



## AGENDA

### **SPECIAL CITY COUNCIL MEETING – CLOSED SESSION**

**Tuesday, August 15, 2017 – 6:30 p.m.**  
**Hillside Conference Room**

### **REGULAR CITY COUNCIL MEETING**

**Tuesday, August 15, 2017 – 7:00 p.m.**  
**City Council Chambers**

#### **Meeting Location**

El Cerrito City Hall  
10890 San Pablo Avenue, El Cerrito

Janet Abelson – Mayor

Mayor Pro Tem Gabriel Quinto  
Councilmember Greg Lyman

Councilmember Paul Fadelli  
Councilmember Rochelle Pardue-Okimoto

- 6:30 p.m. ROLL CALL**  
**CONVENE SPECIAL CITY COUNCIL CLOSED SESSION**  
**ORAL COMMUNICATIONS FROM THE PUBLIC** *(Comments limited to three minutes and to items on this Special City Council meeting agenda only.)*  
**ANOUNCEMENT OF CLOSED SESSION**  
**Conference with Labor Negotiators** *(Pursuant to Government Code Section 54957.6)*  
**Agency Designated Representatives:** Scott Hanin, City Manager, Karen Pinkos, Assistant City Manager, Kristen Cunningham, Senior Human Resources Analyst, Glenn Berkheimer, Labor Negotiator and Sky Woodruff, City Attorney  
**Employee Organizations:** Service Employees International Union Local 1021  
**RECESS INTO CLOSED SESSION**  
**ADJOURN SPECIAL CITY COUNCIL MEETING – CLOSED SESSION**
- ROLL CALL**
- 7:00 p.m. CONVENE REGULAR CITY COUNCIL MEETING**
- 1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE** – *Councilmember Paul Fadelli.*
  - 2. COUNCIL / STAFF COMMUNICATIONS** *(Reports of Closed Session, commission appointments and informational reports on matters of general interest which are announced by the City Council & City Staff.)*

### **3. ORAL COMMUNICATIONS FROM THE PUBLIC**

*All persons wishing to speak should sign up with the City Clerk. Remarks are typically limited to 3 minutes per person. The Mayor may reduce the time limit per speaker depending upon the number of speakers. Kindly state your name and city of residence for the record. Comments regarding non-agenda, presentation and consent calendar items will be heard first. Comments related to items appearing on the Public Hearing or Policy Matter portions of the Agenda are taken up at the time the City Council deliberates each action item. Individuals wishing to comment on any closed session scheduled after the regular meeting may do so during this public comment period or after formal announcement of the closed session.*

### **4. ADOPTION OF THE CONSENT CALENDAR – Item No. 4(A) through 4(G)**

#### **A. Approval of Minutes**

Approve the July 18, 2017 Special City Council Closed Session and Regular City Council meeting minutes.

#### **B. 2017 Patch Paving Project**

Adopt a resolution taking the following actions: 1) Approving plans for the 2017 Patch Paving Project, City Project No. C3027.18; 2) Accepting the three submitted bids; and 3) Authorizing the City Manager to execute a contract in the amount of \$226,850.00 with PMK Contractors, LLC and to approve change orders in an amount not to exceed \$68,000 for the construction of the 2017 Patch Paving Project, City Project No. C3027.18. *Exempt from CEQA.*

#### **C. Quarterly Investment Report**

Receive and file the City's Quarterly Investment Report for the Quarter ending June 30, 2017.

#### **D. Committee on Aging Appointment**

Approve a Committee on Aging recommendation to appoint Carol Kehoe to the Committee on Aging, effective August 15, 2017.

#### **E. Crime Prevention Committee Appointment**

Approve a Crime Prevention Committee recommendation to appoint Rosa Esquivel to the Crime Prevention Committee, effective August 15, 2017.

#### **F. Economic Development Committee Appointment**

Approve an Economic Development Committee recommendation to appoint Rosa Esquivel to the Economic Development Committee, effective August 15, 2017.

#### **G. Environmental Quality Committee Appointment**

Approve an Environmental Quality Committee recommendation to appoint Neil Tsutsui and Jeff Sobul to the Environmental Quality Committee, effective August 15, 2017.

### **5. PRESENTATIONS**

#### **El Cerrito Wall of Fame Ceremony**

Adopt two resolutions recognizing the leadership, contributions and achievements of Mae Ritz and Theresa Parella and inducting Ms. Ritz and Miss Parella into the El Cerrito Wall of Fame.

### **6. PUBLIC HEARINGS - None**

## 7. POLICY MATTERS

### A. Affordable Housing Strategy

Consideration of a resolution adopting the draft Affordable Housing Strategy.

### B. Memoranda of Understanding between the City of El Cerrito and the Public Safety Management Association

Adopt resolutions approving Memoranda of Understanding between the City of El Cerrito and the Public Safety Management Association for the following bargaining units: 1) Battalion Chiefs; and 2) Fire Chief.

### C. Agreement Toward a Memorandum of Understanding Between the City of El Cerrito and the United Professional Firefighters Association, Local 1230

Adopt resolution approving an agreement between the City of El Cerrito and the United Professional Firefighters Association, Local 1230 modifying salaries and creating a new Memorandum of Understanding.

### D. Ordinance Enabling Expedited Building Permit Process for Electric Vehicle Charging Stations

Introduce by title and waive any further reading of an ordinance adding Chapter 16.14 to the El Cerrito Municipal Code to enable expedited permitting procedures for electric vehicle charging stations.

### E. Safe Exchange Zone

Adopt a resolution authorizing the creation and installation of a Safe Exchange Zone. Safe Exchange Zones are locations designated by cities and police departments as safer alternatives for child custody exchanges or property sales from e-commerce transactions.

## 8. CITY COUNCIL LOCAL AND REGIONAL LIAISON ASSIGNMENTS

Mayor and City Council communications regarding local and regional liaison assignments and committee reports.

## 9. ADJOURN REGULAR CITY COUNCIL MEETING

The next regularly scheduled City Council meeting is Tuesday, September 19, 2017 at 7:00 p.m. in the City Council Chambers, 10890 San Pablo Avenue, El Cerrito.

***The City of El Cerrito serves, leads and supports our diverse community by providing exemplary and innovative services, public places and infrastructure, ensuring public safety and creating an economically and environmentally sustainable future.***

- Council Meetings can be heard live on FM Radio, KECG – 88.1 and 97.7 FM and viewed live on Cable TV - KCRT- Channel 28 and AT&T Uverse Channel 99. The meetings are rebroadcast on Channel 28 the following Thursday and Monday at 12 noon, except on holidays. Live and On-Demand Webcast of the Council Meetings can be accessed from the City's website <http://www.el-cerrito.org/streamingmedia>. Copies of the agenda bills and other written documentation relating to items of business referred to on the agenda are on file and available for public inspection in the Office of the City Clerk, at the El Cerrito Library and posted on the City's website at [www.el-cerrito.org](http://www.el-cerrito.org) prior to the meeting.
- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (510) 215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104)

ADA Title I).

- ***The Deadline for agenda items and communications*** is eight days prior to the next meeting by 12 noon, City Clerk's Office, 10890 San Pablo Avenue, El Cerrito, CA. Tel: 215-4305 Fax: 215-4379, email [cmorse@ci.el-cerrito.ca.us](mailto:cmorse@ci.el-cerrito.ca.us)
- IF YOU CHALLENGE A DECISION OF THE CITY COUNCIL IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE COUNCIL MEETING. ACTIONS CHALLENGING CITY COUNCIL DECISIONS SHALL BE SUBJECT TO THE TIME LIMITATIONS CONTAINED IN CODE OF CIVIL PROCEDURE SECTION 1094.6.
- The City Council believes that late night meetings deter public participation, can affect the Council's decision-making ability, and can be a burden to staff. City Council Meetings shall be adjourned by 10:30 p.m., unless extended to a specific time determined by a majority of the Council.

## **COMMUNICATIONS**

*(Received prior to printing the packet)*

### **Item No. 7(A) Affordable Housing Strategy**

1. Comments regarding renters and housing displacement – *Submitted by Sherry Drobner, El Cerrito.*
2. Benefits of Rent Stabilization: A Brief Overview. Steve Barton, Ph.D – *Submitted by Sherry Drobner, El Cerrito.*
3. The Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance – *Submitted by Sherry Drobner, El Cerrito.*
4. El Cerrito Progressives Affordable Housing Recommendations. Originally submitted to the Planning Commission – *Submitted by Sherry Drobner, El Cerrito.*
5. Comments on the Affordable Housing Strategy – *Submitted by Howdy Goudey, El Cerrito.*

# EL CERRITO CITY COUNCIL

## MINUTES

### **SPECIAL CITY COUNCIL MEETING – CLOSED SESSION**

**Tuesday, July 18, 2017 – 6:45 p.m.**

**Hillside Conference Room**

*This meeting will not be televised*

#### **Meeting Location**

El Cerrito City Hall

10890 San Pablo Avenue, El Cerrito

Janet Abelson – Mayor

Mayor Pro Tem Gabriel Quinto  
Councilmember Greg Lyman

Councilmember Paul Fadelli  
Councilmember Rochelle Pardue-Okimoto

#### **6:45 p.m. ROLL CALL**

Councilmembers Fadelli, Lyman, Pardue-Okimoto, Quinto and Mayor Abelson all present.

#### **CONVENE SPECIAL CITY COUNCIL CLOSED SESSION**

Mayor Abelson convened the special City Council meeting at 6:45 p.m.

#### **ORAL COMMUNICATIONS FROM THE PUBLIC**

Cordell Hindler, Richmond, stated that it was his hope that negotiations would conclude this evening.

#### **ANNOUNCEMENT OF CLOSED SESSION**

**Conference with Labor Negotiators** (*Pursuant to Government Code Section 54957.6*)

**Agency Designated Representatives:** Scott Hanin, City Manager, Karen Pinkos, Assistant City Manager, Kristen Cunningham, Senior Human Resources Analyst, Glenn Berkheimer, Labor Negotiator and Sky Woodruff, City Attorney

**Employee Organizations:** Service Employees International Union Local 1021

United Professional Firefighters Local 1230

El Cerrito Public Safety Management Association

**RECESS INTO CLOSED SESSION** at 6:47 p.m.

#### **REPORT OUT OF CLOSED SESSION**

Mayor Abelson reported that no action was taken. The City Council provided direction to staff.

**ADJOURNED SPECIAL CITY COUNCIL CLOSED SESSION** at 7:04 p.m.

# EL CERRITO CITY COUNCIL

## MINUTES

**REGULAR CITY COUNCIL MEETING**  
**Tuesday, July 18, 2017 – 7:00 p.m.**  
**City Council Chambers**

**Meeting Location**  
El Cerrito City Hall  
10890 San Pablo Avenue, El Cerrito

Janet Abelson – Mayor

Mayor Pro Tem Gabriel Quinto  
Councilmember Greg Lyman

Councilmember Paul Fadelli  
Councilmember Rochelle Pardue-Okimoto

**7:00 p.m. ROLL CALL**

Councilmembers Fadelli, Lyman, Pardue-Okimoto, Quinto and Mayor Abelson all present.

**CONVENE REGULAR CITY COUNCIL MEETING**

Mayor Abelson convened the regular City Council meeting at 7:12 p.m.

**1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE** was led by Mayor Janet Abelson.

**2. COUNCIL / STAFF COMMUNICATIONS**

Mayor Abelson announced that the City Council had just met in closed session and provided direction to staff. Mayor Abelson announced that the annual Relay for Life event will be held at Cerrito Vista Park on July 22-23 this year. Additionally, a listing of centennial events is available at [www.el-cerrito.org/ec100](http://www.el-cerrito.org/ec100). This year's Fourth of July event was spectacular and was the best it has ever been. Mayor Abelson thanked staff and everyone who was involved and attended. Mayor Abelson reported that she attended two League of California Cities Policy Committee meetings on June 8 and 9 in Sacramento, a presentation with California Attorney General Xavier Becerra on June 23 in Richmond and also attended the June 28-29 League of California Cities Mayors and City Council Members Executive Forum and advanced training in Monterey.

Councilmember Lyman thanked staff for their organization at the 4<sup>th</sup> of July event which shows their commitment to the community. Councilmember Lyman also encouraged all to attend a centennial talk at the Recycling Center on July 19, National Night Out on August 1 and announced that there are several vacancies on boards, commissions and committees.

Councilmember Fadelli concurred with Councilmember Lyman regarding staff's hard work on the 4<sup>th</sup> of July event and also thanked Corey Mason for the music.

Councilmember Pardue-Okimoto also reported on recent events.

### **3. ORAL COMMUNICATIONS FROM THE PUBLIC**

Cordell Hindler, Richmond, reiterated concerns that he has expressed at prior City Council meetings regarding keeping the Senior Center open and the high costs of having a business in El Cerrito.

Delfina Fung, El Cerrito, provided the Council with a petition urging the City Council to continue the City's ban on marijuana and marijuana related products and to also regulate the cultivation of marijuana. Ms. Fung also asked the City Council to consider a fundraising campaign for a new library.

Al Miller, El Cerrito, acknowledged the upcoming East Bay Relay for Life event.

Dave Weinstein, El Cerrito, announced that he is the new president of the El Cerrito Historical Society and acknowledged past president Rich Bartke for his hard work. Mr. Weinstein also noted the importance of having staff familiar with the City's history and offered the Historical Society's timeline brochure as a resource for learning more about the City.

Cathy Bleir, El Cerrito, expressed the need for a strong tree protection ordinance in El Cerrito and the benefits of trees and green infrastructure in the City.

### **4. ADOPTION OF THE CONSENT CALENDAR – Item No. 4(A) through 4(D)**

Moved, seconded (Lyman/Quinto) and carried unanimously to approve Consent Calendar Item Nos. 4(A) through 4(D) in one motion as indicated below.

#### **A. Approval of Minutes**

Approve the June 20, 2017 regular City Council meeting minutes.

**Action:** Approved minutes.

#### **B. Amendments to the City's Classification Plan**

Adopt a resolution amending the City's Classification Plan to authorize the reclassification of Information Technology Technician to Information Technology Specialist in the City Management Department and amend Exhibit A to Resolution No. 2017-46 to correct an inadvertent clerical error in the Public Safety Executive Assistant class specification.

**Action:** Adopted Resolution No. 2017-53.

#### **C. Metropolitan Transportation Commission One Bay Area Grant, Cycle 2 Program Funding**

City staff requests that City Council consider the following actions: 1) Adopt a resolution authorizing the filing of an application for funding assigned to the Metropolitan Transportation Commission for the One Bay Area Grant, Cycle 2 Program and committing any necessary matching funds and stating assurance to complete the Carlson Boulevard and Central Avenue Pavement Rehabilitation Project; and 2) Adopt a resolution authorizing the filing of an application for funding assigned to the Metropolitan Transportation Commission for the One Bay Area Grant, Cycle 2 Program and committing any necessary matching funds and stating assurance to complete the El Cerrito del Norte Transit-Oriented Development Complete Streets Improvement Project.

**Action:** Adopted Resolution No. 2017-54 and Resolution No. 2017-55.

#### **D. Economic Development Committee Appointment**

Approve an Economic Development Committee recommendation to appoint Ilya Weber to the Economic Development Committee, effective July 18, 2017.

**Action:** Approved recommendation.

#### **5. PRESENTATIONS**

**A. Homelessness in Contra Costa County – Presentation by Jaime Jenett, MPH, Continuum of Care Planning and Policy Manager, Contra Costa Health, Housing and Homeless Services Division.**

Speaker: Cordell Hindler, Richmond, spoke about homelessness in Richmond.

**Action:** Received presentation.

**B. Draft 2017 Countywide Transportation Plan – Presentation by Matt Kelly, Contra Costa Transportation Authority Associate Transportation Planner.**

Receive a brief presentation on the Countywide Transportation Plan, which lays out a vision for Contra Costa County's transportation future, the goals and strategies for achieving that vision, and the future transportation investments needed to enhance mobility and accessibility while promoting a healthy environment and a strong economy. The Draft 2017 Countywide Transportation Plan Update is available for public review and comment at <http://www.2017CTPupdate.net>.

Speaker: Cordell Hindler, Richmond, stated that BART is very congested in the morning, traffic is congested in the afternoon and that El Cerrito needs more rapid bus service (72R).

Delfina Fung, El Cerrito, asked questions about costs and accessibility associated with autonomous vehicles.

**Action:** Received presentation.

#### **6. PUBLIC HEARINGS**

##### **Fire Hazard Abatement**

Staff requests that the City Council take the following actions: 1) Adopt a resolution declaring weeds, rubbish, litter, or other flammable material on certain real property identified in the resolution constitutes a public nuisance; and 2) Conduct a public hearing and upon conclusion, adopt a resolution overriding objections by property owners and ordering the City Manager or his designee to abate certain public nuisances pursuant to El Cerrito Municipal Code Chapter 16.26.

Presenter: Joe Gagne, Fire Captain.

**Action:** Moved, seconded (Lyman/Fadelli) and carried unanimously to adopt Resolution No. 2017-56 including a revised Exhibit A.

Mayor Abelson opened the public hearing.

Speakers: Karl Mulligan, El Cerrito, expressed concerns about the forceful nature of the language in the ordinance and resolution and asked what authority the City Council has to order abatement on private property.

Moved, seconded (Pardue-Okimoto/Quinto) and carried unanimously to close the public hearing.

**Action:** Moved, seconded (Quinto/Pardue-Okimoto) and carried unanimously to adopt Resolution No. 2017-57.



## 7. POLICY MATTERS

### Update and Discussion on Next Steps on the Development of a New El Cerrito Library

Receive presentation and provide comments and possible direction to staff.

Presenters: Karen Pinkos, Assistant City Manager and Benjamin Irinaga, Architect, Group 4 Architects.

Speakers: Cordell Hindler, El Cerrito, stated that he is a community advocate for libraries.

Al Miller, El Cerrito, stated that he hopes to see the proposed city library commission grow into a permanent advisory body to advise the City Council for the long term and urged the Council to give staff strong, clear direction on the library. The El Cerrito Library Foundation is eager to support staff in a community outreach program.

Howdy Goudey, El Cerrito, stated that he supports a new library and that the city needs to broaden its vision to include all facilities needed in the City. Mr. Goudey noted that purchasing private property is as good as having cash in the reserves and said he was surprised to see Cerrito Vista Park and the Theater as possible sites but that combining the two with the small street may be an option.

Ted Landau, El Cerrito, said he is a strong advocate of a new library and noted the negative comments that were made on Nextdoor (a private social network for neighborhoods) during the election and the negative lawn signs posted around town. Mr. Landau said that he felt the library effort needed a more aggressive information campaign.

Kathryn Levenson, El Cerrito, recommended looking at local branch library improvement programs for some ideas and examples for new library sites.

Karl Mulligan, El Cerrito, expressed concerns with the idea of having a library last only 40-50 years and the proposed cost per square foot of the library. Mr. Mulligan suggested a design contest.

Georgina Edwards, El Cerrito, stated that the library will create another reason for residents to connect and pledged her support for the community outreach.

Joy Gray, El Cerrito, stated that she inadvertently started the Nextdoor discussion about the library. The discussion started with asking why the property tax for the library was so much money. Ms. Gray also urged a more transparent plan for the library in the future and stated that she supports a library.

Sherry Drobner, El Cerrito, said that she wanted a new library but that she is confused about the vision for a library and noted that there needs to be a clear intention about the library and community input.

Delfina Fung, stated that the city could approach landowners about using a parcel for the location to reduce the cost and also suggested some fundraising ideas.

**Action:** The City Council by mutual consensus agreed that: 1) The City Council supports continuing to move ahead with planning for a new library; 2) Additional community outreach should be performed to collect input and build support for a safe and modern new library; 3) Additional public and privately-owned sites should be evaluated for potential library sites; 4) Approves of staff working with Bay Area

Rapid Transit (BART) to issue an request for proposals to investigate a transit oriented development at the El Cerrito Plaza BART parking lot, potentially including space for a new library; 5) Direct staff to investigate the viability of using the Community Center for a continuing education and services center which would include senior programs; and 6) Authorize staff to conduct research and potentially return to the City Council with a financial proposal that would provide staff with the resources and tools needed to work with the development community to move forward with a public/private partnership to secure a site.

## **8. CITY COUNCIL LOCAL AND REGIONAL LIAISON ASSIGNMENTS**

Mayor and City Council communications regarding local and regional liaison assignments and committee reports.

Councilmember Lyman reported that he and Councilmember Fadelli participated in a special meeting of the West Contra Costa Integrated Management Authority on July 8 regarding the Joint Powers Authority agreement. The Authority Board discussed the future of the Joint Powers Authority agreement including terms that have been proposed that are not in the interests of El Cerrito residents and could result in the City pulling out of the agreement.

Mayor Abelson reported that she rode in an autonomous shuttle vehicle at the Concord Naval Weapons Station prior to the July Contra Costa Mayors Conference. Cars and trucks are also being tested. It was exciting for Mayor Abelson to learn about the process, the complexity involved and to ride on the shuttle. The dinner also included dishes featuring global cuisine from different restaurants. Mayor Abelson stated that the Centennial Planning Task Force is hard at work and noted that there will be a centennial event for a time capsule in August.

Moved, seconded (Lyman/Fadelli) and carried unanimously to extend the meeting to 10:50 p.m.

## **9. ADJOURNED REGULAR CITY COUNCIL MEETING at 10:42 p.m.**

### **SUPPLEMENTAL REPORTS AND COMMUNICATIONS**

#### **Item No. 6 Fire Hazard Abatement**

1. Revised Exhibit A to Attachment 5: Resolution declaring the weeds, rubbish, litter or other flammable material on certain real property constitutes a public nuisance – *Submitted by Joe Gagne, Fire Captain.*

#### **Item No. 7 Update and Discussion on Next Steps on the Development of a New El Cerrito Library**

2. Comments on the presentation – *Submitted by Michael Fischer, El Cerrito representative on the Contra Costa Library Commission.*

#### **Other:**

3. El Cerrito Centennial Timeline – *Submitted by David Weinstein, President, El Cerrito Historical Society.*
4. Petition urging the City Council to reverse its April 18, 2017 decision regarding marijuana dispensaries (signed by 398 individuals) – *Submitted by Delfina Lin-Sau Fung, El Cerrito.*
5. El Cerrito's Urban Forest: The Need for a Strong Tree Protection Ordinance – *Submitted by Cathy Bleier, El Cerrito.*

6. Table 2-1 Adopted Reuse Plan Development Program – *Submitted by Mayor Abelson.*



## AGENDA BILL

### Agenda Item No. 4(B)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Yvetteh Ortiz, Public Works Director/City Engineer  
**Subject:** 2017 Patch Paving Project, City Project No. C3027.18

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#### **ACTION REQUESTED**

Adopt a resolution taking the following actions:

- 1) Approving plans for the 2017 Patch Paving Project, City Project No. C3027.18;
- 2) Accepting the three submitted bids; and
- 3) Authorizing the City Manager to execute a contract in the amount of \$226,850.00 with PMK Contractors, LLC and to approve change orders in an amount not to exceed \$68,000 for the construction of the 2017 Patch Paving Project, City Project No. C3027.18.

#### **BACKGROUND**

The 2017 Patch Paving Project is a component of the Measure A funded Annual Street Improvement Program. This project is intended to repair localized pavement failures (potholes) at various locations throughout the City. Along with various spot locations, the following eight (8) street segments will receive extensive repair work:

| STREET NAME                   | FROM                          | TO                    |
|-------------------------------|-------------------------------|-----------------------|
| South 56 <sup>th</sup> Street | Potrero Avenue                | South City Limit      |
| Cypress Street                | South 56 <sup>th</sup> Street | San Pablo Avenue      |
| Snowdon Avenue                | Ganges Avenue                 | Hillside Natural Area |
| Madera Circle                 | Madera Drive                  | Madera Drive          |
| Contra Costa Drive            | Buckingham Drive              | King Drive            |
| King Drive                    | Contra Costa Dive             | King Court            |
| Richmond Street               | Schmidt Lane                  | Moeser Lane           |
| Kearney Street                | Eureka Avenue                 | Fairmount Avenue      |

The project work will also consist of restoring the traffic striping and pavement markings damaged by the pavement repairs.

The project was advertised for bid in the West County Times on July 3 and 10, 2017. Additionally, the notice along with a complete set of Contract Documents was sent to eight Builder and Construction Exchanges. The project was also posted on the City's website.

**ANALYSIS**

Three bids were received on July 25, 2017 with the following results:

| <b>Name and Location of Bidder</b>         | <b>Total Bid</b>    |
|--------------------------------------------|---------------------|
| PMK Contractors, LLC, Hayward              | \$226,850.00        |
| HM Construction, Inc., Hercules            | \$263,350.00        |
| Paving Construction Services, Inc., Alviso | \$314,960.00        |
| <b>Engineer's Estimate</b>                 | <b>\$302,570.00</b> |

The bid from PMK Contractors, LLC of \$226,850.00 is twenty-five percent less than the Engineer's Estimate of \$302,570.00. Staff believes that the reason for such a significantly lower bid amount is because the project involves primarily paving work and was made available to contractors specializing in this work (Class C-12) as well as larger firms that have a General Engineering license (Class A). Each of the bidders is a relatively small contractor that typically submits bids under a prime contractor.

Staff recommends that the City Council award a construction contract in the amount of \$226,850.00 to PMK Contractors, LLC as the lowest responsive and responsible bidder.

In light of the reasonable unit prices for patch paving, staff requests that Council allow staff to investigate the opportunity to include additional street segments and spot locations into the contract. The Public Works Department maintains a list of various types of pavement failures throughout the City. Although this project addresses a good portion of these locations, there are other locations that need attention particularly because of the unusual amount of rainfall last season. This past rainy season either worsened existing distressed pavement creating potholes or created new ones. Staff is therefore requesting a contract contingency amount of \$68,000, approximately 30%, to allow for additional repair locations and typical change orders such as quantity fluctuations and extra work items due to unforeseen conditions. This is approximately three times as high as the typical contingency percentage on projects and this strategy has served us well in the past in similar situations.

**STRATEGIC PLAN CONSIDERATIONS**

Award of the construction contract is consistent with the following El Cerrito Strategic Plan Goals:

- Goal D – *Develop and rehabilitate public facilities as community focal points by addressing ongoing and deferred maintenance of facilities and infrastructure; and*

- Goal E – *Ensure the public's health and safety* by maintaining streets in a state of good repair.

### ENVIRONMENTAL CONSIDERATIONS

The project is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) because the project is a repair to an existing facility involving negligible or no expansion of use beyond that presently existing. More specifically, restoration or rehabilitation of deteriorated or damaged facilities to meet current standards of public health and safety, unless it is determined that the damage was substantial and resulted from an environmental hazard such as an earthquake, landslide, or flood, is exempt from CEQA.

### FINANCIAL CONSIDERATIONS

The construction budget for the project is \$328,500 as summarized below.

|                                               |                  |
|-----------------------------------------------|------------------|
| Construction Contract                         | \$226,850        |
| Construction Contract Contingency             | \$68,000         |
| Construction Management and Materials Testing | \$28,500         |
| Miscellaneous (printing, postage, etc)        | \$5,000          |
| <b>Total</b>                                  | <b>\$328,350</b> |

Funding for this project is part of the Annual Street Improvement Program and included in the Fiscal Year (FY) 2017-18 Adopted Budget and Annual Program of Maintenance and Improvement pursuant to the Measure A Street Improvement Program.

### LEGAL CONSIDERATIONS

The City Attorney has reviewed the proposed actions and found that legal considerations have been addressed.

**Reviewed by:**



**Scott Hanin**  
**City Manager**

**Attachments:**

1. Resolution

**RESOLUTION NO. 2017-XX**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO APPROVING PLANS FOR THE 2017 PATCH PAVING PROJECT, CITY PROJECT NO. C3027.18; ACCEPTING THE THREE SUBMITTED BIDS AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT IN THE AMOUNT OF \$226,850.00 WITH PMK CONTRACTORS, LLC AND APPROVING CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED \$68,000 FOR THE CONSTRUCTION OF THE 2017 PATCH PAVING PROJECT, CITY PROJECT NO. C3027.18

WHEREAS, the 2017 Patch Paving Project considered localized pavement repairs (potholes) at various locations throughout the City, including eight street segments and various spot locations; and

WHEREAS, the work generally consists of repairing failed pavement (potholes), and restoring any damaged striping and pavement markers; and

WHEREAS, a Notice Inviting Bids for the project was advertised in the West Contra Costa Times on July 3 and 10, 2017, sent to eight Builder and Construction Exchanges, and posted on the City's website, and three bids were received on July 25, 2017; and

WHEREAS, the lowest bidder was PMK Contractors, LLC whose total bid, in the amount of \$226,850.00, was twenty-five percent below the Engineer's Estimate, and consistent with the project's fundable budget; and

WHEREAS, the current funding for this project is provided through Measure A Street Improvement Funds.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of El Cerrito:

- 1) Approves plans for the 2017 Patch Paving Project, City Project No. C-3027.18;
- 2) Accepts the three submitted bids; and
- 3) Authorizes the City Manager to execute a contract in the amount of \$226,850.00 with PMK Contractors, LLC and to approve change orders in an amount not to exceed \$68,000 for the construction of the 2017 Patch Paving Project, City Project No. C3027.18.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on August 15, 2017 the City Council of the City of El Cerrito passed this Resolution by the following vote:

|          |                 |
|----------|-----------------|
| AYES:    | COUNCILMEMBERS: |
| NOES:    | COUNCILMEMBERS: |
| ABSTAIN: | COUNCILMEMBERS: |
| ABSENT:  | COUNCILMEMBERS: |

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on August XX, 2017.

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Cheryl Morse, City Clerk

APPROVED:

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Janet Abelson, Mayor





## AGENDA BILL

### Agenda Item No. 4(C)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Mark R. Rasiah, Finance Director/City Treasurer  
**Subject:** Cash & Investments Report for Quarter Ending June 30, 2017

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#### **ACTION REQUESTED**

Receive and file the City's Quarterly Investment Report for the Quarter ending June 30, 2017.

#### **BACKGROUND**

It is the policy of the City of El Cerrito ("City"), to invest public funds in a manner which provides for safety of principal while providing sufficient liquidity to cover the City's short and long term needs while generating the appropriate yield. All investment activity will conform to the California Government Code, Sections 53601 through 53659.

#### **ANALYSIS**

The Quarterly Investment Report for April 1, 2017 to June 30, 2017 shows that the City's investments had a par value of \$4,713,898 as of June 30, 2017. The City continues to have minimal investments that are not required for debt service reserves and to have limited, if any, interest earnings on restricted funds. Of the total amount invested, \$4,517,965 is invested in the pooled funds with the State Treasurer's Local Agency Investment Funds (LAIF) and \$195,932 is held in money market funds. Cash with Mechanics Bank was \$2,742,158. Total cash and investments were \$7,456,056. Of this amount, \$7,260,123 was available to meet operating expenses for the next six months.

#### **STRATEGIC PLAN CONSIDERATIONS**

The purpose of the City's Investment Policy is to provide guidelines for prudent investment of the City's idle funds and maximum efficiency of the City's cash management system. The long term goal is to enhance the City's economic condition while protecting the funds at all times.

#### **FINANCIAL CONSIDERATIONS**

During the quarter interest of approximately \$3,760.23 was earned and debt service payments for the Recycle Center, Streets, Fire Expeditions, Solar and Successor Installment Payment were made totaling \$713,934.97.

**LEGAL CONSIDERATIONS**

The City's investments comply with the "Authorized Investments" section of the Investment Policy.

**Reviewed by:**

  
\_\_\_\_\_  
**Scott Hanin**  
**City Manager**

**Attachment:**

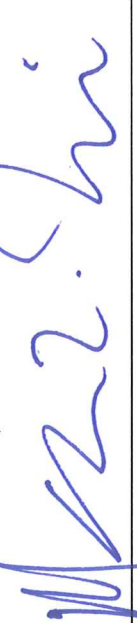
1. Cash & Investment Report for the Quarter ending June 30, 2017.

City of El Cerrito  
Quarterly Cash & Investment Report  
For the Period Ending June 30, 2017

Attachment 1

| FUND                              | INVESTMENT TYPE                      | INVESTMENT                     | TRUSTEE/<br>BROKER | PAR VALUE          | COST               | INTEREST<br>OR YIELD | MATURITY<br>DATE | COST/<br>100 | *MARKET<br>VALUE   |
|-----------------------------------|--------------------------------------|--------------------------------|--------------------|--------------------|--------------------|----------------------|------------------|--------------|--------------------|
| Pooled Investments                | Pooled Fund                          | LAIF                           | CA State Treasurer | \$4,517,965        | \$4,517,965        | 0.92%                | N/A              | 100.00       | \$4,517,965        |
| Solar Project Financing           | Fidelity Institutional Fund          | Prime Money Market             | Deutsche Bank      | \$10,205           | \$10,205           | 0.01%                | N/A              | 100.00       | \$10,205           |
| Swim Center Fund                  | Blackrock Institutional Money Market | Union Bank/Blackrock Liquidity | Union Bank of CA   | \$185,727          | \$185,727          | 0.01%                | N/A              | 100.00       | \$185,727          |
|                                   |                                      |                                |                    | <b>\$4,713,898</b> | <b>\$4,713,898</b> |                      |                  |              | <b>\$4,713,898</b> |
| Cash with Bank (General Checking) | Mechanics Bank                       | N/A                            | N/A                | \$2,742,158        | \$2,742,158        | N/A                  | N/A              | N/A          | \$2,742,158        |
| <b>Total Cash and Investments</b> |                                      |                                |                    | <b>\$7,456,056</b> | <b>\$7,456,056</b> |                      |                  |              | <b>\$7,456,056</b> |

I certify that this report is in compliance with the City of El Cerrito Investment Policy and the California Government Code Section 53646. The City has sufficient cash flow to meet the next six months of estimated expenditures as required by the Code. The balance of the pool's unrestricted investments in combination with anticipated operating cash inflows and the balance in the general checking account, will be used to meet the expenditure requirements for the next six months.

  
Mark Rasiah, Finance Director/City Treasurer



## AGENDA BILL

Agenda Item No. 4(D)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Janet Bilbas, Recreation Supervisor  
Christopher Jones, Recreation Director  
**Subject:** Committee on Aging Membership Recommendation

---

### ACTION REQUESTED

Approve a Committee on Aging recommendation to appoint Carol Kehoe to the Committee on Aging, effective August 15, 2017.

### BACKGROUND

At its July 19, 2017 regular meeting, the Committee on Aging voted unanimously to recommend to the City Council that it appoint Ms. Carol Kehoe.

For the past 45 years Ms. Kehoe has been a resident of El Cerrito, and for the past 24 years she has overseen the Alzheimer's Respite Program at the Open House Senior Center which is a West Contra Costa Unified School District (WCCUSD) Adult School Program. She is also the director of the weekly senior center program at Christ Lutheran Church in El Cerrito, also a WCCUSD Adult School Program. Ms. Kehoe has a California Adult Education Credential in exercise and living skills for Alzheimer's patients.

She is interested in issues related to older members of El Cerrito including health, wellness and other topics relating to Alzheimer's.

### STRATEGIC PLAN CONSIDERATIONS

Appointing Carol Kehoe to the Committee on Aging will fulfill the following City of El Cerrito Strategic Plan goals and strategy: Goal C Deepen a sense of place and community identity – Celebrate the City's diversity by welcoming residents of all ages and cultures and encouraging their civic involvement.

**Reviewed by:**

**Scott Hanin**  
**City Manager**

### Attachments:

1. Application



**August 15, 2017**  
**REGULAR CITY COUNCIL MEETING**

**Agenda Item No. 4(D)**  
**Attachment 1 Application**

is available for review in hardcopy format at the following  
locations:

Office of the City Clerk  
10940 San Pablo Avenue  
El Cerrito  
(510) 215-4305

and

The El Cerrito Library  
El Cerrito  
6510 Stockton Avenue



## AGENDA BILL

Agenda Item No. 4(E)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Brian Elder, Detective Corporal, Police Department  
**Subject:** Crime Prevention Committee Membership Recommendation

---

### **ACTION REQUESTED**

Approve a Crime Prevention Committee recommendation to appoint Ms. Rosa Esquivel to the Crime Prevention Committee, effective August 15, 2017.

### **BACKGROUND**

At the July 12<sup>th</sup> 2017 regular meeting, the committee members in attendance at the regular meeting of the Crime Prevention Committee voted unanimously to recommend to the City Council that it appoint Mrs. Esquivel.

Mrs. Esquivel has lived in El Cerrito for 18 years and owns her own home. Mrs. Esquivel also participated in the recent National Night Out event as a block party host for her neighborhood.

Mrs. Esquivel is looking for the opportunity to help reduce crime in El Cerrito, specifically burglaries and other theft related crime, which will help to improve the quality of life in El Cerrito. Mrs. Esquivel has attended and participated in three regularly scheduled Crime Prevention Committee meetings and 4 meetings in total; January 11, May 10, June 14, and July 12 of 2017.

### **STRATEGIC PLAN CONSIDERATIONS**

Appointing Mrs. Esquivel will help to move the Crime Prevention Committee towards filling the 8 current membership vacancies on the committee. The recruiting of new Crime Prevention Committee members is necessary to successfully complete the committee goals for 2017-2018.

