size of the property tax base is where a municipality draws its revenue from. Currently, full value of the property in the City’s tax base is almost double what is necessary to receive the highest possible score on Moody’s scorecard. We did not find a reason to think that a radical decline in the value of property in the tax base was a probable risk. Of course, events like the 2008 recession and bursting of the housing bubble can cause a temporary decline. These kinds of variations are captured in the Risk Model. The Risk Model assumes that tax base will grow (and occasionally shrink) at rate that is broadly consistent with historical patterns, but the Risk Model does not assume a constant rate of growth. For example, the Risk Model simulates market pullbacks like the Great Recession (and worse). However, we did not find a reason to think that a dramatic, long-term decline in the City’s property values was a high-probability risk. The Risk Model does provide the user with the ability to easily change growth rate assumptions in order to see the effect of more optimistic or pessimistic outlooks.

**Full-value per capita:** This indicator adds in population size to the size of the tax base. The per resident property wealth shows the availability of tax-generating resources relative to the users of public services. This measure is almost 1/3 above what is necessary to receive the highest score on Moody’s scorecard. We did not find reason to believe that the City’s population would outpace the growth in property values to the point where it would risk the City falling below the Moody’s threshold for the best score. In fact, a long-term forecast sourced from Association of Bay Area Governments (ABAG) shows the City’s population forecasted to grow just over 1% per year over the next 30 years. This growth does not seem to be so great that it puts a strain on City finances and, thus, pose a risk to the City’s bond ratings.

**Median Family Income:** A community with high-income taxpayers may have greater ability to cover the cost of debt. The City is almost exactly in the middle of the two threshold values that bound the second highest score on Moody's scale. Presumably, the large number of college students in Berkeley exert downward pressure on this measure. That said, we did not uncover a high probability risk that the City would fall out of the second-highest category over the next 30 years.

## Finances

This factor considers a local government's cushion against the unexpected, the City's ability to meet existing financial obligations, and its flexibility to adjust to new ones. There are four sub-factors considered:

**Fund Balance:** Fund balance describes the net financial resources available to a municipality in the short term. It is essentially the "rainy day fund" or "self-insurance" to react to unplanned, unavoidable costs (like natural disasters). More fund balance would presumably reduce the risk of a local government failing to repay debt because of a natural disaster or other catastrophe. For the City, this measure is currently almost 2/3 above what is necessary to receive the highest score on Moody's scorecard (Aaa). That said, fund balance is not nearly as stable a quantity as the economic forces we reviewed above. For example, in the years 2007 to 2013 the City's annually available reserves were less than half of what they've been in the last few years. In fact, the City would have been in the Aa, rather than Aaa, equivalent tier for six of the last 15 years (though not too far below the Aaa tier, at least). This means that we shouldn't take for granted that the City will continue to maintain reserves high enough to receive Moody's highest scores for the entire 30-year analysis period. The Risk Model assumes the City has a chance of falling out of the Aaa equivalent tier for fund balance. That chance is determined by the City's historical experience. Over the last 15 years the City was below the Aaa threshold six times. So, the Risk Model assumes a six in 15 chance (or two in five chance) per year that the City falls below the Aaa tier.

**Five-Year Dollar Change in Fund Balance as % of Revenues:** The reason for this measure is much the same as stated above, except this takes longer-term perspective on fund balance. Fund balance can change fairly rapidly, year to year, compared to some of the other indicators in the Moody's scorecard. So, this measure checks to see if fund balance is growing or shrinking and by how much. Currently, the City is just above the threshold required for the highest score. However, this is an example of a measure that is highly relevant to the interest of bondholders, but not as well aligned with the interests of the people who live in Berkeley. From the perspective of bondholders, it would not be a bad thing if the City continued to build its fund balance indefinitely. That continues to reduce the risk of a default. However, from the citizens' perspective there is a clear upper limit on the amount of fund balance a local government should hold. At some point the opportunity cost (in terms of higher taxes or foregone services) is not worth the benefit the public receives from the City having a larger fund balance. Thus, given that the City already, by Moody's own standards, has a large fund balance, it is questionable whether the City would continue to grow the fund balance in the future at the same rate it has in the past. Thus, it seems unlikely the City would continue to achieve the highest score under the Moody's rating system. However, that said, Moody's documentation does imply that local governments with a strong fund balance might be given consideration for maintaining that fund balance rather than continuing to grow it - Moody's might adjust ratings upwards to reward maintaining stability of a high level of fund balance. This means that the City



may not enjoy the top-rated scores it had gotten in the past on this measure, but if it maintains a high level of fund balance, it might only drop to the second highest score. The Risk Model gives the user the option to choose the growth rate, from maintaining a rate of growth equivalent to Aaa to remaining flat (equivalent to an A rating). For the purposes of this report, we chose to make this indicator equivalent to an Aa rating. The rationale is that the City probably can't keep historic levels of growth indefinitely, but the high amount of fund balance the City usually carries would, hopefully, be enough to avoid falling down to an A rating.

**Cash Balance:** Cash is a similar measure to fund balance – but focuses on “money in the bank”, whereas fund balance can include some non-liquid resources. For the City, this measure is currently almost three times above what is necessary to receive the highest score on Moody's scorecard. At the City, cash balances and fund balance levels tend to mirror each other. So, just as the City did not have nearly the same level of fund balance in the past as it does today, it did not have the same level of cash either. Thus, like fund balance, this means that we shouldn't take for granted that the City will continue to maintain cash high enough to receive Moody's highest scores for the entire 30-year analysis period. That said, given that cash appears to be so far above what Moody's is looking for that it would take much more extraordinary circumstances for the City's cash to fall below Aaa equivalence. The Risk Model assumes that the City has a 2 in 15 chance of falling to the Aa tier, each year. This chance is smaller than fund balances falling to the Aa tier. The rationale is the City's cash amounts are very high above the Aaa threshold, so would have a long way to fall to reach Aa territory.

**Five-Year Dollar Change in Cash Balance as % of Revenues:** The rationale and issues related to this measure are much the same as discussed above. Cash is a more liquid resource for dealing with unplanned, unavoidable expenditures and this measure shows the rate and direction of growth. The City is currently well above the amount required for Moody's highest score, but, again, the same rate of growth probably cannot keep up indefinitely. Like fund balance, though, it seems possible that Moody's might not penalize the City for mere stability in its amounts of cash on hand, if the amounts on hand were kept high. The Risk Model uses identical assumptions for this measure as for the fund balance trend, described above.

## Management

The legal structure of a local government and management under which it operates influence the government's ability to maintain a balanced budget, fund services, and continue to derive resources from the local economy. There are two measures in this category.

**Institutional Framework:** This factor measures the municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. For example, a local government with many mandated responsibilities, but with little ability to raise revenues would score poorly on this measure. Our examination of the City's prior Moody's bond ratings suggest that the City, for this measure, was rated consistently with its overall rating: Aa. In other words, the second best possible score. We found no high probability risk that the City's legal powers and responsibilities would change dramatically in the coming years, so we assume the City's score on this measure will remain constant throughout the analysis period.

**Operating History:** Operating history is essentially the extent to which the City runs annual surpluses or deficits. The City's current measure is well above what is required for Moody's highest score. However, because surpluses and deficits are determined annually, we shouldn't assume stability in this measure over a long-term period. We looked at the last 15 years of the City's history to see the size of surpluses (there were no deficits) and used those to simulate what surpluses will be in the future. This results in a more conservative assumption than simply continuing the most recent trends indefinitely into the future.

## Debt / Pensions

Debt and pension burdens are measures of the financial leverage of a community. The more leveraged a tax base is, the more difficult it is to service existing debt and to afford additional debt, and the greater the likelihood there will be difficulties funding debt service. There are four measures in this category.

