
NEBA News

NORTH EAST BERKELEY ASSOCIATION

Fall 2013

★★★★★ *BERKELEY CITY AND BAY AREA EDITION* ★★★★★

THURSDAY, NOV 7, 2013 7:00 PM—NORTHBRAE COMMUNITY CHURCH

Christine Daniel, Berkeley City Manager

- 6:00-7:00 PM Meet and Mingle
- 7:00-9:00 PM The State of the City followed by Questions from the Audience

NORTHBRAE COMMUNITY CHURCH, PARLOR, 941 The Alameda (at Los Angeles)

Admission is free as always!

President's Message

In May 2012, Christine Daniel was appointed as the new City Manager of Berkeley. Having served as both Deputy City Manager and Deputy City Attorney, Ms Daniel is well known with City employees but less so with Berkeley residents and NEBA members. We reached out to Ms. Daniel this past summer after the FY2014/2015 budget had been approved to see if she would be available to answer some of our questions regarding budgetary matters and she graciously accepted our invitation. We appreciate the City Manager taking time out of her busy schedule and we hope our members find the interview informative.

This edition of NEBA News also includes a timely piece by Zelda Bronstein on Plan Bay Area. While most of us generally know what the federal, state, and maybe to a lesser extent local (and even county) governments are up to, our understanding of regional government is often vague at best. In this article, Zelda helps to unravel the extraordinary complexities of Plan Bay Area for us, a plan developed by our regional government. We think you'll find what is in store for the Bay Area (and Berkeley) over the next several decades astonishing.

Update on Measure M: A Public Works Commission meeting on Measure M (30 million dollar bond) was held on September 5th where a draft plan for the first 2 years of the "New" 5-year paving plan was presented. The accelerated street improvements include 7.8 miles paved for FY2014 ("Old Plan" was 6.45 miles) and 15.53 miles paved for FY2015 ("Old Plan" was 3.73 miles). The FY2014 includes a Permeable Paving Pilot Project on Allston Way (between MLK and Milvia) at a cost of 750K (out of a total 4.2 million in FY2014). Cyclists were pleased to see Wildcat Canyon included in the FY2014 draft plan. Many thanks to Susan Wengraf for reaching out to the community in her newsletter (she received approximately 160 emails regarding Wildcat alone) and also to Ray Yep, the Chair of the Public Works Commission, and the rest of the Commission for all the community meetings held over the last several months. The final plan is slated for late October.

If you have not yet renewed or joined NEBA, *now is the time!* For over 30 years, your support has enabled NEBA to publish newsletters and present meetings of local interest. No other news medium focuses on issues concerning our area. You will see in-depth information and analysis in this newsletter that you will not see anywhere else — not the *Chronicle*, not the *Daily Planet*, and not *Berkeleyside*. Even if you disagree with us, you must agree that talking is good. Every dollar given to NEBA is spent to publish newsletters and present meetings; there are no administrative costs or salaries. Please support us. NEBA is too good to lose!

Isabelle Gaston, PhD

Interview with City Manager, Christine Daniel

By Isabelle Gaston, PhD

September 4, 2013

Dear Ms. Gaston:

Thank you for asking me to participate in your NEBA Fall newsletter. Below are responses to the questions you posed regarding a variety of issues. I hope you find them helpful and please don't hesitate to contact our office if you need further information.



Thank you again for reaching out to the City with your questions.

Sincerely,

A handwritten signature in cursive script that reads "Christine Daniel".

Christine Daniel
City Manager

1. How would you characterize the overall financial health of the City?

Response: The City of Berkeley weathered the financial downturn better than many jurisdictions. While reductions in staffing were felt throughout the City organization and resources for a variety of programs were reduced or eliminated due to decreased funding from sources such as the state and federal governments, Berkeley property values remained relatively stable compared to values in the region, and sales taxes, while suffering a decline in FY 2010, have recovered. However, property transfer taxes suffered a significant decline which affected the City's ability to invest in infrastructure maintenance. Those revenues are now beginning to recover, but are not yet at pre-recession levels.