**Reviewed by:**

**Scott Hanin**  
**City Manager**

### **Attachments:**

1. Rosa Esquivel Application



**August 15, 2017**  
**REGULAR CITY COUNCIL MEETING**

**Agenda Item No. 4(E)**  
**Attachment 1 Application**

is available for review in hardcopy format at the following  
locations:

Office of the City Clerk  
10940 San Pablo Avenue  
El Cerrito  
(510) 215-4305

and

The El Cerrito Library  
El Cerrito  
6510 Stockton Avenue





## AGENDA BILL

Agenda Item No. 4(F)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Noa Kornbluh, Community Development Analyst  
Melanie Mintz, Community Development Director  
**Subject:** Economic Development Committee Appointment

---

### ACTION REQUESTED

Approve an Economic Development Committee recommendation to appoint Rosa Esquivel to the Economic Development Committee, effective August 15, 2017.

### BACKGROUND

An application to be appointed to the Economic Development Committee (EDC) was recently received from Rosa Esquivel, who has attended three meetings of the Economic Development Committee. During the regular Committee Meeting on June 28, 2017 the Committee voted unanimously to recommend to the Council that Rosa Esquivel be appointed to the Economic Development Committee.

Rosa is an El Cerrito resident and engineer for the City and County of San Francisco. She has a strong interest in developing the El Cerrito economy. Rosa has been an active volunteer with the EDC for the past 5 months. She assisted with community outreach at the 2017 July 4<sup>th</sup> Festival and with Restaurant Recruitment for the 3<sup>rd</sup> Annual El Cerrito Restaurant Week. Rosa has demonstrated through her participation in EDC meetings and activities that she is committed to economic prosperity and the community in keeping with the mission of the Committee. Her enthusiasm and dedication will benefit the activities of the Committee.

If the Council approves this recommendation, the number of Committee members will be 11. Resolution 2013-66 establishes the maximum committee size at 15.

**Reviewed by:**

**Scott Hanin**  
**City Manager**

**Attachment:**

1. Application





**August 15, 2017**  
**REGULAR CITY COUNCIL MEETING**

**Agenda Item No. 4(F)**  
**Attachment 1 Application**

is available for review in hardcopy format at the following  
locations:

Office of the City Clerk  
10940 San Pablo Avenue  
El Cerrito  
(510) 215-4305

and

The El Cerrito Library  
El Cerrito  
6510 Stockton Avenue



## AGENDA BILL

### Agenda Item No. 4(G)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Will Provost, Environmental Analyst  
Maria Sanders, Operations + Environmental Services Manager  
Yvetteh Ortiz, Public Works Director/City Engineer  
**Subject:** Environmental Quality Committee Appointment Recommendation

---

#### **ACTION REQUESTED**

Approve an Environmental Quality Committee recommendation to appoint Neil Tsutsui and Jeff Sobul to the Environmental Quality Committee, effective August 15, 2017.

#### **BACKGROUND AND ANALYSIS**

An application to serve on the Environmental Quality Committee (EQC) was received from Neil Tsutsui and Jeff Sobul. After Mr. Tsutsui and Mr. Sobul each attended three regular meetings of the EQC, on May 9<sup>th</sup>, June 13<sup>th</sup>, and July 11<sup>th</sup>, the Committee made arrangements to move forward with the appointment process. During an Ad Hoc Membership Subcommittee Meeting on August 8, 2017, several members of the EQC interviewed Mr. Tsutsui and Mr. Sobul and agreed that they should be considered for membership recommendation. During the EQC's Regular Meeting on August 8, 2017, which immediately followed the Ad Hoc Subcommittee Meeting, the Committee voted to recommend to the City Council that Mr. Tsutsui and Mr. Sobul be appointed to the Environmental Quality Committee.

Mr. Tsutsui is a resident of El Cerrito with a background in environmental science, and is currently serving as a Professor of Environmental Science, Policy, and Management at the University of California Berkeley. Mr. Tsutsui hopes to contribute his abilities to maintain and improve El Cerrito's natural spaces and biodiversity.

Mr. Sobul is a resident of El Cerrito with a background in marketing, renewable energy and sustainability. He has demonstrated through his application and interview that he is committed to working on environmental issues in El Cerrito and to fulfilling the mission of the Environmental Quality Committee. Both Mr. Tsutsui and Mr. Sobul have attended at least three consecutive regular Committee meetings, as required by the enabling resolution (Resolution 2008-13) for the EQC.

If the Council approves this recommendation, the number of Committee members will be 13 out of a possible membership total of 15, as established by Resolution 2008-13.

**STRATEGIC PLAN CONSIDERATIONS**

The work of the members on the EQC is instrumental in helping the City achieve Goal F of the El Cerrito Strategic Plan, which is to “Foster environmental sustainability citywide.” The EQC initiates and supports a variety of activities that advance all the strategies under Goal F:

- Be a leader in setting policies and providing innovative programs that promote environmental sustainability;
- Promote environmental education to facilitate behavioral changes;
- Implement policies to promote waste diversion;
- Encourage alternative modes of transportation; and
- Implement the Climate Action Plan.

**Reviewed by:**

A handwritten signature in cursive script, reading "Scott Hanin", is written over a horizontal line.

**Scott Hanin**  
**City Manager**

**Attachments:**

1. Sobul Application for Boards, Commissions, and Committees
2. Tsutsui Application for Boards, Commissions, and Committees



**August 15, 2017**  
**REGULAR CITY COUNCIL MEETING**

**Agenda Item No. 4(G)**  
**Attachments 1 and 2 Applications**

are available for review in hardcopy format at the following  
locations:

Office of the City Clerk  
10940 San Pablo Avenue  
El Cerrito  
(510) 215-4305

and

The El Cerrito Library  
El Cerrito  
6510 Stockton Avenue

RESOLUTION NO. 2017-XX  
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO INDUCTING  
MAE RITZ INTO THE EL CERRITO WALL OF FAME

WHEREAS, Mae Ritz, a resident of the City of El Cerrito since the 1960s, has volunteered her time, talent and effort to serving the El Cerrito community; and

WHEREAS, Ms. Ritz exemplifies dedication in public service by having contributed innumerable hours of her time and energy to civic affairs and local government, including her prior service on the City's Park & Recreation Commission, Safety Committee, and long tenure on the El Cerrito City Council. Ms. Ritz served on the City Council from 1989 to 1997, including one term as Mayor in 1993; and

WHEREAS, Ms. Ritz's continuing involvement in the El Cerrito Garden Club, including service as president from 2002-2004, has contributed to making El Cerrito a more beautiful place. Ms. Ritz has performed great feats of community service through her dedicated involvement in the Sundar Shadi beautification contest, Hillside Memorial Grove Project, Bay Bridges District and other civic beautification efforts; and

WHEREAS, Ms. Ritz also served as Chair of Acorn Branch, Children's Hospital Oakland and currently sits on the Board of Directors of the Children's Hospital Branches, which raises funds for children in need of hospital services and also volunteers her time helping raise funds for children in need of orthodontics and has worked for the betterment of women as far away as Kenya; and

WHEREAS, Ms. Ritz has received awards honoring her distinguished service from the Jaycees, Garden Club and American Cancer Society. She received the Soroptimist International Women of Distinction Award in 1993.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of El Cerrito that it hereby inducts Mae Ritz into the El Cerrito Wall of Fame in recognition of her significant contributions to the El Cerrito community.

I CERTIFY that at a regular meeting on August 15, 2017 the City Council of the City of El Cerrito passed this Resolution by the following vote:

|          |                 |
|----------|-----------------|
| AYES:    | COUNCILMEMBERS: |
| NOES:    | COUNCILMEMBERS: |
| ABSTAIN: | COUNCILMEMBERS: |
| ABSENT:  | COUNCILMEMBERS: |

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on August XX, 2017.

\_\_\_\_\_  
Cheryl Morse, City Clerk

APPROVED:

\_\_\_\_\_  
Janet Abelson, Mayor

RESOLUTION NO. 2017-XX  
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO INDUCTING  
THERESA PARELLA INTO THE EL CERRITO WALL OF FAME

WHEREAS, Theresa Parella, was born 100 years ago in the El Cerrito home where she still lives today, has devoted her life to serving the El Cerrito and West Contra Costa County communities. Miss Parella educated and tutored generations of youth at Fairmont Elementary School beginning in 1942 and earned a PTA Lifetime Membership at Fairmont Elementary for her attention to her students in 1961; and

WHEREAS, after Miss Parella's retirement in 1977, she volunteered by tutoring into her late 90's at Fairmont Elementary and creating teaching aids for students with disabilities at Cameron School. She continues to fundraise for Cameron's Early Intervention Program; and

WHEREAS, the El Cerrito Chapter of Soroptimist International honored Miss Parella with the Woman of Distinction Award in recognition of her outstanding accomplishments in the area of humanitarian service to her community in April 2001. In addition, she received the Golden Apple Award from Alpha Delta Kappa, Alpha Phi Chapter for her volunteer work in education in 2010 and awards for her volunteer work from WCCUSD in 1999 and from Cameron School in 2004. In 2015 Fairmont Elementary School honored Miss Parella with a Certificate of Appreciation in recognition of her lifelong commitment to the Fairmont School Community and named Fairmont School Library after her; and

WHEREAS, Miss Parella has a history of reaching out to those less fortunate in her community and has raised funds for Mary's House of Mercy which houses single pregnant women in crisis as well as GRIP, the Greater Richmond Interfaith Program, which provides food and services for the homeless.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of El Cerrito that it hereby inducts Theresa Parella into the El Cerrito Wall of Fame in recognition of her lifelong commitment to educating and promoting youth of the El Cerrito and West Contra Costa County communities.

I CERTIFY that at a regular meeting on August 15, 2017 the City Council of the City of El Cerrito passed this Resolution by the following vote:

|          |                 |
|----------|-----------------|
| AYES:    | COUNCILMEMBERS: |
| NOES:    | COUNCILMEMBERS: |
| ABSTAIN: | COUNCILMEMBERS: |
| ABSENT:  | COUNCILMEMBERS: |

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on August 15, 2017.

\_\_\_\_\_  
Cheryl Morse, City Clerk

APPROVED:

\_\_\_\_\_  
Janet Abelson, Mayor



## AGENDA BILL

### Agenda Item No. 7(A)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Melanie Mintz, Community Development Director  
**Subject:** Affordable Housing Strategy Adoption

---

#### **ACTION REQUESTED**

Consideration of a resolution adopting the draft Affordable Housing Strategy

#### **BACKGROUND**

In 2014, the City applied for and was awarded a Priority Development Area (PDA) Planning Assistant grant from the Metropolitan Transportation Commission (MTC) to advance the objectives of the San Pablo Avenue Specific Plan. The grant was applied for prior to adoption of the San Pablo Avenue Specific Plan, and in 2016 the grant was amended to support the City to focus on topics which were arising during the implementation of the Specific Plan. The amendment included funding the development of an Affordable Housing Strategy within the PDA. In January 2017, the City competitively selected Strategic Economics to prepare the Affordable Housing Strategy (Strategy). Council also augmented the grant budget to expand the Strategy to apply citywide. (Resolution 2017-01)

The City developed the Affordable Housing Strategy to proactively study the City's existing affordable housing programs and resources and to identify programs and policies that could be advanced in the near-term to meet the City's housing goals. The Strategy is particularly needed to help identify affordable housing strategies in the wake of the loss of the Redevelopment Agency, which had previously provided the financial and personnel resources to support and promote affordable housing. Furthermore, after many years of little-to-no development along San Pablo Avenue, the Specific Plan has helped facilitate new development and subsequent investment which will create a changed environment and economic profile within which to consider affordable housing.

California state law requires that every city and county adopt a Housing Element as part of its General Plan. The City's 2015 Housing Element articulates five major goals:

1. Conserve and improve El Cerrito's existing housing supply.
2. Facilitate and encourage the development of housing to meet regional housing needs allocations (RHNA).
3. Expand housing opportunities for the elderly, the disabled, households with very-low to moderate income, and for persons with special housing needs.
4. Promote housing opportunities for all persons regardless of race, age, marital status, ancestry, national origin, or color.

5. Promote energy efficiency in the location, construction, renovation and maintenance of housing units.

The Affordable Housing Strategy is primarily focused on helping the City meet Goals 1, 2 and 3 of the Housing Element. The Strategy provides an analysis of the City's current housing supply, evaluates progress made in developing new housing to meet the City's RHNA and proposes strategies to continue to expand housing opportunities for households with very-low to moderate income and for persons with special housing needs. The Strategy provides a toolbox and work plan, largely for the Community Development Department which is currently recruiting to fill two vacant Community Development Analyst positions, one in Economic Development and one in Housing.

The Affordable Housing Strategy was presented to the Planning Commission on July 19, 2017 and was unanimously recommended to the City Council for adoption. The Planning Commission also asked that the City move forward quickly with considering and adopting Inclusionary Zoning and Affordable Housing Impact fees, as is described further below in discussing implementation. The attached Draft Affordable Housing Strategy (Revised August 7, 2017) also indicates other areas where the Planning Commission made additions or changes.

## **ANALYSIS**

The majority of the City's opportunities for expanding its housing supply and the majority of multifamily units are concentrated in the City's Priority Development Area (PDA)<sup>1</sup>. The San Pablo Avenue Specific Plan (SPASP) was developed and adopted by the City Council in late 2014 to achieve numerous City goals within the City's PDA, including providing opportunities for living, working and community life<sup>2</sup>. The Plan aims, amongst other goals, to attract investment and add housing and commercial space. In the 2+ years since the City adopted the Specific Plan, 673 new market rate and 77 new below-market rate (affordable) residential units have been proposed (e.g. submitted development applications). To date, 196 new residential units, including 67 below-market rate ("affordable") units have been entitled within the Specific Plan area. (Attachment 2) Staff continues to anticipate additional projects to be proposed in the next several months. As a result of both recent and proposed development, the City is well on its way to meeting its current RHNA for very-low and low income households and exceeding it for above-moderate incomes. There continues to be a shortage in the Moderate Income category (81-120% of Area Median Income). This is largely due to the availability of subsidy for low and very low income serving projects (i.e. Tax Credits) and that serving the low and very low income populations matches the mission of affordable housing developers. Figures 1 and 2 below illustrate the City's current RHNA

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<sup>1</sup> Priority Development Areas are places identified by Bay Area communities as areas for investment, new homes and job growth. PDAs must be within an existing community; within walking distance of frequent transit service; designated for more housing in a locally adopted plan and nominated through a resolution adopted by a City Council. PDAs are supported by regional agencies through a variety of programs, including through technical assistance and grants.

<sup>2</sup> San Pablo Avenue Specific Plan, pg 01-1



figures (based upon permitted or built units) and anticipated figures based upon approved and proposed projects as of June 30, 2017. Additional projects have been proposed and entitled since that time. The policies and programs proposed in the Affordable Housing Strategy aim to set the City up to continue to make progress in the next RHNA cycle at all income levels as well as to address issues related to improving the existing multifamily housing stock, displacement and creating additional options for affordability citywide.

Due to the complexity involved, addressing housing affordability requires a number of tools be employed and not every tool is equally viable in every community. Depending upon a city's size, resources and the particular needs and economics of a community, differing tools may be available and appropriate and expected to achieve different outcomes. The proposed Strategy aims to identify programs and propose activities appropriate to El Cerrito. The Strategy also identifies growing available resources as a key strategy to continue to achieve affordable housing goals in the future.

**Figure 1:** Regional Housing Needs Allocation for 2015-2022, and Remaining Need (based upon permitted and/or built units) (June 30, 2017)

|                                     | Very Low<br>(0-50% of<br>AMI) | Low<br>(51-80% of<br>AMI) | Moderate<br>(81-120% of<br>AMI) | Above<br>Moderate<br>(over 120%<br>of AMI) | Total      |
|-------------------------------------|-------------------------------|---------------------------|---------------------------------|--------------------------------------------|------------|
| <b>2015 - 2022 RHNA</b>             | 100                           | 63                        | 69                              | 166                                        | 398        |
| <b>Permitted and/or Built Units</b> | 62                            | 6                         | 13                              | 131                                        | 212        |
| <b>Percent of Need Achieved</b>     | 62.00%                        | 9.50%                     | 18.80%                          | 78.90%                                     | 53.30%     |
| <b>Remaining Need</b>               | <b>38</b>                     | <b>57</b>                 | <b>56</b>                       | <b>35</b>                                  | <b>122</b> |

**Figure 2:** Regional Housing Needs Allocation for 2015-2022, Anticipated Housing Development, June 30, 2017

|                                          | Very Low<br>(0-50% of<br>AMI) | Low<br>(51-80% of<br>AMI) | Moderate<br>(81-120% of<br>AMI) | Above<br>Moderate<br>(over 120%<br>of AMI) | Total       |
|------------------------------------------|-------------------------------|---------------------------|---------------------------------|--------------------------------------------|-------------|
| <b>Housing Development</b>               |                               |                           |                                 |                                            |             |
| Proposed                                 | 30                            | 47                        | 0                               | 583                                        | 660         |
| Entitled                                 | 0                             | 0                         | 0                               | 57                                         | 57          |
| <b>Remaining Need if Permitted/Built</b> | <b>8</b>                      | <b>20</b>                 | <b>56</b>                       | <b>-548</b>                                | <b>-538</b> |

## Affordable Housing Strategy Overview

Below is a brief outline of the proposed Strategy:

Chapter I provides a brief introduction to the process utilized for development of the Strategy and an overview of how the Strategy is organized.

Chapter II describes the supply of existing housing, including affordable housing in the City of El Cerrito. It also outlines existing City policies and programs and the funding resources that are currently available.

Chapter III proposes and describes four policy pillars and identifies and evaluates fifteen strategies to support them. (See Figure 3 below). Each strategy is accompanied by a discussion of implementation considerations

Chapter IV of the Plan organizes the proposed strategies into an Implementation Plan that identifies a timeline and resources required for implementation.

Three appendices provide:

1. An assessment of current housing market conditions
2. A summary of the 2016-17 Contra Costa Civil Grand Jury report recommendations: *Where Will We Live? The Affordable Housing Waiting List is Closed*
3. A summary of public input received during two community workshops regarding the Affordable Housing Strategy

### *Implementation*

The Implementation Plan (Chapter IV) provides a framework for implementing the strategies and action items described in Chapter III, based upon four recommended policy pillars summarized in Figure 3, below. Furthermore, the Implementation Plan identifies lead agency, potential partners, proposes a timeline and identifies staff and financial resources required. In regards to timeline, strategies are listed as either “Ongoing”, “Immediate (Less than 1 year)”, “Short (1-2 years)”; and “Medium (3-5 years)”. These timelines were selected based upon anticipated staff capacity and program readiness.

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|                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A. Leverage Private Development to Address Affordable Housing Needs</b>                               | <ol style="list-style-type: none"><li>1. Establish a new inclusionary zoning policy and/or enact new housing impact fees for affordable housing.</li><li>2. Monitor the effectiveness of the City's existing incentive programs in delivering affordable housing units.</li></ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>B. Explore and Implement Policy Options to Reduce the Risk of Displacement</b>                        | <ol style="list-style-type: none"><li>3. Partner with local affordable housing developers and property owners/managers to preserve existing deed-restricted units.</li><li>4. Implement policies to preserve the low-cost housing stock.</li><li>5. Consider implementing new short-term rental restrictions.</li><li>6. Explore potential tenant protection policies.</li></ol>                                                                                                                                                                                                                                                                                                                                                            |
| <b>C. Encourage Development of "Missing Middle" Housing Types</b>                                        | <ol style="list-style-type: none"><li>7. Encourage the development of accessory dwelling units.</li><li>8. Review the General Plan to identify and remove barriers to missing middle housing types.</li><li>9. Partner with private groups interested in creating co-housing communities.</li></ol>                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>D. Increase Local Funding to Continue Support of Low Income and Special Needs Housing Development</b> | <ol style="list-style-type: none"><li>10. Work with BART to develop affordable and mixed-income housing projects on BART property.</li><li>11. Coordinate transportation projects with affordable housing proposals to attract state funding through the AHSC program.</li><li>12. Provide land use incentives to developers that build a higher share of accessible units than required by law.</li><li>13. Explore new local taxes or fees to fund affordable housing in El Cerrito.</li><li>14. Work with other jurisdictions in Contra Costa County to place a countywide affordable housing bond on the ballot.</li><li>15. Monitor proposed state legislation that would create new funding sources for affordable housing.</li></ol> |

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In the "Immediate" timeframe, staff is recommending four key strategies be pursued, and this is due to the timing of development projects currently under consideration and the rapid pace at which development projects are being proposed. These include:

Pillar A: Leverage Private Development to Address Affordable Housing Needs

Strategy 1: Establish a New Inclusionary Zoning Policy and/or Enact New Housing Impact Fees for Affordable Housing

*1-1 Conduct a nexus study and financial feasibility analysis to establish recommended affordable housing impact fees on new residential development*

*1-2 Consider implementing an inclusionary housing policy on ownership housing as an alternative to the affordable housing impact fee*

Pillar B: Explore and Implement Policy Options to Reduce the Risk of Displacement

Strategy 3: Partner with Local Affordable Housing Developers and Property Owners/Manager to Preserve Existing Deed-Restricted Housing

*3-1: Continue monitoring assisted units and partner with local affordable housing providers to maintain the affordability of expiring units*

Strategy 4: Implement Policies to Preserve the Low Cost Housing Stock

*4-2 Consider enacting an ordinance to regulate the demolition of existing housing units, including requiring tenant relocation assistance*

Staff is requesting with the proposed action tonight direction to move forward with issuing a Request for Proposals and proceeding with conducting a nexus study and financial feasibility analysis to establish new affordable housing impact fees on new residential development and the necessary analysis to development recommended inclusionary zoning levels on new ownership housing and to proceed with developing a Residential Demolition Ordinance.

In the “Short” term category staff is recommending several strategies be pursued including:

*4-1: Explore possible funding sources or programs to minimize the financial impact of retrofits on low- and moderate-income residents*

*5-1 Update the short-term rental ordinance*

*6-1: Continue to study potential tenant protection options and evaluate the success of existing programs in peer cities*

*8-1: Provide technical assistance to encourage the construction of accessory dwelling units*

*9-1: (Short to Medium) Undertake a review of the General Plan to determine if district boundaries and requirements should be modified to be more permissive of missing middle housing types, especially in areas in proximity to commercial and/or transit resources.*

*12-1: Review capital improvement program and identify transportation projects that could be coordinated with affordable housing development for AHSC funding.*

*13-1: Modify the City's Incentive Zoning and San Pablo Avenue Specific Plan Tier IV processes to include the provision of accessible units as a community benefit*

*15-1: Attend meetings with advocates, staff and elected leaders of various jurisdictions in Contra Costa County (to place a countywide affordable housing bond on the ballot)*

*17-1: Consider deferring or waiving city fees for affordable housing and development*

Implementation of these strategies will be pursued by existing City staff, including the soon-to-be filled Community Development-Housing Analyst.

### **FINANCIAL CONSIDERATIONS**

The cost of implementation of this set of strategies is discussed within the Affordable Housing Strategy. Currently, staff is asking to proceed with development of the Nexus Analysis, Affordable Housing Impact Fee, Inclusionary Zoning and Residential Demolition Ordinance in the immediate timeframe. This combined set of tasks would require consultant support estimated at approximately \$70,000. Staff is currently evaluating the grant budget, and negotiating with MTC staff to shift funds into these tasks, and anticipates that within the Department's current adopted Operating Budget and with additional grant funds that this set of tasks could be completed. With direction from Council, Staff would return to Council with a recommended consultant award at an upcoming Council meeting and request additional funds as needed.

### **LEGAL CONSIDERATIONS**

The proposed Affordable Housing Strategy and recommended action has been reviewed by the City Attorney and all legal considerations are discussed within the document.

**Reviewed by:**

  
**Scott Hanin**  
**City Manager**

### **Attachments:**

1. Resolution
2. SPASP Development Map (8/2/17)
3. Draft Affordable Housing Strategy (Revised August 7, 2017)

**RESOLUTION NO. 2017-XX**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO ADOPTING THE  
AFFORDABLE HOUSING STRATEGY**

WHEREAS, the City of El Cerrito (City) was awarded a grant in 2014 from Surface Transportation Program (STP) funds allocated to the Metropolitan Transportation Commission (MTC) by the Federal Highway Administration, for San Pablo Avenue PDA Planning Implementation Assistance; and

WHEREAS, in July, 2016, Grant Amendment No. 1 to the funding agreement was approved by MTC and included the preparation of an Affordable Housing Strategy as one of the sub-projects; and

WHEREAS, the City Council selected Strategic Economics to complete the Affordable Housing Strategy and expanded the Strategy to include both the Priority Development Area (PDA) and citywide strategies (Resolution 2017-01) ; and

WHEREAS, an Affordable Housing Strategy is needed to define City goals, and identify a range of implementation tools, to further the City's Housing Element goals and preserve and expand housing opportunities for households with very low to moderate incomes and for persons with special housing needs; and

WHEREAS, the Affordable Housing Strategy is needed especially since the dissolution of Redevelopment Agencies which was the city's primary resource for developing new affordable housing; and

WHEREAS, Strategic Economics and city staff convened a Technical Advisory Group, held community workshops and presented the draft Affordable Housing Strategy to the Planning Commission on July 19, 2017 ; and

WHEREAS, the Planning Commission unanimously recommended the Affordable Housing Strategy be forwarded for adoption to City Council.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of El Cerrito that it hereby adopts the 2017 Affordable Housing Strategy, attached and incorporated by reference as Exhibit A to this resolution.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on August 15, 2017 the City Council of the City of El Cerrito passed this Resolution by the following vote:

|          |                 |
|----------|-----------------|
| AYES:    | COUNCILMEMBERS: |
| NOES:    | COUNCILMEMBERS: |
| ABSTAIN: | COUNCILMEMBERS: |
| ABSENT:  | COUNCILMEMBERS: |

**Agenda Item No. 7(A)**  
**Attachment 1**

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on August XX, 2017.

---

Cheryl Morse, City Clerk

APPROVED:

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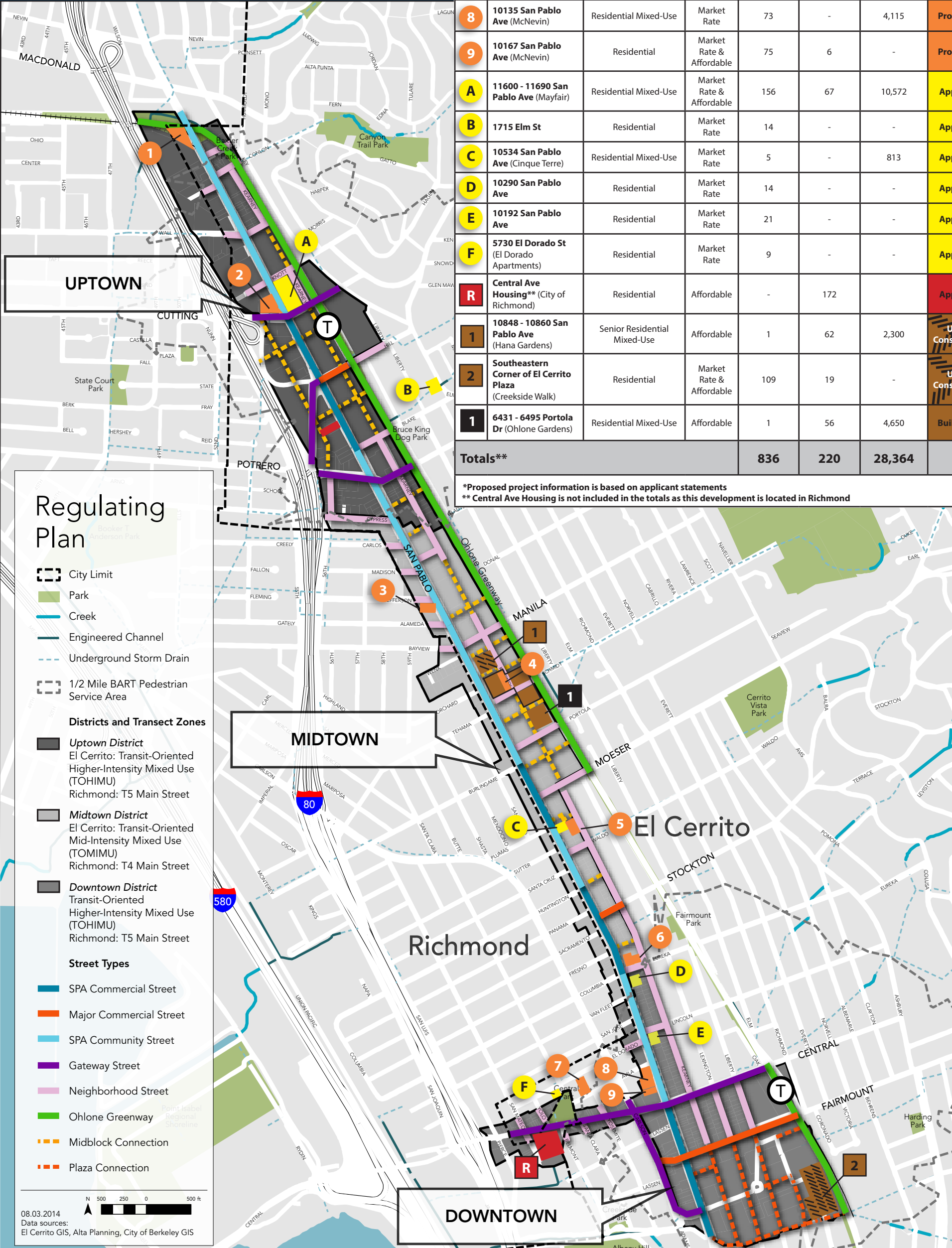
Janet Abelson, Mayor

THE CITY OF  
EL CERRITO

El Cerrito San Pablo Avenue  
Specific Plan Area:  
Development Proposed &  
Under Construction  
Since 2015

| Key      | Project                                                 | Product                                                | Type                     | Market Rate Units | Affordable Units | Commercial Space (SF) | Status             |
|----------|---------------------------------------------------------|--------------------------------------------------------|--------------------------|-------------------|------------------|-----------------------|--------------------|
| 1        | 11965 San Pablo Ave (Former Taco Bell)                  | Residential                                            | Market Rate & Affordable | 136               | 10               | -                     | Proposed*          |
| 2        | 11645 San Pablo Ave (Cutting Hotel)                     | Hotel (117 Rooms)                                      | Hotel                    | -                 | -                | 2,500                 | Proposed*          |
| 3        | 10963 San Pablo Ave                                     | Residential Mixed-Use                                  | Market Rate              | 50                | -                | 2,867                 | Proposed*          |
| 4        | 10810 San Pablo Ave (Village at Town Center)            | Residential (Additional dwelling units on surface lot) | Market Rate              | 40                | -                | -                     | Proposed*          |
| 5        | 921 Kearney Street                                      | Residential                                            | Market Rate              | 72                | -                | -                     | Proposed*          |
| 6        | 10300 San Pablo Ave (Former Guitar Center)              | Residential / Live Work                                | Market Rate              | 31                | -                | 547                   | Proposed*          |
| 7        | 5828 El Dorado St (El Dorado Town Homes)                | Residential                                            | Market Rate              | 29                | -                | -                     | Proposed*          |
| 8        | 10135 San Pablo Ave (McNevin)                           | Residential Mixed-Use                                  | Market Rate              | 73                | -                | 4,115                 | Proposed*          |
| 9        | 10167 San Pablo Ave (McNevin)                           | Residential                                            | Market Rate & Affordable | 75                | 6                | -                     | Proposed*          |
| A        | 11600 - 11690 San Pablo Ave (Mayfair)                   | Residential Mixed-Use                                  | Market Rate & Affordable | 156               | 67               | 10,572                | Approved           |
| B        | 1715 Elm St                                             | Residential                                            | Market Rate              | 14                | -                | -                     | Approved           |
| C        | 10534 San Pablo Ave (Cinque Terre)                      | Residential Mixed-Use                                  | Market Rate              | 5                 | -                | 813                   | Approved           |
| D        | 10290 San Pablo Ave                                     | Residential                                            | Market Rate              | 14                | -                | -                     | Approved           |
| E        | 10192 San Pablo Ave                                     | Residential                                            | Market Rate              | 21                | -                | -                     | Approved           |
| F        | 5730 El Dorado St (El Dorado Apartments)                | Residential                                            | Market Rate              | 9                 | -                | -                     | Approved           |
| R        | Central Ave Housing** (City of Richmond)                | Residential                                            | Affordable               | -                 | 172              | -                     | Approved           |
| 1        | 10848 - 10860 San Pablo Ave (Hana Gardens)              | Senior Residential Mixed-Use                           | Affordable               | 1                 | 62               | 2,300                 | Under Construction |
| 2        | Southeastern Corner of El Cerrito Plaza (Creskide Walk) | Residential                                            | Market Rate & Affordable | 109               | 19               | -                     | Under Construction |
| 1        | 6431 - 6495 Portola Dr (Ohlone Gardens)                 | Residential Mixed-Use                                  | Affordable               | 1                 | 56               | 4,650                 | Built; 2015        |
| Totals** |                                                         |                                                        |                          | 836               | 220              | 28,364                |                    |

\*Proposed project information is based on applicant statements  
\*\* Central Ave Housing is not included in the totals as this development is located in Richmond



For more information on these development projects, visit [www.el-cerrito.org/CommDev/MajorProjects](http://www.el-cerrito.org/CommDev/MajorProjects) or contact the Community Development Department at (510) 215-4362. For a copy of the San Pablo Avenue Specific Plan / Complete Streets Plan, visit [www.el-cerrito.org/SPASP](http://www.el-cerrito.org/SPASP).



DRAFT

# El Cerrito Affordable Housing Strategy

July 12, 2017  
Revised August 7, 2017

*prepared for:*  
City of El Cerrito



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# I. INTRODUCTION

Providing quality housing that is within the reach of extremely low-, very low-, low-, and moderate-income households is a high priority for the City of El Cerrito. This draft Affordable Housing Strategy (AH Strategy) builds on the City's 2015 Housing Element Update and other previous planning efforts to lay out specific objectives related to the provision and preservation of affordable housing in El Cerrito, and provide a plan for implementation over the next five years. The AH Strategy is intended to address affordability concerns citywide as well as in the San Pablo Avenue Priority Development Area (PDA),<sup>1</sup> where most of the City's existing multifamily housing stock and potential for new development is concentrated.

The remainder of this introduction describes the relationship of the AH Strategy to the City's previous planning efforts, the process for developing the AH Strategy, and the organization of the document.

## Relationship to Previous Planning Efforts

Over the last several years, the City of El Cerrito has completed several planning initiatives related to addressing the housing challenge and expanding housing development of all types. These include:

- **San Pablo Avenue Specific Plan and Form Based Code** (adopted in 2014): Promotes the development of new housing units within the City's PDA. In part due to the San Pablo Avenue Specific Plan, the City is attracting significant new interest in residential development in the PDA. This new development activity has created an opportunity to consider new policies and programs with the goal of continuing to expand the housing supply for all income levels.
- **MTC PDA Planning Grant** (awarded in 2014): The City of El Cerrito applied for and received a \$301,500 grant to assist with implementation of the San Pablo Avenue Specific Plan. This AH Strategy is funded in part by \$60,000 from the grant.
- **Housing Element Update** (adopted in 2015): Identifies goals, objectives, policies, and action programs for the 2015-2023 planning period that directly address the housing needs of El Cerrito. The Housing Element articulates five major goals, including:
  - o **Goal 1:** Conserve and improve El Cerrito's existing housing supply.
  - o **Goal 2:** Facilitate and encourage the development of housing to meet regional housing needs allocations.
  - o **Goal 3:** Expand housing opportunities for the elderly, the disabled, households with very-low to moderate income, and for persons with special housing needs.
  - o **Goal 4:** Promote housing opportunities for all persons regardless of race, age, marital status, ancestry, national origin, or color.
  - o **Goal 5:** Promote energy efficiency in the location, construction, renovation and maintenance of housing units.

This AH Strategy is primarily focused on meeting Goals 1, 2, and 3 of the Housing Element.

---

<sup>1</sup> Priority Development Areas (PDAs) are places identified by Bay Area communities as areas for investment, new homes and job growth.

In addition to the City planning efforts described above, this AH Strategy also includes actions for implementing the recommendations of the 2016-17 Contra Costa Civil Grand Jury. The Grand Jury conducted a study of affordable housing needs in the County, culminating in 15 recommendations for the County and cities. The City of El Cerrito had already implemented a number of these recommendations, and committed to additional study or implementation of several others. Appendix B shows all fifteen Grand Jury Recommendations and the City's responses.

## Process for Developing the Strategy

In late 2016, the City of El Cerrito retained Strategic Economics to assist with development of the AH Strategy. Beginning in the spring of 2017, the City and Strategic Economics convened a series of meetings and community workshops to inform the development of the AH Strategy, including:

- **Community workshops:** The project included two community workshops. At the first workshop, held in April 2017, the public was invited to learn from a panel of housing experts about important affordable housing issues. Following the panelist presentations, there was a full group discussion in which members of the public asked questions and provided feedback on issues they would like to see addressed as part of the AH Strategy. At the second workshop, held in May 2017, City staff and Strategic Economics presented potential implementation strategies to address the City's affordable housing goals. The workshop included a presentation, an open house where members of the public were invited to ask questions and provide comments, and a full group discussion period. Each workshop was attended by approximately 25-30 members of the public.
- **Technical Advisory Group (TAG) Meetings:** The City convened two TAG meetings. The TAG included representatives from Contra Costa County, an affordable housing developer, representatives from regional planning and transit agencies, and other subject area experts. The TAG meetings were designed to collect input from housing experts on best practices related to affordable housing, and recommendations on the strategies that are most applicable to El Cerrito.
- **Planning Commission and City Council meetings:** City staff and Strategic Economics are scheduled to present this draft AH Strategy to the Planning Commission and City Council in July and August of 2017. Direction from the Commission and Council will be incorporated into the final version of the AH Strategy to be adopted by City Council.