We gave this category the most analytical attention for a number of reasons. First, debt was the primary focus of the City in commissioning this study. The amount of debt the City is considering issuing will have a direct impact on some of the measures in this category. Second, as we will see, the City's current performance on debt indicators is already weak compared to the other indicators we have reviewed. Third, this section includes pensions, which, as we will see, are the weak spot in the City's performance on the Moody's scorecard.

We will first briefly overview the four measures in this category and then go into details on the assumptions made for future values of these indicators.

**Debt to Full Value:** This evaluates net direct debt relative to full value of the property in the City's tax base. This metric tells us how onerous future debt service payments could be to the tax base. Currently, the City is in the second best category for scoring on this measure.

**Debt to Revenues:** This compares debt to the City's regular revenue stream. Moody's does not subtract from the calculation any debt whose principal and interest is paid by taxes, even if those costs are external to the General Fund. Under this definition, the City gets a score on the Moody's scorecard equivalent to an "A" rating.

**Three-year Average of Moody's-Adjusted Net Pension Liability to Full Value.** This measures the magnitude of a local government's pension obligations relative to its tax base.<sup>6</sup> Similar to the debt burden evaluation, the tax base serves as a proxy for future revenue-generating capacity to amortize accrued pension obligations. The City's score here is equivalent to a "Baa" bond rating.

**Three-year Average of Moody's-Adjusted Net Pension Liability to Operating Revenues.** This metric seeks to measure pension obligations relative to the size of the local government's budget. The metric attempts to reflect that amortization of accrued net pension obligations could divert revenues out of future budgets and lead to funding shortfalls. The City's score here is equivalent to a "Ba" bond rating (the second worst rating).

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<sup>6</sup> Note that Moody's adjusts the standard net pension liability measure found in government financial reports to include less favorable assumptions on the discount rate for pension investments. The details behind these calculations are available in the Risk Model supplied to the City by GFOA.

**Assumptions for Future Indebtedness:**

- The Risk Model includes all repayment schedules for the City’s existing debt and assumes debt will be repaid in the times and amounts currently scheduled.
- The Risk Model includes three categories of “new” debt. The detailed assumptions behind the new debt are described in more detail later, but the general categories of new debt are:
  - Debt that the voters have previously authorized, but which the City has not issued. This is in the amount of \$117 million in principal.
  - Debt issued to support Vision 2050 or other programs. The user defines the amount of principal in the Risk Model. The Risk Model assumes that the number entered by the user will be approved by the voters.
  - Debt issued in the far future. Given we are taking a long-term (30 years) perspective, we should not assume that future City Councils will not issue any more debt. The amounts and timings of these simulate future debt issues are described as part of the following bullets.
- For all new debt, the user can choose the length of the repayment schedule. For the purposes of this report, we assumed 30 years. This is consistent with the City’s past practices and current plans. We assume level repayment schedules (i.e., no front or back loading of repayment schedules). We assume no debt refunding, refinancing, etc.
- For all new debt, we simulate the interest rate, where historical rates are used as a model. Here are some key points:
  - We use forecasts of the yield on ten-year US Treasuries for the next two years to simulate the interest rate environment for the next two years. We do this so that the Risk Model does not generate short-term results that are divergent from short-term expectations.
  - After two years, the Risk Model randomly generates future interest rates, where the rate of change in the rates is entirely consistent with the rate of change in the interest rates for Aaa-rated GO bonds and US Treasuries since 1977. We used the historical rate of change to simulate downward, upward, and stable trajectories for long-term interest rates.
  - The Risk Model assumes bond interest rates will not go below zero. The user has the option to adjust this rate floor.
  - The Risk Model includes the City’s informal policy that the City will not borrow if rates are above 5%. If rates are simulated to go above 5% in any year any simulated, then borrowing is deferred until rates go back below 5%.
  - For the purpose of this report, the Risk Model assumes that rates are just as likely to go up in the future as they are to go down, with the exception of the first two years. As discussed above, the next first years are determined by the 10-year US Treasury forecasts produced by other organizations. For the years after that, the user is able to adjust how likely rates are to go up or down to explore assumptions other than what we assumed for this report. So, if the user wanted the Risk Model to simulate an interest environment where it is twice as likely rates would go up, then that assumption could be entered. In no case will the rates rise at a greater rate of change than has been observed historically.

- The Risk Model assumes that the City will issue new debt that has been previously authorized by voters, but which have not yet been issued. This amounts to \$117 million in additional principal that is added to the City's debt burden over the next five years. The debt is issued according to a user-defined schedule.
- For the debt to support more borrowing, including the City of Berkeley Vision 2050, in the Risk Model, the user can choose the amount of debt the City will issue. The Risk Model allows the user to choose between the options below. The options are completely user definable so the City can add, change, or delete options as it likes:
  - An option for \$300 million in debt, which represents the lower end of what the City Council has discussed. Note that the City Council has discussed supplementing this amount of debt with a parcel tax. The parcel tax would not impact the City government's performance on the key indicators in the Moody's scorecard other than requiring the City issue less debt. Hence, the parcel tax is not included in the Risk Model.
  - An option for \$600 million in debt, which represents the upper end of what the City Council has discussed.
  - An option for \$900 million in debt. This is included just for demonstration purposes, so the user can see what a larger amount of debt would do to the model results.
- Debt issued to support more borrowing for the 2050 Vision Plan are assumed to be issued in increments evenly throughout the 30-year analysis period. The user can change this assumption and make the debt issued on any schedule they would like.
- We should not assume that the debt issued to support the City of Berkeley Vision 2050 will be the last debt the City issues for 30 years. Since 2000, the City has tried to gain voters' approval to issue new debt in seven of ten election years. Thus, we must assume that future City Councils will have plans to issue debt to support future projects. The model simulates this under the following assumptions:
  - The City will not try to issue new debt again until 2028. This assumption can be easily changed by the user.
  - For any election year after 2028, there is a 70% chance that the City will try to gain approval to issue new debt. This is based on the fact the City has historically tried in 70% of election years, though this assumption can be adjusted by users.
  - The amount of debt the City attempts to issue in any given election year varies between \$13 million and \$150 million. This is based on the inflation adjusted amounts the City has tried to issue in the past. The Risk Model adjusts this amount upwards in future years to account for the effects of inflation.
  - The public approves proposed new issues at the same rate it has in the past, including partial approvals.

### **Assumptions for Future Pension Liabilities**

For pension liabilities, we developed a single alternative pension assumption, based on the work of the City's CPA firm. This assumption assumes a negative 1 percentage point adjustment to the discount rate applied to pension investments. So, if the baseline, status quo assumption is 7.15%, then the alternative would be 6.15%. The user can activate or deactivate the alternative assumption on the Risk Model

dashboard. If activated, the alternative assumption is applied across all of the thousands of scenarios the risk model produces. If is not activated, it is not applied to any of the scenarios.

The Risk Model also includes an assumption for annual increase in pension liability and the current annual rate of 3.96%. GFOA would like to acknowledge the assistance of Dan Matusiewicz, Senior Finance Consultant, at GovInvest for providing assistance on formulating this assumption, which is based on a 6.8% discount rate and wage growth of 2.5%.

## Section 4 – Results of the Analysis and Recommendations

In this section, we will address the finding from our analysis, including recommendations to help the City retain its credit rating.

### Let's Put Debt in Context of the Financial Indicators Used to Estimate Debt Affordability

The City's level of debt only impacts the financial indicators that comprise a total of 10% of the Moody's scorecard. Put another way, 90% of the scorecard result is determined by factors other than the City's debt! That means that long-term affordability of the City's debt will be influenced by things like how the City manages its tax base, fund balance, its pensions, and its budget. Exhibit 3.1 provided details on the relative importance of the different factors in the Moody's scorecard. To recap some of the more notable items:

- Pensions are equal to 10% of the scorecard result, or the same as debt.
- Fund balance and cash are equal to 30% or are three times the importance of debt.
- A balanced budget is equal to 10% of the scorecard result.
- Economic factors, like full value and median family income, are equal to 30% of the scorecard result.

