



Office of the City Manager

February 4, 2021

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager 

Re: **Berkeley Economic Dashboards Update**

The Office of Economic Development (OED) is pleased to present the *Citywide Economic Dashboard* update for December 2020 (Attachment 1), and the updated *Commercial District Dashboards* (Attachment 2). Since 2015, OED has consistently released these two companion publications, which analyze a wide variety of economic trends and indicators in Berkeley. The dashboards are designed to make current economic and community data and information more accessible to Council, City staff, and community stakeholders. The reports provide updated information through the fourth quarter (Q4) of 2020. OED staff will post the most recent version of these dashboards on City's [website](#) and intends to publish this report as an informational item on the regular Council calendar of March 9, 2021.

#### *COVID-19 Pandemic Impacts the Berkeley Economy*

Over the past five years, Berkeley has experienced economic growth comparable with that of the Bay Area region. By a variety of indicators, Berkeley's economy was on track for continued healthy performance in the beginning of 2020. However, due to the rapidly spreading COVID-19 virus, on March 17, 2020, the City of Berkeley, along with the health officers of six Bay Area counties issued health orders for residents to stay at home ("Shelter-in-Place") and for all but a few *essential* businesses to cease operations. The halting of economic activity to protect public health had widespread impacts on the Berkeley economy, resulting in significant revenue reductions and job losses in sectors like performing arts, hospitality, and retail, while others, including healthcare and biotechnology, saw new investment and opportunities for growth. This dashboard includes the latest citywide data available through the fourth quarter of 2020, with much of it collected through direct business outreach and on-the-ground fieldwork.

#### *Key Findings:*

- **The pandemic left thousands unemployed in key Berkeley industry sectors.** As the countywide unemployment rate nearly tripled (from 2.6% in Dec. 2019 to 7.6% in Dec. 2020), job losses were most significant in Berkeley sectors like tourism & hospitality (especially lodging, food & beverage, and arts & cultural industries); retail (especially clothing & accessories); durable manufacturing; education and childcare providers; and personal & professional service industries (e.g. gyms and fitness studios, salons, employment services). Although Berkeley-specific unemployment numbers are not available at this time, Berkeley's average unemployment rate has historically been below that of Alameda County and the State of California (reported at 8.8% for Dec. 2020).

- **Growth opportunities remain in Berkeley’s “innovation sector”.** Over 400 Berkeley-based tech, biotech, research and development (R&D) and other science, technology, engineering, and mathematics (STEM) industry businesses were either able to adapt to having a remote workforce or continued work (with modified operations to ensure health and safety) in *essential* medical, life science and health manufacturing facilities. In 2020 Berkeley startups raised more than \$700 million through venture, angel-backed financing and convertible securities and 10 Berkeley companies received nearly \$6 million in federal grants for R&D activities. More than a third of Berkeley innovation companies are in the biotech and healthcare sectors, industries that witnessed tremendous global investment in 2020. Some estimates show that venture capital funding in biotech has increased more than four times (4x) since 2013.<sup>1</sup>
- **Office vacancy rates in Berkeley remain low compared to neighboring cities.** Overall office availability in Berkeley increased half of a percent from Q3 2019 (4.8%) to Q3 2020 (5.3%). For context, the East Bay office market area average vacancy during this same period was 14.1%. Though demand for office space has lessened due to the pandemic, Berkeley’s inventory continues to remain low; asking office rents in the City average \$3.53 per square foot, which is up by approximately \$0.20 cents per square foot from the same period last year.
- **Average citywide ground floor commercial vacancy rates increased, but do not yet exceed levels associated with normal market churn.** Based on data collected in November 2020, before the December 2020 regional and statewide stay-at-home orders further restricted indoor retail and outdoor commerce during the winter/indoor holiday surge period, the citywide ground floor commercial vacancy rate had climbed to 6.9%, an increase of 1.5% since Q3 2019. The Telegraph, Downtown Berkeley and Solano districts have experienced the largest increases in their vacancy rates since the COVID-19 pandemic began (with increases of 12.8%, 4.8% and 4.1%, respectively). Vacancy rates also increased in Berkeley’s other commercial districts, as all food, personal service, and retail operations had to reduce volume and could no longer afford to maintain traditional ‘in-person’ operations due to shelter in place measures associated with the pandemic. Among Berkeley’s commercial districts, the smallest increase in vacancy rate (0.2%) was along the San Pablo corridor.
- **Retail in commercial districts, as a share of total square footage, continues to decline.** The percentage of ground floor commercial square footage occupied by retail uses has decreased from 43% in 2015 to 37% in 2020. As ground floor retail usage has declined, ground floor commercial spaces have been increasingly occupied by office uses, personal service industries, and food and beverage services (as well as non-conforming uses, leased spaces and pending development projects). In Q4 of 2020, Office and Non-Retail uses also declined, from 18.3% (observed in Q3 2019) to 16.4% citywide.
- **The City of Berkeley’s sales tax revenue was deeply impacted by the COVID-19 pandemic.** Berkeley’s total annual sales tax revenues decreased by 13.2% from the four quarters from Q4 2019 to Q3 2020. For context, Alameda County (including all 14

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<sup>1</sup> *Life Sciences Real Estate – State of the Market Q4’20*, Capital Brain, January 18, 2021.  
<https://capitalbrain.co/blog/life-sciences-real-estate-state-of-the-market-q420/>

cities) reported an annual sales tax decrease of 7.8% over the same period and the State of California 'only' witnessed a 4.2% decline. Overall, the Retail and Food & Beverage subsectors were the largest contributors to the City's sales tax revenue (45.3% and 29.7% in Q3 2020, respectively). The easing of Health Order restrictions impacting these sectors likely account for the significant variance in quarterly sales tax collections: Q2 2019 vs. Q2 2020 comparisons show a 35.0% decline; whereas Q3 2019 vs. Q3 2020 sales tax revenue comparisons show a decrease of 22.3%. Overall, in Q3 2020, sales tax collection decreases were due largely to lower-than-usual activity in the *Food and Beverage* sector (-34.3% vs Q3 2019), *Personal Services* sector, *i.e. Automotive Repair and Salons* (-32.4%), and *Retail* (-18.7%). There were, however, some increases: *Other Non-Retail* collections (including health and government services) ticked up by \$28,166 (20.5%) in the third quarter of 2020.