NOTE: Items added by the Planning Commission at its July 19, 2017 meeting are highlighted in grey. High priority items are also in red text in the implementation table (Chapter IV)

In preparation for the community workshops and TAG meetings, Strategic Economics analyzed El Cerrito's affordable housing needs existing programs, policies, and financial resources; real estate market conditions in the PDA; and regional and national best practices related to affordable housing. Findings from these analyses are incorporated into this document.

**Figure 1:** April 2017 Community Workshop



Image source: Strategic Economics, 2017.



## Organization of the Strategy

Following this introduction, the Draft AH Strategy includes the following chapters:

- **Chapter II** reviews El Cerrito's existing affordable housing needs and resources.
- **Chapter III** describes proposed objectives and strategies for the City to undertake over the next five years, as well as specific implementation actions for each strategy.
- **Chapter IV** provides an implementation plan, including the lead agency, potential partners, timeline for implementation, and staff and financial resources required for each implementation action.
- **Appendix A** provides an assessment of current housing market conditions, focusing on the PDA.
- **Appendix B** shows the recommendations of the 2016-2017 Contra Costa Civil Grand Jury report *Where Will We Live? The Affordable Housing Waiting List is Closed* and how the action items in this AH Strategy relate.
- **Appendix C** summarizes the input provided by the public at the two community workshops.

## II. AFFORDABLE HOUSING NEEDS AND EXISTING RESOURCES

This chapter describes the supply of existing housing in El Cerrito, recent and planned development of affordable housing, and the projected unmet demand for affordable housing citywide. The chapter also outlines existing City policies and programs to meet affordable housing needs, and the funding resources that are currently available.

Appendix A provides a more detailed analysis of El Cerrito's existing housing stock and residential real estate market. This chapter summarizes some of the key findings from the market analysis, and incorporates analysis from the City's 2015 Housing Element.

### DEFINING "AFFORDABLE" HOUSING

Housing is generally considered "affordable" if the monthly expenses (rent or mortgage payments, plus utilities) account for 30 percent or less of a household's income. For households that cannot afford market-rate housing, federal, state, and local governments typically provide assistance in one of two ways:

- **Government Subsidies:** Several federal and state funding sources provide funding to cover the gap between what extremely low-, very low-, and low-income households can pay, and the cost of providing affordable housing. Depending on the program, subsidies may be provided to assist with an individual household's housing costs (as in the Housing Choice Vouchers program, also known as Section 8 vouchers) or to assist developers in building new affordable housing (either by subsidizing upfront construction costs or ongoing operations). In general, new affordable housing development requires a contribution from a local government source in addition to state and/or federal funding. Federal and state subsidies are only available for certain income categories (typically, for extremely low-, very low-, and low-income households – i.e., households earning no more than 80 percent of area median income, or AMI – but not for moderate-income households).
- **Requirements or incentives for private sector contributions:** Local governments can create requirements or provide incentives for private development to contribute towards affordable housing. For example, local governments may require private development to pay a fee towards the provision of affordable housing (an impact fee), require a set percentage of new units to remain affordable to low- or moderate-income households (an inclusionary zoning requirement), or allow development at an increased height or density in exchange for the provision of affordable units (incentive zoning). Although these incentives and requirements are subject to legal and financial constraint (discussed in more detail below), local governments can often structure these types of policies to achieve local goals such as building more moderate-income housing.

Units that are produced through either of these two methods are typically subject to a deed restriction or covenant under which the property owner agrees to restrict the units to households in certain income categories for a given amount of time, and to limit monthly rents or purchase prices.

## EXISTING HOUSING STOCK

Some of the key characteristics of El Cerrito's housing stock include:

- **Predominantly single-family detached homes.** Three-quarters of households in El Cerrito reside in single-family detached units. Single-family housing is particularly dominant in the hilly eastern neighborhoods. In the PDA and surrounding flatland neighborhoods, the single-family homes tend to be smaller units, such as two-bedroom, one-bathroom cottages. Homes in the hills are often larger.
- **Most of the housing was built before 1960.** Nearly two thirds of all housing in El Cerrito was built before 1960, including a majority of single-family homes.
- **Greater percentage of renters than the County.** A greater share of households in El Cerrito (40 percent) are renters than in the County as a whole (35 percent).
- **Low vacancies for both renters and ownership properties, reflecting high demand for housing in El Cerrito.** Rental properties in the City had a very low vacancy rate of four percent in mid- 2017, slightly lower than the countywide vacancy rate of 4.4 percent. Ownership properties also had a relatively low vacancy rate (one percent as of 2012, according to the Housing Element).
- **Relatively small multifamily housing stock, concentrated in the PDA and surrounding flatland neighborhoods.** El Cerrito has approximately 2,600 multifamily units. Most of the multifamily housing units (89 percent) are in small buildings with fewer than 50 units. The multifamily properties are largely concentrated in the flatland neighborhoods, and most of the City's larger and newer multifamily buildings are in the PDA.

El Cerrito has 226 units of deed-restricted affordable rental housing, concentrated in the PDA. Figure 2 shows the existing deed-restricted buildings. With the exception of El Cerrito Royale Assisted Living, which is just a few blocks outside of the PDA, all of the existing affordable rental units in El Cerrito are located within the PDA.

Many affordable units constructed with the help of public subsidies or assistance have deed restrictions or covenants that restrict the conversion of affordable units for a specified period of time. Over time, these covenants and deed restrictions expire, allowing property owners to convert these units to market-rate. There are 58 units with deed restrictions that are at risk of expiring within the next few years in El Cerrito, including El Cerrito Royale Assisted Living (31 senior housing units potentially expiring in 2019) and Del Norte Place (27 affordable units potentially expiring in 2020).



**Figure 2:** Existing and Under Construction Affordable Housing in El Cerrito.

| Name                                      | Location                                                 | Total Units | Income-Restricted Units | Populations Assisted                       | Types of Subsidy                                                                 | Earliest Expiration of Affordability |
|-------------------------------------------|----------------------------------------------------------|-------------|-------------------------|--------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------|
| El Cerrito Royale Assisted Living         | 6510 Gladys                                              | 102         | 31                      | Senior                                     | RDA, CDBG, County Tax-Exempt Bonds                                               | 2019                                 |
| Del Norte Place                           | Del Norte Place                                          | 135         | 27                      | Family/Seniors                             | LIHTC, County Tax-Exempt Bonds                                                   | 2020                                 |
| Hazel Shirley Manor                       | 11025 San Pablo                                          | 63          | 63                      | Low and Moderate Senior, Mobility Impaired | HUD 202 and Project Based Section 8                                              | 2031                                 |
| Idaho Apartments                          | 10203 San Pablo                                          | 29          | 28                      | HIV/AIDs/ Homeless/Mental Illness          | RDA, County HOPWA, Richmond, Tax Exempt Bonds, MHP-SH, AHP                       | 2072 (1)                             |
| Village at Town Center Apartments         | 10810 San Pablo                                          | 158         | 24                      | Low- and Moderate-Income Family            | RDA Inclusionary Agreement                                                       | 2036                                 |
| Ohlone Gardens                            | 6431 - 6495 Portola Dr                                   | 57          | 56                      | HIV/AIDs/Mental Health and Very Low Income | RDA, County, AHP, Tax Credits, HOPWA, MHSA                                       | 2069 (2)                             |
| Creekside Walk (Metro 510)                | 3080 El Cerrito Plaza North; 3080 El Cerrito Plaza South | 128         | 19                      | Low- and Moderate-Income Family            | RDA Inclusionary Agreement                                                       | 2072 (2)                             |
| Hana Gardens<br><i>Under Construction</i> | 10680 San Pablo Avenue                                   | 63          | 63                      | Extremely- and Very Low-Income Seniors     | RDA, AHSC, IIG, County HOME & CDBG, 4% LIHTC, Tax-Exempt Bonds, County PBV & RAD | 2071                                 |
| <b>Total</b>                              |                                                          | <b>735</b>  | <b>311</b>              |                                            |                                                                                  |                                      |

(1) Subject to refinancing expected to close by the end of 2017.

(2) Approximate dates.

Acronyms and Abbreviations:

HUD 202: U.S. Department of Housing and Urban Development Section 202 Supportive Housing for the Elderly Program

RDA: El Cerrito Redevelopment Agency (now dissolved)

CDBG: Community Development Block Grants

AHP: Affordable Housing Program

HOPWA: Housing Opportunities for Persons with AIDS

MHSA: Mental Health Services Act Housing Program

MHSA-SH: Mental Health Services Act Housing Program Supportive Housing

LIHTC: Low Income Housing Tax Credits

AHSC: Affordable Housing and Sustainable Communities

IIG: Infill Incentive Grant Program

HOME: HOME Investment Partnerships Program

PBV: Project-Based Vouchers

RAD: Rental Assistance Demonstration Program

Source: City of El Cerrito, 2017.

# HOUSING AFFORDABILITY

## Income Levels and Cost Burden

Approximately 10 percent of El Cerrito residents are extremely low income, earning less than 30 percent of area median income (AMI). Another 11 percent are very low income (30 to 50 percent of AMI), 12 percent are low income (51 to 80 percent of AMI), and 18 percent are moderate income (81 to 120 percent of AMI). El Cerrito's income distribution is similar to that of Contra Costa County as a whole (Figure 3).

The Housing Element notes that many market-rate housing units in El Cerrito are unaffordable to extremely low-, very low-, low- and moderate-income households. As of 2010, more than one-third all El Cerrito households were cost burdened, or spent more than 30 percent of their income for housing, and 17 percent spent more than 50 percent of their income on housing. Renters are more likely to be cost burdened than homeowners (Figure 3).

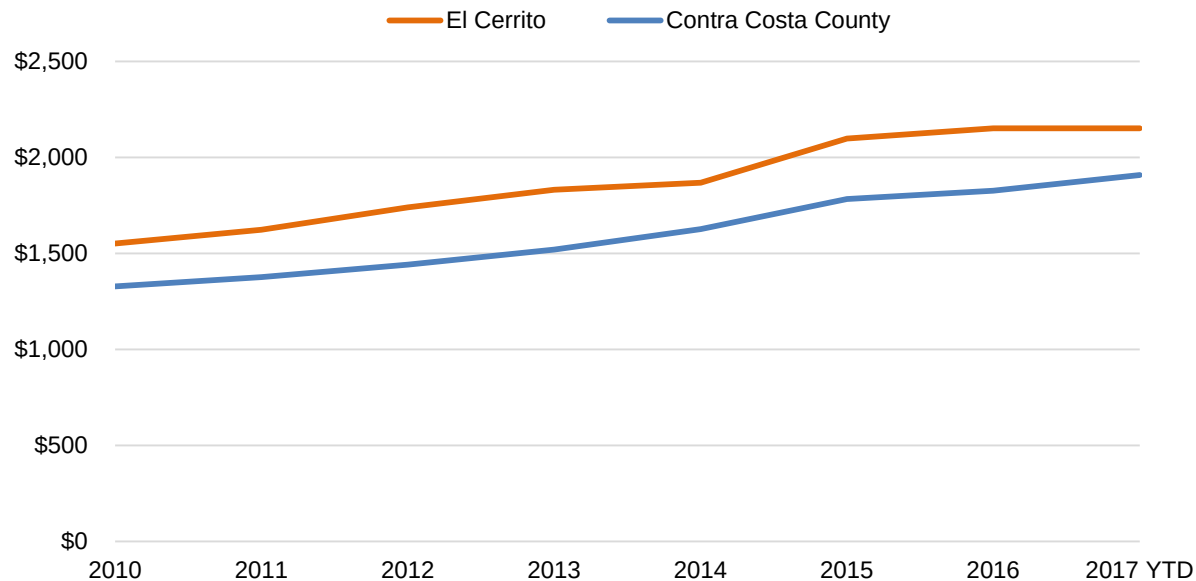
This dynamic is likely to have worsened given recent housing price increases. The average asking rent for an apartment in El Cerrito increased by 39 percent between 2010 and 2017, to an average of \$2,151 in June 2017, although no new units came onto the market during this time period (Figure 4). In comparison, Contra Costa County's average rent has increased slightly more (by 44 percent since 2010), but remains slightly lower at \$1,909 in June 2017.

**Figure 3: Household Income Levels and Housing Cost Burden**

|                                                                             | El Cerrito |            | Contra Costa County |            |
|-----------------------------------------------------------------------------|------------|------------|---------------------|------------|
|                                                                             | Households | % of Total | Households          | % of Total |
| Households by Income Category, 2010<br>(% of AMI)                           |            |            |                     |            |
| Extremely Low Income (<30%)                                                 | 1,030      | 10%        | 41,650              | 11%        |
| Very Low Income (30-50%)                                                    | 1,050      | 11%        | 37,410              | 10%        |
| Low Income (51-80%)                                                         | 1,135      | 12%        | 48,360              | 13%        |
| Moderate Income (81-120%)                                                   | 1,770      | 18%        | 66,452              | 18%        |
| Above Moderate Income (>120%)                                               | 4,880      | 50%        | 171,796             | 47%        |
| Total Households                                                            | 9,865      | 100%       | 365,668             | 100%       |
| Median Household Income (2015)                                              | \$88,737   |            | \$80,185            |            |
| Households Spending 30% or More of<br>Income On Housing (Cost Burdened)     |            |            |                     |            |
| Renters                                                                     | 1,843      | 46%        | 56,013              | 45%        |
| Owners                                                                      | 1,800      | 29%        | 107,673             | 43%        |
| Total                                                                       | 3,643      | 36%        | 163,686             | 44%        |
| Households Spending 50% or More of<br>Income On Housing (Severely Burdened) |            |            |                     |            |
| Renters                                                                     | 1,045      | 26%        | 28,575              | 23%        |
| Owners                                                                      | 705        | 11%        | 44,870              | 18%        |
| Total                                                                       | 1,750      | 17%        | 73,445              | 20%        |

Source: City of El Cerrito, 2015-2023 Housing Element Update, April 2015; American Community Survey 5-Year Estimates, 2011-2015; Strategic Economics, 2017.

**Figure 4:** Average Effective Rents for Multifamily Properties: El Cerrito and Contra Costa County, 2010 through June 2017



Sources: CoStar, June 2017; Strategic Economics, 2017.

## Regional Housing Needs Allocation

The Association of Bay Area Governments (ABAG) is responsible for allocating the region's projected new housing demand in each jurisdiction in the Bay Area. This allocation, known as the Regional Housing Needs Allocation (RHNA), represents the number of additional units needed over a defined planning horizon to accommodate anticipated household growth and replace expected demolitions or conversions of housing units to non-housing uses. The RHNA for each city is broken into four income categories: very low, low, moderate, and above moderate. The 2015-2022 RHNA assigned 398 housing units to El Cerrito.

Figures 5 and 6 provide a snapshot of El Cerrito's RHNA status as of June 30, 2017. Figure 5 illustrates the remaining gap by RHNA category, including only permitted and/or built units. Figure 6 illustrates the gap if currently proposed and/or entitled projects are permitted and built. According to City staff, there are also several projects in the pre-planning pipeline that are not included in Figure.

The City of El Cerrito is on track to meet most of its RHNA targets, with 212 units permitted, built, or currently under construction. The remaining unmet need for meeting the City's RHNA targets totals 122 units, including 87 units affordable to very low, low, and moderate-income households (Figure 5). However, another 57 units have been entitled and 660 more are proposed. If all of these units were built, the City will have far exceeded its above moderate income and total housing allocations. However, there will still be a need for 8 very low-, 10 low-, and 56 moderate-income units (Figure 6).

**Figure 5: Regional Housing Needs Allocation for 2015-2022, and Remaining Need as of June 30, 2017**

|                              | <b>Very Low<br/>(0-50% AMI)</b> | <b>Low<br/>(51-80%<br/>AMI)</b> | <b>Moderate<br/>(81-120%<br/>AMI)</b> | <b>Above<br/>Moderate<br/>(&gt;120% AMI)</b> | <b>Total</b> |
|------------------------------|---------------------------------|---------------------------------|---------------------------------------|----------------------------------------------|--------------|
| 2015 - 2022 RHNA (Units)     | 100                             | 63                              | 69                                    | 166                                          | 398          |
| Permitted and/or Built Units | 62                              | 6                               | 13                                    | 131                                          | 212          |
| Percent of Need Achieved     | 62.00%                          | 9.50%                           | 18.80%                                | 78.90%                                       | 53.30%       |
| Remaining Need (Units)       | 38                              | 57                              | 56                                    | 35                                           | 122          |

Only permitted, under construction, or built units are counted towards achieved need.

Source: City of El Cerrito, July 2017.

**Figure 6: Regional Housing Needs Allocation for 2015-2022, Anticipated Housing Development as of June 30, 2017**

|                                              | <b>Very Low<br/>(0-50% AMI)</b> | <b>Low<br/>(51-80%<br/>AMI)</b> | <b>Moderate<br/>(81-120%<br/>AMI)</b> | <b>Above<br/>Moderate<br/>(&gt;120% AMI)</b> | <b>Total</b> |
|----------------------------------------------|---------------------------------|---------------------------------|---------------------------------------|----------------------------------------------|--------------|
| Housing Development                          |                                 |                                 |                                       |                                              |              |
| Proposed                                     | 30                              | 47                              | 0                                     | 583                                          | 660          |
| Entitled                                     | 0                               | 0                               | 0                                     | 57                                           | 57           |
| <b>Remaining Need if<br/>Permitted/Built</b> | <b>8</b>                        | <b>10</b>                       | <b>56</b>                             | <b>-548</b>                                  | <b>-538</b>  |

Does not include projects in pre-planning phases.

Source: City of El Cerrito, July 2017.

## Populations with Special Housing Needs

The Housing Element identifies several potential populations with special housing needs including the elderly, persons with disabilities, homeless, and extremely low-income households. These special needs are summarized below:

- **Elderly.** Compared to the County, a higher percentage of the population in El Cerrito is elderly. Forty-one percent of seniors in El Cerrito were also identified as extremely low and very low income.<sup>2</sup>
- **Persons with disabilities.** Almost nine percent of the population in El Cerrito has a disability, compared to less than one percent in the County. Eleven percent of persons with disabilities report requiring assistance to live independently. The majority of persons requiring assistance are also seniors (73 percent).<sup>3</sup>
- **Homeless.** In 2013, El Cerrito was estimated to have about seven percent of the unsheltered homeless persons in western Contra Costa County, according to the Contra Costa Council on Homelessness.<sup>4</sup> There are no homeless or transitional shelters in El Cerrito to serve this population.

<sup>2</sup> The City of El Cerrito, "2015-2023 Housing Element," 2015, Table II-17.

<sup>3</sup> The City of El Cerrito, "2015-2023 Housing Element," 2015, Table II-19.

<sup>4</sup> Contra Costa County Council on Homelessness, "2013 Point in Time Count", Contra Costa Health Services, 2013.

- **Extremely low-income households.** Approximately ten percent of total households in the City of El Cerrito were extremely low income in 2011. Many of these households are also senior households.<sup>5</sup>

## EXISTING RESOURCES, POLICIES, AND PROGRAMS

This section summarizes the City of El Cerrito’s existing policies, programs and funding available to preserve existing affordable housing, limit displacement of existing residents and assist in the production of new affordable housing.

Until 2012, the El Cerrito funded many of its programs through the Redevelopment Agency’s Low-and Moderate- Income Housing Fund (LMIHF), which received a 20 percent set aside of tax increment earned in the Redevelopment area. This source of funding provided significant loans to both Ohlone Gardens and Hana Gardens, and was also the source utilized to purchase the property where Hana Gardens is being constructed. With the dissolution of all redevelopment agencies in the state in 2012, the City no longer has a source of funding for low- and moderate-income housing.

### Policies and Programs

**Affordable Housing Bonus Program (State Density Bonus Program).** Consistent with the requirements of the State Density Bonus Law, the affordable housing bonus program provides density bonuses to developments that include housing units that serve extremely low-, very low-, and low-income households, as well as seniors, disabled, and other special housing needs. Density bonuses are provided on a sliding scale – units for large families, special needs tenants, and lower income households receive a greater density bonus. The maximum bonus is 35 percent of the maximum allowable as-of-right residential density. The density bonus may also include increased building heights, reduced setbacks and parking requirements, and other incentives. Units built under the affordable housing bonus program are required to maintain affordability for 55 years. The requirements vary by location within the City. Specifically, within the San Pablo Avenue Specific Plan Area there are no maximum residential densities, so the Affordable Housing Bonus Program allows an increase in building height or other concessions, rather than increased density.

**San Pablo Avenue Specific Plan-Tier IV Design Review Process and Zoning Ordinance Incentives Program.** The recently adopted San Pablo Specific Plan adopts a form-based code for the parcels within the Plan Area. The form-based code, which is intended to facilitate increased intensity of residential development in proximity to transit, operates under four administrative tiers for project review. Tier IV Site Plan and Design Review Process offers more flexible development standards for proposed projects that do not meet the requirements of as-of-right development, but that are in line with the intent of the Specific Plan or provide public benefit.

Outside the San Pablo Specific Plan Area, developers may apply for flexible development standards under the Incentives Program, as outlined in the Zoning Ordinance. Projects within the Incentives Program and Tier IV must undergo greater project review (e.g., Planning Commission review within the Specific Plan area) than other, as-of-right projects.

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<sup>5</sup> The City of El Cerrito, “2015-2023 Housing Element,” 2015, Table II-25.

**Accessory Dwelling Units(ADUS).** Consistent with State law, the City of El Cerrito recently enacted new development standards for ADUs that make it easier for single-family homeowners to construct a second unit on their properties. Among other changes, the new ordinance increased the maximum floor area for ADUs and exempted homeowners from providing parking for ADUs.<sup>6</sup>

**Provision of funding for affordable housing development.** Historically, the City has provided limited grant or loan funds, and in some cases, city-owned lands for affordable housing development. Local funding is important for leveraging other federal and state resources. However, since the dissolution of the Redevelopment Agency in 2012, the City does not currently have a dedicated or ongoing funding source nor any additional land resources at this time.

**Participating in County housing programs.** Because El Cerrito is a relatively small city with limited resources, the City does not receive direct allocations of federal funding for housing and many housing programs are operated in collaboration with Contra Costa County.<sup>7</sup> The County operates renter and homeowner assistance programs and conducts countywide planning efforts, such as regular Five-Year Consolidated Plans, the Community Development Block Group Consortium, and the County's Task Force on Homelessness annual survey. More information on funding programs that are available through the County is provided below in the Funding Resources section.

In addition to the existing policies detailed above, the City's Housing Element has identified several new potential programs and policies for implementation, including:

- **Good Cause for Eviction Ordinance.** Vet and adopt a Good Cause for Eviction Ordinance that would limit landlords' ability to evict tenants without cause.
- **Inclusionary Zoning Ordinance.** Study the feasibility of an inclusionary zoning ordinance. The inclusionary program will define terms under which new development will be required to provide a percentage of affordable housing, or pay an in-lieu fee.
- **Create a local or regional affordable housing financing source.** Create a local financing source for affordable housing. While the exact financing source has not been settled, through this AH Strategy the City is considering impact fees, a tax on business licenses for multifamily rental properties, and other revenue generating instruments such as supporting a countywide bond program.
- **Seismic Retrofit Program.** Consider additional incentive programs and requirements to encourage the retrofit of seismically unsafe buildings. Potential programs include funding or programs to reduce financial impacts to low- and moderate- income residents. State or federal grants may be available to assist with seismic retrofits.

Chapter III of this document provides an analysis of these and other potential strategies, and specific recommendations for implementation.

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<sup>6</sup> El Cerrito Municipal Code, Section 19.20.190.

<sup>7</sup> Cities may receive CDBG and HOME funding allocations directly if they meet certain size thresholds. For CDBG, the minimum population threshold is 50,000. For HOME, cities may qualify for direct funding if they receive a minimum allocation of at least \$500,000 under the formula used to allocate the funding (or at least \$335,000 in years with Congress appropriates less than \$1.5 billion for the program).

## Funding Resources

The following summarizes the types of funding resources that are available at the state, federal, and local level for affordable housing.

- **Federal funding.** The Low Income Housing Tax Credits program (LIHTC) is the most important federal funding source for affordable rental housing. Other important federal sources are the Section 8 Project-Based Housing Choice Vouchers, which are administered by Contra Costa County Housing Authority; and Affordable Housing Program (AHP) grants, awarded competitively by the Federal Home Loan Bank of San Francisco to lenders working with affordable housing developers. The HOME Investments Partnership Program (HOME) and Community Development Block Grants (CDBG) are smaller federal programs administered and allocated by Contra Costa County to fund affordable housing and community development. In general, federal funding is only available for extremely low-, very low-, and low-income housing. However, allocations for affordable housing at the federal level have been in decline for many years. HOME and CDBG funding across California decreased by 50-60 percent between 2003 and 2015.<sup>8</sup> Furthermore, potential changes to federal policies under the new presidential administration, such as changes to tax codes or other budget cuts, could have tremendous implications for LIHTC and other federal programs. In this constrained environment, projects may be more competitive for federal funding if they meet certain criteria (for example, being located near transit, targeting extremely- or very low-income households, and leveraging local funding and/or other funding sources)
- **State funding.** California's most substantial funding source for affordable housing is currently the Affordable Housing and Sustainable Communities grant program (AHSC), which provides grants for affordable housing projects that reduce greenhouse gas emissions. The amount of funding available through AHSC fluctuates based on the state's "cap and trade" revenues. In the 2015/2016 fiscal year, the amount of total AHSC funds available totaled \$289 million statewide. About one in three applications received funding. The Hana Gardens Senior Housing Mixed-use Apartments, located in the PDA, received over \$5 million in funding from the AHSC program.<sup>9</sup> In addition to AHSC, the state also offers subsidies for the development of permanent supportive housing to serve persons with serious mental illness and their families who are homeless or at risk of homelessness, through the Mental Health Services Act (MHSA) and No Place Like Home (NLPH) programs. As discussed below, these programs are administered in part through the County.
- **County funding.** In addition to administering HOME and CDBG funding, Contra Costa County assists affordable housing development by issuing tax-exempt revenue bonds to finance development projects. The County also represents all Contra Costa jurisdictions for purposes of administering the federal Housing Opportunities for Persons with AIDS (HOPWA) and state Mental Health Services Act (MHSA) programs, which provide housing assistance and services to people with special needs. Several affordable housing projects in El Cerrito have received funding through these programs, including Ohlone Gardens and Idaho Apartments (see Figure 2, above).

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<sup>8</sup> California Department of Housing and Community Development, "California's Housing Future: Challenges and Opportunities. Statewide Housing Assessment 2025."

<sup>9</sup> California Tax Credit Allocation Committee, Project Staff Report for Hana Gardens (Revised), Tax-Exempt Bond Project, July 20, 2016, <http://www.treasurer.ca.gov/ctcac/meeting/staff/2016/20160720/4/890.pdf>.

- **Local funding.** As discussed above, with the dissolution of the Redevelopment Agency, the City no longer has a source of funding for low- and moderate-income housing.<sup>10</sup> As discussed above, the City has identified the need to raise additional local revenues for affordable housing as a priority in the Housing Element.

## CONCLUSION: FOUR POLICY PILLARS

Based on the existing needs and resources described above, as well as input from members of the community and Technical Advisory Group, the City has identified four pillars to guide the AH Strategy:

- A. **Leverage private development to address affordable housing needs.** As shown above in Figure 6, El Cerrito has approximately 640 market-rate housing units that have been proposed or are approved. The pipeline also includes 77 proposed affordable units, generated in part through the City's Tier IV Design Review Process and the State Density Bonus.<sup>11</sup> However, at this time, none of the new market-rate residential projects are subject to an inclusionary zoning requirement or to an affordable housing impact fee. Given that the City has limited resources to create affordable housing, the City may wish to consider establishing policies that require market-rate housing developments to contribute funding for affordable housing development, or to provide affordable housing units as part of the development. There may also be opportunities to adjust the San Pablo Avenue Specific Plan's Incentive Program to further catalyze new development and deliver additional affordable housing units.
- B. **Explore and implement policy options to reduce risk of displacement.** Rental rates and housing prices in El Cerrito and the overall East Bay region have increased rapidly in recent years. As the housing market strengthens in El Cerrito, there is concern that tenants may be priced out and may be at risk of displacement. To reduce the risk of displacement, the City could consider a wide range of strategies, including partnering with local affordable housing developers to preserve existing deed-restricted units, implementing policies to preserve low-cost housing units on the private market, implementing restrictions on short-term rentals, and exploring the potential for additional tenant protection policies such as rent stabilization, mediation, and/or eviction protections.
- C. **Encourage development of "missing middle" housing types.** "Missing middle" housing products (e.g., multi-unit or clustered housing types that are compatible in scale with single-family neighborhoods, such as accessory dwelling units (ADU), duplexes, small multiplexes, townhouses, and courtyard apartments), can be less expensive to build than higher density housing, and may serve low- and middle-income households. The City could undertake actions, including examining and updating the General Plan, to encourage more construction of ADUs and other "missing middle" housing types.

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<sup>10</sup> In 2014, a new Housing Trust Fund was created to appropriate the State of California Proposition 1C Housing Infill Grants, but the City does not expect to receive additional Proposition 1C Infill Grants. At the same time, the Successor Agency through the ROPS process is repaying the funds borrowed from the former Redevelopment Agency's Low Income Housing Fund to make SERAF/ERAF payments. The current fund balance is \$119,000 and the remaining SERAF/ERAF payments owed is \$667,455.

<sup>11</sup> See Figure 18 in Appendix A for more information on the individual projects. Note that the Mayfair project, which includes 67 affordable units and is included in this figure, will be built on property formerly owned by the El Cerrito Redevelopment Agency, which selected the developer through an RFQ/RFP process that encouraged the inclusion of affordable units. The Mayfair project also takes advantage of the Tier IV program, and will rely on the non-RDA funding sources described above to help build the affordable units.



- D. **Increase local funding to continue support of affordable and special needs housing development.** The amount of funding that is available to the City of El Cerrito for affordable housing is limited, especially with the dissolution of redevelopment agencies. The implementation of many of the programs and policies discussed in this AH Strategy will require raising additional revenues. Potential sources include a (countywide) bond measure or new fees on developers or property owners. Additional funding will allow the City to continue playing a role in facilitating the development of low income and special needs housing, working closely with Contra Costa County, affordable housing developers and other stakeholders.

The following chapter describes the specific strategies and action items under each of the four pillars.

### III. STRATEGIES AND IMPLEMENTATION ACTIONS

As discussed in Chapter II, the technical analysis and community engagement process identified in four policy pillars to guide the Affordable Housing Strategy. These pillars include:

- A. Leverage private development to address affordable housing needs.
- B. Explore and implement policy options to reduce risk of displacement.
- C. Encourage development of “missing middle” housing types.
- D. Increase local funding to continue support of affordable and special needs housing development.

This chapter provides thirteen specific strategies for addressing the pillars (summarized in Figure 7). Under each strategy, key considerations and specific implementation actions are discussed. Where applicable, the discussion includes an analysis of potential policy alternatives, the likely impact of different policies (e.g., number of units produced), and/or examples from peer cities.

Chapter IV provides a more detailed implementation plan, including partners, timeframes, and staff and financial required for each implementation action.

**Figure 7: Affordable Housing Policy Pillars and Strategies**

| Policy Pillars                                                                                           | Strategies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A. Leverage Private Development to Address Affordable Housing Needs</b>                               | <ol style="list-style-type: none"><li>1. Establish a new inclusionary zoning policy and/or enact new housing impact fees for affordable housing.</li><li>2. Monitor the effectiveness of the City's existing incentive programs in delivering affordable housing units.</li></ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>B. Explore and Implement Policy Options to Reduce the Risk of Displacement</b>                        | <ol style="list-style-type: none"><li>3. Partner with local affordable housing developers and property owners/managers to preserve existing deed-restricted units.</li><li>4. Implement policies to preserve the low-cost housing stock.</li><li>5. Consider implementing new short-term rental restrictions.</li><li>6. Explore potential tenant protection policies.</li></ol>                                                                                                                                                                                                                                                                                                                                                            |
| <b>C. Encourage Development of "Missing Middle" Housing Types</b>                                        | <ol style="list-style-type: none"><li>7. Encourage the development of accessory dwelling units.</li><li>8. Review the General Plan to identify and remove barriers to missing middle housing types.</li><li>9. Partner with private groups interested in creating co-housing communities.</li></ol>                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>D. Increase Local Funding to Continue Support of Low Income and Special Needs Housing Development</b> | <ol style="list-style-type: none"><li>10. Work with BART to develop affordable and mixed-income housing projects on BART property.</li><li>11. Coordinate transportation projects with affordable housing proposals to attract state funding through the AHSC program.</li><li>12. Provide land use incentives to developers that build a higher share of accessible units than required by law.</li><li>13. Explore new local taxes or fees to fund affordable housing in El Cerrito.</li><li>14. Work with other jurisdictions in Contra Costa County to place a countywide affordable housing bond on the ballot.</li><li>15. Monitor proposed state legislation that would create new funding sources for affordable housing.</li></ol> |

## PILLAR A: LEVERAGE PRIVATE DEVELOPMENT TO ADDRESS AFFORDABLE HOUSING NEEDS

As discussed in Appendix A of this report, the housing market in El Cerrito and the greater East Bay region is booming. El Cerrito currently has 1,100 units that have been recently built, are under construction, or are in planning stages. Much of this recent activity is due to the success of the San Pablo Avenue Specific Plan and EIR, which have provided developers with clear, achievable guidelines for new development. Two projects are currently proposed that utilize the State Density Bonus program, and one (the Mayfair project) is proposed on a former Redevelopment property that, in response to the City's RFQ/RFP, is including 30 percent affordable housing. However, there may be additional opportunities for El Cerrito to leverage private development activity to help address affordable housing needs. When El Cerrito had a Redevelopment Agency, market-rate projects in the Redevelopment area were required to provide a certain percentage of units at affordable rents or housing prices; however, those requirements are no longer in place. According to the 2015-2016 Contra Costa County Grand Jury report, 70 percent of cities in Contra Costa County have adopted inclusionary zoning policies; 45 percent have enacted affordable housing impact fees on new development.

Strategies for leveraging the private market to contribute towards affordable housing include:

1. Establish a new inclusionary zoning policy and/or enact new housing impact fees for affordable housing.
2. Monitor the effectiveness of the City's existing incentive programs in delivering affordable housing units.

Each of these strategies is discussed below, including specific recommendations for implementation.

### STRATEGY 1

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#### Establish a New Inclusionary Zoning Policy and/or Enact New Housing Impact Fees for Affordable Housing

Inclusionary zoning policies require that market-rate housing developers provide a certain percentage of units at prices or rents that are affordable to lower income households.<sup>12</sup> Many inclusionary zoning ordinances provide alternative means of compliance with the requirement. Depending on the community, these alternatives could include allowing developers to pay in-lieu fees, constructing affordable units off-site, or dedicating land for affordable housing.

State legislation (the Costa Hawkins Rental Housing Act, discussed in more detail below under Strategy 6) restricts the ability of cities to implement inclusionary housing requirements for new rental developments. As discussed below, legal limitations, combined with the dissolution of local redevelopment agencies, have led many local jurisdictions to implement affordable housing impact fees rather than, or in addition to, inclusionary zoning and in-lieu fee programs (which can apply only to for-sale units). Affordable housing impact fees can be imposed on residential and non-residential development. In support of a new impact fee, cities must prepare a study that establishes a reasonable

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<sup>12</sup> 2015-2106 Contra Costa County Grand Jury, Report 1614 *Where Will We Live? The Affordable Housing Waiting List is Closed*. June 2016. Page 2.

relationship between the fee and the impact of new development on the need for affordable housing, and calculates the amount of the fee appropriate relative to the impacts identified.

Inclusionary zoning and affordable housing impact fees are tools that are often used in conjunction to meet affordable housing goals. For example, some cities impose inclusionary requirements on ownership housing, and charge affordable housing impact fees on rental housing. Often, cities adopt affordable housing impact fees, but allow for developers to construct inclusionary units on-site as an alternative to paying the fees.

### **Considerations for Implementation**

Based on the experience of other cities, some issues that the City of El Cerrito would need to consider in developing inclusionary housing or affordable housing impact fee policies include the following:

- **Will implementing these policies hinder new development?** Construction costs in the Bay Area are extremely high and continue to rise. Inclusionary housing requirements and affordable housing impact fees would raise development costs for market-rate housing projects. If rents in El Cerrito flatten while construction costs and land costs continue to rise, it may become challenging for private developers to continue building market-rate housing in El Cerrito. To continue attracting new development, inclusionary housing requirements and fees must be established at a rate that is financially feasible. Many cities conduct financial feasibility studies to ensure that the fees and requirements do not significantly constrain new development. Any feasibility study should consider the potential impact of new affordable housing fees in light of the City's other existing and proposed fees (e.g., transportation and sanitary sewer fees). Some cities also phase in inclusionary requirements or new fees gradually over time, giving the market more time to adjust to the new policies.
- **How many affordable units could be generated from these policies?** Figure 8 estimates the number of affordable housing units that could be funded if the City enacted affordable housing impact fees that applied to the 583 market-rate units that are currently proposed.<sup>13</sup> Figure 8 shows three hypothetical fee levels: \$5,000 per unit, \$10,000 per unit, or \$15,000 per unit. These hypothetical fee levels are relatively conservative; a survey of existing affordable housing impact fees in the Bay Area revealed that the average housing impact fee amount is \$19,500 per unit. Typically, every \$1 in local affordable housing impact fee revenues would leverage an additional \$3 from state and federal funding sources. The average subsidy required to build a very low- or low-income housing unit in Contra Costa County is just over \$400,000.<sup>14</sup> Based on these assumptions, it is estimated that new affordable housing impact fee revenues (combined with other funding sources) could fund between 29 and 87 very low- or low-income units in El Cerrito, depending on the fee level.