According to our re-creation of the Moody's scoring method, today, the City is just short of a score that would be consistent with an Aaa rating. The City's pension liabilities are the main culprit for keeping the City from that score. This conclusion seems consistent with what bond analysts have conveyed to the City: that the City would have an Aaa rating if not for its pension situation. This means that the City has some "distance to fall" in order to get down to an A rating, at least according to the quantified scoring system and the assumptions we described in this report.

All this means that the City's decision to issue debt must be done in the context of the other factors that impact affordability when trying to determine the chance that additional debt will reduce the City's bond rating.

So, to review, the City's strengths are:

- The City's economic base is firmly in Aaa territory and there does not seem to be a plausible risk of it falling out of that tier. The economic base accounts for almost 1/3 of the rating.
- The City's fund balance and cash are firmly in Aaa territory as well. Even though these measures are, by nature, more volatile than the measures of the economic base there seems to be low risk that they would fall completely out of Aaa territory much less all the way down to an A-rating territory (assuming the City maintains a strong reserve policy, as further described in our recommendations). Fund balance and cash measures also constitute almost one-third of the rating.
- The City has also consistently maintained a balanced budget.

And, the City's weaknesses are:

- The City’s pensions are in Baa territory currently. Some observers believe there is a case for a lower discount rate to estimate the City’s pension liability. A lower discount rate would make the liability to go up substantially. The City’s CPA firm produced the calculation for a 1 percentage point reduction and we included it in the Risk Model as an option for the user to activate, if they wish. If this scenario came to fruition, pensions would become an even greater drag on the City. In fact, the Risk Model shows a good chance that pensions reach B territory (the worst rating) well before the end of the 30-year analysis period. Finally, it is worth noting that the Risk Model shows that one of the pension measures in the scorecard (pension liabilities compared to revenues) is at risk of slipping down to a score equivalent to the next lower rating tier (Ba) within in the next five years. As we will discuss more later, a continued downward trajectory on pensions could influence bond ratings analysts to give the City a lower rating.
- Though the City’s current indebtedness is not nearly the problem that pensions are, it is not helping the City’s bond rating either. Currently, debt measures sit between Aa and A territory.

More debt reduces the City’s score on the indicators. We can illustrate with the table below. The table shows the City’s scores under different simulations, starting with the City’s current score and ending with the City’s simulated score at the end of 30 years. The simulation does not produce a single score for the end of 30 years, but rather produces a range of possible scores. For this reason, we show the average, optimistic, and pessimistic outcomes.<sup>7</sup> The table uses assumptions identical to that described earlier in this report and assumes \$600 million of new debt in support of the City’s programs, including Vision 2050, plus debt issued by future City Councils, as described earlier. We can see that the score at the end of the 30 years is worse than the City’s current score under all three perspectives in the table (average, optimistic, pessimistic). The good news is that when we consider just debt, at least the scores do remain broadly consistent with an Aa rating. But, what about if we consider more than just debt? Other factors do enter into the final bond rating of course.

**Exhibit 4.1 – Simulated Results on Moody’s Scorecard under the Assumptions Described Earlier in the Report**

Rating	Score for Each Rating		City's Current Score	Average Score at end of 30 years	Optimistic Score at end of 30 years	Pessimistic Score at end of 30 years
	Min	Max				
Aaa	0.05	1.5				
Aa	1.5	2.5	1.65	2.14	2.00	2.30
A	2.5	3.5				
Baa	3.5	4.5				
Ba	4.5	5.5				
B or below	5.5	6.5				

<sup>7</sup> Optimistic and pessimistic are defined as the points at which 5% of the outcomes produced by the model are above or below the point indicated on the table.

To examine the other considerations that go into a rating, Exhibit 4.2 changes the assumptions in the Risk Model to be less favorable for the City, including: a lower discount rate on pensions (1 percentage point) and performance equivalent to an Aa rating for fund balances, cash balances, and operating history (which would be less favorable than the City’s recent history would suggest). We can see that the City’s scores now deteriorate enough that the pessimistic outcome places the City in the “A” rating equivalent scoring tier. What the table does not show is how the scores change for periods less than 30 years. The Risk Model tells us that the risk of a downgrade is present in the near-term future, not just the long-term future. This is because the City is close enough to the next lower tier of scoring for its debt and pension measures that it is plausible that the City will reach these lower tiers in five to ten years. We’ll discuss this more detail in the next section. Over the long-term, the City’s strong property tax base (and growth in that base) can balance out some of the nearer-term challenges (assuming the challenges don’t also get worse).

**Exhibit 4.2 – Simulated Results on Moody’s Scorecard under Less Favorable Assumptions**

Rating	Score for Each Rating		City’s Current Score	Average Score at end of 30 years	Optimistic Score at end of 30 years	Pessimistic Score at end of 30 years
	Min	Max				
Aaa	0.05	1.5				
Aa	1.5	2.5	1.65	2.39	2.30	
A	2.5	3.5				2.50
Baa	3.5	4.5				
Ba	4.5	5.5				
B or below	5.5	6.5				

The reader will notice that even on this second table, the scores are certainly not disastrous, by any means: the average score is still within the Aa equivalent tier. That said, we must remember that the final bond rating a municipality receives is not a purely mechanical exercise, where the key financial indicators dictate the bond rating. According to Moody’s: “The scorecard is not a calculator. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to begin viewing and comparing local government credits. It therefore acts as a starting point for a more thorough and individualistic analysis.” Put another way, the rest of the rating is subject to a human element: the rating analyst. In a real-life scenario characterized by unfavorable performance across the indicators that Moody’s looks at we can’t discount the possibility that the analyst might decide to “put a thumb on the scale” and raise the chance of a downgrade. For example, perhaps a significant amount of new debt along with further deterioration in the City’s pension situation dampens the rating analyst’s enthusiasm for the City of Berkeley’s debt even more than the Moody’s scorecard suggests. Finally, it could be possible that rating agencies could change the weightings of the indicators they consider. GFOA has observed that the measures favored by rating agencies and the relative weight placed on them has evolved over time. It seems unlikely that debt and pensions would come to occupy a less important place in rating considerations given that they currently constitute a relatively small consideration compared to fund balance / cash and tax base. Given that pensions and debt are biggest risk to future debt affordability, we’ll examine this risk more in the next subsection.



Finally, the model can address different interest rate environments and property markets. Some observers believe that sustained higher interest rates may result from efforts to combat inflation. This would result in economic stagnation and impact on the housing market. In fact, the Federal Reserve Bank of Dallas recently stated that the property market is showing "signs of a brewing U.S. housing bubble". The implication is that bubbles pop, with the types of consequences we saw in the 2008. To explore these concerns further, we adjusted the model assumptions to give more weight to a rising interest rate environment and to reduce, by half, the chances of growth in the City's revenue and property values. Note that the baseline assumptions in the Risk Model **did not** assume uninterrupted growth in property values, but did assume a good chance of a long-term upward trajectory. These new assumptions result in a good chance of long-term stagnation. Under these assumptions, unsurprisingly, the City's is at significantly greater risk of slipping below an Aa equivalent score. Interestingly, the City's informal policy of not borrowing at rates above 5% makes a noticeable difference in the high interest rate environment: the City stops borrowing at a certain point and pays back existing debt, which helps its score. The take-away is that unfavorable turns in the economic environment will have a noticeable impact on the financial indicators and increase the risk of a ratings downgrade.