- **Housing costs in Berkeley remain high for buyers, and costs are decreasing for renters, consistent with the Bay Area region overall.** As of Q4 2020, Berkeley's median home sale price (\$1.32M) was higher than its neighboring communities, (save for Piedmont at \$2.47M), and driven by an increased demand for larger homes with accessible outdoor space and limited housing inventory. As of December 2020, market rate rents for multi-family rental units in Berkeley had decreased by 3% from the same period last year to a median of \$3,099 per month. In comparison, rental prices in nearby San Francisco dropped by 25% from 2019's pre-pandemic levels. Berkeley's median rental home prices for studio apartments (including rent-controlled units) have remained relatively stable at \$1,895 per month (a \$100 increase from the same period in 2019).
- **The City of Berkeley took advantage of a wide range of approaches to support businesses' pandemic response and enable economic recovery.** From direct cash transfers to new programs enabling outdoor commerce to holiday marketing support, the City used all the tools in its toolkit to support businesses to weather pandemic impacts and enable economic recovery. Highlights included the distribution of Berkeley Relief Grants and low-interest loans, the development of design templates and the deployment of technical assistance for parklets, sidewalk seating, and outdoor commerce, and the Discovered in Berkeley and #BerkeleyHolidays marketing campaigns, among a variety of other business outreach, communications, and direct support efforts.

#### *Data Sources*

To produce these publications, OED staff compiled and analyzed a wide variety of data sources including the Monthly Labor Force Data (California Employment Development Department), Worker Adjustment and Retraining Notification (WARN) notices provided to the Alameda County Workforce Development Board, commercial real estate data (Newmark Cornish & Carey), housing market data (Berkeley Rent Stabilization Board, MLS, YardiMatrix) and sales tax data (MUNIServices). Staff also analyzed data from City databases including business licenses, building permits and planning permits, and City publications such as rent board reports and the housing pipeline report. Information on Berkeley startups and other innovation companies was obtained from Pitchbook, Crunchbase, LinkedIn, the U.S. Small Business Administration, tech industry news sources, and direct communications with businesses or the [Berkeley Startup Cluster](#)'s partners including UC Berkeley, the Berkeley Lab, and Berkeley's startup incubators and accelerators such as SkyDeck and Cyclotron Road. Finally, in the fourth quarter of 2020, OED staff updated its periodic field occupancy survey of ground floor commercial spaces in Berkeley commercial districts (Attachment 2).

Due to a lag in availability of some data, some of the traditional findings including employment data were omitted in this publication because they were most relevant to the first quarter of 2020 or late 2019, before the sweeping economic impacts of the COVID-19 coronavirus pandemic took hold in California (mid-March 2020).

*Next Steps and Possible Future Action*

Going forward, OED staff will, as directed by Council through previous and future referral items, partner with other City departments and community partners to implement programs and policies that foster a dynamic, sustainable, and locally-based economy, and assist in economic recovery throughout 2021 and beyond.

For further information please contact Eleanor Hollander, Acting Economic Development Manager, at (510) 981-7536 or Elizabeth Redman Cleveland, Chief Strategist, Sustainable Growth, at (510) 981-7532.

Attachments:

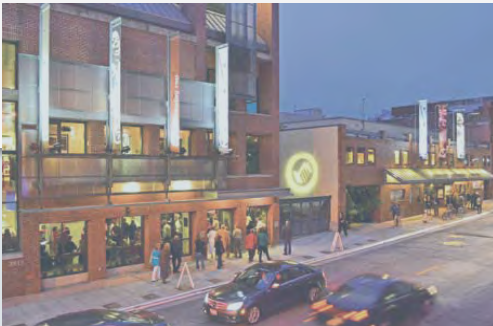
1. *Citywide Economic Dashboard, December 2020*
2. *Commercial District Dashboards, December 2020*

cc: Paul Buddenhagen, Deputy City Manager  
David White, Deputy City Manager  
Jenny Wong, City Auditor  
Mark Numainville, City Clerk  
Matthai Chakko, Assistant to the City Manager  
Eleanor Hollander, Acting Manager, Office of Economic Development



city of

# BERKELEY



## Economic Dashboard & COVID-19 Impacts & Response

December 2020  
Office of Economic Development

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# table of contents



## CITYWIDE ECONOMIC DASHBOARD

### COVID-19 BUSINESS IMPACTS

3-8

- Preliminary Impacts
- Impacts by Industry Sector

### COMMERCIAL ACTIVITY

9-12

- Office Trends & Transactions
- Commercial Trends & Transactions
- Commercial Districts & Vacancy Rates
- Sales Tax Revenues