2. What new tax and bond measures will you recommend to Council for the 2014 ballot?

Response: Discussion of ballot measures always includes involvement by City commissions as well as the City Council and may include a community survey sometime in 2014 to assess the community's interests. There are a number of issues that merit attention and I'm sure we will be discussing them throughout this year.

3. Prior to your becoming City Manager — and even before the Great Recession — your predecessor often remarked that City employee pension and health care

costs were unsustainable; however, no policy was ever implemented to address these escalating costs to taxpayers and the "can has been kicked down the road" for almost a decade now. What specific steps are you taking to work with the City unions to address the unfunded and underfunded liabilities of approximately 376 million dollars, and will recurring expenditure reductions of at least 2% become the new normal to offset the City's structural deficit apparently due to these liabilities (in 2014 and 2015 of 3 and 4 million dollars, respectively)

Response: We have an ongoing dialogue with our labor groups about the City's budget and financial situation. While I cannot address specific elements of ongoing negotiations, we are committed to a dialogue with all labor groups that includes addressing these costs. The state legislature's approval last year of the Public Employees Pension Reform Act has already impacted the long-term pension costs to some degree by its changes to the pension benefit formula for new hires into the pension system. With regard to the 2% reduction referenced in the question, that General Fund reduction was taken in FY 14. Assuming revenue and cost projections remain as estimated in the budget, there is no further General Fund reduction proposed for FY 15.

4. Health care premiums have increased, on average, 9.26% per year over the last 10 years and yet City employees do not make any contribution to their health care premiums (medical or dental). That is, the taxpayers pay their entire premium. What are your thoughts on this policy and is this something that is on the table when negotiating with the City unions?

Response: We are very aware of the increase in health care costs and will be working with our labor groups to address the situation and decrease overall costs to the City.

5. Regarding pensions, the City pays not only 100% of the "employer share" but 100% of the "employee share" of retirement costs of civilian (non-sworn) employees. With structural deficits and dwindling City services, many taxpayers are increasingly concerned about offering such generous benefits. What are your thoughts on this policy?

Response: As with your question regarding health care costs, we are also very aware of the increase in

retirement benefit costs and have provided information about that issue in a number of work sessions over the past few years. The next opportunity will be this fall, likely November, when we will have new pension rates for FY 15 that result from changes in the actuarial approach adopted by CalPERS last spring. This is also something we will be discussing with our labor groups at the appropriate time.

6. Why did you (or your staff) recommend to council that some property taxes should increase by >5% (PIG or Personal Income Growth) rather than 2.3% (the Consumer Price Index)? Is this reasonable given the fact that many residents are on fixed incomes and struggling to keep up with the cost of living, and that the average wage growth was only 1% in 2013 in the Bay Area (source State Employment Development Department).

Response: Parcel tax revenues support important programs and services for the community, such as the Library system and the City's parks. Three of the measures offer the option of increasing the tax rate by the Personal Income Growth rate: the Library tax, the Emergency Services for the Disabled tax and the Fire Protection and Emergency response tax. The draft budget assumed an increase of 2% in the parcel tax revenues. The application of the Personal Income Growth rate to these three measures added revenue in FY 14 beyond the original projection for each program as follows: Library \$471,050; Emergency Services for the Disabled \$30,434; and Fire Protection and Emergency Services \$121,570.

7. According to the budget (page 69), community agencies will receive approximately 500K dollars less in FY2014 than they did in 2011. In contrast, in FY2014 your office will receive an increase of 300K, the Auditor's department will receive an increase of 300K, the City Attorney's department will receive an increase of 300K, and the Finance department will receive an increase of 400K. What factors did you use to make this decision of cutting the budget of community agencies and given that new employees are not being hired in these departments that received an increase of 300K or more, how is this money being spent?

Response: We were able to keep the FY 14 and FY 15 General Fund allocation for community agencies at the same level as it was in FY 12 and FY 13, approximately \$4.43 million per year. You are correct

that some departmental budgets, including Police and Fire, did increase over that same period, primarily for the reasons you note in the questions above related to pension and health care costs.