As discussed above, an impact fee could apply to rental and ownership housing, but allow for developers to construct inclusionary units on-site as an alternative to paying the fee. Some cities charge affordable housing impact fees on rental housing only (with or without the option to provide units on-site as an alternative to paying the fee), and impose inclusionary requirements on

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<sup>13</sup> Note that the calculation assumes that approved projects would not be subject to the new policies, and does not include units in the pre-planning phase. According to City staff, additional development proposals are expected to be submitted in the coming months. The current pipeline number is used for illustrative purposes, to demonstrate the potential impacts of the requirement.

<sup>14</sup> Strategic Economics and Novin Development Corp., Funding Affordable Housing Near Transit in the Bay Area, prepared for the Great Communities Collaborative, May 2017, <http://www.greatcommunities.org/archives/1434>.

ownership housing. The number of units that could be produced on-site under these types of policies would depend on how the program is structured.

**Figure 8: Estimate of Affordable Units from Affordable Housing Impact Fees**

|                                                     | Affordable Housing Impact Fee Level (Per Market-Rate Unit) |              |              |
|-----------------------------------------------------|------------------------------------------------------------|--------------|--------------|
|                                                     | \$5,000                                                    | \$10,000     | \$15,000     |
| Revenues from Affordable Housing Impact Fees (1)    | \$2,915,000                                                | \$5,830,000  | \$8,745,000  |
| Additional Funding Leveraged (2)                    | \$8,745,000                                                | \$17,490,000 | \$26,235,000 |
| Number of Low- and Very Low-Income Units Funded (3) | 29                                                         | 58           | 87           |

(1) Assumes that 583 proposed units would be subject to an affordable housing impact fee.

(2) Typically, \$1 in local impact fee revenues would leverage additional \$3 from state and federal sources.

(3) Low- and very low-income housing require a subsidy of approximately \$400,000 per unit to build in Contra Costa County.

Sources: Survey of affordable housing pro forma data in Contra Costa County; Strategic Economics, 2017.

- **What income levels would be served?** Revenue from impact fees is typically used to augment existing affordable housing funds, which are generally only available for extremely low-, very low-, and low-income housing. As a result, new housing built with funds from an impact fee program is likely to serve these income groups.<sup>15</sup> On the other hand, a program that offered developers the option of providing units on-site as an alternative to paying the fee (or an inclusionary zoning program that applied to ownership units) could result in moderate income units, depending on how the program was structured.
- **What would the City's role be in administering these programs?** Any affordable rental housing units produced through the inclusionary housing or affordable housing impact fees would be managed by the property owners. For-sale units produced through these policies would be subject to deed restrictions that limit the resale price, in order to maintain the affordability of the units over the long term. The City's role would be to monitor and enforce the terms of resale, to ensure that the units remain income-restricted. It may be possible for the City to partner with a nonprofits agency to conduct the monitoring and enforcement activities.
- **Can El Cerrito residents receive preference for inclusionary units?** Some inclusionary housing programs (most notably San Francisco's) establish a "preference" for local residents and employees. However, because El Cerrito is a small city and has a different demographic composition from other neighboring jurisdictions, it would be challenging to implement a local preference program that also complies with Fair Housing laws.<sup>16</sup> There may be opportunities to encourage local employers to develop low-income or moderate-income housing intended to serve their employees, in partnership with non-profit or for-profit affordable housing developers. However, this is a new and untested concept that presents potential legal issues that have not been addressed by the courts. It is therefore uncertain whether this concept is viable within the timeframe of this strategy document.

<sup>15</sup> Note that revenues from an impact fee need to be spent in a manner that is consistent with the City's nexus study.

<sup>16</sup> Other cities (e.g., Oakland) have found that in order to comply with Fair Housing Laws, local preference programs must not create a disparate impact by either creating segregated communities or disadvantaging a racial and ethnic group.

## Implementation Actions

- 1-1. Conduct a nexus study and financial feasibility analysis to establish potential affordable housing impact fees on new residential development.** The City should move forward with the steps necessary to implement affordable housing impact fees. The financial feasibility analysis should consider how different fee levels would affect the viability of new development, and potentially recommend a strategy for phasing the fee in over time.
- 1-2. Consider implementing an inclusionary housing policy on ownership housing as an alternative to the affordable housing impact fee.** Establishment of an inclusionary requirement would need to be coordinated with the nexus study and feasibility analysis of the affordable new housing impact fee, to ensure that the two options are clear to the development community and do not significantly hinder new development. The percentage requirement should be set based on the findings of the financial feasibility analysis.
- 1-3. Identify potential nonprofits that could assist the City to ensure the long-term affordability of rental and ownership inclusionary units.** The City may be able to partner with local nonprofits to conduct the monitoring and enforcement functions that are necessary to maintain the affordability of the units.
- 1-4. Explore partnership opportunities for workforce housing initiatives with major employers.** The City should discuss potential opportunities to support workforce housing initiatives with major employers.

## STRATEGY 2

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### Monitor the Effectiveness of the City's Existing Incentive Programs in Delivering Affordable Housing Units

The San Pablo Avenue Specific Plan provided more flexible land use regulations, including allowing increased heights and reduced parking, with the intention of catalyzing new market-rate and affordable housing development. Partly because of the Specific Plan, there are many new housing development projects in the pipeline. In addition to creating more flexibility for development, the Plan also included incentives for the delivery of affordable housing. The Tier IV Site Plan and Development Review process in the San Pablo Avenue Specific Plan (and the City's Incentive Zoning program outside the Specific Plan area) provide incentives for developers to include affordable housing and/or a variety of other community benefits (e.g., parks, bike and pedestrian improvements) in their projects.

The effectiveness of these types of incentives depend on many factors, including the market conditions, construction costs of different building types, and the availability of other incentives. Unless affordable housing units are required, developers may choose to provide other, lower-cost community benefits rather than affordable housing units. Furthermore, California has a State Density Bonus Law that requires local governments to offer increased densities and reduced parking requirements in return for providing affordable housing as part of a development project. Recently, two new development projects have considered using the State Density Bonus in El Cerrito.

As new development projects are proposed in the City, El Cerrito will need to evaluate whether its incentive programs are resulting in the provision of affordable housing and how are they interacting with the State Density Bonus Law.

## Implementation Actions

- 2-1. **Continue to monitor the San Pablo Avenue Specific Plan and the City's other incentive programs for their effectiveness in providing affordable housing units.** Over time, the City should continue to monitor the ability of new development projects to take advantage of the land use incentives in the San Pablo Avenue Specific Plan. The City should also track the number of units produced under the City's Tier IV program, the Incentive Zoning Program, and the State Density Program. These programs may need to be modified over time to help maximize the development of affordable housing.

## PILLAR B: REDUCE THE RISK OF DISPLACEMENT AND HELP STABILIZE AT-RISK POPULATIONS

As discussed above in Chapter II, El Cerrito has 226 deed-restricted affordable housing units and an additional 164 deed-restricted units are under construction or proposed, making the City one of the few in the region to approach its Regional Housing Needs Allocation targets. However, the majority of El Cerrito's 3,200 households who earn less than 80 percent of area median income rely on the private market for housing, and may be at risk of displacement. Market-rate rents in El Cerrito, as in the rest of the Bay Area, can be unaffordable even for moderate income households. The 2015-16 Contra Costa County Grand Jury Report noted that a worker needed to earn an average of 3.5 times the minimum wage (about \$34 an hour, or more than \$70,000 a year) to afford the average rent in Contra Costa County in 2015.

Housing stability is an important consideration for the community as well as for individual households. As the Grand Jury Report noted, "communities thrive when people have safe and stable housing; when they live near their jobs, schools, and places of worship; when families can build roots and meet diverse neighbors; and when we use resources wisely, greening our housing and preserving open space."

Strategies for reducing the risk of displacement include:

3. Partner with local affordable housing developers and property owners/managers to preserve existing deed-restricted units.
4. Implement policies to preserve the low-cost housing stock.
5. Consider implementing new short-term rental restrictions.
6. Explore potential tenant protection policies.
7. **Partner with Contra Costa County to strengthen its homeless outreach and services programs in El Cerrito.**

Each of these strategies is discussed below, including specific recommendations for implementation.

## STRATEGY 3

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### Partner with Local Affordable Housing Developers and Property Owners/Managers to Preserve Existing Deed-Restricted Housing

The City's existing deed-restricted units are a critical community asset. Two affordable housing developments – El Cerrito Royale Assisted Living and Del Norte Place – have deed restrictions that are



set to expire by 2020. Replacement financing may need to be secured to ensure the long-term affordability of these units.

### Implementation Action

- 3-1. Continue monitoring assisted units and partner with local affordable housing providers to maintain the affordability of expiring units.** The City should continue its efforts to track and monitor the number, location, owner, and expiration date of deed-restricted affordable units. As units approach their expiration date, the City can partner with local affordable housing developers to obtain federal and state financing to maintain affordability. The City could also prioritize at-risk units to receive local funding, as new sources of funding are developed (see discussion of new sources under Pillar D)

## STRATEGY 4

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### Implement Policies to Preserve Low-Cost Housing Stock

While maintaining the affordability of the City's existing deed-restricted units is the highest priority, the City's relatively low-cost, privately owned housing stock (sometimes referred to as "naturally occurring affordable housing" or NOAH) serves many low- and moderate-income residents. Some of the issues related to the preservation of the City's low-cost housing stock include:

- **Need for seismic upgrade of soft-story buildings.** Soft-story residential buildings are multi-story buildings constructed prior to modern building codes that have open parking or commercial space on the ground floor. These structures are particularly prone to collapse in a major earthquake. El Cerrito does not currently have any requirements or provide incentives for property owners to mitigate the risk posed by soft-story buildings. Other cities such as San Francisco, Berkeley, Alameda, and Fremont have passed ordinances requiring owners of soft-story buildings to retrofit their properties, while cities such as Richmond and Concord are preparing inventories of soft-story buildings. Since retrofitting apartment buildings can be expensive, some cities have successfully secured grant funding to provide financial assistance. For example, Oakland recently received several million dollars in FEMA funding for this purpose. Berkeley offers a rebate of a portion of the City's property transfer tax, waiver of permit fees, and PACE financing for various types of seismic improvements. El Cerrito currently provides a PACE financing program, but has not specifically promoted it for this purpose.
- **Potential for demolition and displacement related to future development projects.** The San Pablo Avenue Specific Plan Area includes some areas with older, existing multifamily development that is lower density than what is now allowed under the Plan. Over time, the higher densities allowed in the Plan may create pressure to redevelop existing housing sites, potentially resulting in displacement of existing residents and the replacement of older, more affordable housing with new, higher priced units. This type of redevelopment has the potential to increase the total number of housing units in the City and reduce the number of soft-story buildings, but there may be a need to establish policies to mitigate the impacts on existing residents.
- **Preservation of affordability.** Cities, regional agencies, foundations, and non-profit housing developers are also increasingly evaluating opportunities to preserve the long-term affordability of the low-cost housing stock, either by purchasing and holding the properties, or by providing financial incentives for existing property owners to deed-restrict some or all of the units. These strategies can be resource intensive and challenging to implement, and most programs to date have been implemented in larger cities (such as San Francisco, Oakland, and Los Angeles). However, the Metropolitan Transportation Commission (MTC) is in the process of establishing a

Naturally-Occurring Affordable Housing (NOAH) pilot revolving loan fund that may be available to a broader range of jurisdictions.

### Implementation Actions

- 4-1. Explore possible funding sources or programs to minimize the financial impact of retrofits on low- and moderate-income residents.** For example, FEMA, CDBG, and other sources of funding may be available. Some potential future sources of local funding for affordable housing discussed under Pillar 4 (such as a property transfer tax or countywide General Obligation bond measure) could also fund these activities.
- 4-2. Consider enacting an ordinance to regulate the demolition of existing housing units, including requiring tenant relocation assistance.** Tenant relocation assistance programs are discussed in more detail under Strategy 6 below. In addition to requiring landlords to provide relocation assistance, the ordinance could spell out criteria for when residential demolition projects will be permitted (for example, in certain locations within the City, or for projects that result in an overall increase in the number of housing units).
- 4-3. Monitor the Metropolitan Transportation Commission's NOAH pilot program.** The City should monitor this and other funding opportunities for preserving the long-term affordability of the existing low-cost housing stock.

## STRATEGY 5

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### Consider Implementing New Short-Term Rental Restrictions

Short-term rental platforms like Airbnb and VRBO allow property owners to rent out rooms or entire units on a short-term basis. These services have expanded significantly throughout the Bay Area in recent years, raising concerns that property owners are removing units from the long-term rental market because short-term rentals are more lucrative. On the other hand, the ability to rent out rooms can help provide homeowners with an important source of income.

El Cerrito currently only permits short-term rentals at bed and breakfasts. However, the City does not currently track or short-term rentals and enforcement of the existing regulations is limited. While there is no comprehensive list of cities in California that have implemented regulations dealing with this issue, they appear to include larger cities (e.g., San Francisco, San Jose, Oakland, and Los Angeles) as well as smaller cities that attract significant visitation (e.g., Berkeley, Santa Monica, San Luis Obispo, Healdsburg). Depending on the city, some of the types of regulations that have been enacted include:

- Business licensing requirements for landlords listing their properties as short-term rentals.
- Minimum rental periods (e.g., one week or one month).
- Maximum rental periods (e.g., maximum number of days per year).
- Transient-occupancy taxes (TOT) imposed on rentals of 30 days or less.
- Zoning ordinances limiting short-term rentals to certain locations within a city, limiting the number of short-term rentals within a certain area or distance, or imposing a maximum number of guests or vacation rental days.<sup>17</sup>

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<sup>17</sup> Jamie Sternberg and Taylor Baumann, "A Landlord's Guide to Vacation Rentals in California," July 2016, <http://www.kts-law.com/a-landlords-guide-to-vacation-rentals-in-california-2/>; Airbnb, "Responsible Hosting in the

Many cities have found tracking and regulating short-term rental units to be challenging without cooperation from the on-line listing services. The California legislature has also considered, but does not appear to be on track to pass, statewide regulations.<sup>18</sup>

## Implementation Actions

- 5-1. Monitor the effect of short-term rentals on El Cerrito's housing market and consider new regulations if needed.** To understand how the use of short-term rental services such as Airbnb and VRBO may be affecting the housing market, the City should track El Cerrito listings on these sites over a period of several weeks or months. This would allow the City to estimate how many listings of different types (rooms v. full units; apartments v. single-family homes) are being offered and in what areas of El Cerrito and assess the need for modifying existing policies.

## STRATEGY 6

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### Explore Potential Tenant Protection Policies

As the rents increase in El Cerrito, there is concern that tenants may be priced out and at risk of displacement. The following paragraphs describe existing tenant protections and limitations imposed by state and local law, the range of tenant protection measures available to cities in California, the Bay Area cities that have tenant protection measures in place, and considerations for potential implementation in El Cerrito.

#### Tenant Protections under State and Local Law

State law requires that landlords must give tenants 30 to 60 days advance written notice of rent increases and evictions.<sup>19</sup> State law also imposes limitations on cities' ability to impose rent stabilization and eviction protections. In particular:

- The **Costa-Hawkins Rental Housing Act** (passed by the state legislature in 1995) places limits on local jurisdictions' ability to impose rent stabilization ordinances. Under Costa-Hawkins, rent stabilization measures may not apply to single-family homes, condominiums, or any property built after February 1, 1995. For properties built before February 1, 1995, local jurisdictions may not regulate the initial rent after a property becomes vacant. In other words, when a property becomes vacant, the property owner can set the rent without regulatory restrictions (a policy known as vacancy decontrol).

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United States," <https://www.airbnb.com/help/article/1376/responsible-hosting-in-the-united-states>, accessed June 2017.

<sup>18</sup> Liam Dillon, "California lawmakers can't figure out what to do with Airbnb. Here's why," Los Angeles Times, February 3, 2017, <http://www.latimes.com/politics/la-pol-sac-airbnb-laws-california-legislature-20170203-story.html>.

<sup>19</sup> For rent increases, a landlord must provide at least 30 days' advance notice if the rent increase is 10 percent (or less) of the rent charged, and at least 60 days' advance notice if the rent increase is greater than 10 percent. For evictions, a landlord must give 30 days advance written notice if any of the tenants have lived in the rental unit for less than one year, or if the landlord is selling the units to a person who intends to occupy it for at least a year after the tenancy ends. A landlord must give a tenant 60 days advance written notice that the tenancy will end if all of the residents have lived in the rental unit for a year or more. However, a landlord can terminate a tenancy by giving the tenant only three days' advance written notice if the tenant has failed to pay the rent, violated any provision of the lease, damaged the property, interfered with other tenants, used the property for an unlawful purpose, or committed other violations defined by state law.

- The **Ellis Act** (originally passed by the state legislature in 1985) allows for landlords to stop renting their apartments for residential use and evict existing tenants. To utilize the Ellis Act, a property owner must withdraw all units in a building from the rental market. The Ellis Act supersedes local eviction controls. However, local jurisdictions may choose to impose additional requirements on property owners that utilize the Act to withdraw units from the rental market.<sup>20</sup>

The City of El Cerrito has a condominium conversion ordinance in place that establishes criteria for the conversion of existing multiple family rental housing to condominiums, and requires that landlords provide notice, moving expenses (two times the monthly rent), and first right to purchase to tenants who would be displaced by a condo conversion.

### Types of Additional Tenant Protection Measures

Figure 9 shows the range of tools that are available to cities in California to protect existing tenants and describes the limitations and considerations for implementation associated with each. Cities can address the pace of rent increases by implementing either a **rent stabilization program** that regulates the amount that landlords' can increase a tenant's rent each year, or by offering or requiring a **mediation** process before a landlord can increase a tenants' rent above a certain threshold. Mediation can take two forms:

- In a **non-binding mediation program**, the landlord is not obligated to reach an agreement with the tenant or follow the recommendations made by the mediator
- In a **binding mediation program**, if the tenant and landlord cannot come to an agreement during the mediation process, then the case would go before an arbitrator or hearing officer who would hear the case and make a legally binding decision.

Another common types of protection is a **Just Cause Eviction Protection** policy, which limits evictions to certain "just causes," (e.g., failure to pay rent, damaging the property, violating the rental agreement terms, illegal activity, etc.) and requires notice, documentation and justification for evictions. Just cause policies are often combined with additional measures to protect tenants from landlord harassment (**harassment protections**), and/or mandate **relocation assistance** for "no fault" evictions.

### Bay Area Cities with Tenant Protection Programs

Figure 10 shows cities in the Bay Area that have tenant/landlord mediation and rent stabilization programs in place. For each city, the table shows the year and method of enactment, population, number of units eligible for the program, eligibility criteria, the threshold for mediation or annual allowable rent increase, the annual program budget and staff resources required, and the fee charged per unit to landlords to cover the costs of program administration.<sup>21</sup>

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<sup>20</sup> Specifically, local jurisdictions may choose to impose the following additional requirements on landlords that utilize the Act to withdraw units from the rental market: a 120-day noticing requirement, with additional time for elderly and disabled tenants; reasonable relocation assistance for displaced tenants; and controls on the re-rental of units, consistent with a jurisdictions' rent stabilization ordinance. Jurisdictions may require that no unit in the building be re-rented for two years following the withdrawal of units from the rental market; that units that are re-rented within two to five years of withdrawal be re-rented at a level consistent with the rent stabilization ordinance; and that units that are re-rented within ten years of withdrawal be offered first to the tenant who was evicted. If the original units are demolished, the jurisdiction may require that new units built on the same property within five years of withdrawal be subject to rent stabilization.

<sup>21</sup> The table includes information from recent staff reports from Union City and Emeryville, supplemented with additional research by Strategic Economics.

Cities with programs in place include the City of San Francisco and a variety of small to medium-sized jurisdictions in Alameda, San Mateo, and Santa Clara Counties. Richmond is the only city in Contra Costa County that currently has a rent stabilization or mediation program.

Jurisdictions typically combine rent stabilization or mediation with eviction and harassment protections to ensure that landlords cannot either raise rents to effectively evict a tenant, or evict a tenant in order to charge the next tenant a higher rent. Los Gatos is the only city in the Bay Area that has rent stabilization but no eviction protections.

Emeryville is the only city identified that has a just cause eviction and harassment ordinance that applies to all units in the city, but no rent stabilization or mediation program. Tenants in Emeryville are also entitled to relocation assistance for no-fault evictions. Some Bay Area cities have specific tenant relocation assistance programs that apply in the case of demolition, remodel, or redevelopment of a rental unit. For example, Mountain View has a tenant relocation assistance program (which predates the City's rent stabilization program) that requires landlords to provide assistance to qualified low-income tenants who are displaced due to demolition, remodel, or redevelopment.

**Figure 9: Tenant Protection Tools Available to California Cities**

| Tool                                   | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Limitations                                                                                                                                                                                                                                                                          | Other Considerations for Implementation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rent Stabilization</b>              | Limits the escalation of rents paid by existing tenants over time. Rent increases are typically limited to once per year, and tied to the rate of inflation or a fixed percentage. Ordinances generally allow landlords to raise rents higher above the annual maximum amount to cover certain costs such as capital improvements.                                                                                                                                                                                                                                    | The Costa-Hawkins Rental Housing Act provides landlords with the ability to reset rent stabilized rents to market prices in the case of vacancy. In addition, rent stabilization measures may not apply to single-family homes, condominiums, or units built after February 1, 1995. | <ul style="list-style-type: none"> <li>▪ In El Cerrito, rent stabilization could apply to approximately 2,300 units under Costa Hawkins.</li> <li>▪ Typically implemented with eviction protections to prevent landlords from evicting tenants to increase rents, or raising rents to evict tenants.</li> <li>▪ May be implemented with programs that provide mediation in tenant/landlord disputes, require landlords to register rent increases with the City, and/or require additional noticing to tenants beyond state requirements.</li> <li>▪ Staff resources required for programs administration vary; cities typically charge an annual fee on rental property business licenses to cover costs</li> </ul> |
| <b>Tenant/Landlord Mediation</b>       | <p>Program that offers or requires a mediation process before a landlord increases a tenants' rent above a certain threshold.</p> <ul style="list-style-type: none"> <li>▪ In a <b>non-binding mediation</b> program, the landlord is not obligated to reach an agreement with the tenant or follow the recommendations made by the mediator.</li> <li>▪ In a <b>binding mediation</b> program, if the tenant and landlord cannot come to an agreement during the mediation process, then the case is heard by an arbitrator who makes a binding decision.</li> </ul> | <p><b>Non-binding</b> mediation programs can be applied to all rental units</p> <p><b>Binding</b> mediation programs are considered rent stabilization and can only be applied to multifamily units built prior to February 1, 1995</p>                                              | <ul style="list-style-type: none"> <li>▪ Mediation may be facilitated by an appointed board (as in San Leandro) or by a third-party contractor (such as an in Fremont)</li> <li>▪ A city can have a binding mediation program that applies to multifamily units built prior to February 1, 1995, and a non-binding mediation program that applies to all other rental units</li> </ul>                                                                                                                                                                                                                                                                                                                               |
| <b>Just Cause Eviction Protections</b> | Protects tenants from eviction by restricting eviction to specific "just causes" (e.g., failure to pay rent, damaging the property, violating the rental agreement terms, illegal activity, etc.) and requiring notice, documentation and justification for evictions.                                                                                                                                                                                                                                                                                                | The Ellis Act states that landlords have the right to evict tenants for the purpose of withdrawing units from the rental market.                                                                                                                                                     | <ul style="list-style-type: none"> <li>▪ Typically implemented with rent stabilization or mediation program to prevent landlords from raising rents to effectively evict tenants, or evicting tenants to raise rents.</li> <li>▪ Effectiveness depends on tenant education and City enforcement actions.</li> <li>▪ Additional research may be required to determine level of City staff resources required.</li> </ul>                                                                                                                                                                                                                                                                                              |
| <b>Harassment Protections</b>          | Ordinance that protects tenants from landlord harassment and retaliation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Can be applied to all rental units                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>▪ Often implemented as part of an eviction protection ordinance.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Tool                                                | Description                                                                                                                                                                                                                                                                                                                                                    | Limitations                        | Other Considerations for Implementation                                                                         |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>Relocation Assistance for No Fault Evictions</b> | Requirement for landlords to provide relocation payments to tenants when the eviction is not the fault of the tenants ("no-fault evictions"). Types of evictions that might trigger relocation assistance include removal of units from the rental market (Ellis Act evictions), owner occupancies, demolition or substantial renovation, or condo conversion. | Can be applied to all rental units | <ul style="list-style-type: none"> <li>Often implemented as part of a just cause eviction ordinance.</li> </ul> |

**Figure 10.** Bay Area Cities with Tenant/Landlord Mediation and Rent Stabilization Programs

|                           | City                                      | Year Enacted | Method of Enactment    | Population (1/1/17) | Units Eligible for Program | Eligibility Criteria     | Threshold for Mediation/ Annual Allowable Rent Increase                                                                            | FY 16-17 Annual Budget (1) | Annual Cost per Unit (1) | FTE (1) | Fee Charged per Rental Unit (2) |
|---------------------------|-------------------------------------------|--------------|------------------------|---------------------|----------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------|---------|---------------------------------|
| Tenant/Landlord Mediation | Union City<br><i>Non-binding</i>          | 2017         | City Council Ordinance | 73,010              | 6,697                      | All rentals              | Triggered by rent increases above 7%                                                                                               | N/A                        | N/A                      | N/A     | N/A                             |
|                           | Alameda<br><i>Binding/non-binding (3)</i> | 2016         | City Council Ordinance | 79,928              | 15,000                     | All rentals              | Triggered by rent increases above 5%. Tenants may also request mediation for rent increases below 5%.                              | \$1,939,248                | \$129                    | 10.85   | \$120                           |
|                           | Los Gatos (4)<br><i>Binding</i>           | 2004         | City Council Ordinance | 31,314              | 3,000                      | Properties with 3+ units | Tenants can request mediation for increases above 5% max annual increase or 70% of the increase in the CPI (whichever is greater). | \$34,000                   | \$11                     | N/A     | \$11                            |
|                           | San Leandro<br><i>Non-binding</i>         | 2001         | City Council Ordinance | 87,882              | 13,630                     | Properties with 2+ units | Tenants may request mediation for rent increases above 7%                                                                          | \$30,000                   | \$2                      | N/A     | \$0                             |
|                           | Fremont<br><i>Non-binding</i>             | 1997         | City Council Ordinance | 229,504             | 16,872                     | All rentals              | Tenants may request mediation (no threshold)                                                                                       | \$60,000                   | \$4                      | N/A     | \$0                             |



|                    | City           | Year Enacted   | Method of Enactment    | Population (1/1/17) | Units Eligible for Program | Eligibility Criteria                | Threshold for Mediation/ Annual Allowable Rent Increase           | FY 16-17 Annual Budget (1) | Annual Cost per Unit (1) | FTE (1) | Fee Charged per Rental Unit (2) |
|--------------------|----------------|----------------|------------------------|---------------------|----------------------------|-------------------------------------|-------------------------------------------------------------------|----------------------------|--------------------------|---------|---------------------------------|
| Rent Stabilization | Richmond       | 2016           | Ballot Measure         | 111,785             | 9,174                      | Multi-family built before 2/1/1995  | CPI (Consumer Price Index)                                        | N/A                        | N/A                      | 6       | N/A                             |
|                    | Mountain View  | 2016           | Ballot Measure         | 79,278              | 15,000                     | 3+ units built before 2/1/1995      | CPI                                                               | N/A                        | N/A                      | N/A     | N/A                             |
|                    | East Palo Alto | 1986, 2010 (5) | Ballot Measure         | 30,340              | 2,325                      | Multi-family built before 1/1/1988  | 80% of CPI but not exceeding 10%                                  | \$485,300                  | \$209                    | 2       | \$234                           |
|                    | Berkeley       | 1980           | Ballot Measure         | 121,238             | 27,000                     | Multi-family built before 6/30/1980 | 65% of CPI                                                        | \$4,550,000                | \$169                    | 20.6    | \$234                           |
|                    | Oakland        | 1980           | City Council Ordinance | 426,074             | 79,000                     | Multi-family built before 1/1/1983  | CPI                                                               | \$2,756,708                | \$35                     | 19.4    | \$30                            |
|                    | San Francisco  | 1979           | Ballot Measure         | 874,228             | 170,000                    | Multi-family built before 6/13/1979 | 60% of CPI, not exceeding 7%.                                     | \$7,029,527                | \$41                     | 31.5    | \$37                            |
|                    | San Jose       | 1979           | City Council Ordinance | 1,046,079           | 43,000                     | Multi-family built before 9/7/1979  | 8% increase; 21% if the last increase was more than 24 months ago | \$985,000                  | \$23                     | 3.5     | \$19                            |
|                    | Hayward        | 1979           | City Council Ordinance | 161,040             | 8,920                      | 5+ units built before 2/1/1995      | Currently 5%; changing to CPI in the near future                  | \$30,000                   | \$3                      | N/A     | \$1                             |

Notes:

- (1) Estimate of total annual cost of each city's respective program, the annual cost on a per unit basis, and the Full Time Equivalent (FTE) staff required to administer the program; based on research conducted by Union City and Emeryville staff, supplemented with additional research by Strategic Economics.
- (2) Estimate of the fee charged to landlords to cover costs associated with program administration.
- (3) In Alameda mediation is binding for rent increases above 5% for multi-family properties built before February 1, 1995, and non-binding for all other properties.
- (4) Los Gatos is the only cities with rent stabilization/mediation with no eviction protections in place.
- (5) The City of East Palo Alto established a new rent control ordinance in 2010 after the rent control ordinance enacted in 1988 was superseded by Costa Hawkins.

Sources: California Department of Finance, 2017; Union City Staff Memorandum, from Antonia E. Acosta, City Manager to Honorable Mayor and City Council, "Rent and Tenant Taskforce Recommendations," January 31, 2017; Emeryville Staff Memorandum, from Charles S. Bryant, Community Development Director to Sabrina Landreth, City Manager, "Residential Tenant Protections and Services," April 21, 2015; Tenants Together, "Communities Thrive with Rent control: A Guide for California Cities," Mitchel Crispell, "Rent Control Policy Brief," U.C. Berkeley, February 2016; Strategic Economics, 2017.

## Considerations for Implementation

Based on the experience of other cities, some issues that the City of El Cerrito would need to consider in designing a tenant protection program include:

- **How many units would be affected?** Based on Census data, El Cerrito has approximately 4,000 rental units. All of these units could potentially be subject to non-binding mediation and/or eviction controls. Approximately 2,300 units could be subject to rent stabilization or binding mediation under Costa-Hawkins.<sup>22</sup> This would make El Cerrito one of the smallest cities in the region to implement any type of rent stabilization or mediation program, but similar in number of units covered to Los Gatos or East Palo Alto (Figure 10).
- **How would a program be enacted?** Recent rent stabilization ordinances (such as those in Mountain View and Richmond) have been enacted by ballot measure. In several cases, ballot measures to establish rent stabilization programs have failed (as in San Mateo, Burlingame, and Santa Rosa). However, Alameda and Union City have recently enacted mediation programs by City Council ordinance (Figure 10).
- **What would the City's role be in administering the program?** Rent stabilization and mediation programs may be administered by an appointed board as in Oakland, San Francisco, and San Leandro; by an elected board as in Berkeley; by City staff directly as in Hayward; or by a contracted third-party entity as in Fremont and Union City. Eviction protections are generally enforced by the same entity that administers the rent stabilization or mediation program.
- **How much would it cost, and who pays?** As shown in Figure 10, the cost of administering a program can vary significantly, depending on factors such as the complexity of the program, the administering entity, and the number of units that are subject to the program. Cities typically pass the costs of administering a rent stabilization or mediation program to landlords, by creating an annual fee that is typically charged when landlords apply for a business license. (Note that this is a separate mechanism from the business license tax discussed below under Strategy 12, which could create a source of funding for other programs, but would require voter approval. A fee on property owners to cover the costs of administering a program could be adopted by the El Cerrito City Council). Some cities, such as San Leandro, do not charge a fee and pay for the costs of program administration out of City funds.

Establishing a comprehensive tenant protection program in El Cerrito would require further study and involve making tradeoffs among factors such as the level of protection, the number of units covered, and the cost of the program. A rent stabilization program combined with eviction protections would afford the most protection to tenants, but may be cost-prohibitive given El Cerrito's size. A mediation program would afford a lower level of protection, but could cover all units (if non-binding), would likely be cheaper, and may not require voter approval. Eviction protections should be included as part of any tenant protection program, but may not be successful if implemented in the absence of rent stabilization and/or mediation.

## Implementation Actions

- 6-1. Continue to study potential tenant protection options and evaluate the success of existing programs in peer cities.** The City should hold a City Council study session(s) and/or community

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<sup>22</sup> Includes units that are 1) renter occupied, 2) located in buildings with two or more units, and 3) located in buildings built before 1999. Based on analysis of American Community Survey 5-year Estimates 2011-2015. Further analysis of county assessor parcel data would be required to refine this estimate.

workshop(s) to further clarify community priorities around these tradeoffs. In addition, the City should monitor the success of recently enacted mediation programs in Union City and Alameda, as well as Emeryville's new eviction protections. Finally, City staff should research programs in similar-sized cities such as Los Gatos and East Palo Alto to inform the design of any program.

## STRATEGY 7

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### Partner with Contra Costa County Homelessness Services

According to Contra Costa Homeless Services, there are approximately 1,600 persons experiencing homelessness on any given night in the County, and approximately 57 percent are unsheltered. The vast majority lost housing in Contra Costa County. Starting in 2017, the County has begun to launch a series of new initiatives, including forming Coordinated Outreach Referral and Engagement Teams (CORE), to expand outreach and services for homeless populations. The City can partner with the County's CORE programs to better serve homeless persons in El Cerrito and neighboring jurisdictions.

#### Implementation Actions

##### 7-1. Partner with Contra Costa County to expand outreach and services to homeless persons.

## PILLAR C: ENCOURAGE DEVELOPMENT OF "MISSING MIDDLE" HOUSING THAT SERVES LOW- AND MODERATE-INCOME HOUSEHOLDS

"Missing middle" housing product types are development types that are less expensive to build and/or operate compared to traditional multi-family development and provide opportunities for cooperative living and multigenerational living. By design, they are also compatible with lower density, single-family neighborhoods. Examples include accessory dwelling units (ADUs), "carriage" houses, duplexes, and bungalow courts. Such arrangements may be also compatible and attractive to co-housing groups. Innovative development types, such as modular housing, may also be used to fulfill the objectives of this pillar. While these housing types are not typically restricted to low- or moderate-income households, they can result in the provision of housing that is relatively affordable due the smaller size of units. The City already permits modular housing development, and recently updated its ADU ordinance to remove zoning barriers. However, there are additional strategies that the City can undertake to encourage the construction of second units and other "missing middle" housing types, including:

8. Encourage the development of accessory dwelling units.
9. Review the General Plan to identify and remove barriers to missing middle housing types.
10. Partner with private groups interested in creating co-housing communities.

## STRATEGY 8

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### Encourage the Development of Accessory Dwelling Units

ADUs (also known as second units) are smaller housing units built on the same lot as a single-family home. ADUs can either be attached to the existing single-family unit or built as a separate detached unit. Encouraging homeowners to build ADUs is a low-cost way to increase the supply of housing with minimal impact on neighborhood character, and can also provide homeowners with a potential new source of income. A 2012 study of ADUs in East Bay cities found that El Cerrito could accommodate

approximately 500 to 2,000 in the flatland neighborhoods alone, based on the size and configuration of parcels.<sup>23</sup>

Studies have shown that removing minimum floor area and parking requirements, easing owner occupancy requirements, waiving fees, and providing technical assistance are the most effective ways to spur accessory dwelling units' development.<sup>24</sup> For example, the City of Santa Cruz created an "Accessory Dwelling Unit Manual" and a set of seven architect-designed accessory dwelling unit prototypes that fit the local requirements. The City also provides fee waivers (and in past years, low-interest loans) for homeowners who agree to rent their second units only to low- or very low-income households. Funding for the program is provided by a Sustainable Communities Grant from the California Pollution Control Financing Authority.

The City of El Cerrito recently enacted new development standards that implement several of these best practices, including exempting homeowners from providing parking for ADUs.

### **Implementation Actions**

#### **8-1. Provide technical assistance to encourage the construction of accessory dwelling units.**

The City should hold periodic community workshops to review development standards for ADUs and provide technical assistance to interested homeowners. In addition, the City should update its existing informational sheet on the development standards, and consider preparing and distributing additional educational materials such as set of architect-designed prototypes that fit local requirements.

## **STRATEGY 9**

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### **Review the General Plan to Identify and Remove Barriers to Missing Middle Housing**

The City should undertake a review of the General Plan to determine if district boundaries and requirements should be modified to be more permissive of missing middle housing types, especially in areas in proximity to commercial and/or transit resources.

### **Implementation Actions**

#### **9-1. Undertake a review of the General Plan to determine if district boundaries and requirements should be modified to be more permissive of missing middle housing types, especially in areas in proximity to commercial and/or transit resources.**

## **STRATEGY 10**

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### **Partner with Private Groups Interested in Creating Co-housing or Other Shared Housing Communities**

Co-housing and shared housing communities can provide lower-cost options for households of all types, including alternatives for residents interested in downsizing while remaining in the community. Some

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<sup>23</sup> Karen Chapple, Jake Wegmann, Alison Nemirow, Colin Dentel-Post, "Yes in My Backyard: Mobilizing the Market for Secondary Units," University of California Center for Community Innovation, June 2012.