### DEVELOPMENT & HOUSING

13-14

- Construction & Pipeline
- Housing Costs

### COVID-19 CRISIS RESPONSE & RECOVERY

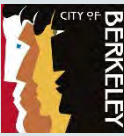
15-21

- Business & Arts Support

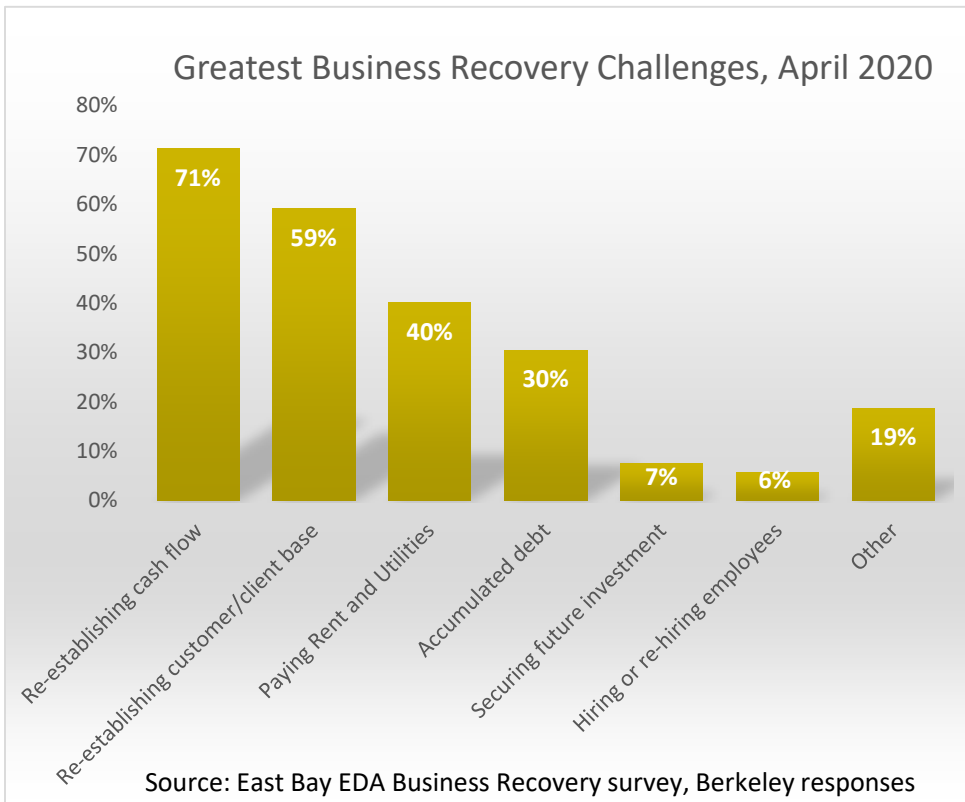


# COVID-19 BUSINESS IMPACT:

## preliminary impacts



In collaboration with the East Bay Economic Development Alliance, the City of Berkeley Office of Economic Development (OED) surveyed businesses by phone and email about the impact of COVID-19 in late April 2020. Most of the Berkeley respondents were *small* businesses: 97% had less than 10 employees; 40%+ were sole proprietors.\* Respondents spanned industries including Professional and Technical Services (22%), Retail & Services (14%), Arts, Culture & Creative (12%), Healthcare (9%), Food & Beverage (8%) and Beauty/Personal Care (8%). 22% were Minority-Owned; 46% were Woman-Owned.



### ***The pandemic took a steep toll***

- More than two fifths of businesses surveyed expected greater than 80% revenue loss over the 3 months from when the pandemic began impacting our community.
- More than half (56%) expected to close permanently if they had to stay closed for 3-4 months.
- 37% “Shifted to online sales or virtual services” and 33% “Reduced salaries or staff hours” to avoid business closure.
- About two thirds applied for the Federal Paycheck Protection Program (PPP) forgivable loan.

\*While Berkeley does have a business community comprised largely of small businesses (95% employ 100 or less), this survey sample skews toward a sample of smaller businesses than the Berkeley business community in general.

# COVID-19 BUSINESS IMPACT:

## impacts by industry sector - employment



Sector (in Alameda County)	Employment
Accommodation	-42.0%
Arts, Entertainment & Recreation	-35.2%
Personal & Laundry Services	-33.6%
Clothing & Clothing Accessories Stores	-30.4%
Building Equipment Contractors	-29.7%
Employment Services	-26.5%
Food Services & Drinking Places	-25.0%
Durable Goods Manufacturing	-15.4%
Educational services	-15.2%

Source: Employment Development Department, 2020

### ***Small businesses weren't the only ones affected***

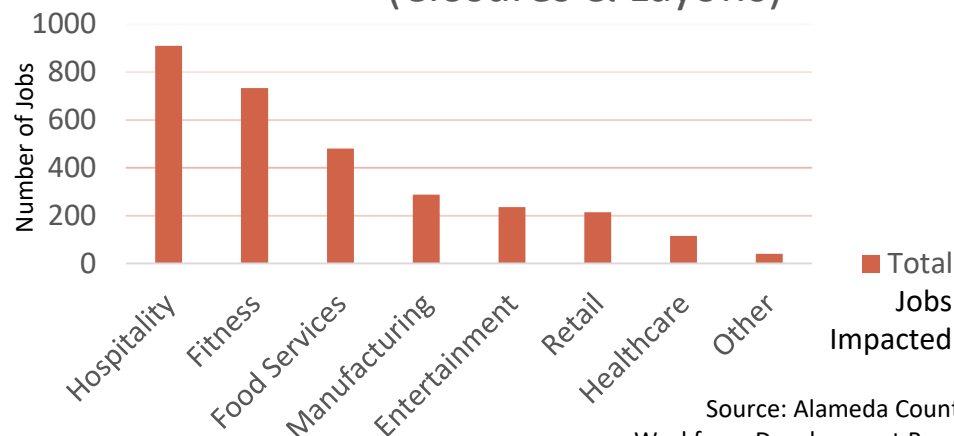
Among Berkeley's largest employers (those with 75 or more full-time employees), more than 3,000 layoffs (~4.6% of the Berkeley labor force) were reported through WARN notices\* since the pandemic began.

\*The Worker Adjustment Retraining Notification (WARN) protects employees, their families, and communities by requiring employers to give a 60-day notice to the affected employees and both state and local representatives prior to a plant closing or mass layoff. California WARN is applicable to a covered establishment with 75 or more employees full or part-time.

### ***The impacts spanned industries***

Alameda County's Dec. 2020 unemployment rate jumped to 7.6%, almost three times the rate a year prior (2.6%). Berkeley sectors most impacted included tourism & hospitality (especially lodging, food & beverage, and arts & cultural industries); retail (especially clothing & accessories); durable manufacturing; education and childcare providers; and personal & professional service industries (e.g. gyms and fitness studios, salons, employment services).

Affected Workers - 2020  
(Closures & Layoffs)

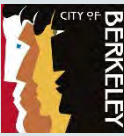


Source: Alameda County Workforce Development Board



# COVID-19 BUSINESS IMPACT:

## impacts by industry sector – hospitality



In 2020, Berkeley hospitality\* industries suffered deeply from COVID-19 and related health orders.