### Pension, Debt and the Risk Posed to the City's Bond Rating

Though pension and debt do not dominate the Moody's scorecard and are not the most important consideration in bond ratings, they still can influence bond ratings. For example, especially poor performance or notable deterioration from previous performance might capture the attention of the bond ratings analyst. To illustrate, the table below displays results from one of thousands of simulations the Risk Model produced, using the more unfavorable assumptions described in the previous section. We chose to illustrate using the more unfavorable assumptions because it helps make the point we wish to make more clearly. Also, keep in mind this is just one of the thousands of simulations we developed, so it's not intended to show generalizable results (unlike the tables in the last section which summarized results from across the thousands of simulations).

The top set of rows in the table shows the City's current values for the key financial indicators associated with debt and pension in the Moody's scorecard. The next set of rows shows the scores the indicators receive under the Moody's methodology. The scores can range from 1 to 6, where 1 is the best (Aaa equivalent) and 6 is the worst (equivalent to B or below). The final row is the average of all indicators in the Moody's scorecard, which includes indicators not shown in the rows above (e.g., tax base, fund balance, etc.). Remember that the average is weighted towards the indicators Moody's deems most important (see Exhibit 3.1).

We see that the City's current score across all indicators is a 1.65 (bottom left corner), consistent with a strong Aa rating. However, as we move to right and further into the future, we see City's score on debt and pensions deteriorate (the numbers on the 1 through 6 scale get higher). We can also see the average score move upwards. The movement upwards is not as dramatic because debt and pensions only account for 20% of the total score. The measures that account for the other 80% perform well, often in Aaa territory. Nevertheless, we see that although the City's score remains consistent with an Aa rating, it has become consistent with a weak Aa (or Aa3 in Moody's terminology). It should be noted that the cutoff

points used in the table to differentiate strong from weak come directly from Moody’s documentation.<sup>8</sup> With this in mind, it becomes more understandable why an analyst might decide to downgrade the City to an A rating, if they observe the City’s scorecard result fall from a strong to a weak Aa. They might conclude that the possibility of continued decline, for example, merits a lower rating.

**Exhibit 4.3 – Example Results from a Simulation the Risk Model Produced**

	Now	3	4	5	6	7	8	9	10	11	12
<b>VALUES FOR INDICATORS</b>											
Net Direct Debt / Full Value	1.3%	2.2%	2.3%	2.2%	3.0%	2.9%	2.7%	3.5%	3.8%	3.8%	3.8%
Net Direct Debt / Operating revenues (x)	0.76	1.29	1.34	1.86	1.78	1.69	2.08	2.28	2.20	2.10	2.01
Adjusted Net Pension Liability (3-Year Average) to Full Value (%)	8.7%	13.7%	13.7%	13.8%	14.0%	14.1%	14.7%	15.2%	16.4%	17.7%	18.8%
Adjusted Net Pension Liability (3-Year Average) to Revenues (x)	5.24	7.73	8.26	8.49	8.72	8.90	8.80	9.17	9.44	9.67	9.93
<b>SCORE FOR DEBT &amp; PENSION INDICATORS (1 THRU 6 SCALE)</b>											
Net Direct Debt / Full Value	2	3	3	3	3	3	3	3	3	3	3
Net Direct Debt / Operating revenues (x)	3	3	3	3	3	3	3	3	3	3	3
Adjusted Net Pension Liability (3-Year Average) to Full Value (%)	4	5	5	5	5	5	5	5	5	5	6
Adjusted Net Pension Liability (3-Year Average) to Revenues (x)	4	5	5	6	6	6	6	6	6	6	6
<b>SCORE FOR TOTAL OF ALL INDICATORS (1 THRU 6 SCALE)</b>											
	1.65	2.2	2.2	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.3
	^	^	^	^	^	^	^	^	^	^	^
	Strong	Weak	Weak	Weak	Weak	Weak	Weak	Weak	Weak	Weak	Weak
	Aa	Aa	Aa	Aa	Aa	Aa	Aa	Aa	Aa	Aa	Aa

Finally, the Risk Model can be used to explore different weightings on financial indicators. For instance, we could give greater weight to pensions and debt and less to cash and fund balances (perhaps because cash and fund balance measures are very similar, so weighting both heavily in the analysis could be seen as “double counting”). This feature of the Risk Model could be used to mimic how a ratings analyst might decide to weigh the indicators differently than Moody’s standard documentation suggests. Unsurprisingly, weighting debt and pensions more puts downward pressure on the City’s scores.

**Develop and Maintain Strong Financial Policies**

Financial policies can help the City maintain its good bond rating. An example is the City’s General Fund Reserve Policy. GFOA’s review of the City’s policy finds that it includes all the critical features of a good policy and calls for a reserve equal to Moody’s Aaa equivalent threshold. That said, it is important to recall that Moody’s looks across all “operating funds”, which includes more than the General Fund. **Hence, there could be an argument for defining reserve policies for other critical operating funds.**

The City also has a debt policy. The policy has many of the features of a good policy, but there may be some opportunities for improvement. Particularly salient to our discussion of bond ratings is debt affordability. The City’s debt policy notes that “the City is subject to debt capacity limit for its general obligation bonds: 15% of assessed value.” This amount of debt would be equivalent to the second lowest rating, Ba, under Moody’s scoring. **Hence, there may be a case for defining a more locally appropriate debt affordability policy.** For example, even under the most aggressive assumptions of how much debt the City might issue, the Risk Model did not show that there was a high chance that debt issued in support of the Vison 2050 would bring the City’s scorecard result below an “A” equivalent score on the measure

<sup>8</sup> Note that Moody’s doesn’t use the terms “strong” and “weak”, but rather a numeric code. We elected to use the more descriptive terms of “strong” and “weak” in order to make the table more understandable.

comparing debt to property value of the tax base. The A rating is defined as debt equal to between 1.75% and 4% of property value. This might be a good starting point for defining a locally affordable limit. The City could “stress test” affordability by simulating larger issues to see how much pressure is placed on the scorecard result by increasing the amount of debt. It could be that the City’s strong tax base and fund balance / cash practices would make it practical to incur debt beyond 4% of property value without putting the score at too much risk, but perhaps 15% is still too much. Of course, we must remind ourselves that bond ratings consider only the interest of the City’s creditors. Just because creditors are willing to lend does not mean the City should borrow. More debt also places more of a burden on taxpayers. Taxpayer burden should be analyzed as part of developing a debt affordability policy. We’ll discuss this more in one of our other recommendations, later in this report.

Another opportunity for improvement of the City’s debt policy might be to define interest rate ceilings for issuing debt. GFOA understands that the City has an informal policy that considers “5%” the interest rate ceiling beyond which the City will not issue debt. Formalizing this policy, or something like it, could help make a positive impression on rating analysts. The GFOA Risk Model can be used to help the City stress test different policy choices because the user can customize the interest rate ceiling the Risk Model uses and adjust assumed behavior of the interest rate environment.

Finally, **a structurally balanced budget policy could be helpful.** The City has a good history of running budget surpluses. A municipal government is subject to legislative requirements to pass a balanced budget. However, the definition of a balanced budget is just that inflows equal outflows for the year and says nothing about the long-term sustainability of how the budget is balanced. For example, according to the law, an asset could be sold to pay for the compensation of permanent City staff positions. An asset is a one-time revenue while staff compensation is a recurring expenditure, so this strategy would not be advisable even if it is legal. A structurally balanced budget policy commits a local government to adopting a budget that is balanced using sustainable strategies. GFOA is happy to provide the City with templates for such a policy, if the City is interested in pursuing it. This kind of policy would support both a strong score in the “operating history” and, perhaps, the “institutional framework” measures in the Moody’s system. For example, Moody’s recognizes “unusually strong budget management and planning” as a “notching factor” that could justify a higher score for a municipality than the ratios in the scorecard might suggest. A structurally balanced budget policy could be an illustration strong budget management and planning.