8. Berkeley's streets are in terrible condition and getting worse. Not surprisingly, Berkeley citizens overwhelmingly voted "Yes" for the 30 million dollar Measure M bond in 2012. However, there is concern that few streets will actually get paved because so many are in "failed" condition. In fact, the City Auditor stated that it would cost 65 million dollars to simply upgrade all the streets in Berkeley to an "average" rating. Furthermore, it appears that a significant amount of the money may be spent on green infrastructure such as permeable paving and that desperately needed paving of major streets in District 6, like Wildcat Canyon, will be delayed for some time. Can you assure residents of District 5 and 6 that we will see substantive improvement of our streets?

Response: We are extremely grateful to the community for their support of the revenue measure during the last election. The revenues resulting from that bond measure will supplement annual General Fund allocations and regional funding that the City receives for street repair and repaving. City staff has been working closely with the Public Works Commission to develop an expenditure plan for Measure M funds that will address both requirements of the measure: street repaving and the installation of green infrastructure where appropriate. We are tentatively scheduled to present information to the City Council at a work session on October 1st and will be discussing how the funds will be allocated at that time. The adoption of the expenditure plan and the sale of the bonds to fund the work will follow later in the fall.

9. Berkeley was once known as a very pedestrian friendly city; however, many residents believe that it has become less so. Drivers on Shattuck in North Berkeley regularly exceed speeds of >25 MPH and yet there are no police in sight giving speeding tickets. What is the city doing to address this problem and why are the proposed revenues for moving violations in 2014 anticipated to be 70,000 dollars less than in 2013 (300,000 versus 230,000, respectively)?

Response: The Berkeley Police Department regularly conducts enforcement operations in areas of reported speeding. Additionally, the Transportation Division of the Public Works Department works on projects to

change the physical environment of the streets to address these issues. Recent projects include the "road diet" on The Alameda, as well as bulb-outs on Solano Avenue. In addition, the City recently received grants from the Alameda County Transportation Commission to construct changes to the Hearst Avenue corridor, as well as to reconfigure Shattuck Avenue in the Downtown area. Actual revenue in FY 13 for moving violations was approximately \$250,000; we anticipate about the same revenue from that source in FY 14.

10. According to the City's website, the City's residential street lighting policy is currently on hold. Why is this the policy of the City and when will it be lifted?

Response: The street light assessment raises approximately \$1.35 million each year. That voter approved assessment has not been increased for many years. Unfortunately, the revenues resulting from the assessment are insufficient to support the costs of maintaining the City's street lights. For that reason, the General Fund supplements the street light program with approximately \$670,000 each year in order to maintain the existing inventory of street lights. Consequently, there has been a moratorium on additional lighting for a number of years. However, this fall staff will present the Council with the outcome of an analysis of converting the City's entire street light inventory to LED lights. The goal of that project is to achieve cost savings sufficient to invest in additional lighting over time.

11. Citizen budget watchdog groups are proposing that the City adopt a Fiscal Action Plan to guide the City's financial decisions over the next 20 or so years and provide a roadmap and timetable, with community buy-in, for decreasing unfunded liabilities, rebuilding infrastructure, and re-ordering the City's budget in line with financial realities. Do you support this idea and think it could/should be adopted?

Response: As requested by the City Council, we presented a report on February 19, 2013 that analyzed a number of factors regarding the City's long-term

financial obligations

(http://www.cityofberkeley.info/Clerk/City_Council/2013/02Feb/City_Council_02-19-2013_-_Special_Meeting_Annotated_Agenda.aspx).

Additionally, we regularly provide financial information to the Council, including projected revenues, analyses of impacts of changes in pension and health care rates, as well as the funding status of the City's retiree medical plans and workers' compensation plan. Aligning resources with community priorities is an ongoing project that must take into account an array of variables and we look forward to continuing that conversation with the Council and the community.

12. Do you think the Fire Department's 48/96 work schedule (two days on for 48 hours straight and four days off or a total of 10 working days per month) is serving the community in terms of quality of emergency medical response, efficiency and cost of fire department manpower?