### Tourism & Lodging



Source: DoubleTree by Hilton Berkeley Marina

- 100% of meetings, conferences and events were cancelled indefinitely
- 90% of Berkeley hotel employees were laid off or furloughed from March – Oct. 2020
- ~75% of Berkeley hotel rooms were temporarily closed during that period
- Lodging tax revenues declined by 70% (a loss of \$4.7 million) year-over year from March – Nov. 2020

### Food & Beverage Services

- Health orders banned indoor dining for more than three-quarters of 2020 forcing restaurants to earn revenues through delivery and takeout services, catering, outdoor dining (June-Nov. 2020) and new business models.
- More than 40 Berkeley restaurants and bars closed forever.
- The greatest number of closures were in Downtown Berkeley (17) and the Telegraph district (9), both near UC Berkeley’s campus.

\*Berkeley hospitality includes lodging, food & beverage establishments, event centers and planning, and more.

Many historic Berkeley institutions closed their doors permanently in 2020 including the Albatross Pub (est. 1964) and Au Coquelet Coffee Shop (est. 1976).



Liam Curley @liammcurley · Nov 7, 2020

found out Berkeley's Albatross Pub will close forever. what a storied bar, what a home. ❤️ 🍷 🍻



14

61

92



Photo credits: Twitter (top), Berkeleyside (lower), OED (left)



# COVID-19 BUSINESS IMPACT:

## impacts by industry sector – arts & culture



Berkeley's arts and culture industry, which typically generates nearly \$165 million in annual economic activity and provides close to 7,000 local jobs, was hit especially hard by the pandemic. Based on Q2 2020 survey data collected by the City of Berkeley's Civic Arts Program from 65 Berkeley arts organizations, more than \$7.5 million of total revenue was lost for April - June and 288 employee positions were eliminated in the same quarter.

170,800

92% ATTENDANCE/VISITORS  
LOSS FOR THE QUARTER

\$5,219,486

TOTAL LOSS OF  
ADMISSIONS/BOX OFFICE



\$595,174\*

### Total amount spent on COVID-19 related expenses

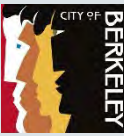
- Cleaning Supplies, masks, hand sanitizers, cleaning services
- New IT software to enlarge digital presence
- Technology equipment for working at home



\*Numbers based on Q2 2020 survey data - see full survey results [here](#). Updated numbers will be posted on the City of Berkeley's [Civic Arts webpage](#).

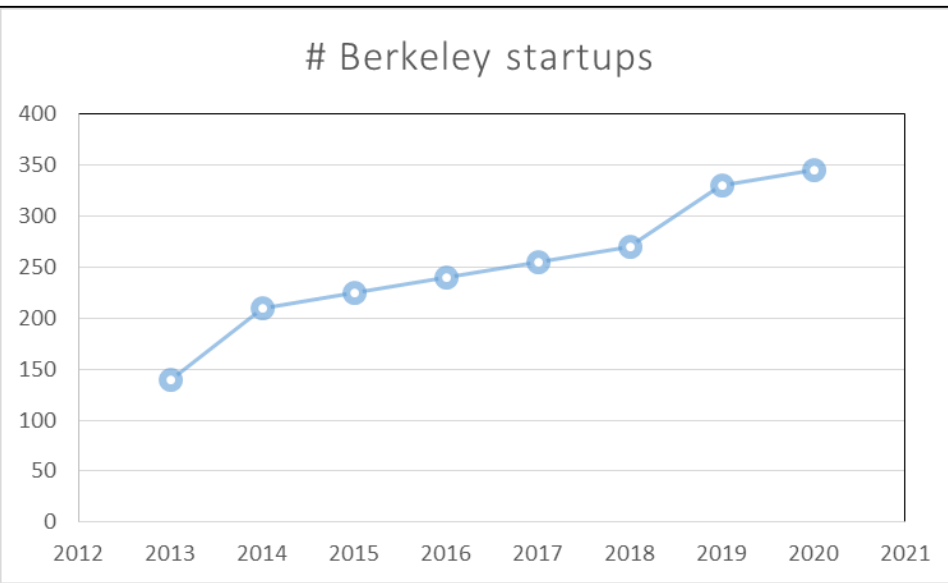


# COVID-19 BUSINESS IMPACT:



## impacts by industry sector – innovation sector

Nearly 400 Berkeley-based “innovation sector” companies (including tech, biotech, Research & Development [R&D] and other STEM industries) had employees either working from home or in other *essential* medical, life science or health manufacturing facilities.

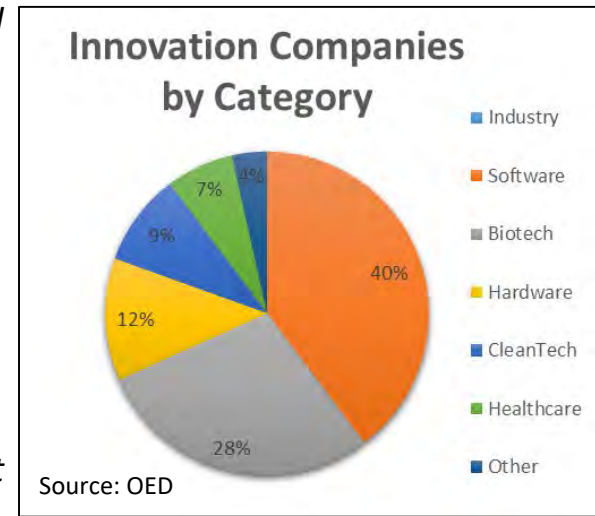


Source: OED, UC Berkeley IPIRA

In 2020 Berkeley startups\* raised more than \$700 million through venture, angel-backed financing and convertible securities.

\*Startup = For-profit businesses that sell innovative technology products or services OR substantively use innovative technologies to develop and manufacture their products or provide their services AND are developing repeatable and scalable business models that aren't yet profitable.

More than a third of Berkeley innovation companies are in the biotech & healthcare sectors, industries that witnessed tremendous global investment in 2020.



Source: OED

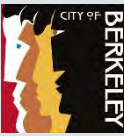
### Other 2020 Highlights

- 2 Nobel prize winners at UC Berkeley: Jennifer Doudna (Chemistry) and Reinhard Genzel (Physics)
- 2 Berkeley companies were listed in TIME Magazine's [100 Best Inventions of 2020](#): Perfect Day Foods & Pivot Bio
- 10 Berkeley companies received nearly \$6 million in federal SBIR & STTR<sup>†</sup> grants for Research & Development (R&D)

<sup>†</sup> Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are highly competitive programs that encourage US small businesses to engage in Federal Research and Development with the potential for commercialization.