### Manage the Risk Posed by Pensions

As we've discussed, pensions are the Achilles' heel of the City's bond rating. The City has been considering strategies to manage its pension risk and has established an irrevocable supplemental (Section 115) pension trust. This could help support a good bond rating. This is supported by conversations the City's Finance Director has had with bond rating agencies: the City's current pension challenges has kept it from achieving an Aaa rating and continued deterioration in pension position could even lead to the City slipping to an A or a lower rating.

### Support a Strong Tax Base

If pensions are the City's Achilles heel, then its aegis is its tax base. Not only is the tax base directly responsible for 30% of the City's score on the Moody's scorecard, it directly impacts other measures as well. For example, the Moody's scorecard method compares debt and pensions to the full value of taxable property in the City. Of course, the tax base also determines how much revenue the City can raise, which influences fund balances and the City's ability to balance its budget. Therefore, the City should take active steps to preserve and to enhance its tax base. GFOA has found that there are unrealized opportunities for municipal governments to better reflect the financial interests of municipal government in land use planning. After all, land use planning will have an important influence on how the tax base develops and how the tax base develops will have an important impact on the quality of life in Berkeley (like the City's ability to invest in infrastructure!). The City can learn more about GFOA's findings and recommendations for how to make the connection between land use planning and city finances in [this report \[Note to reader: as of the date the City of Berkeley's report was posted the GFOA report on the intersection between land use planning and municipal finances has not be released to the public. It will be available soon\]](#).

### Develop and Maintain Measures of Tax Burden

General Obligation (GO) debt is paid for by a special tax levy. Therefore, more GO debt does not place a direct pressure on the City's budget. It does, however, place burden on the City's taxpayers. Voters approve the City's ability to authorize debt. In that way, voters are speaking as to whether debt is affordable to them or not. However, voters are unlikely to have a perfect understanding of the long-term implications of debt for their tax burden. In the past, the City has developed measures that show the average tax burden for a City of Berkeley homeowner. It may be wise to develop the ongoing capacity to monitor and project tax burden, especially if the City plans to continue making use of GO bonds and tax measures. The scope of the GFOA Risk Model covers only City government finances, but the Risk Model does provide much of the information that the City would need to examine the tax burden placed on residents and businesses by future debt. For example, it gives the full range of principal and interest that would need to be covered by taxes every year of the 30-year analysis period. It also provides range of the potential size of the tax base.

### Be Strategic about Debt Issuance

The City already has \$117 million in previously authorized debt that it plans to issue in the next few years. This is included in the Risk Model and in the information we've presented in this report. What the risk model doesn't capture is the City staff's capacity to manage the debt issuance and, critically, to manage

the projects that the debt is intended to finance. Prioritizing projects to make sure the City doesn't take on more than it can handle will not only make the best use of limited staff capacity it will help limit the total amount of debt the City takes on. The City has old debt that will gradually be paid down in the coming years. There is some opportunity to moderate the increase in the City's total debt burden by timing the issuance of new debt with expiration of old debt. That said, we must recognize that the amounts of new debt being contemplated do significantly exceed the amount by which old debt will decrease in the next number of years. So, a total increase in the City's debt burden would be inevitable under the assumption that there \$117 million would be issued along with some significant additional amount to support other projects including the Vision 2050 project.

## Section 5 – Conclusion and Summary

In conclusion, the City's performance on the key financial indicators used in the Moody's scorecard appears to be robust under a variety of circumstances. That said, the final bond rating the City receives is not purely a function of these indicators. Human judgment, applied by bond ratings analysts, determine the final score. Their judgment could be swayed, negatively, by the risks posed by debt and pensions, which we described earlier in this report. We have outlined a number of opportunities for the City to take proactive measures to preserve and protect its bond rating and, thus, its capacity to borrow at favorable interest rates.

To conclude, let's recap the key take-aways from this report.

- The City has important strengths that bolster its ability to borrow, including a strong tax base, fund balances, and a history of balanced budgets. That said, the City's current policy identifies a limit on borrowing equal to 15% of assessed value. Borrowing this much would place the City at the equivalent of a Ba score or the second lowest score for the key financial indicator of debt compared to the value of property in the City. That would, of course, exert strong downward pressure on the City's bond rating. The City should develop a more locally appropriate debt limit, rather than relying on statutory limits (which are set without regard to local context). For example, debt equal to 4% of property value would still provide room for the City to issue more debt (the City is currently at less than 2%), while keeping that measure with the scoring tier equivalent to an A rating. The GFOA Risk Model can be used to "stress test" different policies.
- An unfavorable turn in the economic environment could impact the City's bond rating. The Risk Model can be used to simulate high interest rate environments and stagnant (or even declining) housing markets. Unsurprisingly, these conditions increase the chances that the key financial indicators we analyzed will slip into territory associated with a lower bond rating. This is important because some observers believe that a higher interest rate environment and stagnant or declining property market are real possibilities.
- Growth in the City's tax base supports borrowing and repayment of debt. Hence, the City should consider how it can use the City's land use planning capabilities to support the financial capacity of City government. Land use planning could be used to improve the revenue productivity of the land uses in the City's jurisdiction.
- The City's pension liabilities are a drag on the City and its capacity to borrow. Pensions are clearly the weak spot in the City's bond rating given how the pensions stand today. Some observers believe that the current discount rates assumed for the pensions' investments may be too optimistic. Lower discount rates would increase the size of the liability even further. This emphasizes the need for the City to find ways to manage its pension debt.
- The City can adopt certain financial policies to maintain good management practices. This will help make a positive impression on bond rating analysts. It is important to remember that even though our Risk Models shows the City is likely to perform consistently with an Aa rating in most scenarios: A) in many scenarios the City's position deteriorates from strong Aa to a weak Aa; and B) ratings are ultimately the product of the judgment of the bond ratings analyst. An analyst's

enthusiasm for the City's debt might dampened enough by this deterioration that the analyst decides on a ratings downgrade for the City.

- Though our analysis focused on the direct impact of debt on the finances of City government, the City should also be mindful of the burden on taxpayers. The Risk Model provides much of the information the City would need to estimate burdens on taxpayers under different scenarios.
- The City already has \$117 million in previously authorized debt that it plans to issue in the next few years. Given the City's interest in issuing more debt to support the Vision 2050 and other programs, the City should remain mindful of the City staff's capacity to manage new debt issuance and, critically, to manage the projects that the debt is intended to finance. Prioritizing projects to make sure the City doesn't take on more than it can handle will not only make the best use of limited staff capacity, it will help limit the total amount of debt the City takes on.
- By following a prudent borrowing strategy, managing pensions, and following other recommendations in this report the City should have a good chance of making a positive impression on bond ratings analysts and maintaining its ratings, all while preserving some additional capacity for the City to borrow.

## Appendix 1 – Limitations of GFOA’s Analysis

This section highlights the most important limitations of our analysis.

**Our analysis is not predictive.** GFOA does not forecast bond ratings. Rather, our model generates hundreds or even thousands of different scenarios to show how the future could unfold. This helps the City think more broadly about risk so that it can be more prepared for whatever future event does eventually come to pass. Finally, it is important to note that low probability events are still possible events. Hence, even if our model says an event has a low probability, then that does not mean it won’t occur.

**GFOA is not a risk management consultant.** We worked with the City to find out which risks to bond ratings are most salient and then modeled those risks quantitatively to judge the potential impact. It is not our place to determine what the City’s attitude towards risk should be or to substitute GFOA’s attitude towards risk for the City’s. GFOA builds models to help you explore the questions, but ultimately you have to make the decisions.