Response: When the new schedule was implemented, a number of metrics were established to evaluate the impacts of the schedule and address the issues raised by your question. We provide that analysis to the City Council and a copy of the most recent report is available here

(http://www.ci.berkeley.ca.us/uploadedFiles/Clerk/Level_3_-_City_Council/2012/07Jul/2012-07-10%20Item%2031%2048%2096%20schedule.pdf).

13. When will salaries, overtime, and overall compensation for City employees be available on-line as virtually every other City is in the Bay Area?

Response: The City's salary schedule is available on the City's website (<http://www.cityofberkeley.info/ContentDisplay.aspx?id=10792>) and we provide information regarding compensation to the State Controller the same as that provided by other cities in California (<http://publicpay.ca.gov/>).



NEBA needs you! NEBA is inviting a small number of sincere new board members who love Berkeley and who want to share information and opinions directly with neighbors through our twice yearly public meetings and newsletter, the *NEBA News*. We are a lean and congenial (not mean) team with a mission to inform residents in Berkeley Districts 5 and 6 about issues of vital interest to our community. Even if you have disagreed with something that we have said or would like us to explore additional issues, please consider becoming one of us and present your perspective! If we have not mentioned an issue that is dear to you, tell us about it!

Christine Daniel's biography:

Christine Daniel is the City Manager of Berkeley, having been appointed by the City Council in May of 2012 after a six-month period as Interim City Manager. Prior to that she was the Deputy City Manager, overseeing the departments of Public Works, Housing and Community Services, Health Services, Human Resources, the City Clerk Department, as well as the Police Review Commission and the Code Enforcement unit within the City Manager's Office.

Before returning to Berkeley in 2007, Christine served the City of Fremont for eight years in various capacities including Deputy City Manager, Deputy Director of Community Development, Senior Manager in the City Manager's Office, and Deputy City Attorney. When she was appointed in 2004 as Fremont's Deputy City Manager, she was the liaison to the Community Development Department on major land use projects, and the City Manager's representative on the Budget Team. She also served as Acting City Clerk for a period of time, and oversaw special projects for the Redevelopment Agency, Parks & Recreation and Finance.

Her previous tenure with the City of Berkeley included almost eight years as a Deputy City Attorney including assisting the City Manager's office with the abatement of problem properties. Before that, Christine practiced with the law firm of Hardin, Cook, Loper, Engel & Bergez in Oakland representing a variety of public sector clients. She received her bachelor's degree from Mills College and her law degree from U.C. Davis.

Plan Bay Area

By Zelda Bronstein

Shortly after midnight on July 19, following over four hours of impassioned public testimony by nearly 200 speakers at the Marriott Hotel in downtown Oakland, the Metropolitan Transportation Commission (MTC) and the Executive Board of the Association of Bay Area Governments (ABAG) approved Plan Bay Area, a sweeping proposal to accommodate massive population growth, house all the region's residents, whatever their income, and reduce greenhouse gases emissions through 2040.

In both scope and contentiousness, the new plan is unprecedented.

Scope

(Bureaucratic Acronym Alert) Since 1980 the State of California has required each jurisdiction to plan, i.e., to zone, for its share of the state's projected housing need. Working with population forecasts made by the State Department of Finance, the California Department of Housing and Community Development calculates the total housing need in each region and sends the numbers, designated as the Regional Housing Need Assessment (RHNA, sounds like re-nuh) to each of the state's eighteen Metropolitan Planning Organizations (MPOs). The MPO in turn assigns each city its RHNAs, which must be reflected in the Housing Element of each jurisdiction's General Plan. RHNAs are updated every eight years.

In the nine-county Bay Area, the Metropolitan Planning Organization that addresses land use and housing is ABAG. The agency is governed by an Executive Board comprised of 35 officials appointed by their county, city, or mayors conference/cities association to represent cities in their county, plus the board's president, vice president and immediate vice-president. The number of appointments from each jurisdiction reflects the population size of each county. Berkeley currently has no representative on the Executive Board; Councilmember Susan Wengraf represents the city in the ABAG General Assembly, with Councilmember Kriss Worthington as her alternate.