<sup>24</sup> Karen Chapple, Jake Wegmann, Farzad Mashhod, and Rebecca Coleman, "Jumpstarting the Market for Accessory Dwelling Units: Lessons Learned from Portland, Seattle and Vancouver," Urban Land Institute, 2017.

models offer opportunities for mutually supportive housing options and/or provision of services for elderly residents. Models include:

- **Co-housing** communities are clusters of private homes with shared space. The private homes may be attached or detached units, each with their own private kitchen and other traditional amenities. Shared space can include a common kitchen and dining area, laundry facilities, and indoor and outdoor recreational facilities. Neighbors collaboratively manage shared space and plan community events like meals, meetings, and workdays.<sup>25</sup>
- Other **shared housing** models match unrelated people to share a home. This is an emerging concept, and is typically run by a private or non-profit entity. For example, Affordable Living for the Aging, a non-profit in Los Angeles, runs a shared housing program that helps screen and match housing providers and housing seekers who share a home in exchange for rent or services such as cleaning or cooking. In San Francisco and other high-cost cities, several start-ups are matching roommates, separating new apartments units into micro units to rent out separately, or creating “co-living” communities by purchasing or leasing homes and offering subleases to tenants for individual rooms.<sup>26</sup>

While co-housing and other shared housing community efforts are initiated and formed by private groups, the City can partner to support these activities.

### Implementation Actions

- 10-1. Review existing zoning ordinances to identify barriers to co-housing.** Determine whether there are barriers in El Cerrito’s existing zoning code that prohibit or discourage co-housing or other group home options.
- 10-2. Direct community groups interested in forming co-housing or other shared housing models to appropriate resources.** Potential resources include the Cohousing Association of the United States, and models like the Affordable Living for the Aging (ALA) Shared Housing program in Los Angeles.

## PILLAR D: INCREASE LOCAL FUNDING TO CONTINUE SUPPORTING DEVELOPMENT OF AFFORDABLE AND SPECIAL NEEDS HOUSING

The City plays an important role in facilitating the development of low income and special needs housing, working closely with Contra Costa County, affordable housing developers, and other stakeholders. However, the amount of funding that is available to the City of El Cerrito for affordable housing is limited, especially with the demise of the Redevelopment Agency. The implementation of many of the programs and policies outlined in this document will require raising additional revenues, either through a (countywide) bond measure or through new local charges on developers and property owners, as well as

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<sup>25</sup> The Cohousing Association of the United States, “What is Cohousing,” October 4, 2015, [http://www.cohousing.org/what\\_is\\_cohousing](http://www.cohousing.org/what_is_cohousing).

<sup>26</sup> Sarah Kessler, “Six Months Inside a Coliving House, Silicon Valley’s Answer to Urban Housing Problems,” *Fast Company*, June 19, 2016, <https://www.fastcompany.com/3047475/six-months-inside-a-co-living-house-silicon-valleys-answer-to-urban-housing-problems>; Kim Velsey, “Return of the S.R.O., with a Twist,” *New York Times*, May 19, 2017, [https://www.nytimes.com/2017/05/19/realestate/return-of-the-sro-with-a-twist.html?\\_r=0](https://www.nytimes.com/2017/05/19/realestate/return-of-the-sro-with-a-twist.html?_r=0); Adam Brinklow, “HomeShare rents out luxury apartments, cut up into 100-square foot units,” March 30, 2017, <https://sf.curbed.com/2017/3/30/15127760/homeshare-startup-partition-luxury-apartments-sf>.

partnering with affordable housing developers who will seek the majority of their financing from state and federal programs such as LIHTC. The following are specific strategies that the City can implement to accelerate affordable housing production, and to raise local funding to help attract affordable housing developers and leverage outside sources of funding.

11. Work with BART to develop affordable and mixed-income housing projects on BART property.
12. Coordinate transportation projects with affordable housing proposals to attract state funding through the AHSC program.
13. Provide land use incentives to developers that build a higher share of accessible units than required by law.
14. Explore new local taxes or fees to fund affordable housing in El Cerrito.
15. Work with other jurisdictions in Contra Costa County to place a countywide affordable housing bond on the ballot.
16. Monitor proposed state legislation that would create new funding sources for affordable housing.
17. **Defer or waive city fees for nonprofit affordable housing.**

## STRATEGY 11

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### Work with BART to Develop Affordable and Mixed-Income Housing Projects on BART Property

BART is an important partner in achieving the city's affordable housing goals. The BART Board of Directors recently approved an Affordable Housing Policy requiring that affordable housing account for no less than 20 percent of new housing units developed on BART property (measured cumulatively for all the housing development at each station) and 30 percent systemwide. BART owns approximately 20 acres of land in El Cerrito at the El Cerrito Del Norte and El Cerrito Plaza BART stations that are suitable for affordable and market-rate housing development.

#### Implementation Actions

- 11-1. Partner with BART to promote affordable housing development on BART lands.**

## STRATEGY 12

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### Coordinate Transportation Projects with Affordable Housing Proposals to Attract State Funding through the AHSC Program

The state's largest funding source for affordable housing development is currently the Affordable Housing for Sustainable Communities (AHSC) Program. To be eligible for AHSC funding, an affordable housing project must be paired with a sustainable transportation project that supports increased transit ridership, walking, or bicycling. There is an opportunity for El Cerrito to enhance the ability of affordable housing projects to receive AHSC grant funding by coordinating its capital improvement investments more closely with proposed projects.

#### Implementation Actions

- 12-1. Review capital improvement program and identify transportation projects that could be coordinated with affordable housing development.** The City of El Cerrito should identify potential projects that improve pedestrian and bicycle access or enhance transit, and coordinate the timing and location of those transportation projects with proposed affordable housing developments. This will allow affordable housing development projects to score more competitively when applying for AHSC grants.

## STRATEGY 13

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### Provide Land Use Incentives to Developers that Build a Higher Share of Accessible Units than Required by Law

Federal law requires market-rate and affordable housing developments to set aside a share of units for residents with accessibility needs. Encouraging or incentivizing market-rate projects to provide more accessible units than the minimum required would provide even more options for the aging and disabled population of El Cerrito.

#### Implementation Actions

- 13-1. Modify the City's Incentive Zoning and San Pablo Avenue Specific Plan Tier IV processes to include the provision of accessible units as a community benefit.** The existing Incentive Zoning and Tier IV programs allow developers to provide a variety of community benefits in exchange for flexibility in meeting development standards. The list of community benefits should be expanded to include accessible units.

## STRATEGY 14

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### Explore New Local Taxes or Fees to Fund Affordable Housing

In the past, El Cerrito has provided limited grant or loan funds, and in some cases, city-owned lands for affordable housing development through utilization of the 20 percent housing set aside required by Redevelopment law. Local funding is important for leveraging other federal and state resources. However, since the dissolution of the Redevelopment Agency, the City does not currently have a dedicated or ongoing funding source and does not have any additional land resources at this time. New local taxes or fees would provide the City with an ongoing local source of funding to leverage state or federal grant programs and implement its affordable housing activities.

Some potential options to raise local funds include a new business license tax on multifamily rental properties, or enacting a property transfer tax. To implement a property transfer tax, El Cerrito would need to become a charter city. To adopt either of these new tax options, and to become a charter city, the City would need to obtain voter approval.

#### Implementation Actions

- 14-1. Consider the potential for implementing new local taxes or fees that could support affordable housing.** The City should continue to explore potential options for raising new funds for affordable housing at the local level, examining the required steps for imposing them, the limitations to spending, the potential revenues gained, and the costs of administration.

## STRATEGY 15

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### Work with Other Jurisdictions in Contra Costa County to Place a Countywide Affordable Housing Bond on the Ballot

A survey of recent low-income housing projects revealed that on average, the local contribution from jurisdictions in Contra Costa County is lower than in other Bay Area counties. This is in large part due to the dissolution of redevelopment, which eliminated the biggest source of subsidy for affordable housing at the local level.<sup>27</sup>

A general obligation bond measure could provide a new local source of funding for affordable housing across the county, including rental housing development and rehabilitation, tenant displacement assistance, and/or homeownership assistance. A bond measure would require two-thirds approval by voters to pass.

Similar affordable housing bond measures passed in 2016 in Alameda County, San Francisco, Oakland, and Santa Clara County. While an affordable housing bond measure has not been proposed in Contra Costa County, there has been interest among advocates in holding meetings to discuss a countywide strategy. The City of El Cerrito could engage as a participant in these discussions.

#### Implementation Actions

- 15-1. Attend meetings with advocates, staff, and elected leaders of various jurisdictions in Contra Costa County.** The City should participate in meetings convened by advocates or other Contra Costa County cities to discuss the potential for placing a bond measure on the ballot at the countywide scale.

## STRATEGY 16

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### Monitor Proposed State Legislation that would Create New Funding Sources for Affordable Housing

In the 2016-2017 legislative session, the state legislature is considering a number of bills that would create new funding sources for affordable housing, including:

- **Building Homes and Jobs Act (Senate Bill 2):** Establishes a \$75 document recording fee on real estate transactions. 50% of collected fees would be distributed directly to local governments; the remainder would be allocated by the state on a competitive basis.
- **Bring California Home Act (Assembly Bill 71):** Eliminates the state mortgage interest deduction on vacation homes. The resulting increase in state tax revenues would be used to increase the Low Income Housing Tax Credit (LIHTC) program by \$300 million a year.
- **Affordable Housing Bond Act of 2018 (Senate Bill 3):** Authorizes the issuance of \$3 billion in bonds to finance various housing programs.

With the exception of the Building Homes and Jobs Act, which would allocate 50 percent of funds directly to local governments, new state funds are likely to be allocated on a competitive basis. There is

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<sup>27</sup> Strategic Economics and Novin Development Corp., Funding Affordable Housing Near Transit in the Bay Area, prepared for the Great Communities Collaborative, May 2017, <http://www.greatcommunities.org/archives/1434>.



significant uncertainty about which if any of the proposed bills will pass and ultimately be signed by the governor.

#### **Implementation Actions**

- 16-1. Monitor proposed state legislation that would create a new affordable housing bond measure, tax, and/or fee.** If passed, the City should encourage local affordable housing developers to pursue these sources for local projects

## **STRATEGY 17**

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### **Waive or Defer Fees on Affordable Housing Development**

Many cities, including Oakland, San Francisco, and San Jose, defer or waive certain development impact fees for affordable housing units. These fee reductions or waivers can help to reduce the cost of affordable housing development. As the City of El Cerrito updates its fee schedule, it can consider which of these can be waived or deferred for affordable units.

#### **Implementation Actions**

- 17-1. Waive or defer development fees for affordable housing units.**

## IV. IMPLEMENTATION PLAN

This section provides a framework for implementing the strategies and specific action items described in Chapter III. **The highest priority action items recommended for implementation are highlighted in red text.** In addition, the table provides the following information for each action item:

- **Lead agency:** Most of the actions are the primary responsibility of the City of El Cerrito, but in some cases other entities would take a lead role.
- **Potential partners:** Depending on the strategy, partners include private and affordable housing developers, landlords, community groups, regional agencies, other Contra Costa County jurisdictions, and others.
- **Timeline:** Based on urgency and availability of resources, the action items are prioritized as immediate (less than one year), short term (one to two years), or medium term (two to five years). Efforts that are already in progress are shown as “ongoing.”
- **Staff and financial resources required:** A description of the level of staff and financial resources required from the City of El Cerrito.
- **Housing Element Goals and Grand Jury Recommendations:** Notes the Housing Element Goals and 2016-17 Contra Costa Civil Grand Jury recommendations to which implementation actions correspond, where applicable. See Appendix B for a full list of the Grand Jury Recommendations and the City’s responses.

## AFFORDABLE HOUSING STRATEGY IMPLEMENTATION PLAN

| Implementation Strategies and Action Items                                                                                                            | Lead Agency        | Partners           | Timeline<br><i>Ongoing</i><br><i>Immediate &lt; 1 yr</i><br><i>Short = 1-2 yrs</i><br><i>Medium = 3-5 yrs</i> | Staff Resources Required                                                                                                                                                                                      | Financial Resources Required                                          | Housing Element Goals (1) | Grand Jury Recommendation (2) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------|-------------------------------|
| <b>PILLAR A: LEVERAGE PRIVATE DEVELOPMENT TO ADDRESS AFFORDABLE HOUSING NEEDS</b>                                                                     |                    |                    |                                                                                                               |                                                                                                                                                                                                               |                                                                       |                           |                               |
| <b>Strategy 1: Establish a New Inclusionary Zoning Policy and/or Enact New Housing Impact Fees for Affordable Housing</b>                             |                    |                    |                                                                                                               |                                                                                                                                                                                                               |                                                                       |                           |                               |
| 1-1. Conduct a nexus study and financial feasibility analysis to establish recommended affordable housing impact fees on new residential development. | City of El Cerrito | Private Developers | Immediate                                                                                                     | Staff time necessary for oversight of the study, establishment of the fee and ordinance. Some additional staff time needed for ongoing implementation, including collection and distribution of fee revenues. | Initial funding needed for nexus study and establishment of new fees. | 2, 3                      | 5                             |
| 1-2. Consider implementing an inclusionary housing policy on ownership housing as an alternative to the affordable housing impact fee.                | City of El Cerrito | Private Developers | Immediate                                                                                                     | Staff time necessary for the establishment of policy. Additional staff time needed on ongoing basis to monitor and enforce the affordability requirements of the inclusionary units.                          | Initial funding needed for establishment of new ordinance.            | 2, 3                      | 2                             |
| 1-3. Identify potential nonprofits that could assist the City to ensure the long-term affordability                                                   | City of El Cerrito | Local nonprofits   | Ongoing                                                                                                       | Staff time necessary for contracting process; could                                                                                                                                                           | Funding for contracting out administrative costs                      | N/A                       | N/A                           |

| Implementation Strategies and Action Items                                                                                                                         | Lead Agency        | Partners           | Timeline<br><i>Ongoing</i><br><i>Immediate &lt; 1 yr</i><br><i>Short = 1-2 yrs</i><br><i>Medium = 3-5 yrs</i> | Staff Resources Required                                     | Financial Resources Required                                        | Housing Element Goals (1) | Grand Jury Recommendation (2) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------|---------------------------|-------------------------------|
| of rental and ownership inclusionary units.                                                                                                                        |                    |                    |                                                                                                               | reduce ongoing staff needs for implementation.               |                                                                     |                           |                               |
| 1-4. Explore partnership opportunities for workforce housing initiatives with major employers in the county.                                                       | City of El Cerrito | Major employers    | Medium                                                                                                        | Staff time necessary for coordination.                       | City could potentially contribute funding, if available.            | 2                         | N/A                           |
| <b>Strategy 2: Monitor the Effectiveness of the City's Existing Incentive Programs in Delivering Affordable Housing Units</b>                                      |                    |                    |                                                                                                               |                                                              |                                                                     |                           |                               |
| 2-1. Continue to monitor the San Pablo Avenue Specific Plan and the City's other incentive programs for their effectiveness in providing affordable housing units. | City of El Cerrito | Private Developers | Ongoing                                                                                                       | Minimal staff time necessary for continued implementation.   | Minimal financial resources necessary for continued implementation. | 2, 3                      | 1                             |
| <b>PILLAR B: EXPLORE AND IMPLEMENT POLICY OPTIONS TO REDUCE THE RISK OF DISPLACEMENT</b>                                                                           |                    |                    |                                                                                                               |                                                              |                                                                     |                           |                               |
| <b>Strategy 3: Partner with Local Affordable Housing Developers and Property Owners/Managers to Preserve Existing Deed-Restricted Housing</b>                      |                    |                    |                                                                                                               |                                                              |                                                                     |                           |                               |
| 3-1. Continue monitoring assisted units and partner with local affordable housing providers to maintain the affordability of expiring units.                       | City of El Cerrito | Property owners    | Immediate/Ongoing                                                                                             | Ongoing staff time to track units and monitor affordability. | Limited beyond required staff time.                                 | 1                         | 3, 15                         |

| Strategy 4: Implement Policies to Preserve the Low-Cost Housing Stock                                                                       |                    |                                             |                   |                                                                                     |                                                                                                                                          |   |     |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------|-------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---|-----|
| 4-1. Explore possible funding sources or programs to minimize the financial impact of retrofits on low- and moderate-income residents.      | City of El Cerrito | Federal, Regional, and County funders       | Short/Medium Term | Ongoing staff time to monitor funding availability                                  | Some grant applications may require a local match.                                                                                       | 1 | N/A |
| 4-2. Consider enacting an ordinance to regulate the demolition of existing housing units, including requiring tenant relocation assistance. | City of El Cerrito | Landlords; Tenants; Community Organizations | Immediate         | Staff time necessary for the study and design of ordinance and ongoing enforcement. | Financial resources required for initial study and launch of ordinance. Minimal financial resources needed for continued implementation. | 1 | N/A |
| 4-3. Monitor the Metropolitan Transportation Commission's Naturally Occurring Affordable Housing (NOAH) pilot program.                      | City of El Cerrito | Metropolitan Transportation Commission      | Ongoing           | Limited staff time necessary to track pilot program.                                | Minimal.                                                                                                                                 | 1 | N/A |
| Strategy 5: Consider Implementing New Short-Term Rental Restrictions                                                                        |                    |                                             |                   |                                                                                     |                                                                                                                                          |   |     |
| 5-1. Update short-term rental ordinance                                                                                                     | City of El Cerrito | N/A                                         | Short             | Staff time necessary for tracking listings.                                         | Limited beyond required staff time.                                                                                                      | 1 | N/A |

| Strategy 6: Explore Potential Tenant Protection Policies                                                                 |                     |                                             |              |                                                                                                                      |                                                                                                                                              |   |     |
|--------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---|-----|
| 6-1. Continue to study potential tenant protection options and evaluate the success of existing programs in peer cities. | City of El Cerrito  | Landlords; Tenants; Community Organizations | Short        | Staff time necessary for the study and (potentially) design of ordinance and ongoing enforcement and implementation. | Financial resources required for initial study and launch of program. Many tenant protection programs are operated on a cost-recovery basis. | 1 | N/A |
| Strategy 7: Partner with Contra Costa County Homelessness Services                                                       |                     |                                             |              |                                                                                                                      |                                                                                                                                              |   |     |
| 7-1. Partner with Contra Costa County to expand outreach and services to homeless persons.                               | Contra Costa County | City of El Cerrito; Community organizations | Ongoing      | Staff time necessary to coordinate with County staff.                                                                | Limited beyond required staff time.                                                                                                          | 1 | N/A |
| PILLAR C: ENCOURAGE DEVELOPMENT OF “MISSING MIDDLE” HOUSING TYPES                                                        |                     |                                             |              |                                                                                                                      |                                                                                                                                              |   |     |
| Strategy 8: Encourage the Development of Accessory Dwelling Units                                                        |                     |                                             |              |                                                                                                                      |                                                                                                                                              |   |     |
| 8-1. Provide technical assistance to encourage the construction of accessory dwelling units.                             | City of El Cerrito  | Homeowners                                  | Short        | Periodic resources staff time needed to develop educational materials and/or provide technical assistance.           | Financial resources needed for design and dissemination of educational and support materials for homeowners.                                 | 2 | N/A |
| Strategy 9: Review the General Plan to Identify and Remove Barriers to Missing Middle Housing                            |                     |                                             |              |                                                                                                                      |                                                                                                                                              |   |     |
| 9-1. Undertake a review of the General Plan to                                                                           | City of El Cerrito  | N/A                                         | Short/Medium | Staff time required to                                                                                               | Limited beyond required staff                                                                                                                | 2 | N/A |

determine if district boundaries and requirements should be modified to be more permissive of missing middle housing types, especially in areas in proximity to commercial and/or transit resources.

review General Plan and proposed modifications.

time.

#### Strategy 10: Partner with Private Groups Interested in Creating Co-housing or Other Shared Housing Communities

|                                                                            |                    |                  |        |                                           |                                     |   |     |
|----------------------------------------------------------------------------|--------------------|------------------|--------|-------------------------------------------|-------------------------------------|---|-----|
| 10-1. Review existing zoning ordinances to identify barriers to co-housing | City of El Cerrito | Community groups | Medium | Some staff time to review existing zoning | Limited beyond required staff time. | 3 | N/A |
|----------------------------------------------------------------------------|--------------------|------------------|--------|-------------------------------------------|-------------------------------------|---|-----|

|                                                                                                                        |                    |                  |        |                                                              |                                     |   |     |
|------------------------------------------------------------------------------------------------------------------------|--------------------|------------------|--------|--------------------------------------------------------------|-------------------------------------|---|-----|
| 10-2. Direct community groups interested in forming co-housing or other shared housing models to appropriate resources | City of El Cerrito | Community groups | Medium | Some staff time to identify potential third party resources. | Limited beyond required staff time. | 3 | N/A |
|------------------------------------------------------------------------------------------------------------------------|--------------------|------------------|--------|--------------------------------------------------------------|-------------------------------------|---|-----|

#### PILLAR D: INCREASE LOCAL FUNDING TO CONTINUE SUPPORT OF LOW INCOME AND SPECIAL NEEDS HOUSING DEVELOPMENT

#### Strategy 11. Work with BART to Develop Affordable and Mixed-Income Housing Projects on BART Property

|                                                                                  |      |                                                                   |         |                                                                       |                                     |         |   |
|----------------------------------------------------------------------------------|------|-------------------------------------------------------------------|---------|-----------------------------------------------------------------------|-------------------------------------|---------|---|
| 11-1. Partner with BART to promote affordable housing development on BART lands. | BART | City of El Cerrito; Market-rate and affordable housing developers | Ongoing | Staff resources needed to facilitate and manage agreements with BART. | Limited beyond required staff time. | 2, 3, 5 | 1 |
|----------------------------------------------------------------------------------|------|-------------------------------------------------------------------|---------|-----------------------------------------------------------------------|-------------------------------------|---------|---|

#### Strategy 12. Coordinate Transportation Projects with Affordable Housing Proposals to Attract State Funding through the AHSC Program

|                                                                                                                                                                    |                         |                                                                     |        |                                                                                                                    |                                     |         |   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------|---|
| 12-1. Review capital improvement program and identify transportation projects that could be coordinated with affordable housing development.                       | City of El Cerrito      | Affordable housing developers                                       | Short  | Staff resources required to review capital improvement projects and coordinate with affordable housing developers. | Limited beyond required staff time. | 2, 3, 5 | 1 |
| <b>Strategy 13. Provide Land Use Incentives to Developers that Build a Higher Share of Accessible Units than Required by Law</b>                                   |                         |                                                                     |        |                                                                                                                    |                                     |         |   |
| 13-1. Modify the City's Incentive Zoning and San Pablo Avenue Specific Plan Tier IV processes to include the provision of accessible units as a community benefit. | City of El Cerrito      | Affordable housing developers                                       | Short  | Staff resources required to review and amend zoning ordinance.                                                     | Limited beyond required staff time. | 2, 3    | 1 |
| <b>Strategy 14. Explore New Local Taxes or Fees to Fund Affordable Housing</b>                                                                                     |                         |                                                                     |        |                                                                                                                    |                                     |         |   |
| 14-1. Consider the potential for implementing new local taxes or fees for affordable housing.                                                                      | City of El Cerrito      | Community groups                                                    | Medium | Significant staff time necessary to place measure on the ballot.                                                   | Limited beyond required staff time. | 1, 2, 3 | 7 |
| <b>Strategy 15. Work with Other Jurisdictions in Contra Costa County to Place a Countywide Affordable Housing Bond on the Ballot</b>                               |                         |                                                                     |        |                                                                                                                    |                                     |         |   |
| 15-1. Attend meetings with advocates, staff, and elected leaders of various jurisdictions in Contra Costa County                                                   | Community organizations | City of El Cerrito; Other cities in the County; Contra Costa County | Short  | Limited to coordination with County.                                                                               | Limited beyond required staff time. | 1, 2, 3 | 7 |
| <b>Strategy 16. Monitor Proposed State Legislation that would Create New Funding Sources for Affordable Housing</b>                                                |                         |                                                                     |        |                                                                                                                    |                                     |         |   |



|                                                                                                                   |                     |                                                                                     |                 |          |         |   |   |
|-------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------|-----------------|----------|---------|---|---|
| 16-1. Monitor proposed state legislation that would create a new affordable housing bond measure, tax, and/or fee | State of California | Other cities in the state; affordable housing advocacy organizations and developers | Short to Medium | Limited. | Limited | 2 | 7 |
|-------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------|-----------------|----------|---------|---|---|

#### Strategy 17. Monitor Proposed State Legislation that would Create New Funding Sources for Affordable Housing

|                                                                                  |            |                                                       |       |          |         |   |   |
|----------------------------------------------------------------------------------|------------|-------------------------------------------------------|-------|----------|---------|---|---|
| 17-1. Consider deferring or waiving city fees for affordable housing development | El Cerrito | Affordable housing developers; advocacy organizations | Short | Limited. | Limited | 2 | 7 |
|----------------------------------------------------------------------------------|------------|-------------------------------------------------------|-------|----------|---------|---|---|

(1) Housing Element Goals:

1. Conserve and improve El Cerrito's existing housing supply.
2. Facilitate and encourage the development of housing to meet regional housing needs allocations.
3. Expand housing opportunities for the elderly, the disabled, households with very-low to moderate income, and for persons with special housing needs.
4. Promote housing opportunities for all persons regardless of race, age, marital status, ancestry, national origin, or color.
5. Promote energy efficiency in the location, construction, renovation and maintenance of housing units.

(2) See Appendix B.

## APPENDIX A: PDA MARKET STUDY UPDATE

This appendix summarizes population and household characteristics within the City of El Cerrito and nearby cities, reviews recent trends in market-rate rents and sales prices, and discusses recent and planned development of affordable and market-rate housing within the PDA and citywide. The memorandum updates a previous market analysis that Strategic Economics completed for the PDA in January 2016, and was used to inform the development of implementation actions for the AH Strategy.

### POPULATION AND HOUSING CHARACTERISTICS

This section provides an overview of demographic and housing characteristics within El Cerrito compared to nearby cities including Richmond, Albany, Berkeley, Emeryville, Oakland, and San Leandro (referred to as “the Inner East Bay” below). According to brokers, home buyers and renters in El Cerrito typically search for housing in other communities in the Inner East Bay, including Richmond, Albany, Berkeley, Emeryville, and Oakland. El Cerrito is particularly attractive for households who prefer to live near a BART station, but have been priced out of San Francisco, Berkeley or Oakland. San Leandro was included in the analysis as a point of reference because is another community with two BART stations that is increasingly attracting households who are priced out of other Inner East Bay cities. Like El Cerrito, San Leandro has also experienced a rapid increase in housing prices in the last several years.

Within El Cerrito, the analysis compares demographic and housing characteristics in two subareas: the “Flatlands” (the neighborhoods surrounding the PDA, located west of Ashbury Avenue/Navalier Street/Key Boulevard) and the “Hills” (east of Ashbury Avenue/Navalier Street/Key Boulevard). The Flatlands and Hills geographies used for this analysis were determined by Census Tract boundaries. However, the two subareas generally reflect the distinctive characteristics (in terms of topography and housing stock) of the flatter neighborhoods to the west where most of the City’s multifamily housing is concentrated, and the hillier neighborhoods to the east which are predominantly single-family in character.

Figure 11 shows the Flatland and Hills subarea geographies. Figures 12 and 13 summarize key population and household characteristics for the Inner East Bay cities and the subareas, respectively.

Compared to the other cities in the Inner East Bay, El Cerrito is characterized as follows:

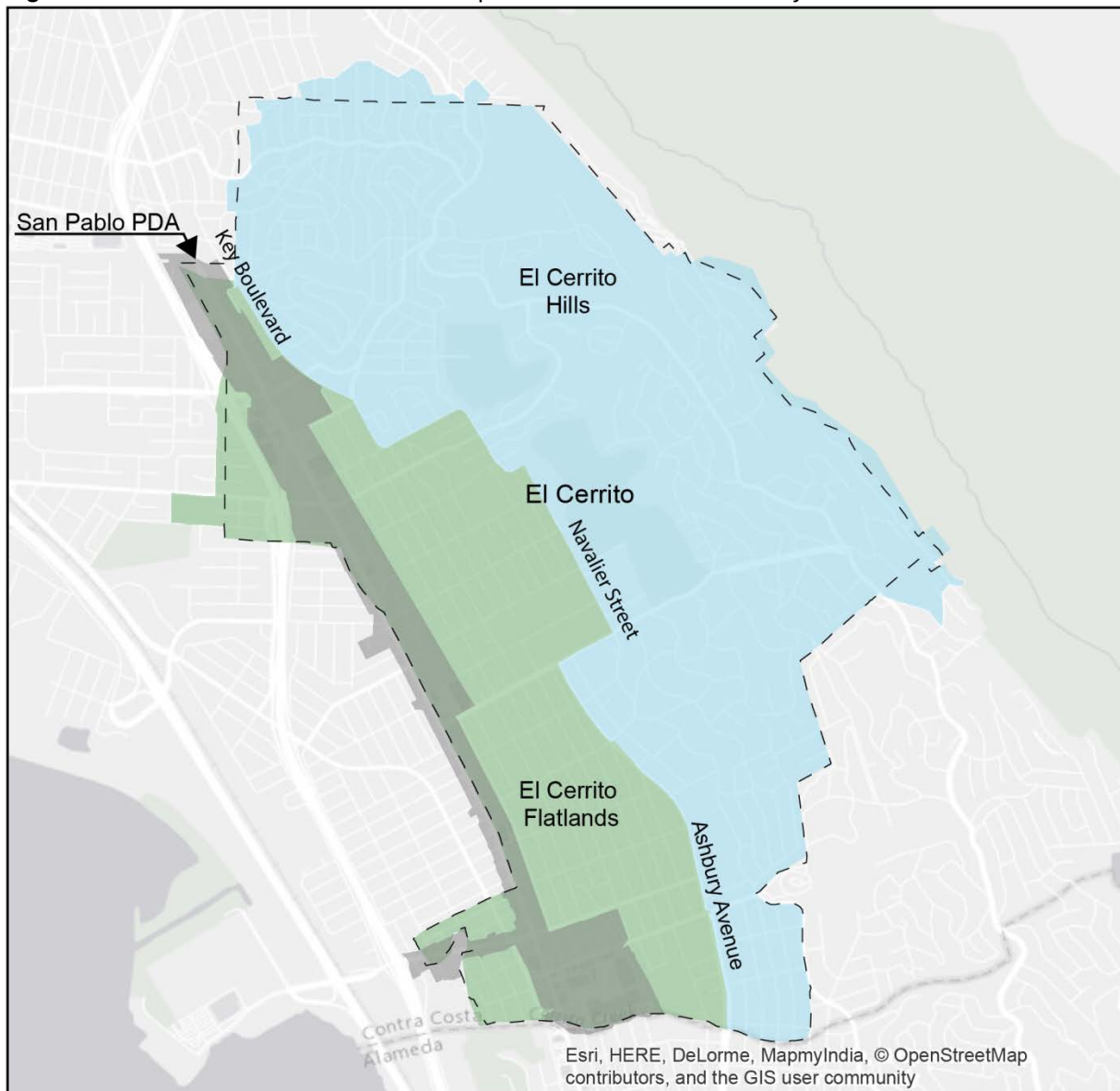
- **Higher share of single-family homes:** Three-quarters of El Cerrito households live in single-family homes.
- **Relatively small multifamily housing stock:** El Cerrito has approximately 2,600 multifamily units – a smaller stock than even the cities of Albany or Emeryville, which have smaller populations. El Cerrito’s multifamily housing stock is also concentrated in relatively small buildings (fewer than 50 units).
- **Fewer renters:** Forty-one percent of households in El Cerrito rent, a lower share than the other cities in the Inner East Bay. Only 22 percent of single-family households are renters, a lower share than in all the other cities except Berkeley.
- **Relatively high income:** At over \$88,000, median household incomes in El Cerrito are almost \$10,000 higher than any other city in the Inner East Bay (and comparable to the median household income for the nine-county Bay Area, which was \$89,000 in 2015).

Within El Cerrito, housing characteristics vary significantly between the Flatlands and the Hills. In particular:

- **Multifamily households and renters are concentrated in the Flatlands.** Nearly two-thirds of households in the Flatlands are renters, and almost half live in multifamily units. In comparison, 15 percent of households in the Hills rent, and just three percent in multifamily units.
- **The population in the Flatlands is younger.** Less than 20 percent of the population in the Flatlands is over the age of 65, compared to almost a third of the population in the Hills. A slightly higher share of households in the Flatlands include children.
- **Households in the Flatlands tend to have lower incomes.** The median household income is \$67,014 in the Flatlands, compared to \$104,419 in the Hills.

Note that there may be variation in housing stock, household incomes, and other characteristics within the Flatland and Hills geographies used for this analysis.

**Figure 11:** El Cerrito Subareas Used for Population and Household Analysis



### El Cerrito Subareas

-  City of El Cerrito
-  San Pablo Ave PDA
-  El Cerrito Hills
-  El Cerrito Flatlands

Sources: US Census, 2016; City of El Cerrito, 2017; Strategic Economics, 2017.



**Figure 12:** Selected Demographic and Housing Characteristics in the Inner East Bay, 2011-2015

|                                                                     | <b>El Cerrito</b> | <b>Richmond</b> | <b>Albany</b> | <b>Berkeley</b> | <b>Emeryville</b> | <b>Oakland</b> | <b>San Leandro</b> |
|---------------------------------------------------------------------|-------------------|-----------------|---------------|-----------------|-------------------|----------------|--------------------|
| Population                                                          | 24,418            | 107,597         | 19,249        | 117,384         | 10,830            | 408,073        | 88,329             |
| Households                                                          | 9,981             | 36,973          | 7,377         | 45,917          | 6,205             | 158,424        | 31,363             |
| Median Household Income                                             | \$88,737          | \$55,102        | \$79,596      | \$66,237        | \$77,806          | \$54,618       | \$62,761           |
| <b>Building Type/Size</b>                                           |                   |                 |               |                 |                   |                |                    |
| Number of Households:                                               |                   |                 |               |                 |                   |                |                    |
| Living in Single-family Units                                       | 7,377             | 24,046          | 4,002         | 22,057          | 816               | 76,755         | 21,051             |
| Living in Multifamily Units                                         | 2,583             | 12,674          | 3,371         | 23,732          | 5,327             | 81,001         | 9,475              |
| Percent of Total Households                                         |                   |                 |               |                 |                   |                |                    |
| Living in Single-family Units                                       | 74%               | 65%             | 54%           | 48%             | 13%               | 48%            | 67%                |
| Living in Multifamily Units                                         | 26%               | 34%             | 46%           | 52%             | 86%               | 51%            | 30%                |
| <b>Multifamily Housing by Building Size<br/>(Units in Building)</b> |                   |                 |               |                 |                   |                |                    |
| 2-4 units                                                           | 43%               | 41%             | 24%           | 36%             | 17%               | 35%            | 24%                |
| 5-49 units                                                          | 46%               | 48%             | 61%           | 51%             | 19%               | 48%            | 52%                |
| 50 or more units                                                    | 11%               | 11%             | 15%           | 13%             | 64%               | 18%            | 24%                |
| <b>Percent of Households Who Rent</b>                               |                   |                 |               |                 |                   |                |                    |
| All Households                                                      | 41%               | 51%             | 56%           | 57%             | 62%               | 60%            | 46%                |
| Households in Single-family Units                                   | 22%               | 31%             | 27%           | 21%             | 26%               | 30%            | 26%                |
| Households in Multifamily Units                                     | 95%               | 90%             | 89%           | 91%             | 68%               | 89%            | 92%                |

Source: American Community Survey 5-Year Estimates, 2011-2015; Strategic Economics, 2017.

**Figure 13: Selected Population and Household Characteristics Within El Cerrito, 2011-2015**

|                                 | Flatlands | Hills     | Total    |
|---------------------------------|-----------|-----------|----------|
| Population                      | 12,875    | 11,786    | 24,418   |
| Households                      | 5,253     | 4,900     | 9,981    |
| Median Household Income         | \$67,014  | \$104,419 | \$88,737 |
| Households Renting              | 64%       | 15%       | 41%      |
| Households in Multifamily Units | 46%       | 3%        | 26%      |
| Population Over 65              | 17%       | 29%       | 23%      |
| Families with Children          | 40%       | 36%       | 38%      |

Source: American Community Survey 5-Year Estimates, 2011-2015; Strategic Economics, 2017.

## HOME VALUES AND RENTS

**Home values and rents are rising rapidly in El Cerrito.** From 2010 to 2016, estimated average home values in El Cerrito increased by 41 percent, from \$540,000 to \$761,000. (Figure 14). The average rent for apartments in El Cerrito has risen 39 percent since 2010 – a faster rate of increase than most other cities in the Inner East Bay. (Figure 15). Rents appear to be stabilizing, with limited increases in the first two months of 2017 compared to 2016.