**Our analysis is based on historical records.** Historical data is often a good way to model potential future outcomes. However, historical data will not be perfect.

**Our analysis is not inclusive of every risk the City could possibly face.** We examined the City’s past history and worked with City staff to identify the risks that posed the most clear and present danger to the City’s bond rating. However, it is possible that the City could experience a shock that no one was expecting or that the City could be impacted by a low probability, but high consequence event.

**The calculation of the key indicators is subject to some interpretation.** Though Moody’s does produce detailed documentation of their methods, there is still some interpretation required. For example, the measure of fund balance is supposed to include all “operating funds”. It is ultimately up to the analyst to decide which funds are operating funds and which aren’t. It could be that GFOA would have a different interpretation than Moody’s. That said, given that our Risk Model did duplicate the City’s current score, our interpretation should at least be close.

**Good decisions do not always lead to good outcomes.** Excel simulation tools can enhance one’s perception and understanding of uncertainty and risk.<sup>9</sup> However, when dealing with uncertainty, even the best decision may not lead to a good outcome, if luck goes against you.<sup>10</sup>

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<sup>9</sup> “To survive in an increasingly unpredictable world, we need to train our brains to embrace uncertainty,” Emre Soyer, Quartz Magazine, January 9, 2017 <https://qz.com/879162/to-survive-in-an-increasingly-unpredictable-world-we-need-to-train-our-brains-to-embrace-uncertainty/>.

<sup>10</sup> This is one of the primary lessons in: Annie Duke. *Thinking in Bets: Making Smarter Decisions When You Don’t Have All the Facts*. Portfolio. 2019.





Office of the City Manager

ACTION CALENDAR

April 26, 2022

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Liam Garland, Director, Department of Public Works

Subject: Berkeley Strategic Transportation Plan Update and Grant Application Opportunities

RECOMMENDATION

Receive a presentation on the Berkeley Strategic Transportation (BeST) Plan and provide comments to staff on prioritization of projects for preparation of grant funding applications. Staff will return to Council May 31, 2022 for adoption of an amended BeST Plan with a list of grant funding applications to be submitted to the Alameda County Transportation Commission by the end of June.

FISCAL IMPACTS OF RECOMMENDATION

The recommendation has no fiscal impacts.

SUMMARY

The Berkeley Strategic Transportation (BeST) Plan was approved by City Council in 2016 in order to establish a framework for prioritizing the funding and completion of transportation projects throughout the City over the following thirty years. The BeST Plan includes an investment strategy to guide how the City spends transportation dollars from local, regional, State, and federal sources. Projects included in the BeST Plan are pooled from the City's already-adopted plans. Addenda to the BeST Plan were approved by Council in September 2018 and January 2021 in order to report on progress in funding and completing the projects on the Five-Year Priority Project list from the BeST Plan. Now that it has been more than five years since the original BeST Plan adoption, the Public Works Department will be developing a comprehensive update to the BeST Plan throughout calendar year 2022, which is anticipated to be brought to Council for adoption in 2023. Public Works will also be proposing a nearer term BeST Plan addendum to City Council in May 2022 in order to update the five-year priority project list and identify transportation capital grant applications to submit to the respective funding agencies in June 2022.

CURRENT SITUATION AND ITS EFFECTS

In the five years since the BeST Plan<sup>1</sup> was adopted, the City has made substantial progress in acquiring funding for the Five-Year Priority Projects. Figure 1 shows that, of

<sup>1</sup> <https://www.cityofberkeley.info/Transportation/Strategic-Plan/>

the twelve individually listed projects from the BeST Plan Five-Year Priority list, eight have been fully funded, with five of these completed, one under construction, and two others in the preliminary engineering phase. In addition, Table 1 shows that several projects grouped as High-Priority Bicycle Plan, Pedestrian Plan, and Safe Routes to School projects have been completed or at least funded. These include the completion of the Sacramento Street Complete Streets project, safety treatments at bike boulevard crossings, and four Safe Routes to School projects.

#### Upcoming Transportation Grant Funding Opportunities

For potentially funding the remaining BeST Plan priority projects, upcoming transportation capital grant funding opportunities include the State Active Transportation Program (ATP) Cycle 6, the State Infill Infrastructure Grant (IIG) Program, the Alameda County Transportation Commission (Alameda CTC) Fiscal Year 24 Comprehensive Investment Plan (FY24 CIP), and the Metropolitan Transportation Commission (MTC) One Bay Area Grant Cycle 3 (OBAG3). Applications under all of these programs are due in June 2022.

#### Remaining Unfunded BeST Plan Five-Year Priority Projects

The remaining unfunded stand-alone projects from the BeST Plan Five-Year Priority Projects list are not anticipated to be competitive for these upcoming capital grant funding opportunities. These projects are as follows: the Gilman Grade Separation, Center Street Plaza, Downtown Transit Center, and Signal Interconnect project. All of the above listed programs prioritize pedestrian and bicycle safety and access projects, transit corridor projects, and linkages to transit-oriented development. The Gilman Grade Separation is estimated to cost \$66 million, an amount that is too high to be competitive without meeting the above-described priorities. The Center Street Plaza design and construction are estimated to cost \$20 million, an amount that is too high to be competitive given that this project would only extend along one block. The Downtown Transit Center would not be competitive given that no conceptual plan has yet been developed because it has not been as high a priority for AC Transit as transit corridor improvements prioritized through the AC Transit Major Corridors Study<sup>2</sup> (2016). The Transit Signal Priority portion of the Signal Interconnect project could be competitive for grant funding, but this is a small part of the project cost compared to the Signal Interconnect, and AC Transit has already acquired funding for the highest priority transit signal priority upgrades on Telegraph and San Pablo Avenues.

#### Adeline Corridor Specific Plan Projects

With the list of BeST Plan Five-Year Priority project dwindling, it is timely for the City to consider adding new projects to this list. A major City plan that has been adopted since the BeST Plan approval is the Adeline Corridor Specific Plan<sup>3</sup> (December 2020). One project from this plan has already received grant funding through the Alameda CTC Fiscal Year 2022 (FY22) CIP for preliminary engineering: the Adeline Corridor Project covering the segment of Adeline between Martin Luther King Jr. Way (MLK) and the

<sup>2</sup> <http://www.actransit.org/major-corridors-study/>

<sup>3</sup> <https://www.cityofberkeley.info/AdelineCorridor/>

Oakland border. This project grant application was approved by Council as part of the BeST Plan Second Addendum under the Five-Year Priority Project category of High-Priority Pedestrian Plan projects.

In order to implement the Adeline Corridor Specific Plan more broadly, the anticipated May 2022 BeST Plan Addendum could include an Adeline project bundle on the Five-Year Priority Project list, along with the inclusion of individual projects from the Adeline Corridor Specific Plan in a resolution supporting submitting them to compete for grant funding. These projects could include the detailed design and construction of the Adeline Corridor Project between MLK and the Oakland border, or a segment thereof, and the preliminary engineering, detailed design, and construction of a reconfiguration of Adeline between Ashby and MLK. The latter project would be the result of the Adeline Reconfiguration Study being funded through a grant acquired by the San Francisco Bay Area Rapid Transit District (BART). This study was conducted in response to a City Council Referral calling for an analysis of a potential reduction of Adeline north of MLK to two lanes (a “road diet”) in order “to increase safety for pedestrians, cyclists, and people living with disabilities, while also meeting the needs of public transit and emergency vehicles”.<sup>4</sup> The study is also evaluating whether Adeline could be used to provide a plaza for the Flea Market within the existing street right of way, as the Ashby BART station west parking lot currently used by the Flea Market on weekends is anticipated to be developed into affordable housing. BART has developed several scenarios to explore how a plaza to accommodate the Flea Market on the west side of Adeline might be configured, which are being revised in response to feedback from the Flea Market Board.