# COVID-19 BUSINESS IMPACT:

## impacts by industry sector – office based businesses



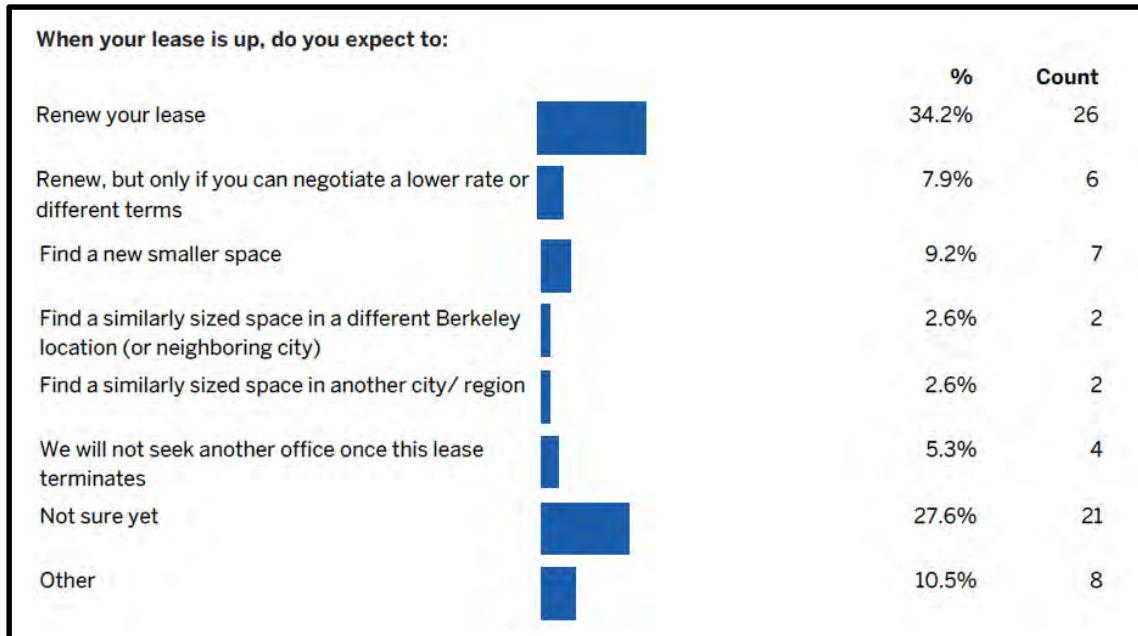
In Q4 2020, OED conducted a survey of Berkeley office-based businesses to better understand how their commercial real estate needs changed in light of the COVID-19 pandemic. Of 80 respondents, the vast majority (82%) occupied small offices (< 5000 sf). The majority were either in professional services (43%) or technology (24%) industries in Downtown Berkeley (zip code 94704) or West Berkeley (zip 94710). 58% rate having a private office as “extremely important” and almost two thirds were still renting their Berkeley office despite SIP restrictions. 37% have a long term lease that won’t expire until 2023 or after.



Photo credit: AAA

### ***Despite many firms being firmly rooted in Berkeley, expect changes ahead***

Nearly 50% have leases that will expire before the end of 2021. More than a quarter aren’t sure yet what they will do when their lease expires; 8% do not plan to have an office in Berkeley after their lease expires.



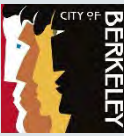
### ***Help is possible for those who ask***

- 46% of office survey respondents haven’t requested any changes to their rental or mortgage costs
- 18% have been able to negotiate lower rental fees because of the pandemic’s business impact

Source: OED Survey of Berkeley Office-Based Businesses, Q4 2020

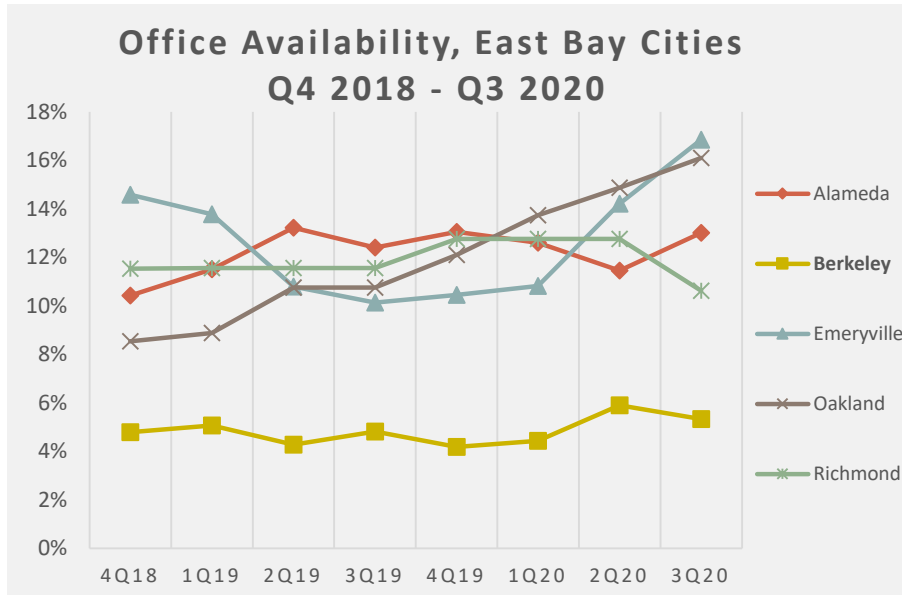
# COMMERCIAL ACTIVITY:

## office trends & transactions



Q3 2020 Office Market, Berkeley	Indicators
Total Inventory	3,455,150 SF
Under Construction	0 SF
Availability Rate	5.33%
Qtr Gross Absorption	115,960
Qtr Net Absorption	-52,916
YTD Net Absorption	-114,282
Average Asking Rent	\$3.53 / SF