For 2014-2022, Berkeley has been assigned 2,959 RHNAs, i.e., new housing units, of which 532 are for Very Low Income, 442 Low Income, 584 Moderate Income and 1,401 Above Moderate Income households. Each income level is a function of the Median Income for Alameda County set by HCD.

Transportation planning for the Bay Area is overseen by the Metropolitan Transportation Commission, which functions as both the Bay Area's Regional Transportation Planning Agency (RTPA) and, for federal purposes, its MPO. MTC has 21 members. Eighteen are voting commissioners, sixteen of them appointed by local elected officials in each county,

with representation again proportional to population. Alameda County is currently represented by Mayor Tom Bates (who, however, did not attend the July 18-19 meeting). In addition, one voting member represents ABAG, and a second represents the Bay Conservation and Development Commission. Three nonvoting members represent the federal and state transportation agencies and the federal housing department, respectively.

Every four years MTC prepares a Regional Transportation Plan (RTP), a comprehensive blueprint for the development of mass transit, highway, airport, seaport, railroad, bicycle and pedestrian facilities in the Bay Area. The current RTP, known as Transportation 2035, was approved in 2009. The commission also screens requests from local agencies for state and federal grants for transportation projects to determine their compatibility with the plan.

What's novel about Plan Bay Area is that it integrates the Bay Area's RHNA's, its RTP and the region's anticipated reductions in greenhouse gas (GHG) emissions. That comprehensiveness is mandated by Senate Bill 375, passed by the California legislature and signed into law by Governor Schwarzenegger in 2008. Under SB 375, each MPO must develop a regional transportation plan that includes an anti-sprawl Sustainable Communities Strategy (SCS) that takes into account how land use and housing decisions affect transportation policy, and how both work together to slow climate change over the next 25 years. Plan Bay Area is our region's Sustainable Communities Strategy and hence an element of Transportation 2035.

Plan Bay Area rests on four big demographic projections. Driving everything else is the assumption is that by 2040, the Bay Area will have 1.1 million more **jobs**, a 33% jump over 2010. The job growth magnet underlies a predicted **population** increase of 30%, from 7.2 million (in 2010) to 9.3 million; a predicted 24% increase (700,000) in the number of **households**; and a predicted 24% rise (660,000) in the number of needed **housing units**.

To provide all that new housing and still reduce greenhouse gas emissions, which is to say, to reduce driving, Plan Bay Area directs over 2/3 of the region's new residential construction through 2040 to dense, infill development in urban job centers near existing transit hubs—specifically to Priority Development

Areas (PDAs) that have been nominated by local officials in each city. PDAs in San Francisco, San Jose and Oakland are expected to accommodate 42% of the housing growth and 38 % of the total job growth. “As a result,” the plan states, “small cities, single-family neighborhoods and rural areas throughout the Bay Area will take on a very small share of the region's overall growth and are expected to retain the same scale and character” (p. 55).

Berkeley has six PDAs: Adeline Street, Downtown, San Pablo Avenue, South Shattuck, Telegraph Avenue and University Avenue. These areas are projected to accommodate a total of 22,219 new jobs by 2040—a 29% increase over 2010 employment in the city.

At the same time, the new plan specifies transportation investments that support its land use, environmental and equity goals, forecasting \$289 billion of revenue from local (53%), regional (15%), state (16%), federal (11%) and “anticipated” (5%) sources. Of those revenues, \$57 billion are “discretionary,” or available for assignment to projects and programs through Plan Bay Area. The top funding priorities are maintaining the region's existing transportation system, primarily in the region's core, and supporting focused growth by rewarding jurisdictions that direct new housing to PDAs through their planning and zoning policies and actual production of housing units.

Contentiousness

Regional planning in the Bay Area is no stranger to dissent. In every RHNA cycle, a handful of the region's nine counties and 101 cities appeal their allocations, arguing that for varied reasons, the number is too high (I know of no instance in which a jurisdiction argued that its allocation was too low). In 2013 eight cities appealed; Berkeley was not among them. As is usually the case, most of the appeals (five) were denied. In 2012 as in prior years, the process was sedate.