*Upcoming BeST Plan Comprehensive Update: Equity and Transit Priorities*

Staff plans to develop a comprehensive update to the BeST Plan throughout calendar year 2022, which is anticipated to be brought to Council for adoption in 2023. The scope of work for this centers social and racial equity and includes the identification of transit priorities consistent with the City’s Transit-First Policy. The scope of work emphasizes significant engagement in the Equity Priority Area identified in the Berkeley Vision Zero Action Plan and Pedestrian Plan, including through Community Based Organizations. A subset of the BeST Plan Update is anticipated to be a Transit-First Implementation Plan that recommends corridors for future study for potential implementation of major transit capital projects including potential transit-only lanes. These corridors are identified as Transit Primary Routes in the Berkeley General Plan Transportation Element as well as prioritized in the AC Transit Major Corridor Study. The Berkeley Transportation Commission had formed a Transit-First Subcommittee in 2019 which had reviewed analysis results for a Transit-First Implementation Plan. This Subcommittee ceased meeting during the COVID-19 pandemic. In the meantime, staff has developed an administrative draft of the Transit-First Implementation Plan that is anticipated to be ready to present to the Transit-First Subcommittee in mid-2022, ahead of the drafting of the BeST Plan Update into which it could be incorporated.

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<sup>4</sup> [https://www.cityofberkeley.info/Clerk/City\\_Council/2020/02\\_Feb/Documents/2020-02-11\\_Item\\_21\\_2-Lane\\_Option\\_on\\_Adeline\\_St.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2020/02_Feb/Documents/2020-02-11_Item_21_2-Lane_Option_on_Adeline_St.aspx)

One transit corridor that is about to undergo a major study is Telegraph Avenue between the Oakland border and Dwight Way, where the project would meet the segment of Telegraph already approved by Council for a future northbound transit lane through the Southside Complete Streets project. The City acquired a grant from the Alameda CTC FY22 CIP for this Telegraph Complete Streets Corridor Study and preliminary engineering. The project grant application was approved by Council as part of the BeST Plan Second Addendum under the Five-Year Priority Project category of High-Priority Bicycle Plan projects, but has both bikeway and transit components.

*Near Term (June 2022) Potential Grant Applications*

Staff is considering requesting approval from Council to submit the following projects to compete for transportation capital grant funding. Applications under all of these funding programs are due in June 2022.

- ATP Cycle 6 Program
  - **Washington Elementary and Berkeley High Safe Routes to School**
  - **Addison Street Bicycle Boulevard Extension**  
Resubmit under ATP Cycle 6 these applications previously submitted for the ATP Cycle 5 Program, which both just missed the funding cutoff in Cycle 5. The applications would incorporate improvements based on feedback received from California Transportation Commission staff. The projects fit under the existing BeST Plan Five-Year Priority categories of Safe Routes to School and High-Priority Bicycle Plan Projects.
- Alameda CTC FY24 CIP (Alameda County discretionary funds)
  - **Bicycle Boulevard Crossings**  
Submit an application to fund safety treatments at the remaining unfunded bicycle boulevard crossings from the Bicycle Plan. This fits under the existing BeST Plan Five-Year Priority category of High-Priority Bicycle Plan Projects.
  - **Vision Zero Protected Left-Turn Signals**  
Submit an application to convert permissive left-turn signals to protected left-turn signals at intersections identified to have the greatest safety need. This application was previously approved by Council to submit for funding from the California Highway Safety Improvement Program, but was not successful in acquiring funding from that highly competitive program. The project was recommended in the Pedestrian Plan and fits under the existing BeST Plan Five-Year Priority category of High-Priority Pedestrian Plan Projects.
- MTC OBAB3 Program (federal funding)
  - **Adeline Corridor South Project:** detailed design and construction of the segment, or a subsegment, between MLK and the Oakland border. This segment has already received funding for preliminary engineering from Alameda CTC. It is a high priority due to being the widest segment at six lanes, with a “road diet” to convert it to four lanes already approved in the Adeline Corridor Specific Plan.

The project was recommended in the Pedestrian Plan and fits under the existing BeST Plan Five-Year Priority category of High-Priority Pedestrian Plan Projects.

- MTC OBAG3 and State IIG Programs
  - **Adeline Corridor Project at Ashby BART Station:** The above described Adeline Roadway Reconfiguration Study is well underway. It is specifically evaluating design options and the traffic and transit impacts of a road diet on Adeline between Ashby and MLK, which would convert the existing four general purpose traffic lanes (two each direction) to two general purpose lanes (one each direction). The traffic analysis has found that the road diet would result in delay to the F Line Transbay Bus Service, the only line providing direct service between the Downtown/Southside areas of Berkeley and Emeryville, which are regionally designated Priority Development Areas slated to grow with transit-oriented development. The F Line has the second highest ridership of AC Transit's Transbay routes and was also identified in the 2022 UC Berkeley Campus Transit Survey as the second most frequently used transit route (including local service) for accessing the campus. Due to growing ridership, the F Line was slated to have its frequency doubled from every half hour to every 15 minutes throughout the day and evening, but the Regional Measure 3 funding for this increase has been held up in court in response to a lawsuit filed against the overall measure (not specifically targeting this service). The competitiveness of an OBAG3 application to fund this project could be affected by impacts on transit operations, as the OBAG3 evaluation criteria include consistency with the MTC Plan Bay Area 2050 Strategies, which include enhancing transit reliability, and with the Bay Area Transit Transformation Action Plan. The latter envisions an outcome of an efficient and reliable transit network, with an associated action category called "Bus Transit Priority" that includes actions to expedite travel time improvements on arterials and to improve bus speed and reliability on arterials.

In order to address the transit impact of a potential road diet, an option being evaluated is that of a road diet that has two general purpose lanes (one each direction), as well as a transit lane for maintaining transit reliability while providing a buffer with a low traffic volume (due to the efficiency of buses in carrying people, the volume of vehicles remains low). A key consideration for the viability of this project is the cost of extending the Adeline right of way to the west by way of constructing a podium as a potential future location for the Flea Market. The podium would connect the sidewalk on the west side of Adeline to the planned transit-oriented development buildings over the west parking lot. Planning level cost estimates are being developed in order to evaluate this. If these cost estimates are within the ballpark of the OBAG3 Program, key advantages of this option are in its competitiveness under the OBAG3 evaluation criteria and in connecting the future TOD buildings directly to the sidewalk on the west side of Adeline.

BACKGROUND

Given the large number of projects in the BeST Plan, they are organized into 25 bundles by location or type of work, with projected expenditures divided into 5-year, 10-year, and 30-year periods. Each of the 25 project bundles has been evaluated according to a set of prioritization and screening criteria which support the goals distilled from Berkeley’s adopted plans and policies. The plans used as sources include the Downtown Area Plan, Downtown Streets and Open Space Improvement Plan, Southside Plan, West Berkeley Circulation Study, Bicycle Plan, and Pedestrian Plan.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

The projects being considered for future prioritization in the BeST Plan would increase the number of Berkeley residents and visitors who walk, bike, and take mass transit, which would decrease vehicle miles traveled and greenhouse gas emissions. This would help the City achieve the Berkeley Climate Action Plan greenhouse gas emission reduction target of 33% below the year 2000 level by 2020, and 80% below the year 2000 level by 2050. The Climate Action Plan states that, in order to meet these targets, “Transportation modes such as public transit, walking and bicycling must become the primary means of fulfilling our mobility needs.”

RATIONALE FOR RECOMMENDATION

Capital grant funding will allow the City to address critical local and regional transportation infrastructure gaps for all modes of travel. Priority projects will be identified using criteria drawn directly from adopted City plans and reports which have undergone extensive public review prior to Council adoption.