Source: Newmark Cornish & Carey, 3Q20 East Bay Office Market Report

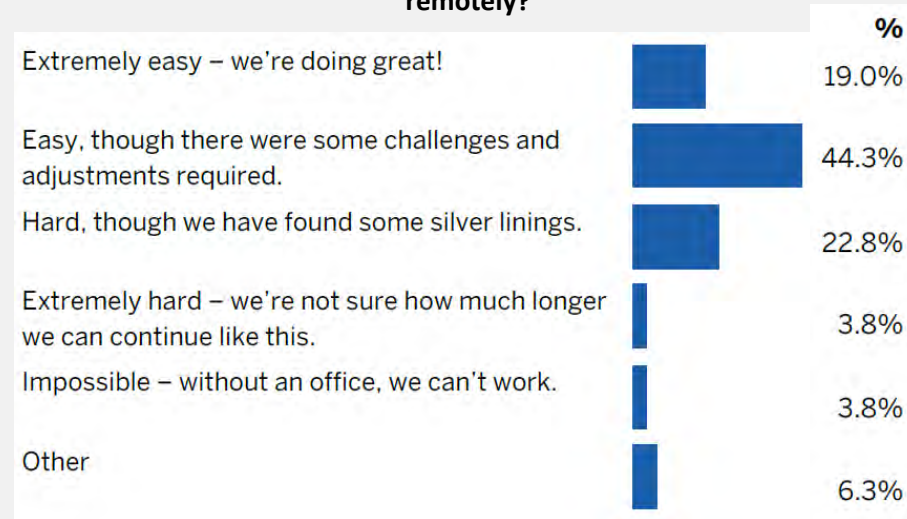


Source: Newmark Cornish & Carey, Q320 East Bay Office Market Report

## Office-Based Businesses Work Remotely

Office-based businesses were closed for the majority of 2020 due to COVID-19 health orders. However, in OED's Q4 2020 survey of office-based businesses, **63% indicated that they were easily able to operate with employees working remotely** and, of those that found remote working difficult, 23% "found silver linings".

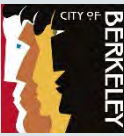
Q: From the perspective of business productivity, how easy has the transition been for your business to operate with employees working remotely?



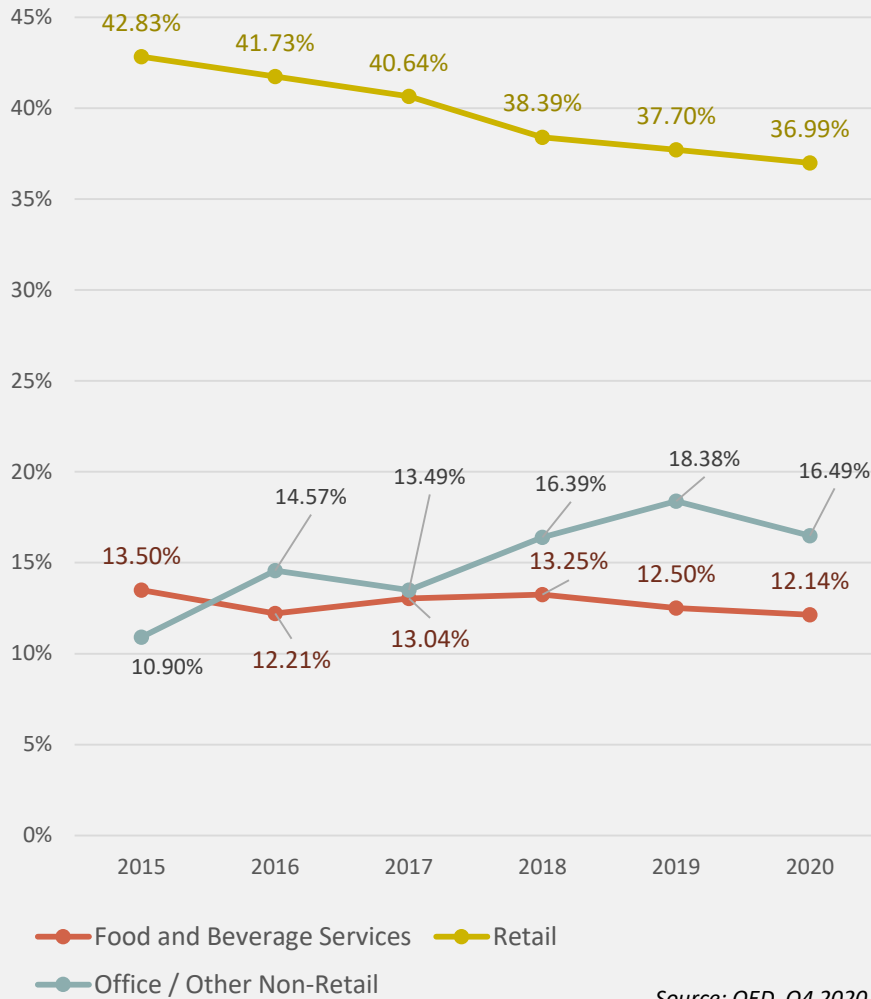
Source: OED Survey of Berkeley Office-Based Businesses, Q4 2020

# COMMERCIAL ACTIVITY:

## commercial trends & transactions



**Citywide Commercial Inventory, Select Categories, By Square Footage, 2015-2020**



Source: OED, Q4 2020

### New Development

Wareham Development started leasing 16,297 square feet of laboratory and office space at 999 Anthony St in West Berkeley.



Source: Kidder Mathews, Wareham Development

Construction on Kaiser Permanente's new 61,000-square-foot medical offices at 2621 10th St. (San Pablo Avenue/ Parker St) put the ball in motion for a 2021 opening.

