



Health Housing and
Community Services Department
Office of the Director

MEMORANDUM

To: Land Use, Housing & Economic Development Policy Committee

From: Kelly Wallace, Interim Director

Date: January 6, 2020

Subject: **Response to Questions Regarding Uses of U1 Funds for Staffing from November 21, 2019 Meeting**

This memorandum is in response to questions that arose from members of the Land Use, Housing & Economic Development Policy Committee at the November 21, 2019 meeting regarding uses of General Funds collected pursuant to Measure U1 for HHCS staffing. More specifically, this memorandum provides an overview of the costs of HHCS staff that are proposed to be allocated to activities aligned with Measure U1. For existing HHCS staff, this memo indicates how existing funds will be reallocated.

The Housing and Community Services Division (HCS) of HHCS administers the development and monitoring of low-income housing in Berkeley. General Funds collected pursuant to U1 are being requested to support the Measure O Bond funded Housing Trust Fund activities. The total request is \$558,214, increasing annually at a rate of 3%. Please note that no direct staff costs are being charged to Measure O funds.

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HHCS Staffing Detail

	Proposed % Allocated to U1	Full Cost (1)	Proposed U1 Cost (2)
Community Development Project Coordinator	100%	\$167,212	\$167,212
Senior Community Development Project Coordinator	50%	\$233,461	\$116,731
HCS Manager	10%	\$269,940	\$26,994
Senior Management Analyst	50%	\$192,474	\$96,237
Indirect Costs	17.5%	\$863,087	\$151,040
TOTALS			\$558,214

(1) Based on staffing costs estimated for FY 19-20 Budget.

(2) Represents the % Allocated to U1 X the Full Cost.

The rationale for each line item is below:

- 1. Community Development Project Coordinator** – New position: 100%. This position will administer Housing Trust Fund projects funded with Measure O. This includes issuing RFPs, working with affordable housing developers throughout the development process and developing lease and loan agreements in consultation with the City Attorney’s office and outside counsel. This position will also staff the Measure O Bond Oversight Committee.
- 2. Senior Community Development Project Coordinator** – Existing position: 50%. This position will have oversight over all low income housing development supported and monitored through the City of Berkeley, including all Measure O activities. This position will also work on lease and loan agreements, be the content expert for the Measure O Bond Oversight Committee and directly supervise the Community Development Project Coordinator. This position is currently funded with various federal funds, and the administration of Measure O, local funds, are not eligible to charge to the federal funds, unless federal funds are also partially funding Measure O projects.
- 3. HCS Manager** – Existing position. 10%. These funds will cover the oversight of all Measure O funded work. This portion of the FTE is currently funded with federal funds, and these activities would not be eligible to charge to the federal funds, unless federal funds are also partially funding Measure O projects.
- 4. Senior Management Analyst** – New position. 50% is requested for activities related to processing loan agreements, managing the loan portfolio including collecting residual receipts, annual financial reporting and audit response. 50% of

this position would be funded through Measure P to support the work of those projects. Measures O and P have added a tremendous work load to the administrative and fiscal staff of HHCS which cannot be accommodated with current capacity.

5. **Indirect Costs** - @ 17.5% of all staffing costs. These funds will be used for oversight (Director's time) and administrative support (issuing loan payments, Committee support, computers, etc.).

Federal funds made available through the re-allocations noted above would be re-distributed to support staff working on eligible federal projects.