ALTERNATIVE ACTIONS CONSIDERED

The City could choose not to discuss a future near-term BeST Plan Addendum and longer-term BeST Plan Update, and could also choose not to discuss the prioritization of potential future applications for transportation capital grants. This would result in City staff not having comments from City Council to utilize in understanding which transportation capital grant applications to bring back to City Council for approval at a future meeting.

CONTACT PERSON

Farid Javandel, Transportation Manager, Public Works, 981-7061  
Beth Thomas, Principal Planner, Public Works, 981-7068

Attachments:

Exhibit A: Berkeley Strategic Transportation Plan Five-Year Priority Project

**Figure I: Five-Year Priority Projects**

PROJECT	Phase 1 Project Development/ Scoping	Phase 2 Environmental Study/ Preliminary Engineering	Phase 3 Detailed Design	Phase 4 Construction
<b>West Berkeley</b>				
9th Street Bikeway Path Extension	Completed Phase	Completed Phase	Completed Phase	Completed Phase
Gilman Grade Separation	Future Phase	Future Phase	Future Phase	Future Phase
Gilman Interchange	Completed Phase	Completed Phase	Completed Phase	Current Phase
Railroad Quiet Zone	Completed Phase	Future Phase	Future Phase	Future Phase
<b>Southside Area</b>				
Southside Complete Streets	Completed Phase	Current Phase	Future Phase	Future Phase
Bikeway Intersections & High-Priority Bicycle Plan Projects	Ongoing project category with many smaller projects			
<b>Downtown Berkeley</b>				
Center Street Plaza	Future Phase	Future Phase	Future Phase	Future Phase
Downtown Berkeley BART Plaza	Completed Phase	Completed Phase	Completed Phase	Completed Phase
Downtown Transit Center	Future Phase	Future Phase	Future Phase	Future Phase
Hearst Complete Streets	Completed Phase	Completed Phase	Completed Phase	Completed Phase
Milvia Protected Bikeway	Completed Phase	Completed Phase	Completed Phase	Completed Phase
Shattuck Avenue Reconfiguration	Completed Phase	Completed Phase	Completed Phase	Completed Phase
Signal Interconnect & Transit Signal Priority	Future Phase	Future Phase	Future Phase	Future Phase
High Priority Pedestrian Plan Projects	Ongoing project category with many smaller projects			
Safe Routes to School Projects	Ongoing project category with many smaller projects			
Ohlone Greenway Upgrade & Street Crossings	Current Phase	Future Phase	Future Phase	Future Phase

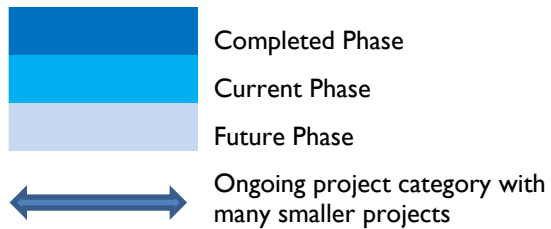


Table 1: Five-Year Priority Project Status Updates<sup>1,2</sup>

PROJECT	LEAD	COMPLETE	FUNDING STATUS <sup>3</sup>	IN BERKELEY STRATEGIC PLAN <sup>4</sup>	CURRENT PHASE
Hearst Complete Streets	COB	✓		Yes	--
Downtown Berkeley BART Plaza	COB	✓		Yes	--
Safe Routes to School: Emerson, Sylvia Mendez, and John Muir Elementary Schools, King Middle School	COB	✓		Yes	--
Shattuck Avenue Reconfiguration	COB	✓		Yes	--
9th Street Bikeway Path Extension	COB	✓		Yes	--
Milvia Protected Bikeway	COB	✓		Yes	--
Gilman Interchange	Alameda CTC		✓	Yes	<i>Under Construction</i>
Southside Complete Streets	COB		✓	Yes	<i>Preliminary Engineering</i>
Ohlone Greenway Modernization & Street Crossings	COB		✓	Yes	<i>Preliminary Engineering</i>
High Priority Pedestrian Plan Projects:					
Sacramento Street Complete Streets (2010 Ped Plan)	COB	✓		Yes	--
Adeline Street South (Martin Luther King Jr. Way to Oakland border) (2020 Ped Plan)			X		<i>Preliminary Engineering</i>
High-Priority Bicycle Plan Projects:					
Complete Streets Corridor Study:					
Telegraph Ave Transit & Bikeway Corridor	COB		X	Yes	<i>Corridor Study &amp; Conceptual Design</i>
Bike Boulevard Crossings:					
Virginia Street at Martin Luther King, Jr. Way Rectangular Rapid Flashing Beacon (RRFB)	COB	✓		Yes	--
Hillegass Street at Ashby Avenue Pedestrian Hybrid Beacon (PHB)	COB	✓		Yes	--
Virginia at Sacramento Street Traffic Signal	COB	✓		Yes	--
9 <sup>th</sup> St at Cedar, California St at Dwight raised medians	COB	✓		Yes	--
Virginia at San Pablo Avenue PHB California Street at Ashby RRFB	Caltrans		✓	Yes	<i>Construction Bidding</i>
Mabel Street at Dwight Way RRFB	COB		✓	Yes	<i>Preliminary Engineering</i>
Russell and Woolsey Streets at Adeline Street PHBs	COB		✓	Yes	<i>Preliminary Engineering</i>
Russell and Woolsey at Shattuck Avenue RRFB	COB		✓	Yes	<i>Consultant Selection</i>



**Table I: Five-Year Priority Project Status Updates<sup>1,2</sup> (Continued)**

PROJECT	LEAD	COMPLETE	FUNDING STATUS <sup>3</sup>	IN BERKELEY STRATEGIC PLAN <sup>4</sup>	CURRENT PHASE
Safe Routes to School Projects	COB		X <sup>5</sup>	Yes	Portion of Washington Elementary Safe Routes to School Project Funded
High Priority Pedestrian Plan Projects	COB		X <sup>5</sup>	Yes	--
Bike Boulevard Intersections	COB		X <sup>6</sup>	Yes	--
Center Street Plaza	COB		O	Yes	Funding for Conceptual Design Deferred
Downtown Transit Center	COB		O		
Railroad Quiet Zone <sup>7</sup>	COB		O		Deferred due to currently infeasible Federal Railroad Administration requirements <sup>7</sup>
Gilman Grade Separation	COB		O		--
Signal Interconnect and Transit Signal Priority <sup>8</sup>	COB		O		--

Notes:

1. Project status are as of December 2020. Figure I and Table I are updates to the table shown on page 69 of the BeST Plan.
2. COB = City of Berkeley; Alameda CTC = Alameda County Transportation Commission
3. ✓ = Fully Funded and Project Development Underway; X = Partially Funded; O = Seeking Funding
4. The City of Berkeley Strategic Plan was passed by the Council of the City of Berkeley to help prioritize projects and programs to help meet the City's goals. The Plan can be found at: <https://www.cityofberkeley.info/strategic-plan/>.
5. High Priority Pedestrian Plan Projects and Safe Routes to School Projects are ongoing projects and include projects at various phases.
6. Five intersections are prioritized for future funding: Russell BB at San Pablo Ave and Sacramento St; Channing BB at San Pablo Ave and Sacramento St; Hillegass/Bowditch BB at Dwight.
7. The I-80/Gilman Interchange project includes safety upgrades at the Gilman railroad crossing, while the Alameda CTC Railroad Safety Enhancement Program will be doing safety improvements at the remaining open crossings (Cedar, Virginia, Hearst, Addison, Bancroft). These treatments will not result in the trains ceasing to sound their horns, which would require major railroad and station modifications that are not feasible at this time.
8. First phase includes wayside signal upgrades to support transit signal priority on University Ave between Oxford and San Pablo Ave.