**Larger, newer rental buildings tend to command a premium.** Figure 16 shows average rents by building size. Figure 17 shows the rents for all the market-rate and mixed-income buildings in the PDA with 50 or more units for which data are available. In general, larger buildings command higher average rents than smaller buildings. The difference in rents may reflect factors such as age and availability of amenities (El Cerrito's larger buildings tend to be newer than the older housing stock, and some offer amenities such as exercise rooms) and property management practices (the city's larger apartment buildings are more often operated by professional management companies, who may be more likely than small, independent landlords to charge the highest rent that the market can bear).<sup>28</sup>

**Figure 14: Zillow Home Value Index for All Homes in El Cerrito and Market Cities, 2010-2016**

|             | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016        | %<br>Change<br>2010-<br>2016 |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|------------------------------|
| El Cerrito  | \$540,500 | \$465,900 | \$485,900 | \$612,600 | \$634,200 | \$721,200 | \$761,000   | 41%                          |
| Richmond    | \$207,000 | \$176,400 | \$181,800 | \$240,000 | \$305,000 | \$345,900 | \$407,600   | 97%                          |
| Albany      | \$574,900 | \$531,200 | \$538,000 | \$694,100 | \$714,300 | \$847,000 | \$885,100   | 54%                          |
| Berkeley    | \$665,500 | \$622,900 | \$640,300 | \$778,500 | \$803,800 | \$938,000 | \$1,001,000 | 50%                          |
| Oakland     | \$365,200 | \$321,700 | \$320,000 | \$419,700 | \$470,200 | \$540,900 | \$627,700   | 72%                          |
| Emeryville  | \$323,200 | \$247,500 | \$260,300 | \$329,300 | \$379,900 | \$437,100 | \$464,600   | 44%                          |
| San Leandro | \$350,000 | \$313,500 | \$306,800 | \$390,900 | \$441,900 | \$498,800 | \$545,800   | 56%                          |

Home Value Index is for June of each year, unless otherwise noted.

Source: Zillow Real Estate Research, 2017; Strategic Economics, 2017.

<sup>28</sup> To some extent, the rents may also reflect differences in unit mix; larger properties appear to have slightly more two-bedroom units and fewer studios and one-bedroom units compared to smaller properties. However, large properties also tend to have higher prices on a per square foot basis, and to have relatively small two-bedroom units. The data on unit mix and size are too limited to draw any clear conclusion on the relationship between these factors and average prices.

**Figure 15: Average Effective Apartment Rents in Inner East Bay Cities, 2010 through February 2017**

| City        | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | February 2017 | % Change 2010-2017 |
|-------------|---------|---------|---------|---------|---------|---------|---------|---------------|--------------------|
| El Cerrito  | \$1,467 | \$1,533 | \$1,641 | \$1,738 | \$1,827 | \$1,998 | \$2,053 | \$2,036       | 39%                |
| Richmond    | \$1,123 | \$1,127 | \$1,176 | \$1,226 | \$1,296 | \$1,408 | \$1,443 | \$1,437       | 28%                |
| Albany      | \$1,307 | \$1,353 | \$1,413 | \$1,510 | \$1,593 | \$1,684 | \$1,760 | \$1,763       | 35%                |
| Berkeley    | \$1,647 | \$1,671 | \$1,770 | \$1,836 | \$1,935 | \$2,086 | \$2,191 | \$2,205       | 34%                |
| Oakland     | \$1,263 | \$1,309 | \$1,363 | \$1,436 | \$1,513 | \$1,632 | \$1,646 | \$1,658       | 31%                |
| Emeryville  | \$1,987 | \$2,123 | \$2,321 | \$2,442 | \$2,563 | \$2,844 | \$2,784 | \$2,809       | 41%                |
| San Leandro | \$1,181 | \$1,210 | \$1,259 | \$1,336 | \$1,434 | \$1,629 | \$1,697 | \$1,708       | 45%                |

Average effective rent reflects buildings and units of all sizes annually.  
 Sources: CoStar, February 2017; Strategic Economics, 2017.

**Figure 16: Multifamily Inventory Characteristics by Building Size**

| Building Size         | % of Buildings | % of Units | Average Effective Rent (Weighted) | Buildings with Rent Data Available |
|-----------------------|----------------|------------|-----------------------------------|------------------------------------|
| Fewer than 5 units    | 51%            | 18%        | \$1,306                           | 9                                  |
| 5 to 20 units         | 41%            | 36%        | \$1,262                           | 20                                 |
| 21 to 50 units        | 6%             | 20%        | \$2,120                           | 6                                  |
| Greater than 50 units | 2%             | 26%        | \$2,266                           | 3                                  |

Average Effective Rent has been weighted by number of units in each building where rent numbers were currently available.  
 Note that building/unit data do not match Figure 13, above, because the figures reflect information from different data sources.  
 Source: CoStar, February 2017; Strategic Economics, 2017.

**Figure 17: Medium and High Density Multifamily Market-Rate Housing on San Pablo Avenue**



### **Civic Plaza Apartments**

**Year Built:** 1988  
**Total Units:** 162  
**Affordable Units:** 0  
**Average Rent for a 2 bedroom unit:** \$2,186  
**Average Rent Per Square Foot for a 2 bedroom unit:** \$2.63  
**Vacancy Rate:** 0%



### **Village at Town Center**

**Year Built:** 2007  
**Total Units:** 158  
**Affordable Units:** 5 low income, 19 moderate income  
**Average Rent for a 2 bedroom unit:** \$2,605  
**Average Rent Per Square Foot for a 2 bedroom unit:** \$2.59  
**Vacancy Rate:** 6.3%



### **Creekside Walk**

**Year Built:** 2017 (Under Construction)  
**Total Units:** 128  
**Affordable Units:** 6 low income, 13 moderate income  
**Average Rent for a 2 bedroom unit:** \$3,226\*  
**Average Rent Per Square Foot for a 2 bedroom unit:** \$2.98  
**Vacancy Rate:** Unknown



### **Del Norte Place Apartment Homes**

**Year Built:** 1992  
**Total Units:** 135  
**Affordable Units:** 27 very low income  
**Average Rent for a 2 bedroom unit:** \$2,574  
**Average Rent Per Square Foot for a 2 bedroom unit:** \$2.90  
**Vacancy Rate:** 5.9%

\*Asking (rather than effective) rents.

Projects shown include all market-rate and mixed-income developments in the PDA with 50+ units, for which data are available.  
 Sources: CoStar, February 2017; Civic Plaza Apartments, 2015; Del Norte Place Apartment Homes, 2015; City of El Cerrito, 2017; Strategic Economics, 2017.



## NEW RESIDENTIAL DEVELOPMENT

**The City’s planning efforts have succeeded in setting clear expectations for developers.** Developers report that the San Pablo Avenue Specific Plan and its programmatic EIR have helped to create a welcoming environment for developers by setting clear, achievable guidelines and reducing the risk of costly delays.

**El Cerrito is starting to attract new, higher density development.** From 2000 to 2016, El Cerrito had only one new market-rate, multifamily development: the 182-unit Village at Town Center. As of early 2017, however, Creekside Walk, also known as Metro 510 (128 market-rate units) is nearing completion and more than 1,000 additional market-rate units are planned or proposed (Figure 18). Most of the new planned development is in the PDA, with the exception of several small projects on El Dorado and Elm Streets. Product types and densities vary from small-scale infill townhomes to high density apartments and condominiums.

**Most of the proposed development is located within one-half mile of the BART stations.** This reflects the fact that, according to brokers and developers, demand for multifamily units is driven by young singles or couples who work in San Francisco or Oakland and value proximity to BART for the commute. In addition, developers are taking advantage of the higher densities and lower parking ratios that the San Pablo Avenue Specific Plan allows for sites located within a half-mile of BART. Over the past several years, a majority of the development proposals have been clustered in the southern part of the PDA, around the Downtown and El Cerrito Plaza BART station. According to brokers and developers, rents tend to be higher in this area. However, several large projects have recently been proposed near the Del Norte BART station, including the 223-unit “Mayfair project” and the 146-unit “Baxter Creek Apartments.” The northern part of the PDA has the potential for larger projects because of the larger parcel sizes in this area, while there are opportunities for smaller infill projects in the southern part of the PDA.

**The market for new development in the Bay Area may be starting to slow.** Plateauing rents and rising interest rates are creating a perception among brokers and developers that the market for new development may have peaked. In addition, historically high construction costs – in excess of \$300 per square foot of rentable area for a four-story wood frame building – are creating challenges for new development outside of the highest priced areas in the region (for example, in San Francisco, where the median asking rent for a two-bedroom unit in April 2017 was over \$4,000<sup>29</sup>). These trends suggest that some of the planned development in El Cerrito and around the region may not move forward until the next market cycle.

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<sup>29</sup> Abodo, “New Orleans Faces Highest Rent Hike for April 2017,” April 3, 2017, <https://www.abodo.com/blog/april-2017-national-apartment-report/>.

**Figure 18:** Recent, Planned, and Proposed Development Projects in El Cerrito, June 30, 2017 (1)

| Name                     | Location                    | Product                                                | Affordable Units | Market-rate Units | Total Units | Commercial Space (SF) | Status                                                  |
|--------------------------|-----------------------------|--------------------------------------------------------|------------------|-------------------|-------------|-----------------------|---------------------------------------------------------|
| <b>Pre-Planning (2)</b>  |                             |                                                        |                  |                   |             |                       |                                                         |
| Former OSH Site (3)      | 1711 Eastshore Blvd         | Residential Mixed-Use w/ Car Dealership                | -                | 315               | 315         | 70,000                | Pre-planning; may include affordable and/or market-rate |
| Other Potential Projects |                             |                                                        |                  | 60                | 60          | -                     |                                                         |
| <b>Total Pre-Planned</b> |                             |                                                        | <b>-</b>         | <b>375</b>        | <b>375</b>  | <b>70,000</b>         |                                                         |
| <b>Proposed</b>          |                             |                                                        |                  |                   |             |                       |                                                         |
| Former Taco Bell         | 11965 San Pablo Ave         | Residential                                            | 10               | 136               | 146         | -                     | Proposed                                                |
| Mayfair                  | 11600 - 11690 San Pablo Ave | Residential Mixed-Use                                  | 67               | 156               | 223         | 10,572                | Proposed                                                |
| Cutting Hotel            | 11645 San Pablo Ave         | Hotel (117 Rooms)                                      | 0                | -                 | 0           | 2,500                 | Proposed; 117 Hotel Rooms                               |
| Village at Town Center   | 10810 San Pablo Ave         | Residential (Additional dwelling units on surface lot) | 0                | 40                | 40          | -                     | Proposed                                                |
| Former Guitar Center     | 10300 San Pablo Ave         | Residential / Live Work                                | 0                | 31                | 31          | -                     | Proposed                                                |
| TBD                      | 10290 San Pablo Ave         | Residential                                            | 0                | 14                | 14          | -                     | Proposed                                                |
| Former Rob's Auto        | 10192 San Pablo Ave         | Residential                                            | 0                | 21                | 21          | -                     | Proposed                                                |
| San Pablo Apartments     | 10963 San Pablo Ave         | Residential                                            | 0                | 50                | 50          | 2,867                 | Proposed                                                |
| McNevin                  | 10135 San Pablo Ave         | Residential Mixed-Use                                  | 0                | 73                | 73          | 4,115                 | Proposed                                                |
| Avenue Lofts             | 10167 San Pablo Ave         | Residential                                            | 0                | 62                | 62          | -                     | Proposed                                                |
| <b>Total Proposed</b>    |                             |                                                        | <b>77</b>        | <b>583</b>        | <b>660</b>  | <b>17,554</b>         |                                                         |

| Name                                             | Location                                                  | Product                      | Affordable Units | Market-rate Units | Total Units  | Commercial Space (SF) | Status             |
|--------------------------------------------------|-----------------------------------------------------------|------------------------------|------------------|-------------------|--------------|-----------------------|--------------------|
| <b>Approved</b>                                  |                                                           |                              |                  |                   |              |                       |                    |
| 1715 Elm Street                                  | 1715 Elm Street                                           | Residential                  | 0                | 14                | 14           | -                     | Approved           |
| El Dorado Townhomes                              | 5828 El Dorado St                                         | Residential                  | 0                | 29                | 29           | -                     | Approved           |
| Cinque Terre                                     | 10534 San Pablo Ave                                       | Residential Mixed-Use        | 0                | 5                 | 5            | 813                   | Approved           |
| El Dorado Apartments                             | 5730 El Dorado Street                                     | Residential                  | 0                | 9                 | 9            | -                     | Approved           |
| Central Ave Housing (Richmond)                   | 5260 Central Ave (Richmond)                               | Residential                  | 172 (4)          | -                 | 0            | -                     | Approved           |
| <b>Total Approved</b>                            |                                                           |                              | <b>0</b>         | <b>57</b>         | <b>57</b>    | <b>813</b>            |                    |
| <b>Under Construction or Recently Built</b>      |                                                           |                              |                  |                   |              |                       |                    |
| Hana Gardens Senior Housing Mixed-use Apartments | 10848 – 10860 San Pablo Ave                               | Senior Residential Mixed-Use | 62               | 1                 | 63           | 2,300                 | Under Construction |
| Creekside Walk                                   | 3080 El Cerrito Plaza North & 3080 El Cerrito Plaza South | Residential                  | 19               | 109               | 128          | -                     | Under Construction |
| Ohlone Gardens                                   | 6431 - 6495 Portola Dr                                    | Residential Mixed-Use        | 56               | 1                 | 57           | 4,650                 | Built; 2015        |
| Village at Town Center                           | 10810 San Pablo Ave                                       | Residential Mixed-Use        | 24               | 158               | 182          | -                     | Built; 2007        |
| <b>Total Under Construction/Built</b>            |                                                           |                              | <b>161</b>       | <b>269</b>        | <b>430</b>   | <b>6,950</b>          |                    |
| <b>Total Pipeline (5)</b>                        |                                                           |                              | <b>238</b>       | <b>909</b>        | <b>1,147</b> | <b>25,317</b>         |                    |

(1) Note that the City regularly updates development information. The most recent information can be found on the Planning Department's website.

(2) Only includes projects in the pre-planning phase that have already had a public meeting; units from other potential projects estimated based on information provided by City staff.

(3) This project has had a pre-planning study session at the Design Review Board. The project owner has stated that the project may include affordable units.

(4) As this project is in the City of Richmond, it is not included in the City's RHNA allocation.

(5) Does not include Pre-Planned projects

Source: City of El Cerrito, July 2017; Strategic Economics, 2017.

## APPENDIX B: GRAND JURY REPORT RECOMMENDATIONS

The following table summarizes how this AH Strategy relates to the recommendations in the 2016-2017 Contra Costa Civil Grand Jury report, available at the following website: [www.cc-courts.org/grandjury](http://www.cc-courts.org/grandjury).

| Recommendation                                                                                                                                                                                                                                                                                                      | Related Implementation Actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recommendation # 1: The city should consider increasing AH in PDAs.                                                                                                                                                                                                                                                 | <p>2-1. Continue to monitor the San Pablo Avenue Specific Plan and the City's other incentive programs for their effectiveness in providing affordable housing units.</p> <p>10-1. Partner with BART to promote affordable housing development on BART lands.</p> <p>11-1. Review capital improvement program and identify transportation projects that could be coordinated with affordable housing development.</p> <p>12-1. Modify the City's Incentive Zoning and San Pablo Avenue Specific Plan Tier IV processes to include the provision of accessible units as a community benefit.</p> |
| Recommendation # 2: The city should consider adopting an Inclusionary Housing Ordinance.                                                                                                                                                                                                                            | 1-2. Consider implementing an inclusionary housing policy on ownership housing as an alternative to the affordable housing impact fee.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Recommendation # 3: The city should explore rehabilitating existing housing stock as AH for purchase or rental and identify funding to do so.                                                                                                                                                                       | 3-1. Continue monitoring assisted units and partner with local affordable housing providers to maintain the affordability of expiring units.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Recommendation #4: The County should explore rehabilitating existing housing stock as AH for purchase or rental and identify funding to do so.                                                                                                                                                                      | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Recommendation # 5: The city should explore increasing existing 'impact fees' or 'linage fees' [sic] or enacting such fees in order to generate revenue with which to assist funding of AH.                                                                                                                         | 1-1. Conduct a nexus study and financial feasibility analysis to establish potential affordable housing impact fees on new residential development.                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Recommendation # 6: The city should consider designating an employee within the city's planning or housing department to coordinate with property management to maintain current waiting and interest lists of available AH and ensure information is posted on the city website, and identifying funding to do so. | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Recommendation # 7: The city should consider seeking federal, state, and local funding sources for AH.                                                                                                                                                                                                              | <p>13-1. Consider the potential for implementing new local taxes or fees for affordable housing.</p> <p>14-1. Attend meetings with advocates, staff, and elected leaders of various jurisdictions in Contra Costa County./</p> <p>15-1. Monitor proposed state legislation that would create a new affordable housing bond measure, tax, and/or fee</p>                                                                                                                                                                                                                                         |
| Recommendation # 8: The city should consider partnering with for-profit and not-for-profit builders to secure land suitable for AH and identify funding to do so.                                                                                                                                                   | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Recommendation                                                                                                                                                                                                                                   | Related Implementation Actions                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Recommendation # 9: The County should consider seeking federal, state, and local funding sources for AH.                                                                                                                                         | N/A                                                                                                                                         |
| Recommendation # 10: The County should consider partnering with for-profit and not-for-profit builders to secure land suitable for AH and identify funding to do so.                                                                             | N/A                                                                                                                                         |
| Recommendation # 11: The city should consider undertaking an education initiative in the earliest phase of affordable planning projects in order to alleviate community concerns regarding AH and identify funding to do so.                     | N/A<br><i>The City of El Cerrito actively engages the community throughout the planning process.</i>                                        |
| Recommendation # 13: The city should consider identifying all infill and vacant land not in PDAs and encourage use of it for AH through tax incentives, density bonuses, etc.                                                                    | N/A                                                                                                                                         |
| Recommendation # 15: The city should consider creating an easily accessible online central repository with all relevant information on deed-restricted housing units to assure that inventory of AH is maintained and identify funding to do so. | 3-1. Continue monitoring assisted units and partner with local affordable housing providers to maintain the affordability of expiring units |

Source: 2016-2017 Contra Costa Civil Grand Jury, Compliance and Continuity Report, Report 1701, <http://www.cc-courts.org/grandjury>.

## APPENDIX C: COMMUNITY WORKSHOP SUMMARY

As part of the process for developing the El Cerrito AH Strategy, the City of El Cerrito hosted two community workshops. The workshops provided opportunities for community members to learn about the project and about local and regional issues related to affordable housing, and to provide input on strategies for the City to pursue. This appendix summarizes the input received at the two workshops, and provides the PowerPoint slides from each workshop.

### COMMUNITY WORKSHOP #1: INTRO TO AFFORDABLE HOUSING

#### Workshop Overview

The first community workshop was held on Saturday, April 8, 2017 from 10 am to 12 pm. The public was invited to learn from a panel of industry experts about important affordable housing issues. Following the panelist presentations, there was a full group discussion in which members of the public asked questions and provided input on issues they would like to see addressed as part of the AH Strategy. Attendees were also asked to fill in comment cards. Approximately 25 members of the public attended.

#### Format

The event began with an introduction by Katherine Ahlquist and Melanie Mintz from the City of El Cerrito. Ms. Ahlquist and Ms. Mintz provided an overview of the City's recent planning efforts and increasing development interest, and discussed the City's goals for affordable housing which are focused on preserving and expanding housing opportunities for households with very low to moderate incomes and persons with special housing needs. Following the introduction by City staff, Sujata Srivastava from Strategic Economics provided an overview of the need for affordable housing in El Cerrito and the City's existing affordable housing policies and programs. Four panelists then provided presentations on affordable housing programs and policies. The four presenters included:

- Rick Jacobus, Principal of Street Level Advisors: "Building Inclusive Communities – Can We Share the Benefits of Growth?"
- Carolyn Bookhart, Housing Development Director, Resources for Community Development (RCD): "Affordable Housing Development"
- Elizabeth Wampler, Initiative Officer, Great Communities Collaborative/The San Francisco Foundation: "Anti-Displacement! Tools for Preserving Housing Affordability Near Transit"
- Abby Thorne-Lyman, Transit-Oriented Development Program Manager, Bay Area Rapid Transit (BART): "BART and Affordable Housing"

The panel discussion was followed by a full group discussion.

#### Public Input

The public comments are summarized below, as well as the responses provided by the consultants (Strategic Economics), panelists, and/or City staff.

- **Public Comment #1:**

- o Something needs to be done about the exorbitant profits of landlords and real estate developers.
- o Would like to suggest increasing the business license tax on rental properties.
  - Berkeley and another city passed one recently, got 70% of the vote, which shows that these types of measures can get the needed vote.
- o Berkeley is also considering increasing the real estate transfer tax, with provisions for first time homebuyers.
- o *Consultant/Panelist/Staff Response:*
  - El Cerrito would need to become a charter city in order to pass a transfer tax.
  - Another possibility is for a countywide affordable housing bond measure.
- **Public Comment #2:**
  - o Question about allowing second units on your personal properties. Particularly the requirement for two covered parking spaces. This makes it really challenging to use the ordinance.
  - o A workshop on how to do an ADU would be great.
  - o *Consultant/Panelist/Staff Response:*
    - The City is adjusting this based on the State Law. Also, mentioned that current ordinance does offer other methods of achieving the parking.
    - The first round of changes to the Second Unit Ordinance is to make El Cerrito consistent with the State Law, which does reduce some barriers to building second units. This will happen very soon (this month?). Next, this strategy may consider whether we should further change our second unit ordinance to encourage additional ADUs.
    - Future Planning Commission meeting will be focused on ADUs.
- **Public Comment #3:**
  - o Can the owner who is building second units restrict the unit to affordable?
  - o Is there a way to streamline the process for everybody instead of just for affordable housing?
  - o *Consultant/Panelist/Staff Response:*
    - Traditional affordable housing funds are not available for homeowners building ADUs, but some cities (e.g., Portland) have been considering asking homeowners to deed-restrict their units in return for incentives such as reduced parking requirements.
    - Absolutely, we should lean more towards less steps in the process but there are a few barriers that are unavoidable or necessary.
      - CEQA.
      - Design review: we still need to have some level of design review in order for some review of the design to ensure high quality development.
      - The San Pablo Avenue Specific Plan did a lot to streamline development, and we are seeing a spike in development proposals as a result.
- **Public Comment #4:**
  - o I am one of the folks interested in getting an ADU and would like to hear more about the changes to that ordinance.
  - o El Cerrito Progressives believes infill, such as ADUs, is the way to affordable housing. Thinks the process to go about getting an ADU is still very opaque.
  - o Suggestion to create a “how-to” guide for residents interested in building Second Units. Perhaps a decision tree and examples of what is allowed and who to speak with at the City at different stages. Also suggests something like an online system.

- **Public Comment #5:**

- What about Section 8? There are incentives for landlords to rent to “market rate” tenants rather than rent to Section 8 holders. Can anything be done to incentivize landlords to rent to Section 8 holders.
- There is a desperate need for housing for mentally ill people. Total misery trying to find housing for those who are mentally ill, they need resources. Can you tell us more about state propositions to provide funding for housing for mentally ill?
  - I’ve hear that Davis has a good example of housing for the mentally ill.
- *Consultant/Panelist/Staff Response:*
  - The County runs the Section 8 program. As a small city, El Cerrito should look for partnerships with the County and regional agencies.
  - There was a tax for mentally ill housing called the Mental Health Services Act.
  - Another initiative called the No Place Like Home fund, which allowed for proceeds from the Mental Health Services Act to be bonded so more money could be leveraged at once.
    - RCD has used the Mental Health Services Act money in several projects.
    - The new Bond instrument will take about 5-10 years to really get into action.
  - One last thing: when you are considering affordable ADUs, the issue will be how do you make up the cost of construction and help to make the difference between market rent and affordable rents. Those are the elements that need to be mitigated.
- **Public Comment #6:**
  - As a homeowner, I, and I suspect most people in single-family neighborhoods, will be concerned about those units become short term rental units (AirBnB, etc.). I would like to see something in place to limit all the ADUs becoming short term rentals.
  - Create an AirBnB (and similar) registry, restrict short term rental usage for whole units, only allow for shared units.
- **Public Comment #7:**
  - Support a Just Cause Eviction ordinance.
  - ADUs are important, particularly going beyond the state regulations because the cost to build new buildings is incredibly unaffordable. We aren’t going to solve affordability issues with the high cost of the construction. Referred to the \$500,000 per unit cost of affordable housing shown in Carolyn’s slide.
  - We need to be using the housing stock we have better, allow more people in existing housing, overcoming cultural conceptions of “crowding.”
    - ADUS and second units would be a great way to utilize existing housing stock
    - ADUs could be made more affordable by allowing for high quality modular construction
      - Example: Baby doublewides in a craftsman aesthetic.
        - Regulation needs to allow more flexibility for sewer hook-ups.
  - There is underutilization of spaces on San Pablo, can you tax, fine or whatever to encourage turn over to a productive use?
  - There is an opportunity for community investment in affordable housing.
    - Community action around affordable housing/Crowdfunding affordable housing.
      - Small return but investing in our community instead. Nice alternative to other potential investments.
      - Pool small amounts to contribute to larger projects.
  - *Consultant/Panelist/Staff Response:*
    - Construction costs are just insane; part of the problem is fewer people in the industry at the same time that there is a building boom → people+more work=rising costs.



- VTA is encouraging apprenticeships to train the next round of workers, and reduce the labor scarcity that is contributing to construction costs.
  - BART has not developed a formal policy on land costs and their discounts, we have done it before, but we are also in a deficit.
  - Reducing parking requirements can have a major impact on construction costs (most recent cost estimates are \$60k per parking space, up from \$35k).
  - Reducing construction costs (for example, by streamlining development approvals) doesn't necessarily result in lower housing prices (which are driven by what the market can bear, supply/demand). But could make it possible for development to be feasible in more parts of the Bay Area.
  - Seattle took advantage of the cyclical nature of construction costs by collecting in-lieu fees during the boom years, and then leveraging them to raise additional sources of subsidies. Units were built 4-5 years later, when construction costs were much lower. This resulted in more affordable units than would have been built by requiring developers to build affordable housing on site. And construction crews were kept busy during down cycle.
  - One reason for the high cost of development for affordable units is because affordable housing serves multiple policy goals – e.g., paying prevailing wages to workers, providing supportive services, etc.
- **Public Comment #8:**
    - Allow tiny homes as ADU. Home owners could save the cost of construction and just lease the land to a tenant that has a mobile tiny home. Makes it more affordable barrier to entry. Requires flexibility in construction codes and housing regs.
    - On underutilization and vacancy on San Pablo and homes, can we do something to fee or fine to encourage owners to use their property?
    - On TOD, requiring more retail space on the bottom is necessary to help people live without a car and trade off the reduced parking.
    - I love that the parking requirements are zero if you want to build it, I think it is really important to decouple parking from housing to allow for low car households, and lower cost housing.
  - **Public Comment #9:**
    - Just want to congratulate everyone on the panel, I think I was the second generation of people working on fair housing, after the 50s.
    - Also want to come back to the bonanza that landlords are getting from the incredible increase in market demand, nothing proactive. Think there is something else that needs to be done.
  - **Comment from City Council Member:** Paul Fadelli, El Cerrito City Council Member
    - Thanked everyone for coming.
    - There is a lot going on in Sacramento right now related to affordable housing. Keep an eye on:
      - A statewide bond for affordable housing.
      - Document fee bill (Atkins) to raise money for affordable housing.

## Comment Cards

Members of the public were asked to fill out comments cards before leaving. The comment cards asked for some information about attendees' relationship to El Cerrito (resident, business owner, etc.) and what affordable housing issues attendees thought should be addressed in the AH Strategy. Thirteen comment

cards were returned. Of the 13 attendees who returned comment cards, 10 were El Cerrito residents, including three renters and seven homeowners. One was an owner of rental units in El Cerrito, one was a commercial broker or landlord in Cerrito, and one was a business owner in El Cerrito.

Figure 19 shows the issues that respondents selected in response to the question “What affordable housing issues do you think should be addressed in the Affordable Housing Strategy?”

**Figure 19:** Responses to the Question, “What Affordable Housing Issues Do You Think Should Be Addressed in the Affordable Housing Strategy?”

| Issue                                       | Respondents | % of Total Respondents |
|---------------------------------------------|-------------|------------------------|
| New Affordable Housing                      | 11          | 85%                    |
| Senior Housing                              | 11          | 85%                    |
| Homelessness                                | 10          | 77%                    |
| Secondary/ Accessory Dwelling Units         | 9           | 69%                    |
| New Funding Sources for Affordable Housing  | 7           | 54%                    |
| Rising Rents                                | 6           | 46%                    |
| Rehabilitation/Upgrades to Existing Housing | 5           | 38%                    |
| First-Time Home Ownership                   | 4           | 31%                    |
| New Market-Rate Housing                     | 1           | 8%                     |
| <b>Total Respondents</b>                    | <b>13</b>   | <b>100%</b>            |

Other responses included:

- Rehab of other apartment buildings to house the homeless.
- I wholeheartedly support impact fees and requirements for affordable housing in new developments. I'd hope that you can build affordable housing that has access to shared zip cars or the like. I urge you to consider market rate housing that is marketed to those that wish to drive less, in keeping with our green city.
- Just cause eviction policy. Community based Investment instead of conventional lending. Direct Public Offering (DPO). Policy to discourage underutilization on San Pablo (fine/tax with exception for temporary use.) Inclusionary housing ordinance. Co-housing. Tiny/modular housing standards and greywater and composting toilets to avoid sewer hookups.
- Some sort of "Just Cause Eviction Ordinance" so that affordable housing isn't destroyed and poor people evicted as happened with Audiss where there are now 4 single-family homes are boarded up and empty spaces where RV were located and 40-50 people (low-income) were evicted.
- I think it's good to have mixed groups of people - not all seniors together, not all high income, but a mix of both.
- Explore "tiny" houses.
- Inclusionary @20%. Eliminate public art req. for affordable.
- Subsidized housing for mentally ill.
- Infill and new/innovative uses for existing structures

## COMMUNITY WORKSHOP #2: AFFORDABLE HOUSING POLICY RECOMMENDATIONS

## Workshop Overview

The City of El Cerrito hosted the second workshop on May 26, 2017 from 7 to 8:30 p.m. The purpose of the workshop was present proposed implementation strategies to address the city's affordable housing goals, educate community members on the opportunities and constraints for implementation, and obtain input regarding the community's priorities. The workshop included a presentation, an open house, and a public comment period. Attendees were also provided with cards to provide additional comments. Approximately 30 members of the public attended. Mayor Janet Abelson and City Council Member Paul Fadelli were also in attendance.

## Format

The workshop began with an introduction from Melanie Mintz from the City of El Cerrito. Sujata Srivastava from Strategic Economics next gave a brief overview of the purpose, schedule, and process of the AH Strategy, and a brief overview of each of the five strategies being proposed:

- Strategy 1: Leverage Private Development to Contribute to Affordable Housing Needs
- Strategy 2: Reduce Risk of Displacement
- Strategy 3: Encourage Development of “Missing Middle” Housing That Serve Low and Middle Income Households
- Strategy 4: Continue to Support Development of Low Income and Special Needs Housing
- Strategy 5: Increase Local Funding for Affordable Housing

The public was then asked to circulate around the room for a 50 minute open house. During the open house, members of the public were asked to visit four topical “policy” stations set up around the room. Each station covered one strategy, except for one station that combined Strategies 4 and 5. The stations included easels with informational boards about the draft strategies, and paper for noting community comments and questions.

Following the open house, the full group reconvened for additional comment and question and answer.

## Public Input

This section provides the comments that were recorded at each of the stations during the open house, as well as the additional comments received during the full group discussion following the open house.

### **Open House Station #1: Leverage Private Development**

- Responsibility for housing subsidies should be the entire community's responsibility, not the responsibility of developers (should be a shared responsibility)
- Lobby state to be able to impose inclusionary requirements on apartments, not just condos
- Glad we're looking at impact fee & inclusionary housing
- Supports inclusionary policy!
- Likes the fact that El Cerrito has lower fees than Berkeley or Albany
- Pro more development – increase supply to lower costs
- Supports impact fees & inclusionary housing
- Likes inclusionary policy & impact fees
- Build in annual monitoring fee for inclusionary units
- Question about the unit threshold for charging the impact fee

- In lieu fee versus on site inclusionary, would prefer inclusionary [rather] than allowing developer to just pay the fee. Fee should be increased as a disincentive to pay fee rather than build units
- Consider policies that incent property owners to build, rather than hold on to underutilized properties
- Training for people looking for housing – is there such a thing? What’s the most effective way to find housing
- Numbers and statistics to show an anti-tax person that there’s benefit to having this
- City guidelines for inclusionary – Should have this!
- Need to provide consistent and accurate information about housing projects

### **Open House Station #2: Explore and Implement Policies to Reduce Risk of Displacement**

- Make easier to rent house
- Data on Airbnb
- Mountain View relocation policy
- Rent control/stabilization & displacement ordinances (Mountain View and Richmond)
- Great to have teacher housing
- Is rent control going to help affordability?
  - Penalizes property owner
  - Doesn’t solve problem
  - Need more housing of all levels
- All these strategies are good
- Reasonable rent increases over time
- Displacement from new development (RV)
- Demolition – require replacement of LI (low income) housing
- Prioritizing on waiting lists for displaced
- Displacement protections – legal to do for all rentals?
- Focus on displacement aspect
- Training for tenants?
- Why would landlords need rehab from city? What is incentive?

### **Open House Station #3: Missing Middle Housing**

- Explore shipping container housing
- Enact policies to regulate short-term rentals
  - Need to balance benefits to homeowners with preserving units for long-term rental
  - Room within houses could be regulated differently than full units
- Parking reductions for ADUs should be studied on a street by street basis because parking is worse in some places than others; residential permit parking system should be enforced
- Co-housing – a scale of 28-30 households is required for efficiency
- Consider modular ADUs
- Airbnb – consider a tax as a revenue source for affordable housing, or as a subsidy for low income ADUs
- “Middle” to me = between low income and market-rate housing
- Very interested in ADUs. The City should bring people over the tipping point with preapproved plans, incentive if you rent to vulnerable population
- Examine building codes for ADUs, not just zoning regulations
- Explore tiny homes as ADUs (small modular units) – currently modular units are regulated as RVs & tiny homes are under the City’s square footage limit

- Incentivize vacant housing units to be filled. Suggestions include connecting owners with property management companies
- Increase the utilization of larger homes by matching roommates.
- Consider smaller scale ownership product (e.g. townhomes)
- Staff should encourage density whenever possible, especially near BART – e.g. duplex instead of single-family residential
- Explore shipping container ADUs/units – these are not permitted yet
- Permitting process overly complex and expensive – make it shorter and cheaper
- Lower parking requirement to zero near transit, even outside of the San Pablo Avenue Specific Plan Area. Consider a parking maximum (1 space per unit) near transit as well

#### **Open House Station #4: Continue to Support Development of Low Income/Special Needs Housing and Increase Local Funding**

- Clarification in “key considerations” - business license tax requires voter approval
- Scale of \$ amount in chart/statewide?
- Airbnb “hotel tax” – dedicate some % towards affordable housing
- Safetimehost.org – resource/service for matching people with rental
- Bond measure – positive – spread over regional need
- Flex units for disabled?
- Public bank example in Oakland
- Landlords – keep some % units BMR (small prop ownerS)

#### **Public Comment Period**

- Concerned by the idea of relying on a broken market
- Do a better job of utilizing empty bedrooms all over the City
- Build smaller units, very basic
- Work with existing small landlords who are already renting units at below market rates – how to engage these property owners to get them to work together?
- Work with mom and pop landlords
- Prioritize wait list for people who are displaced/homeless, especially for seniors
  - County is trying to prioritize based on age or health?
- 211 is unhelpful
- Airbnb policy (short-term rentals)
- Workshops/outreach on housing topics – how to do an ADU
- Bring down costs
- March people who need housing with empty rooms
- Incentivize development of underutilized parcels
- Studios
- Converting warehouses
- Dormitory style/group housing – don’t require an individual kitchen

#### **Comment Cards**

Nine of the 30 attendees provided comment cards. Of the nine respondents, seven were El Cerrito residents including three renters and four homeowners. The comment card included four questions. Respondents’ comments to the four questions are provided below.

#### **Have we gotten the strategies and implementation items right?**

- Will residents vote on all tax proposals? Will residents vote on all policy decisions? What are the complete funding impacts of all proposals? Is there information of all benefits, costs for all five strategies?
- I'm not very knowledgeable about the subject but seems to me you've covered a wide range of problems, opportunities, tools, possible (illegible)
- Hmm Do not increase business license to fund housing - no good nexus. Implement commercial linkage fees if you really want to go there. Not sure it makes sense for EC to have its own multifamily rehab program - why would a landlord agree to restrict rents?
- You have a good start and are moving in a needed and "right" direction
- Good start, more focus on cost effective strategies
- I'd like to see an openness to working with the county (per Supervisor Gioia's meeting) on a county bond for affordable housing - when the time is right

#### **Did we miss anything?**

- I need facts and numbers to show overall community benefit of all tax proposals to counter argue "anti-tax" friends.
- Please make ADU's easy. Make it an attractive long-term option. Incentivise it, i.e. Sample pre-approved plans, tax breaks, waived fees, prefabs, etc. We would love to do it but just need the right mix of incentives because it is still a huge cost to the home owner. Provide TA and real tools to make it easy. If units cost the City so much to build, give that to home owners to convert garages etc. \$150 - 200k?
- Comment: What about providing incentives to property owners to build small units on land that is not utilized.
- Air B&B - regulate and restrict (including "shared units" as well as "entire units"
- Zoning changes so that houses (existing) can be adapted for group housing (dormitory or similar)

#### **What do you think are the highest priorities for the City?**

- Meet the needs of very low income families and seniors and others. Income \$1000 to \$1500 monthly.
- Smart growth (San Pablo transit, inclusionary) and methods for infill. Methods to protect existing residents, renters
- Displacement regulation ADU's other regulations
- Low-cost or no cost options. Encouraging ADU's and tiny homes. Eg. Sending people to safetimesthost.org for room matching

#### **Do you have any other comments or thoughts?**

- 1. More studios 2. Converting warehouses other spaces 3. More very low income units on market rate projects 4. Funds available to assist people temporary housing crisis prevent homelessness
- I forgot to leave comment from last meeting, more time for guest speakers, explain terminology, more time for question and suggestions

## POWERPOINT PRESENTATION FROM COMMUNITY WORKSHOP #1

The PowerPoint presentation from the first community workshop is provided below.