But in 2012, alongside the RHNA appeals, broad objections were raised to Plan Bay Area itself in a manner that was occasionally downright boisterous. Early in the three-year planning process, Tea Partiers (yes, the Tea Party is in the Bay Area) and their fellow travelers—property rights advocates and libertarians—appeared at the public workshops that were mandated by SB 375. In contrast to the city officials who respectfully appealed their jurisdiction's RHNA

assignments, these citizens not only questioned basic assumptions underlying the regional plan, starting with the way the workshops themselves were being run—autocratically, they claimed—and extending to the regulation of development and the discouragement of private vehicular use. They showed scant deference to the announced agenda or the sessions’ moderators and presenters.

But the Tea Party and friends were only one of many groups that voiced their objections to the draft plan. The 6 Wins for Social Equity Network, a coalition of over thirty social justice, faith, public health and environmental organizations, also came out in force, lobbying for affordable housing, more accessible public transit (especially bus service), investment without displacement, environmental justice, economic opportunity and community power for working-class people of color in local and regional decision-making. In keeping with these goals, the group submitted an alternative “Equity Environment and Jobs” scenario that was considered along with the draft plan.

Also present and vocal were numerous residents of Marin County who protested PDAs designated for several communities as over development; contended that Plan Bay Area ignored the issue of too much water (sea level rise) and too little (water supply shortfalls); significantly inflated growth projections; neglected open space, agricultural lands and natural habitats; and generally gave the public short shrift.

Business interests also weighed in. The Bay Area Business Coalition, which included the Bay Area Council, the Building Industry Association of the Bay Area and the Non-Profit Housing of Northern California, argued that the draft plan skimmed on the amount of housing needed to accommodate projected job growth. At its behest, ABAG and MTC considered an alternative plan that included higher housing figures.

Late in the game, Earthjustice, writing in behalf of Communities for a Better Environment, submitted a lengthy critique of the draft plan that focused on its failure to consider goods movement and the truck traffic and attendant air pollution.

Dozens of cities and three counties also conveyed their reservations about the plan.

The final plan contained three amendments sought by the 6 Wins Network: greater protections for affordable housing, a regional public process to set priorities for a \$3.1 billion cap and trade revenue, with an explicit focus on benefits to disadvantaged communities, and a commitment by MTC to adopt a comprehensive strategy that focuses on local transit operating support. Acknowledging that they didn’t get everything they wanted, representatives of the coalition celebrated these successes and pledged to work for more in the future.

Not so, other parties. ABAG and MTC are now face three lawsuits over Plan Bay Area. On August 6 the Pacific Legal Foundation, a non-profit whose funders include the Koch Brothers, filed a lawsuit in behalf of Bay Area Citizens in Alameda County Superior Court under the California Environmental Quality Act (CEQA). On August 19 Earthjustice, the Sierra Club and Communities for a Better Environment also filed a CEQA lawsuit in Alameda County Superior Court. Four days earlier the Building Industry Association of the Bay Area sued the two regional agencies in the same court, asserting that Plan Bay Area violates SB 375. On September 4, the MTC public information office told me that “we have no information regarding any change in the legal status of the Plan” resulting from this litigation.

Stay tuned.

Zelda Bronstein is a former chair of the Berkeley Planning Commission.

MUTTVILLE senior dog rescue

The tragic truth is that every day, dogs in good health with wonderful personalities are euthanized. Why? They’re older. And because they’re older, they’re not considered adoptable. Muttville rescues senior dogs and finds them new homes or gives them hospice. Muttville also provides information about caring for older dogs and support for people who do. Our foremost need is for loving homes for these wonderful dogs. If you can foster or adopt a dog, or volunteer your efforts, or donate, please do. Or cuddle with a mutt at Muttville’s Cuddle Club! They will bring you so much love and joy. Visit <http://www.muttville.org/foster>