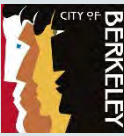


Source: Gould Evans

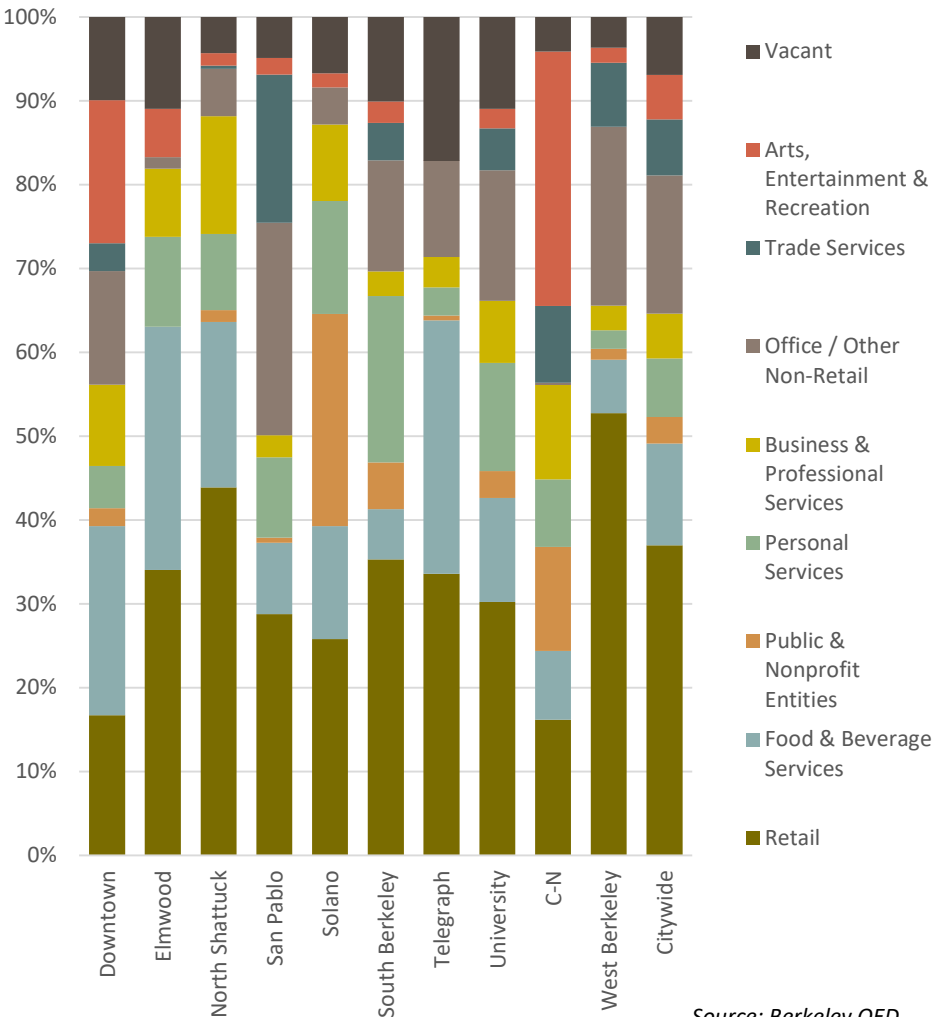


# COMMERCIAL ACTIVITY:

## commercial districts & vacancy rates



### Ground Floor Commercial Occupancy By Category, 2020 Q4



Citywide, the ground floor commercial vacancy rate has increased to 6.9%\*, an increase of 1.5% since Q3 2019. The Telegraph, Downtown, and Solano districts have experienced the largest increases in their vacancy rates since the COVID-19 pandemic began.

### Vacancy Rates by District, Calculated by Square Footage, 2015-2020

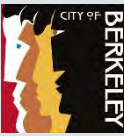
District	2015	2016	2017	2018	2019	2020
Downtown	8.4%	4.7%	4.6%	3.1%	5.1%	9.9%
Elmwood	2.0%	1.5%	5.4%	7.3%	7.3%	10.9%
North Shattuck	2.1%	2.6%	0.4%	1.7%	0.7%	4.3%
San Pablo	7.3%	5.9%	5.5%	4.9%	4.6%	4.8%
Solano	3.5%	7.5%	4.8%	4.1%	2.6%	6.7%
South Berkeley	7.9%	8.2%	9.6%	9.7%	7.6%	10.1%
Telegraph	7.1%	5.1%	7.1%	7.9%	4.4%	17.2%
University	9.4%	14.2%	12.0%	11.0%	7.8%	11.0%
Neighborhood Commercial (C-N)						7.3%
West Berkeley	3.3%	8.8%	1.9%	3.7%	5.8%	3.7%
<b>Citywide Avg.</b>	<b>5.9%</b>	<b>6.5%</b>	<b>4.6%</b>	<b>5.0%</b>	<b>5.4%</b>	<b>6.9%</b>

\*Typical commercial district storefront vacancy rates range from 4-8% due to natural market churn.

Source: Berkeley OED

# COMMERCIAL ACTIVITY:

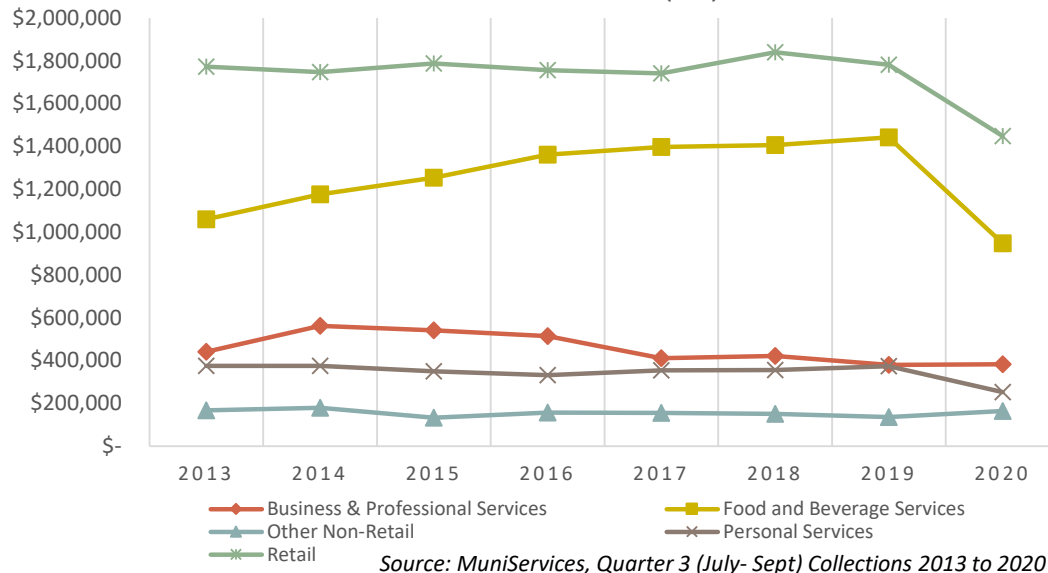
## sales tax revenues – the pandemic hits