## AGENDA BILL

### Agenda Item No. 7(B)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Kristen Cunningham, Senior Human Resources Analyst  
Karen Pinkos, Assistant City Manager  
**Subject:** Memoranda of Understanding between the City of El Cerrito and the Public Safety Management Association

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#### **ACTION REQUESTED**

Adopt resolutions approving Memoranda of Understanding between the City of El Cerrito and Public Safety Management Association for the following bargaining units:

1. Battalion Chiefs
2. Fire Chief

#### **BACKGROUND**

The City's Public Safety Management Association (PSMA) represents four separate bargaining units: Battalion Chiefs (Fire Department), Police Management (Captain and Lieutenants), Fire Chief, and Police Chief. Memoranda of Understanding (MOU) for two of the four units, Battalion Chiefs and Fire Chief, expired as of July 1, 2017.

The City's management team and representatives of PSMA have met and discussed the terms of the successor MOUs for the two expired units during the past three months. The timing of discussing these agreements, as well as providing the MOUs for City Council approval, for the two PSMA units are meant to coincide with the Firefighters Local 1230 agreement that has also been in negotiations during the same timeframe. A tentative agreement was accepted by the members of PSMA on August 7, 2017.

#### **ANALYSIS**

As with the concurrent negotiation process with Local 1230, discussions with the PSMA centered on modifying salaries in line with the City's financial position, along with ensuring that the MOUs for these two bargaining units are consistent with the agreements reached with Local 1230 as well as other management personnel. In light of the equity adjustments for the Fire Captain classification, the City's management team worked with PSMA representatives to provide Cost of Living Adjustments (COLAs) in line with these adjustments to preserve appropriate internal salary relationships. Minor language changes to the MOU include modifications to language providing for vacation cash outs, in accordance with IRS regulations.



The following is a summary of changes to the MOUs that are in line with the authority provided to the City's management team by the City Council:

- A Cost of Living Adjustment (COLA) of 4% effective the first full pay period of July 2017
- A COLA of 2% effective the first full pay period of July 2018
- Modifications to language providing for vacation cash outs, in accordance with IRS regulations

The City's management staff recognizes and appreciates the PSMA representatives for the amicable discussions that took place during this negotiation process.

#### **STRATEGIC PLAN CONSIDERATIONS**

Adoption of this agreement will help fulfill the following City of El Cerrito Strategic Plan Goals:

- Goal A: "Delivering Exemplary Public Services" and the objective of "Recruit and retain a talented and effective workforce"
- Goal B: "Achieve Long-term Financial Sustainability"
- Goal E: "Ensure the Public's Health and Safety"

#### **FINANCIAL CONSIDERATIONS**

The agreements for the PSMA are within the initial projections considered for FY 2017-18, therefore funding is available within the adopted budget.

**Reviewed by:**

  
**Scott Hanin**  
**City Manager**

#### **Attachments:**

1. Resolution: PSMA – Battalion Chiefs  
Exhibit A: MOU PSMA – Battalion Chief
2. Resolution: PSMA – Fire Chief  
Exhibit A: MOU PSMA – Fire Chief

RESOLUTION NO. 2017-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO TO  
ADOPT A MEMORANDA OF UNDERSTANDING WITH THE PUBLIC SAFETY  
MANAGEMENT ASSOCIATION BARGAINING UNIT: BATTALION CHIEF

WHEREAS, it is in the City's best interest to recruit and retain high quality  
public safety management employees for the City; and

WHEREAS, an effective means for achieving this objective is to provide  
competitive salaries, benefits, and conditions of employment for said employees;  
and

WHEREAS, the City has recognized four bargaining units within the Public  
Safety Management Association as follows: Battalion Chief, Police Management,  
Fire Chief, and Police Chief; and

WHEREAS, the City and the Public Safety Management Association have  
met and conferred in good faith; and

WHEREAS, the City of El Cerrito and the Public Safety Management  
Association representatives have reached agreement regarding matters within  
the scope of representation, including wages, hours and other terms and  
conditions of employment as specified in the attached Memoranda of  
Understanding (Exhibit A) for the bargaining unit Battalion Chief.

NOW THEREFORE, BE IT RESOLVED, that the El Cerrito City Council  
hereby adopts the attached Memoranda of Understanding for the Public Safety  
Management Association bargaining unit: Battalion Chief; and directs the City  
Manager to execute the agreements.

I CERTIFY that at a regular meeting on August 15, 2017, the El Cerrito  
City Council passed this resolution by the following vote:

|         |                 |
|---------|-----------------|
| AYES:   | COUNCILMEMBERS: |
| NOES:   | COUNCILMEMBERS: |
| ABSENT: | COUNCILMEMBERS: |

IN WITNESS of this action, I sign this document and affix the corporate  
seal of the City of El Cerrito on August XX, 2017.

\_\_\_\_\_  
Cheryl Morse, City Clerk

APPROVED:

\_\_\_\_\_  
Janet Abelson, Mayor

**Resolution No. 2017-XX  
Exhibit A**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF EL CERRITO  
AND  
THE EL CERRITO PUBLIC SAFETY MANAGEMENT ASSOCIATION  
BATTALION CHIEF**

**JULY 1, 2017 THROUGH JUNE 30, 2019**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF EL CERRITO  
AND  
PUBLIC SAFETY MANAGEMENT ASSOCIATION – BATTALION CHIEF**

This Memorandum of Understanding is entered into pursuant to the Meyers-Milias-Brown Act (Government Code Section 3500 et seq). The parties to this Memorandum of Understanding are the City of El Cerrito, State of California, which hereinafter shall be referred to as "City," and the El Cerrito Public Safety Management Association – Battalion Chief, which hereinafter shall be referred to as "Battalion Chief." The parties have met and conferred in good faith regarding wages, hours and other terms and conditions of employment for the employees represented by the Association – BC and have freely exchanged information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment, conditions and employee relations of such employees.

This Memorandum of Understanding shall be presented to the City Council as a joint recommendation of the undersigned for salary, fringe benefits and other working conditions for the period July 1, 2017 through June 30, 2019, and shall be in full force and effect at such date as herein prescribed, upon ratification by both the City Council and affected members of the Public Safety Management Association – ***Battalion Chief***.

**City of El Cerrito**

**Public Safety Management  
Association - Battalion Chief**

\_\_\_\_\_  
Scott Hanin  
City Manager

\_\_\_\_\_  
Stephen Bonini  
Association Representative

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Karen Pinkos  
Assistant City Manager

Date: \_\_\_\_\_

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF EL CERRITO  
AND  
PUBLIC SAFETY MANAGEMENT ASSOCIATION – BATTALION CHIEF**

This Agreement is entered into by and between the City of El Cerrito, hereinafter referred to as the "City," and the El Cerrito Public Safety Management Association – Battalion Chief, hereinafter referred as the "Battalion Chief." This Agreement establishes the salaries, benefits, and conditions of employment for the City's public safety management employees – Battalion Chiefs as follows:

**CHAPTER 1**

**MANAGEMENT EMPLOYEES**

- 1.1 Management employees are, for purposes of this section, those actively involved in the following classification: Battalion Chief

**CHAPTER 2**

**SALARIES AND BENEFITS**

2.1 Salary

- Effective ~~the first full pay after adoption by the City Council July 1, 2017~~ all Fire Battalion Chiefs shall receive a ~~84.0%~~ salary increase.
- Effective the first full pay period in July 201~~5~~8 all Fire Battalion Chiefs shall receive a ~~4.52.0%~~ salary increase.
- ~~Effective the first full pay period in July 2016 all Fire Battalion Chiefs shall receive a 4.5% salary increase.~~

- A. The following control point shall apply and serve as the midpoint of the approved monthly salary range:

|                      |                                     |
|----------------------|-------------------------------------|
| Fire Battalion Chief | <del>\$13,253</del> <u>\$10,036</u> |
|----------------------|-------------------------------------|

- B. A salary range of 25% above and below the control point shall be created, within which a Department Head or the City Manager may approve salary adjustments of up to 5% or 10% per calendar year, respectively.

~~C. Effective July 2015, the City shall survey and establish a new control point for the Fire Battalion Chief classification.~~

~~D.C.~~ In order to preserve appropriate internal salary relationships and minimum salary compaction, the City Manager may from time to time adjust the salary range in order to reach a minimum of 15% base rate of pay separation between the control point for Fire Battalion Chief and top step Fire Captain/Paramedic. Further, the Fire Battalion Chief assigned to training receives an additional 10% added to salary for the assignment.

~~E. Note: In addition to the base salary, the City previously contributed eight percent (8%) of salary toward a deferred compensation plan for management employees. All contributions ceased effective February 4, 2001.~~

## 2.2 Uniform Allowance

The uniform allowance for Fire Battalion Chiefs is \$725 per fiscal year. Uniform allowance shall be paid on the first payroll date in December, covering the fiscal year beginning the prior July. Such payment shall be by check, separate from the normal payroll check.

## 2.3 Auto Allowance

The City will supply an automobile to management employees who, in the opinion of the City Manager, require a City vehicle as an integral part of their work. Alternately, the City will provide a cash allowance of up to \$200 per month in lieu of use of a City automobile.

## 2.4 Pension Plan Benefits and Reimbursement

### A. ~~PERS PICKUP~~

- ~~Effective the first full pay after adoption by the City Council all Fire Battalion Chiefs shall contribute a total of 9.0% to the Public Employees Retirement System.~~
- ~~Effective the first full pay period in July 2015, all Fire Battalion Chiefs shall contribute an additional 1.5% to the Public Employees Retirement System for a total of 10.5%.~~
- ~~Effective the first full pay period in July 2016, all Fire Battalion Chiefs shall contribute an additional 1.5% to the Public Employees Retirement System for a total of 12.0%.~~

### ~~B. Pension Plan Benefits~~

~~Effective as soon as possible, the City shall no longer contract with the Public Employees Retirement System for the benefit commonly known as EPMC.~~

A. Effective June 30, 2001 the City's contract with CalPERS was amended to provide to employees the 3% at Age 50 Public Employees' Retirement

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System plan. The City's 3% at age 50 retirement plan has the CalPERS single highest year option, and service credit for unused sick leave option.

~~C.B.~~ Effective the first full pay period in July 2016, all Fire Battalion Chiefs shall contribute a total of 12.0% to CalPERS.

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## 2.5 Flexible Benefits Plan

The City has a Flexible Benefits Plan which is consistent with Section 125 of the Internal Revenue Code. The plan is known as "Citiflex." For the duration of this agreement, the plan provides the following:

- A. With the exception of the employee who chooses the "no medical plan" option, the City will contribute an amount equivalent to the lowest cost (currently Kaiser) medical plan rate according to dependent status regardless of which medical plan is chosen. "According to dependent status" means that if an employee is single the employee shall receive the equivalent to the lowest cost (currently Kaiser) single premium in employee's flexible spending account. If the employee and a dependent are enrolled in a City medical plan, the employee shall receive the equivalent to the lowest cost (currently Kaiser) two-party premium in employee's flexible spending account. If the employee and more than one dependent are enrolled in a City medical plan, the employee shall receive the equivalent to the lowest cost (currently Kaiser) family premium in employee's flexible spending account.
- B. The employee may select one of the following medical plans within their individual Flexible Benefits Plan:
  - HMO Kaiser (S)
  - Alternative HMO
  - ~~PPQ~~
- C. In the event that the employee selects a medical plan which exceeds the City's premium contribution, the employee is responsible to pay the difference through payroll deduction.
- D. In the event that the employee has alternate comprehensive group medical coverage through a spouse's medical plan or some other group medical plan, the employee may select a "no medical plan" option. (Proof of alternate coverage is required.) In this event, the City shall contribute the equivalent to the single lowest cost (currently Kaiser) medical premium to their Flexible Benefit Plan and the employee may receive this amount in cash, in which case the amount is treated as taxable income, or the employee may reallocate it toward the purchase of other benefits in the Plan, or a combination of both.
- E. The employee may contribute salary up to the IRS limits on a pretax basis in order to purchase the following benefits:

- Medical Premiums, Co-Payments, and Deductibles
- Dental Premiums, Co-Payments, and Deductibles
- Un-reimbursed Medical & Dental Expenses
- Dependent Care

Rules governing the allocation and distribution of such funds shall conform to applicable sections of State and Federal tax codes and the City of El Cerrito's Flexible Benefits Plan.

- F. The health benefit programs recognize the participation of domestic partners of the eligible employee. Please refer to the City's Citiflex document for details.
- G. During the term of the contract, the City may establish a City-wide task force for the purpose of exploring alternate health plans, including PERS Health, for both active and retired employees. The City or Police Chief agrees to reopen negotiations for the sole purpose of implementing alternative medical coverage.

#### 2.6 Dental Plan

The City will pay the full cost of employee plus dependent coverage effective July 1, 2002.

#### 2.7 Retirement Health Plan

- A. Retirees, survivors of retirees and survivors of deceased employees, unless prohibited by the carrier, will be permitted to maintain the current level of health plan benefits available to employees. Retirees, survivors of retirees and survivors of deceased employees may maintain such health plan benefits at their discretion and with no cost to the City.
- B. Post Employment Health Plan Retiree Medical:  
Effective July 2008 the City shall contribute \$300.00 per month for the member's Post employment Health Plan account.

#### 2.8 Life Insurance

The City will provide a term life insurance policy for management employees. The principal sum shall be equal to the annual salary rounded to the nearest \$1,000 (up to a maximum of \$100,000).

#### 2.9 Long-term Disability Insurance

The City shall provide employees with long-term disability insurance with coverage of two-thirds salary and a sixty-day elimination period. Like regular wages, this benefit is taxable.



## 2.10 Benefit Status

- A. The salary and benefits contained within this Memorandum of Understanding are granted only to employees who are in a current pay status. The City shall incur no cost, nor shall benefits accrue for retirees, survivors, or employees in a non-pay status, unless the employee is granted medical leave of absence or military leave of absence.
- B. In the event an employee is in a non-pay status because of a disputed workers' compensation claim, benefits under this article shall be continued upon written agreement of the affected employee to repay to the City the amount of any premiums paid by the City during the non-pay status period if the employee's claim is denied by the Workers Compensation Appeals Board or withdrawn by the employee prior to a decision by the Board.

## **CHAPTER 3**

### **HOLIDAYS**

#### 3.1 Holidays

The number of designated holidays for Fire Suppression personnel shall be thirteen (13). The following holidays are designated "holidays" and shall be the basis for benefits associated with this section:

|                            |                        |
|----------------------------|------------------------|
| New Year's Day             | Columbus Day           |
| Martin Luther King Jr. Day | Veteran's Day          |
| Lincoln's Birthday         | Thanksgiving Day       |
| Washington's Birthday      | Day after Thanksgiving |
| Memorial Day               | Christmas Day          |
| July 4th                   | Employee's Birthday    |
| Labor Day                  |                        |

For the Fire Battalion Chief assigned to training, the recognized municipal holidays are as follows:

|                                                                    |                        |
|--------------------------------------------------------------------|------------------------|
| New Year's Day                                                     | Labor Day              |
| Dr. M. L. King Jr. Birthday<br>(3 <sup>rd</sup> Monday in January) | Veteran's Day          |
| Presidents' Day<br>(3 <sup>rd</sup> Monday in February)            | Thanksgiving           |
| Memorial Day                                                       | Day after Thanksgiving |
| Independence Day (July 4)                                          | ½ Day Christmas Eve    |
|                                                                    | Christmas Day          |
|                                                                    | ½ Day New Year's Eve   |

In the event that any of the recognized holidays for the Fire Battalion Chief who is assigned to training falls on a Sunday, the following Monday shall be considered

a holiday for pay purposes. In the event that any of the aforementioned days fall on a Saturday, the preceding Friday shall be considered a holiday for pay purposes. (Department heads may make changes in the above schedule in accordance with the needs of their departments.) The afternoons of Christmas Eve and New Year's Eve, commencing at 12 noon, shall be considered holidays for pay purposes. In the event Christmas Eve and New Year's Eve fall on a Sunday or a Monday, the preceding Friday afternoons shall be considered holidays for pay purposes. Some adjustments may be made if necessitated by an alternative work schedule.

In addition to the recognized municipal holidays, the Fire Battalion Chief assigned to training shall receive annually three floating holidays, subject to the same requirements for scheduling vacation. For a Battalion Chief newly assigned to training, the floating holidays are pro-rated quarterly based on date-of-assignment. Floating holidays must be taken during the fiscal year they are received and may not be carried over and accumulated.

Employees are allowed an additional holiday on their birthday or another day at the convenience of the City.

3.2 Eligibility

An employee on leave of absence without pay shall not receive any compensation for holidays occurring during such leave.

An employee returning to a pay status from a non-pay status shall be eligible for holiday compensation only if the employee was in a pay status on the workday preceding the holiday.

3.3 Compensation for Municipal Holidays

Fire Battalion Chiefs, who are shift personnel, shall receive compensation equal to one-half of shift salary (i.e., twelve hours at 24-hour rate) for paid holidays.

## **CHAPTER 4**

### **SICK LEAVE, WORKERS' COMPENSATION, FAMILY SICK LEAVE, AND OTHER LEAVES**

4.1 Accrual of Sick Leave

For each completed month of service, employees in shift positions shall accrue sick leave credit of twenty-four hours per month. Sick leave for employees with twenty or more years of service shall accrue sick leave credit of thirty-six hours per month. Sick leave accrual while an employee is assigned to a (40) hour workweek is at the rate of 11 hours and 25 minutes per calendar month worked, provided the employee has worked or been authorized leave with pay for at least ten working days in the month.

4.2 Sick Leave - Maximum Accrual

The maximum accumulation of sick leave is unlimited.

4.3 Activity During Sick Leave

No employee who is absent from work on sick leave shall engage in any work or other activity that would interfere with the employee's ability to return to work to perform regular duties.

4.4 Sick Leave Retirement Benefit

Upon retirement from City service, an employee shall be entitled to compensation for one-fourth of the accumulated sick leave on the books at the time of such retirement, with a maximum payment equivalent to 200 hours pay for the 40 hour per week employees and 10 shifts for the 56 hour per week employees, at the employee's option. Actual sick leave remaining on the books will be reported to PERS in accordance with PERS regulations governing the sick leave credit contract option. In no case will unearned sick leave be reported for the purpose of increasing the member's retirement as prohibited by PERS.

The date of disability retirement for employees may be established or determined to be effective prior to the expiration of sick leave benefits.

In reporting the number of days of accumulated sick leave to PERS, the City shall obtain clarification from and comply with PERS regulations.

4.5 On-the-Job Injury

Regular full-time sworn employees are eligible for benefits (salary continuance) for time off work due to on-the-job injuries as specified in Labor Code Section 4850.

4.6 Accrued Sick Leave As Life Insurance

The value of the employee's accrued sick leave shall be paid (based upon the current hourly rate) to the surviving spouse or designated beneficiary, upon the death of a represented employee.

4.7 Family Sick Leave

Under Labor Code Section 233, employees may utilize accrued sick leave to care for an ill or injured child, spouse or parent. The City has extended this provision to include domestic partners and their dependent children. There is no requirement that the illness or injury reach the level of seriousness provided for under the Family and Medical Leave Acts. However, if the illness or injury qualifies under the Family and Medical Leave Act, it also satisfies the "family sick leave" criteria. The maximum "family sick leave" allowed each calendar year that is subject to this provision is one half (1/2) of the employee's annual accrual of sick leave. Additional family sick leave may be taken subject to departmental regulations and approval of the Fire Chief and City Manager.

4.8 Bereavement Leave

Employees are entitled to time off with pay when there is a death or anticipated death in the immediate family. Bereavement leave shall not exceed two shifts (or five (5) consecutive days for 40-hour employees) when death is anticipated.

Bereavement leave after death shall not exceed that period of time between death and the day of the funeral, providing the funeral is held within five days following death. Bereavement leave is not chargeable to sick leave. Additional time may be granted and charged as sick leave when, in the opinion of the department head, unusual circumstances identify the need for additional time off.

Immediate family is defined as spouse, domestic partner, child, parent, parent-in-law, sister, brother, sister-in-law, brother-in-law, grandparent, spouse's grandparent, grandchild, son-in-law, daughter-in-law, or any other relative of the employee or employee's spouse residing in the same household, or who has resided with the employee in the same household for three or more years. In cases where death has occurred involving someone other than the immediate family, the department head shall make the decision as to qualification for bereavement leave.

4.9 Administrative Leave

Management employees shall receive administrative leave in recognition of extraordinary working hours and conditions. The City Manager will annually approve the number of leave days by individual employee based on the amount of overtime performed and the quality of work produced. The annual amount of time assigned shall not exceed eighty (80) hours. Unused administrative leave cannot be carried over from year to year or cashed out at year-end *or upon separation*.

4.10 Family and Medical Leave

Pursuant to State and Federal law, the City will provide family and medical care leave for eligible employees. The City Family Care and Medical Leave policy sets forth employees' rights and obligations with respect to such leave. Rights and obligations which may not be specifically set forth in the City's policy are set forth in the Department of Labor regulations implementing the Federal Family and Medical Leave Act of 1993 ("FMLA") and the regulations of the California State Pregnancy Disability Act and the California Fair Employment and Housing Commission implementing the California Family Rights Act ("CFRA") (Government Code Section 12945.2). Unless otherwise provided by the City's policy or this Memorandum of Understanding, "Leave" under this article shall mean leave pursuant to the FMLA.

## **CHAPTER 5**

### **VACATION**

- 5.1 Eligibility  
Employees shall be eligible to take a paid vacation at the end of the first year of continuous service, and annually thereafter, unless otherwise provided by the City Manager.
- 5.2 Scheduling  
The scheduling of annual vacation leave and the amount to be taken at any one time shall be determined by the department *head* in accordance with departmental regulations and with regard for the needs of the City and the preference of the employee.
- 5.3 Vacation at Termination  
Management employees leaving the municipal service with accrued vacation leave shall be paid the amount of accrued vacation to the date of termination. Payment for accrued vacation shall be at the employee's current rate of pay.
- 5.4 Effect of Extended Military Leave  
A management employee who interrupts his/her City service because of extended military leave shall be compensated for accrued vacation at the time the leave becomes effective.
- 5.5 Sick Leave During Vacation  
Vacation leave may be converted to sick leave subject to the review and approval of the department head and the City Manager if an employee is injured or sick during the vacation for a period in excess of 24 hours.
- 5.6 Vacation Cap and Implementation  
A. Vacation Cap Effective January 1, 2015  
Effective January 1, 2015, the vacation cap shall be two (2) times the employee's annual vacation accrual rate. Thereafter, at any time an employee reaches the maximum accrual, the employee will cease accruing vacation hours until such time as the balance falls below the cap. After January 1, 2015, no employee will be allowed to accrue vacation hours above the cap, unless an employee has a work-related injury and is on 4850.
- B. Implementation  
Effective January 1, 2015, any employee who has vacation hours in excess of two (2) times the annual accrual rate, the excess hours will be placed in a separate vacation bank.
- 5.7 Separate Vacation Bank  
Effective January 1, 2015, any accrued vacation in excess of two (2) times the annual vacation accrual rate will be placed in a separate Vacation Bank for each affected employee. This will be a single, one time process. Employees shall be entitled to use or sell the hours in the Bank for vacation in the same manner as

regular vacation hours. The hours shall be paid out at the employee's current rate of pay.

5.8 Vacation Cash-Out

Effective August 1, 2014, employees may annually cash-out up to 16 days (128 hours) of vacation provided that they have taken a minimum of 16 vacation days (or administrative leave for management employees) in the previous fiscal year and maintain a vacation balance of 40 hours at the time of vacation cash out. Employees may elect to cash-out a maximum of two (2) times annually and each cash-out request must be a minimum of 8 days (64 hours). Employees must reduce their separate vacation bank first when cashing out vacation. All requests must be in writing to the Human Resources Manager for initial review with final approval by the City Manager.

If an employee wants to request an irrevocable vacation cash-out, they must provide written notice to the Human Resources Manager, or designee, no later than July 1 of the fiscal year before the fiscal year in which the employee wishes to cash-out vacation leave. The amount requested cannot exceed the amount stated above. An employee can cash-out during the months of May and December. The notice shall indicate how many vacation leave hours the employee wishes to cash-out the following year.

5.9 Accrual

Unless otherwise provided by the City Manager, vacation leave will be accrued from the first day of employment when a management employee is in a pay status and will be credited on a monthly basis. Municipal holidays shall not be counted during vacation. The vacation accrual schedule for shift Fire Battalion Chiefs is as follows:

**Vacation Benefit  
Shift Battalion Chief**

| <u>Service Yrs</u>            | <u>Annual Shifts/Hours</u> |
|-------------------------------|----------------------------|
| Accrue during 1 through 5 yrs | 6 shifts/144 hours         |
| 6 through 15 yrs              | 9 shifts/216 hours         |
| 16 through 25 yrs             | 12 shifts/288 hours        |
| 26 through 30 yrs             | 13 shifts/312 hours        |

The vacation schedule for the training Fire Battalion Chief is on the next page.

**Vacation Benefit  
Training Battalion Chief**

| <u>Service</u>         | <u>Hrs. Earned/Year<br/>(40-hour week)</u> |
|------------------------|--------------------------------------------|
| Accrue during 1st year | 88                                         |
| 2                      | 96                                         |
| 3                      | 96                                         |
| 4                      | 104                                        |
| 5                      | 112                                        |
| 6                      | 120                                        |
| 7                      | 120                                        |
| 8                      | 128                                        |
| 9                      | 128                                        |
| 10                     | 136                                        |
| 11                     | 136                                        |
| 12                     | 144                                        |
| 13                     | 144                                        |
| 14                     | 152                                        |
| 15                     | 152                                        |
| 16                     | 160                                        |
| 17                     | 160                                        |
| 18                     | 168                                        |
| 19                     | 168                                        |
| 20                     | 176                                        |
| 21                     | 184                                        |
| 22                     | 192                                        |
| 23                     | 200                                        |
| 24                     | 208                                        |
| 25                     | 216                                        |
| 26                     | 224                                        |
| 27                     | 232                                        |
| 28                     | 240                                        |
| 29                     | 248                                        |
| 30                     | 256                                        |
| 31                     | 264                                        |
| 32                     | 272                                        |
| 33                     | 280                                        |
| 34                     | 288                                        |

## **CHAPTER 6**

### **WORK SCHEDULE/OVERTIME**

#### **6.1 Workweek**

The workweek for Fire management employees is as required by the City.

The work schedule for Fire Battalion Chiefs assigned to emergency response operations shall consist of twenty-four hour duty shifts, not to exceed two hundred sixteen hours in a twenty-seven-day period.

Fire Battalion Chiefs who are not assigned to emergency response operations shall work a standard 40 hours per workweek.

#### **6.2 Overtime Calculation for Shift Battalion Chiefs**

The 24-hour shift rate is calculated by multiplying the base salary by twelve months and dividing by the yearly 56-hour rate of 2,912 hours (56 hours by 52 weeks). Overtime under the 24-hour shift rate shall be paid for all overtime assignments on emergency response operations greater than eight consecutive hours and for all non-on-call overtime.

## **CHAPTER 7**

### **EDUCATION BENEFITS**

#### **7.1 Tuition Refund Plan**

Management employees are eligible for educational cost reimbursement up to a maximum of \$1,000 per year for work-related studies at a recognized college, university or professional school. Course content should relate to one of the following:

- A. Knowledge or skills needed by an employee in his/her present job;
- B. Preparation for promotional opportunities or advancement in the same or different field within the City organization.
- C. The requirements of a program leading to a degree, at an approved institution, which enhances the employee's job knowledge or on-the-job skills.

Procedures for obtaining reimbursement and limitations regarding reimbursement may be found in the City of El Cerrito administrative procedure on educational expense reimbursement.



## **CHAPTER 8**

### **MISCELLANEOUS POLICIES FOR FIRE BATTALION CHIEFS**

**8.1 Continuing Education**

It is the policy of the City that management employees take part in some educational or training course each year, and the City Council will attempt to provide funds in each budget for such purpose.

**8.2 Membership**

It is the policy of the City to provide paid membership in approved professional associations for management employees. This policy shall include publications associated with membership and other educational materials as may be approved.

**8.3 Conferences**

It is the policy of the City that each management employee attend (as a member) a professional conference of his or her peers each year at City expense; however, travel outside the state of California may be discouraged due to budgetary restraints.

**8.4 Benefit Relationship to Rank and File**

If new or deleted material benefits and/or cost sharing mechanisms are agreed to with the Firefighters' Association, they would apply to the Fire Battalion Chief.

RESOLUTION NO. 2017-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO TO  
ADOPT MEMORANDA OF UNDERSTANDING WITH THE PUBLIC SAFETY  
MANAGEMENT ASSOCIATION BARGAINING UNIT: FIRE CHIEF

WHEREAS, it is in the City's best interest to recruit and retain high quality  
public safety management employees for the City; and

WHEREAS, an effective means for achieving this objective is to provide  
competitive salaries, benefits, and conditions of employment for said employees;  
and

WHEREAS, the City has recognized four bargaining units within the Public  
Safety Management Association as follows: Battalion Chief, Police Management,  
Fire Chief, and Police Chief; and

WHEREAS, the City and the Public Safety Management Association have  
met and conferred in good faith; and

WHEREAS, the City of El Cerrito and the Public Safety Management  
Association representatives have reached agreement regarding matters within  
the scope of representation, including wages, hours and other terms and  
conditions of employment as specified in the attached Memoranda of  
Understanding (Exhibit A) for the bargaining unit Fire Chief.

NOW, THEREFORE, BE IT RESOLVED, that the El Cerrito City Council  
hereby adopts the attached Memoranda of Understanding for the Public Safety  
Management Association bargaining unit: Fire Chief; and directs the City  
Manager to execute the agreements.

I CERTIFY that at a regular meeting on August 15, 2017, the El Cerrito  
City Council passed this resolution by the following vote:

|         |                 |
|---------|-----------------|
| AYES:   | COUNCILMEMBERS: |
| NOES:   | COUNCILMEMBERS: |
| ABSENT: | COUNCILMEMBERS: |

IN WITNESS of this action, I sign this document and affix the corporate  
seal of the City of El Cerrito on August XX, 2017.

\_\_\_\_\_  
Cheryl Morse, City Clerk

APPROVED:

\_\_\_\_\_  
Janet Abelson, Mayor

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF EL CERRITO  
AND  
THE EL CERRITO PUBLIC SAFETY MANAGEMENT ASSOCIATION  
FIRE CHIEF**

**July 1, 2017 through June 30, 2019**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF EL CERRITO AND  
PUBLIC SAFETY MANAGEMENT ASSOCIATION – FIRE CHIEF**

This Memorandum of Understanding is entered into pursuant to the Meyers-Milias-Brown Act (Government Code Section 3500 et seq). The parties to this Memorandum of Understanding are the City of El Cerrito, State of California, which hereinafter shall be referred to as "City," and the El Cerrito Public Safety Management Association – Fire Chief, which hereinafter shall be referred to as "Association – Fire Chief." The parties have met and conferred in good faith regarding wages, hours and other terms and conditions of employment for the employee represented by the Association – Fire Chief and have freely exchanged information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment, conditions and employee relations of such employee.

This Memorandum of Understanding shall be presented to the City Council as a joint recommendation of the undersigned for salary, fringe benefits and other working conditions for the period beginning July 1, 2017 and shall be in full force and effect at such date as herein prescribed, upon ratification by both the City Council and affected member of the Public Safety Management Association – Fire Chief. Unless sooner terminated, as provided in this Memorandum of Understanding, the terms and conditions of this agreement shall remain in force until adoption of a successor agreement. Any other term of this Memorandum of Understanding notwithstanding, either party may terminate this Memorandum of Understanding effective on or after June 30, 2019, with 30 days minimum written notice.

It is expressly understood and agreed to by the parties that this Memorandum of Understanding will automatically terminate and be of no further legal force or effect if Lance Maples ceases to be the Fire Chief for the City of El Cerrito.

**City of El Cerrito**

**Public Safety Management  
Association - Fire Chief**

\_\_\_\_\_  
Scott Hanin, City Manager

\_\_\_\_\_  
Lance Maples, Fire Chief

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Karen Pinkos, Assistant City Manager

\_\_\_\_\_  
Stephen Bonini, Assoc. Representative

**Resolution No. 2017-XX**  
**Exhibit A**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF EL CERRITO  
AND  
PUBLIC SAFETY MANAGEMENT ASSOCIATION – FIRE CHIEF**

This Agreement is entered into by and between the City of El Cerrito, hereinafter referred to as the "City," and the El Cerrito Public Safety Management Association – Fire Chief Lance Maples, hereinafter referred as the "Fire Chief." This Agreement establishes the salaries, benefits, and conditions of employment for the City's public safety management employee – Fire Chief Lance Maples as follows:

**CHAPTER 1**

**MANAGEMENT EMPLOYEE**

- 1.1 Subject to the provisions of this agreement, The Fire Chief is an at-will employee who serves at the discretion of the City Manager. Pursuant to Section 3.10.020 of the El Cerrito Municipal Code, the Fire Chief is not entitled to any of the rights or protections of the City's civil service system. In the event that the Fire Chief is removed from his position as Fire Chief, he may, at his discretion, return to his prior position as Battalion Chief in the El Cerrito Fire Department, as permitted under El Cerrito Municipal Code § 3.10.090 and any related rules or regulations. Should the Fire Chief return to his prior position as Battalion Chief, he shall be credited with all service time with the City of El Cerrito and not suffer a loss of seniority and enjoy all benefits and compensation of a Battalion Chief. Reversionary rights will not apply in the case of termination based upon an independent finding of misconduct, made by the Civil Service Commission or a mutually agreed hearing officer.
- 1.2 Management employee is, for purposes of this section, the individual actively involved in the following classification: Fire Chief.

**CHAPTER 2**

**SALARIES AND BENEFITS**

2.1 Salary

- Effective ~~the first full pay after adoption by the City Council July 1, 2017~~ the Fire Chief shall receive a ~~54.0%~~ salary increase.
- Effective the first full pay period in July 201~~58~~<sup>59</sup> the Fire Chief shall receive a ~~1.52.0%~~ salary increase.

**Resolution No. 2017-XX  
Exhibit A**

- ~~• Effective the first full pay period in July 2016 the Fire Chief shall receive a 1.5% salary increase.~~

A. Consistent with the Management Resolution, a salary range of 25% above and below the control point of ~~\$13,144~~16,698 shall be created within which the City Manager may approve salary adjustments of up to 10% per calendar year.

~~B. Effective July 2015, the City shall survey and establish a new control point for the Fire Chief classification.~~

~~C. For the term of this MOU, the following shall not apply: The methodology for the salary surveys and salary adjustments used under the Local 1230 Memorandum of Understanding will also be used under this Memorandum of Understanding, to the extent practical and appropriate. Should the methodology of salary surveys and adjustment subsequently change for the members of Local 1230, this Section shall be automatically adjusted to match those changes.~~

**2.2 Uniform Allowance**

The uniform allowance for the Fire Chief is \$725 per fiscal year. Uniform allowance shall be paid on the first payroll date in December, covering the fiscal year beginning the prior July. Such payment shall be by check, separate from the normal payroll check.

**2.3 Auto Allowance**

The City will supply an automobile to the Fire Chief who, in the opinion of the City Manager, requires a City vehicle as an integral part of their work. Alternately, the City will provide a cash allowance of up to \$350 per month in lieu of use of a City automobile.

**2.4 Pension Plan Benefits and Reimbursement**

**A. PERS PICKUP**

~~• Effective the first full pay after adoption by the City Council the Fire Chief shall contribute a total of 9.0% to the Public Employees Retirement System.~~

~~• Effective the first full pay period in July 2015, the Fire Chief shall contribute an additional 1.5% to the Public Employees Retirement System for a total of 10.5%.~~

~~• Effective the first full pay period in July 2016, the Fire Chief shall contribute an additional 1.5% to the Public Employees Retirement System for a total of 12.0%.~~

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**Resolution No. 2017-XX  
Exhibit A**

**B. Pension Plan Benefits**

~~Effective as soon as possible, the City shall no longer contract with the Public Employees Retirement System for the benefit commonly known as EPMC.~~

~~A. C. Effective June 30, 2001, the retirement plan for fire suppression personnel shall be the 3% @ Age 50 CalPERS Plan, including credit for unused sick leave at retirement pursuant to PERS Section 20862.8. Effective August 15, 1994, the City agreed to provide the CalPERS single highest year option to fire suppression personnel. Effective April 1, 1999, the City amended its contract to increase 1959 Survivor Benefits from Level 1 to Level IV.~~

~~B. Effective the first full pay period in July 2016, the Fire Chief shall contribute a total of 12.0% to CalPERS.~~

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**2.5 Flexible Benefits Plan**

The City has a Flexible Benefits Plan which is consistent with Section 125 of the Internal Revenue Code. The plan is known as "Citiflex." For the duration of this agreement, the plan provides the following:

A. With the exception of the employee who chooses the "no medical plan" option, the City will contribute an amount equivalent to the lowest cost (currently Kaiser) medical plan rate according to dependent status regardless of which medical plan is chosen. "According to dependent status" means that if an employee is single the employee shall receive the equivalent to the lowest cost (currently Kaiser) single premium in employee's flexible spending account. If the employee and a dependent are enrolled in a City medical plan, the employee shall receive the equivalent to the lowest cost (currently Kaiser) two-party premium in employee's flexible spending account. If the employee and more than one dependent are enrolled in a City medical plan, the employee shall receive the equivalent to the lowest cost (currently Kaiser) family premium in employee's flexible spending account.

B. The employee may select one of the following medical plans within their individual Flexible Benefits Plan:

- HMO Kaiser (S)
- Alternative HMO
- ~~PPQ~~

C. In the event that the employee selects a medical plan which exceeds the City's premium contribution, the employee is responsible to pay the difference through payroll deduction.



**Resolution No. 2017-XX**

**Exhibit A**

D. In the event that the employee has alternate comprehensive group medical coverage through a spouse's medical plan or some other group medical plan, the employee may select a "no medical plan" option. (Proof of alternate coverage is required.) In this event, the City shall contribute the equivalent to the single Kaiser medical premium to their Flexible Benefit Plan and the employee may receive this amount in cash, in which case the amount is treated as taxable income, or the employee may reallocate it toward the purchase of other benefits in the Plan, or a combination of both.

E. The employee may contribute salary up to the IRS limits on a pretax basis in order to purchase the following benefits:

- Medical Premiums, Co-Payments, and Deductibles
- Dental Premiums, Co-Payments, and Deductibles
- Un-reimbursed Medical & Dental Expenses
- Dependent Care

Rules governing the allocation and distribution of such funds shall conform to applicable sections of State and Federal tax codes and the City of El Cerrito's Flexible Benefits Plan.

F. The health benefit programs recognize the participation of domestic partners of the eligible employee. Please refer to the City's Citiflex document for details.

G. During the term of the contract, the City may establish a City-wide task force for the purpose of exploring alternate health plans, including PERS Health, for both active and retired employees. The City or Police Chief agrees to reopen negotiations for the sole purpose of implementing alternative medical coverage.

**2.6 Dental Plan**

Through the duration of this agreement the City will pay the full cost of employee plus dependent coverage under the Delta Dental Plan.

**2.7 Retirement Health Plan**

A. ~~Retirees~~, survivors of retirees and survivors of deceased employees, unless prohibited by the carrier, will be permitted to maintain the current level of health plan benefits available to employees. Retirees, survivors of retirees and survivors of deceased employees may maintain such health plan benefits at their discretion and with no cost to the City.

B. Post Employment Health Plan Retiree Medical:

**Resolution No. 2017-XX**

**Exhibit A**

Effective July 2008 the City shall contribute \$300.00 per month for the member's Post employment Health Plan account.

**2.8 Life Insurance**

The City will provide a term life insurance policy for the Fire Chief. The principal sum shall be equal to the annual salary rounded to the nearest \$1,000 (up to a maximum of \$100,000).

**2.9 Long-term Disability Insurance**

The City shall provide the Fire Chief with long-term disability insurance with coverage of two-thirds salary up to the maximum set by the Municipal Pooling Authority and a sixty-day elimination period. Like regular wages, this benefit is taxable.

**2.10 Benefit Status**

- A. The salary and benefits contained within this Memorandum of Understanding are granted only to the Fire Chief if he is in a current pay status. The City shall incur no cost, nor shall benefits accrue for retirees, survivors, or employees in a non-pay status, unless the employee is granted medical leave of absence or military leave of absence.
- B. In the event the Fire Chief is in a non-pay status because of a disputed workers' compensation claim, benefits under this article shall be continued upon written agreement of the affected employee to repay to the City the amount of any premiums paid by the City during the non-pay status period if the employee's claim is denied by the Workers Compensation Appeals Board or withdrawn by the employee prior to a decision by the Board.

**CHAPTER 3**

**HOLIDAYS**

**3.1 Holidays**

The following holidays are recognized as municipal holidays for pay purposes:

|                            |                        |
|----------------------------|------------------------|
| New Year's Day             | Labor Day              |
| Dr. M.L. King Jr. Birthday | Veteran's Day          |
| (3rd Monday in January)    | Thanksgiving Day       |
| President's Day            | Day after Thanksgiving |
| (3rd Monday in February)   | Christmas Eve Day      |
| Memorial Day               | Christmas Day          |
| Independence Day (July 4)  | ½ Day New Year's Eve   |

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**Exhibit A**

In the event that any of the aforementioned days falls on a Sunday, the following Monday shall be considered a holiday for pay purposes. In the event that any of the aforementioned days fall on a Saturday, the preceding Friday shall be considered a holiday for pay purposes. The afternoon of New Year's Eve, commencing at 12 noon, shall be considered a holiday for pay purposes. In the event New Year's Eve falls on a Sunday or a Monday, the preceding Friday afternoon shall be considered a holiday for pay purposes. The City Manager may make changes in the above schedule in accordance with the needs of the City.

**3.2 Birthday and Floating Holidays**

In addition to the recognized municipal holidays, the Fire Chief shall receive annually three (3) floating holidays, subject to the same requirements for scheduling vacation. Floating holidays must be taken during the fiscal year they are received and may not be carried over and accumulated.

The Fire Chief is allowed an additional holiday on the birthday or another day at the convenience of the City.

**3.3 Compensation for Municipal Holidays**

- A. If the Fire Chief is on leave-of-absence without pay, he shall not receive any compensation for holidays occurring during such leave.
- B. The Fire Chief must be in a pay status on the workday preceding a holiday to be eligible to be compensated for the holiday.

**CHAPTER 4**

**SICK LEAVE, WORKERS' COMPENSATION, FAMILY SICK LEAVE,  
AND OTHER LEAVES**

**4.1 Accrual of Sick Leave – Rate**

Sick leave shall accrue at the rate of 11 hours and 25 minutes per calendar month worked, provided he has worked or been authorized leave with pay for at least ten working days in the month.

**4.2 Sick Leave - Maximum Accrual**

The maximum accumulation of sick leave is unlimited.

**4.3 Activity During Sick Leave**

No employee who is absent from work on sick leave shall engage in any work or other activity that would interfere with the employee's ability to return to work to perform regular duties.

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**Exhibit A**

**4.4 Sick Leave Retirement Benefit**

Upon retirement from City service, the Fire Chief shall be entitled to compensation for one-fourth of the accumulated sick leave on the books at the time of such retirement, with a maximum payment equivalent to 200 hours pay, at the employee's option. Actual sick leave remaining on the books will be reported to PERS in accordance with PERS regulations governing the sick leave credit contract option. In no case will unearned sick leave be reported for the purpose of increasing the member's retirement as prohibited by PERS.

The date of disability retirement for the employee may be established or determined to be effective prior to the expiration of sick leave benefits.

**4.5 On-the-Job Injury**

The Fire Chief is eligible for benefits (salary continuance) for time off work due to on-the-job injuries as specified in Labor Code Section 4850.

**4.6 Unused Sick Leave Upon Death**

The value of accrued sick leave shall be paid (based upon the current hourly rate) to the surviving spouse or designated beneficiary upon the death of the Fire Chief.

**4.7 Family Sick Leave**

Under Labor Code Section 233, employees may utilize accrued sick leave to care for an ill or injured child, spouse or parent. The City has extended this provision to include domestic partners and their dependent children. There is no requirement that the illness or injury reach the level of seriousness provided for under the Family and Medical Leave Acts. However, if the illness or injury qualifies under the Family and Medical Leave Act, it also satisfies the "family sick leave" criteria. The maximum "family sick leave" allowed each calendar year that is subject to this provision is one-half (1/2) of the employee's annual accrual of sick leave. Additional family sick leave may be taken subject to departmental regulations and approval of the City Manager.

**4.8 Bereavement Leave**

The Fire Chief is entitled to time off with pay when there is a death or anticipated death in the immediate family. Bereavement leave shall not exceed five (5) consecutive days when death is anticipated. Bereavement leave after death shall not exceed that period of time between death and the day of the funeral, providing the funeral is held within five days following death. Additional time may be granted and charged as sick leave when, in the opinion of the City Manager, unusual circumstances identify the need for additional time off.

Immediate family is defined as spouse, domestic partner, child, parent, parent-in-law, sister, brother, sister-in-law, brother-in-law, grandparent, spouse's

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**Exhibit A**

grandparent, grandchild, son-in-law, daughter-in-law, or any other relative of the employee or employee's spouse residing in the same household, or who has resided with the employee in the same household for three or more years. In cases where death has occurred involving someone other than the immediate family, the City Manager shall make the decision as to qualification for bereavement leave.

**4.9 Administrative Leave**

The Fire Chief shall receive administrative leave in recognition of extraordinary working hours and conditions. The City Manager will annually approve the number of leave hours by the individual employee based on the amount of overtime performed and the quality of work produced. The annual amount of time assigned shall not exceed eighty (80) hours. Unused administrative leave cannot be carried over from year to year or cashed out at year-end or upon separation.

**4.10 Family and Medical Leave**

Pursuant to State and Federal law, the City will provide family and medical care leave for eligible employees. The City Family Care and Medical Leave policy sets forth employees' rights and obligations with respect to such leave. Rights and obligations which may not be specifically set forth in the City's policy are set forth in the Department of Labor regulations implementing the Federal Family and Medical Leave Act of 1993 ("FMLA") and the regulations of the California State Pregnancy Disability Act and the California Fair Employment and Housing Commission implementing the California Family Rights Act ("CFRA") (Government Code Section 12945.2). Unless otherwise provided by the City's policy or this Memorandum of Understanding, "Leave" under this article shall mean leave pursuant to the FMLA.

**CHAPTER 5**

**VACATION**

**5.1 Eligibility**

The Fire Chief shall be eligible to take a paid vacation, unless otherwise provided by the City Manager.

**5.2 Scheduling**

The scheduling of annual vacation leave and the amount to be taken at any one time shall be determined by the Fire Chief, subject to City Manager, approval, in accordance with departmental regulations and with regard for the needs of the City and the preference of the employee.

**5.3 Vacation at Termination**

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The Fire Chief, who leaves the municipal service with accrued vacation leave, shall be paid the amount of accrued vacation to the date of termination. Payment for accrued vacation shall be at the Fire Chief's current rate of pay.

**5.4 Effect of Extended Military Leave**

A Fire Chief who interrupts his/her City service because of extended military leave shall be compensated for accrued vacation at the time the leave becomes effective.

**5.5 Sick Leave During Vacation**

Vacation leave may be converted to sick leave subject to the review and approval of the City Manager, if the Fire Chief is injured or sick during the vacation for a period in excess of 24 hours.

**5.6 Vacation Cap and Implementation**

**A. Vacation Cap Effective January 1, 2015**

Effective January 1, 2015, the vacation cap shall be two (2) times the employee's annual vacation accrual rate. Thereafter, at any time an employee reaches the maximum accrual, the employee will cease accruing vacation hours until such time as the balance falls below the cap. After January 1, 2015, no employee will be allowed to accrue vacation hours above the cap, unless an employee has a worked related injury and is on 4850.

**B. Implementation**

Effective January 1, 2015, any employee who has vacation hours in excess of two (2) times the annual accrual rate, the excess hours will be placed in a separate vacation bank.

**5.7 Separate Vacation Bank**

Effective January 1, 2015, any accrued vacation in excess of two (2) times the annual vacation accrual rate will be placed in a separate Vacation Bank for each affected employee. This will be a single, one time process. Employees shall be entitled to use or sell the hours in the Bank for vacation in the same manner as regular vacation hours. The hours shall be paid out at the employee's current rate of pay.

**5.8 Vacation Cash-Out**

Effective August 1, 2014, employees may annually cash-out up to 16 days (128 hours) of vacation provided that they have taken a minimum of 16 vacation days (or administrative leave for management employees) in the previous fiscal year and maintain a vacation balance of 40.0 hours at the time of vacation cash out. Employees may elect to cash-out a maximum of two (2) times annually and each cash-out request must be a minimum of 8 days (64 hours). Employees must reduce their separate vacation bank first when cashing out vacation. All requests

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must be in writing to the Human Resources Manager for initial review with final approval by the City Manager.

If an employee wants to request an irrevocable vacation cash-out, they must provide written notice to the Human Resources Manager, or designee, no later than July 1 of the fiscal year before the fiscal year in which the employee wishes to cash-out vacation leave. The amount requested cannot exceed the amount stated above. An employee can cash-out during the months of May and December. The notice shall indicate how many vacation leave hours the employee wishes to cash-out the following year.

**5.9 Accrual**

Unless otherwise provided by the City Manager, vacation leave will be accrued from the first day of employment when a Fire Chief is in a pay status and will be credited on a monthly basis. Municipal holidays shall not be counted during vacation. The schedule is on the next page.

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| <b>Vacation Benefit</b> |                                           |
|-------------------------|-------------------------------------------|
| <u>Service</u>          | Hrs. Earned/Year<br><u>(40-hour week)</u> |
| Accrue during 1st year  | 88                                        |
| 2                       | 96                                        |
| 3                       | 96                                        |
| 4                       | 104                                       |
| 5                       | 112                                       |
| 6                       | 120                                       |
| 7                       | 120                                       |
| 8                       | 128                                       |
| 9                       | 128                                       |
| 10                      | 136                                       |
| 11                      | 136                                       |
| 12                      | 144                                       |
| 13                      | 144                                       |
| 14                      | 152                                       |
| 15                      | 152                                       |
| 16                      | 160                                       |
| 17                      | 160                                       |
| 18                      | 168                                       |
| 19                      | 168                                       |
| 20                      | 176                                       |
| 21                      | 184                                       |
| 22                      | 192                                       |
| 23                      | 200                                       |
| 24                      | 208                                       |
| 25                      | 216                                       |
| 26                      | 224                                       |
| 27                      | 232                                       |
| 28                      | 240                                       |
| 29                      | 248                                       |
| 30                      | 256                                       |
| 31                      | 264                                       |
| 32                      | 272                                       |
| 33                      | 280                                       |
| 34                      | 288                                       |



## **CHAPTER 6**

### **WORK SCHEDULE**

#### **6.1 Workweek**

The workweek for the Fire Chief is as required by the City. The normal workday is 8 hours per day. Alternate work schedules may require working different scheduled hours as determined per City operations.

## **CHAPTER 7**

### **EDUCATION BENEFITS**

#### **7.1 Tuition Refund Plan**

The Fire Chief is eligible for educational cost reimbursement up to a maximum of \$1,000 per year for work-related studies at a recognized college, university or professional school. Course content should relate to one of the following:

- A. Knowledge or skills needed by the employee in his/her present job;
- B. Preparation for promotional opportunities or advancement in the same or different field within the City organization.
- C. The requirements of a program leading to a degree, at an approved institution, which enhances the employee's job knowledge or on-the-job skills.

Procedures for obtaining reimbursement and limitations regarding reimbursement may be found in the City of El Cerrito administrative procedure on educational expense reimbursement.

## **CHAPTER 8**

### **MISCELLANEOUS POLICIES FOR THE FIRE CHIEF**

#### **8.1 Continuing Education**

It is the policy of the City that management employee, including the Fire Chief, take part in some educational or training course each year, and the City Council will attempt to provide funds in each budget for such purpose.

#### **8.2 Membership**

It is the policy of the City to provide paid membership in approved professional associations for management employees, including the Fire Chief. This policy

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**Exhibit A**

shall include publications associated with membership and other educational materials as may be approved.

**8.3 Conferences**

It is the policy of the City that each management employee, including the Fire Chief, attend (as a member) a professional conference of his or her peers each year at City expense; however, travel outside the state of California may be discouraged due to budgetary restraints.

**8.4 Benefit Relationship to Rank and File**

If new or deleted material benefits and/or cost sharing mechanisms are agreed to with the Firefighters' Association, they would apply to the Fire Chief.



## AGENDA BILL

### Agenda Item No. 7(C)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Kristen Cunningham, Senior Human Resources Analyst  
Karen Pinkos, Assistant City Manager  
**Subject:** Adopt an Agreement toward a Memorandum of Understanding between the City of El Cerrito and the United Professional Firefighters Association, Local 1230

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#### **ACTION REQUESTED**

Adopt a resolution approving an agreement between the City of El Cerrito and the United Professional Firefighters Association, Local 1230 modifying salaries and creating a new Memorandum of Understanding.

#### **BACKGROUND**

The United Professional Firefighters Association, Local 1230, represents the classifications of Firefighter, Fire Engineer, and Fire Captain. The Memorandum of Understanding (MOU) expired on July 1, 2017. The City's management team and representatives of Local 1230 have met over the past three months to discuss a successor MOU. A tentative agreement was accepted by the members of Local 1230 on August 4, 2017.

#### **ANALYSIS**

The negotiation process focused on modifying salaries for the represented classifications in line with the City's financial position. During discussions, Local 1230 expressed a desire for the Fire Captain classification to receive an equity adjustment. The City's management team worked with Local 1230 to ensure that the modifications to salaries and equity adjustments were in line with the authority provided to the City's management team by the City Council.

The current MOU document was originally put into place over ten years ago and has been modified several times by side letter agreements. In the interest of time and efficiency, the parties have agreed to present the City Council at this time with an agreement modifying salaries, with a further task to draft an MOU that updates language and incorporates any and all agreements. This process will begin as soon as possible upon approval.

The following is a summary of the agreement:

- The agreement will be effective between July 1, 2017 and June 30, 2019
- Wages:
  - Effective the first full pay period in July 2017, the base monthly salary for all represented classifications shall be increased by 1.0%
  - Effective the first full pay period in July 2018, the base monthly salary for all represented classifications shall be increased by 2.0%
  - Equity Adjustments
    - Effective the first full pay period in October 2017, the base monthly salary for the Fire Captain classification shall be increased by 5.75%
    - Effective the first full pay period in October 2018, the base monthly salary for the Engineer classification shall be increased by 0.5%
    - Effective the first full pay period in October 2018, the base monthly salary for the Fire Captain classification shall be increased by 0.75%
- MOU – The parties shall draft an MOU which incorporates all previous Side Letters between the City and Local 1230, as well as updates to bring the MOU into legal compliance and clarify any existing language which is in conflict with a current practice.

The City's management staff recognizes and appreciates the members of Local 1230 for the amicable discussions that took place during this negotiation process.

#### **STRATEGIC PLAN CONSIDERATIONS**

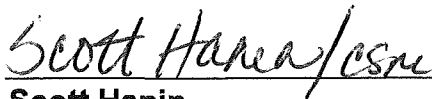
Adoption of this agreement will help fulfill the following City of El Cerrito Strategic Plan Goals:

- Goal A: "Delivering Exemplary Public Services" and the objective of "Recruit and retain a talented and effective workforce"
- Goal B: "Achieve Long-term Financial Sustainability"
- Goal E: "Ensure the Public's Health and Safety"

#### **FINANCIAL CONSIDERATIONS**

The agreement for Local 1230 is within the initial projections considered for FY 2017-18, therefore funding is available within the adopted budget.

**Reviewed by:**



**Scott Hanin**  
**City Manager**

#### **Attachments:**

1. Resolution  
Exhibit A: Agreement

RESOLUTION NO. 2017-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO APPROVING AN AGREEMENT BETWEEN THE CITY OF EL CERRITO AND THE UNITED PROFESSIONAL FIREFIGHTERS ASSOCIATION, LOCAL 1230 MODIFYING SALARIES AND CREATING A NEW MEMORANDUM OF UNDERSTANDING

WHEREAS, the Meyers-Milius-Brown Act allows employee units within the City to represent themselves on matters concerning salaries, hours and working conditions; and

WHEREAS, the Employer-Employee Relations Ordinance of the City of El Cerrito provides the methods and procedures for meeting and conferring in good faith; and

WHEREAS, the United Professional Firefighters Local 1230 is recognized as the majority bargaining unit for firefighters, fire engineers and fire captains; and

WHEREAS, representatives of the City of El Cerrito and the United Professional Firefighters Local 1230, have met and conferred in good faith; and

WHEREAS, the City of El Cerrito and the United Professional Firefighters Local 1230 representatives have reached an agreement modifying the language of the current Memorandum of Understanding (MOU), to modify salaries; and

WHEREAS, upon approval of this agreement, the parties will draft an updated MOU which incorporates all previous side letters between the City and Local 1230, as well bring the MOU into legal compliance and clarify any existing language which is in conflict with a current practice; and

WHEREAS, the Agreement is, attached hereto and incorporated by reference as Exhibit A.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of El Cerrito that it does hereby adopt the Agreement, attached hereto and incorporated by reference as Exhibit A, between the City of El Cerrito and the United Professional Firefighters Local 1230, modifying salaries, directing the parties to create an updated Memorandum of Understanding (MOU), and directing the City Manager to execute the agreement.

**Agenda Item No.7(C)**  
**Attachment**

I CERTIFY that at a regular meeting on August 15, 2017 the El Cerrito City Council passed this resolution by the following vote:

|         |                 |
|---------|-----------------|
| AYES:   | COUNCILMEMBERS: |
| NOES:   | COUNCILMEMBERS: |
| ABSENT: | COUNCILMEMBERS: |

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on August XX, 2017.

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Cheryl Morse, City Clerk

APPROVED:

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Janet Abelson, Mayor

TENTATIVE AGREEMENT

BETWEEN

LOCAL 1230

AND

CITY OF EL CERRITO

July 14, 2017

Representatives for the City of El Cerrito and representative for Local 1230 have met and agreed to the following:

- July 1, 2017 – June 30, 2019
- Wages
  - o Effective the first full pay period in July 2017, the base monthly salary for all represented classifications shall be increased by 1.0%.
  - o Effective the first full pay period in July 2018, the base monthly salary for all represented classifications shall be increased by 2.0%.
- Equity Adjustments
  - o Effective the first full pay period in October 2017, the base monthly salary for the Fire Captain classification shall be increased by 5.75%.
  - o Effective the first full pay period in October 2018, the base monthly salary for the Engineer classification shall be increased by 0.5%.
  - o Effective the first full pay period in October 2018, the base monthly salary for the Fire Captain classification shall be increased by 0.75%.
- MOU – The parties shall draft an MOU which incorporates all previous Side Letters between the City and Local 1230, as well as updates (brings the MOU into Legal compliance) and clarifies any existing language which is in conflict with a current practice.

For the City

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Date: \_\_\_\_\_

For Local 1230

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Date: \_\_\_\_\_



## AGENDA BILL

### Agenda Item No. 7(D)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Mark Soltes, Building Official  
Melanie Mintz, Community Development Director  
**Subject:** Ordinance Enabling Expedited Building Permit Process for Electric Vehicle Charging Stations

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#### **ACTION REQUESTED**

Introduce by title and waive any further reading of an ordinance adding Chapter 16.14 to the El Cerrito Municipal Code to enable expedited permitting procedures for electric vehicle charging stations.

#### **BACKGROUND**

Section 65850.7(a) of the California Government Code provides that it is the policy of the State to promote and encourage the installation and use of electric vehicle charging stations by limiting obstacles to their use and by minimizing the permitting costs of such systems. In furtherance of that objective, Section 65850.7(g)(1) of the California Government Code requires that, on or before September 30, 2017, every city, county, or city and county with a population of less than 200,000 residents must adopt an ordinance that creates an expedited, streamlined permitting process for electric vehicle charging stations.

The City currently reviews residential electric vehicle charging station applications over the counter and issues permits the same day; provided that proper documentation accompanies the application. Commercial electric vehicle charging station submittals currently are taken in for review to ensure compliance with all necessary health and safety regulations. Typically, this review takes up to 15 working days.

#### **ANALYSIS**

To adhere to the new state law and expedite the overall process, the City will now require a checklist to be completed by all applicants to verify that the pre-existing electrical system conditions are adequate to support the new electric vehicle charging system's demands and to ensure compliance with other code requirements. The City is also committing to give all electric vehicle charging stations applications, including commercial applications, expedited plan check status, thus making sure that they are reviewed and returned to the applicant with either corrections or final approval; in five business days or less. Under the ordinance, the City will also develop and implement an electronic system for submitting applications along with required permit processing and inspection fees. Staff recommends that the City Council adopt the proposed ordinance, in compliance with the mandated by CA. Govt. Code Section 65850.7(g) (1). The attached ordinance codifies the requirements of Section 65850.7(g)(1), through the following provisions:

- The option to submit applications electronically;



- The availability of a checklist setting forth all requirements with which electric vehicle charging stations must comply to be eligible for expedited review; and
- Implementation of an administrative approval process for all applications that meet the checklist requirements.

Further, the ordinance directs the City's Building Official to develop a checklist containing all the requirements necessary for electric vehicle charging stations to meet in order to be eligible for expedited review; and authorizing the Building Official to administratively approve applications that comply with the checklist

### **STRATEGIC PLAN CONSIDERATIONS**

Expediting permit processes for electric vehicle charging stations fulfills the following City of El Cerrito Strategic Plan goals:

Goal A: Deliver exemplary government service by further expediting the review and inspection process in a uniform and easy to understand manner.

Goal F: Foster environmental sustainability citywide by further incentivizing the use of electric vehicles by making charging station installations easier and more abundant and thus reducing carbon emissions within the city; consistent with the City's Climate Action Plan.

### **ENVIRONMENTAL CONSIDERATIONS**

The project is exempt from environmental review per CEQA Guidelines under General Rule (Section 15061(b)(3)). The project involves updates and revisions to existing regulations. The proposed code amendments are consistent with California Law, specifically Government Code section 6508.7 and Civil Code sections 1947.6, 1952.7, 4745, and 6713. It can be seen with certainty that the proposed Municipal Code text amendments will have no significant negative effect on the environment.

### **FINANCIAL CONSIDERATIONS**

The cost of building permits for the installation of electric vehicle charging stations is currently \$213 for residential and \$463 for commercial. These fees include review and inspection. All expenses related to this action are already covered by these fees.

### **LEGAL CONSIDERATIONS**

The City Attorney has reviewed the ordinance and found that legal considerations have been addressed.

**Reviewed by:**

  
\_\_\_\_\_  
**Scott Hanin**  
**City Manager**

**Attachments:**

1. Ordinance

ORDINANCE NO. 2017-XX

AN ORDINANCE OF THE CITY OF EL CERRITO ADDING CHAPTER 16.14 TO THE  
EL CERRITO MUNICIPAL CODE RELATING TO EXPEDITED PERMITTING  
PROCEDURES FOR ELECTRIC VEHICLE CHARGING STATIONS

WHEREAS, California Government Code Section 65850.7(a) provides that it is the policy of the State to promote and encourage the installation and use of electric vehicle charging stations by limiting obstacles to their use and by minimizing the permitting costs of such systems; and

WHEREAS, California Government Code Section 65850.7(g)(1) provides that, on or before September 30, 2017, every city, county, or city and county with a population of less than 200,000 residents shall adopt an ordinance, consistent with the goals and intent of subdivision (a) of Section 65850.7, that creates an expedited, streamlined permitting process for electric vehicle charging stations.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CERRITO  
DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and are incorporated herein by reference.

SECTION 2. Addition of Chapter 16.14 to the Municipal Code. Title 16, Buildings and Construction, Chapter 16.14 is added to the El Cerrito Municipal Code to read in full as follows: Chapter 16.14 - Expedited Building Permit Process for Electric Vehicle Charging Stations.

Chapter 16.14  
ELECTRIC VEHICLE CHARGING STATIONS

16.14.010 – Purpose.

The purpose of this Chapter is to adopt an expedited, streamlined electric vehicle charging station permitting process that complies with California Government Code Section 65850.7 to achieve timely and cost-effective installations of electric vehicle charging stations. The provisions of this Chapter encourage the use of electric vehicle charging stations by removing unreasonable barriers, minimizing costs to property owners and the City, and expanding the ability of property owners to install electric vehicle charging stations. The provisions of this Chapter further allow the City to achieve these goals while protecting the public's health, welfare and safety.

16.14.020 – Definitions.

The following words and phrases as used in this section are defined as follows:

A. "A feasible method to satisfactorily mitigate or avoid the specific, adverse impact" includes, but is not limited to, any cost-effective method, condition, or mitigation imposed by a city, county, or city and county on another similarly situated application in a prior successful application for a permit.

B. "Electronic submittal" means the utilization of one or more of the following:

1. Email
2. The Internet
3. Facsimile

C. "Electric vehicle charging station" or "charging station" means any level of electric vehicle supply equipment station that is designed and built in compliance with Article 625 of the California Electrical Code, as it reads on the effective date of this section, and delivers electricity from a source outside an electric vehicle into a plug-in electric vehicle.

D. "Specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

#### 16.14.030 – Applicability.

A. This chapter applies to the permitting of all electric vehicle charging stations in the City.

B. Electric vehicle charging stations legally established or permitted prior to the effective date of this ordinance are not subject to the requirements of this ordinance unless physical modifications or alterations are undertaken that materially change the size, type, or components of an electric vehicle charging station in such a way as to require a new permit.

#### 16.14.040 – Electric vehicle charging station requirements.

A. All electric vehicle charging station systems shall meet applicable health and safety standards and requirements imposed by the state and the California Fire Code, as adopted and amended by the City.

B. Electric vehicle charging station systems shall be certified by an accredited listing agency as defined by the California Electrical Code.

C. Electric vehicle charging station systems shall meet all applicable safety and performance standards established by the California Electrical Code, the Society of Automotive Engineers, the National Electrical Manufacturers association, and accredited testing laboratories such as Underwriters Laboratories and, rules of Public Utilities Commission regarding safety and reliability.

#### 16.14.050 – Application and documents.

- A. All documents required for the submission of an electric vehicle charging stations application shall be made available on the city's website.
- B. Prior to submitting an application, the applicant shall, at the applicant's cost, verify to the applicant's reasonable satisfaction using standard electrical inspection techniques and providing electrical load calculations that the existing main panel make and type is adequately sized, based on the existing electrical system's current use, to carry all new electric vehicle charging station imposed loads and accept new electrical connections.
- C. An applicant may submit the permit application and associated documentation to the City's building division by personal, mailed, or electronic (when developed and available) submittal together with any required permit processing and inspection fees. An applicant's electronic signature shall be accepted on all forms, applications, and other documents in lieu of a wet signature.
- D. The City's Building Official shall adopt a checklist of all requirements with which the electric vehicle charging stations shall comply to be eligible for expedited review. The electric vehicle permit process, standard(s) and checklist(s) may substantially conform to recommendations for permitting, including the checklist and standards contained in the "Plug-In Electric Vehicle Infrastructure Permitting Checklist" of the "Zero-Emission Vehicles in California: Community Readiness Guidebook" published by the Office of Planning and Research.

#### 16.14.060 – Permit review requirements.

- A. The Building Official shall implement an administrative review process to expedite approval of electric vehicle charging stations. Where the application meets the requirements of the approved checklist and standards and there are no specific, adverse impacts upon public health or safety, the Building and Safety Division shall complete the building permit approval process, which is nondiscretionary. Review of the application for electric vehicle charging stations shall be limited to the Building Official's review of whether the application meets local, state, and federal health and safety requirements.
- B. If the Building Official determines a permit application is incomplete, he or she will send to the applicant a written correction notice detailing all deficiencies in the permit application and any additional information or documentation required to be eligible for expedited permit issuance within five business days of receipt of the application.
- C. Once the Building Official determines a permit application is complete, he or she shall act on the permit within five business days of that determination.
- D. All electrical vehicle charging stations are exempt from Design Review.

16.14.070 – Fees.

The City Council may establish by resolution fees that shall be charged for permits issued under this chapter.

SECTION 3. Severability. If any section, subsection, phrase, or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The City Council hereby declares that it would have passed this ordinance and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrases, or clauses be declared unconstitutional.

SECTION 4. Compliance with the California Environmental Quality Act. The project is exempt from environmental review per CEQA Guidelines under General Rule (Section 15061(b)(3)). The project involves updates and revisions to existing regulations. The proposed code amendments are consistent with California Law, specifically Government Code section 6508.7 and Civil Code sections 1947.6, 1952.7, 4745, and 6713. It can be seen with certainty that the proposed Municipal Code text amendments will have no significant negative effect on the environment.

SECTION 5. Effective Date. This ordinance shall take effect thirty days after adoption thereof.

SECTION 6. Publication. This ordinance shall be published in accordance with the provisions of Government Code Section 36933.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the City Council on August 15, 2017 and passed by the following vote:

AYES: Councilmembers  
NOES: Councilmembers  
ABSENT: Councilmembers

ADOPTED AND ORDERED published at a regular meeting of the City Council held on \_\_\_\_\_, 2017 and passed by the following vote:

AYES: Councilmembers  
NOES: Councilmembers  
ABSENT: Councilmembers

APPROVED:

\_\_\_\_\_  
Janet Abelson, Mayor

ATTEST:

\_\_\_\_\_  
Cheryl Morse, City Clerk

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on \_\_\_\_\_, 2017.

\_\_\_\_\_  
Cheryl Morse, City Clerk

#### ORDINANCE CERTIFICATION

I, Cheryl Morse, City Clerk of the City of El Cerrito, do hereby certify that this Ordinance is the true and correct original Ordinance No. 2017-XX of the City of El Cerrito, that said Ordinance was duly enacted and adopted by the City Council of the City of El Cerrito at a meeting of the City Council held on the \_\_\_\_ day of 2017; and that said ordinance has been published and/or posted in the manner required by law.

WITNESS my hand and the Official Seal of the City of El Cerrito, California, this day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Cheryl Morse, City Clerk



## AGENDA BILL

Agenda Item No. 7(E)

**Date:** August 15, 2017  
**To:** El Cerrito City Council  
**From:** Paul Keith, Chief of Police  
Steve Bonini, Police Lieutenant  
**Subject:** Safe Exchange Zone

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### **ACTION REQUESTED**

Adopt a resolution authorizing the creation and installation of a Safe Exchange Zone.

### **BACKGROUND**

Safe Exchange Zones are locations designated by cities and police departments as safer alternatives for child custody exchanges or property sales from e-commerce transactions. These zones are typically parking stalls which are well lit and monitored by security cameras, adjacent to public safety buildings.

Most internet commerce transactions take place without problems. However, in rare instances one party victimizes the other through theft, fraud, robbery or assault. Likewise, while the majority of child custody exchanges occur with civility, occasionally, child custody exchanges involve one party who is in fear of the other or an exchange that involves a restraining order or act of violence. A Safe Exchange Zone may help increase participants' safety and sense of security in e-commerce sales and child custody exchanges.

Police Departments and their officers do not typically monitor the exchange of goods or custody. Likewise, in Safe Exchange Zones, officers do not actively monitor security camera footage of an exchange although cameras can act as a deterrent. Instead, officers review camera footage if a victim reports a crime. Police Department employees do not act as witnesses to lawful transactions nor do they purposefully become involved in civil disputes.

Locally, the cities of Fremont, Daly City, Danville, Dublin, Pittsburg and Richmond have established Safe Exchange Zones.

### **ANALYSIS**

A Safe Exchange Zone will serve to enhance the safety and perception of safety within the El Cerrito community. Safe Exchange Zones serve the public by allowing citizens to have a dedicated space to complete e-commerce transactions and child custody exchanges. Residents will benefit from engaging in transactions that are in a well-lit and recorded area adjacent to a public safety building.



Staff has identified two parking stalls in the visitor parking section on the east side of the Public Safety Building as the ideal location for a Safe Exchange Zone. Staff will install an additional camera, signs, and curb paint identifying the parking area as a Safe Exchange Zone.

**STRATEGIC PLAN CONSIDERATIONS**

Establishing a Safe Exchange Zone helps further the City's goals of ensuring the public's health and safety as well as delivering exemplary service.

**FINANCIAL CONSIDERATIONS**

Staff estimates the total one-time cost of paint, signs, and additional video equipment as an amount less than \$3,500. Funding for this project is included in the adopted FY 2017/18 budget.

**LEGAL CONSIDERATIONS**

The City Attorney has reviewed the proposed actions and found that legal considerations have been addressed.

**Reviewed by:**

  
\_\_\_\_\_  
**Scott Hanin**  
**City Manager**

**Attachments:**

1. Resolution

RESOLUTION NO. 2017-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO AUTHORIZING THE  
CREATION AND INSTALLATION OF A SAFE EXCHANGE ZONE

WHEREAS, many El Cerrito residents engage in property sales originating from online sales postings and many families exchange custody of children in different locations throughout the City of El Cerrito; and

WHEREAS, in-person property transactions can sometimes involve risk for both sellers and buyers; and

WHEREAS, child custody exchanges can involve contentious relationships and court orders; and

WHEREAS, Safe Exchange Zones allow community members to complete transactions and child custody exchanges in areas that are well lit, recorded, and near public safety buildings; and

WHEREAS, Safe Exchange Zones allow people to complete transactions without disclosing their private addresses; and

WHEREAS, the presence of video surveillance cameras in Safe Exchange Zones allows police officers to review footage in the event a crime occurs.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of El Cerrito that it hereby authorizes the creation and installation of a Safe Exchange Zone.

I CERTIFY that at a regular meeting on August 15, 2017 the City Council of the City of El Cerrito passed this Resolution by the following vote:

|          |                 |
|----------|-----------------|
| AYES:    | COUNCILMEMBERS: |
| NOES:    | COUNCILMEMBERS: |
| ABSTAIN: | COUNCILMEMBERS: |
| ABSENT:  | COUNCILMEMBERS: |

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on August 15, 2017.

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Cheryl Morse, City Clerk

APPROVED:

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Janet Abelson, Mayor