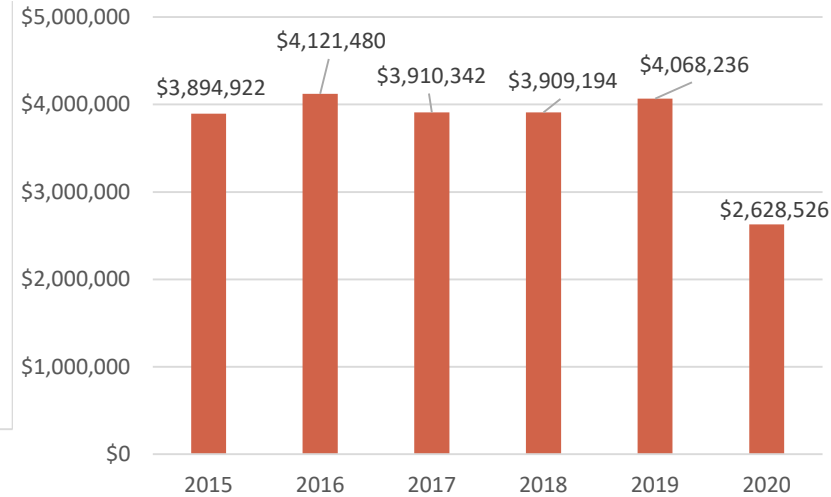
Total Annual Sales Tax Revenue - Past 4 Quarters	Q4 2018- Q3 2019	Q4 2019- Q3 2020	Change
City of Berkeley	\$18,839,486	\$16,355,379	-13.2%*
Alameda County (total including cities)	\$356,111,846	\$328,424,125	-7.8%
State of California	\$7,363,034,598	\$7,050,811,392	-4.2%

\*While increases in *Food & Beverage* sales helped to make up for decreases in *Retail* sales tax in past years, due to the COVID-19 Pandemic, both *Retail* and *Food & Beverage* sales declined in 2020.

BERKELEY SALES TAX REVENUES (Q3) BY BUSINESS CATEGORY



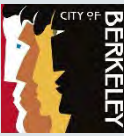
TOTAL CITY OF BERKELEY Q2 SALES TAX REVENUES



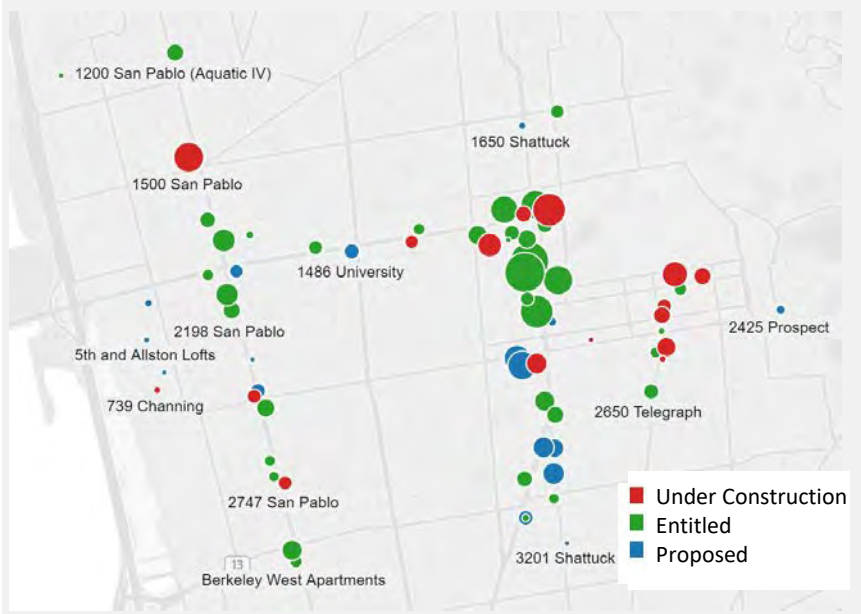
In Q3 2020, the *Retail* subsector was the largest contributor to the city's sales tax revenue (45.3%), with *Food & Beverage* second (29.7%). Health Order restrictions impacting these sectors account for the significantly higher decline in sales tax collections in Q2 2020 (-35% vs Q2 2019) than in Q3 2020 (-22.3% vs Q3 2019). The decline in Q3 sales tax collection was largely due to significant decreases in the *Food and Beverage* sector (-34.3% vs Q3 2019), *Personal Services* sector, i.e. *Automotive Repair* and *Salons* (-32.4%), and *Retail* (-18.7%). There were, however, some increases: *Other Non-Retail* collections (including health and government services) ticked up by \$28,166 (20.5%).

# DEVELOPMENT & HOUSING:

## construction & pipeline



### Multi-Family Residential Developments, 2020



Data Source: City of Berkeley Planning Department Pipeline Report (May 2020);  
Map: [Red Oak Realty](#) (September 2020).

### Housing Development Pipeline

As of mid-2020, 72 distinct housing developments were proposed, entitled for development, or under construction. The buildings currently under construction will contain 1,351 net new units, a small increase from the number of units under construction in 2019 (1,141). Overall, in the last two years, Berkeley has seen increasing numbers in the development pipeline: 1,790 dwelling units received entitlements in 2020, up from 1,573 in 2019.

### Pipeline Project Highlights



Image above and right: Trachtenberg Architects

**2650 Telegraph** is a 5-story, 45-unit project on Telegraph Avenue at Derby Street. The project was approved by the Berkeley Zoning Adjustments Board (ZAB) in March 2020 and by City Council in June 2020. It will have 50 bike parking spaces and over 4,000 sq. feet of usable open green space.

**3000 San Pablo** is a 6-story, 78-dwelling unit project approved for the busy corner of Ashby and San Pablo Avenues. 1,248 sq. feet of commercial space for one tenant is planned for the ground floor at the northeast corner of the property.



Image: Mill Creek Residential

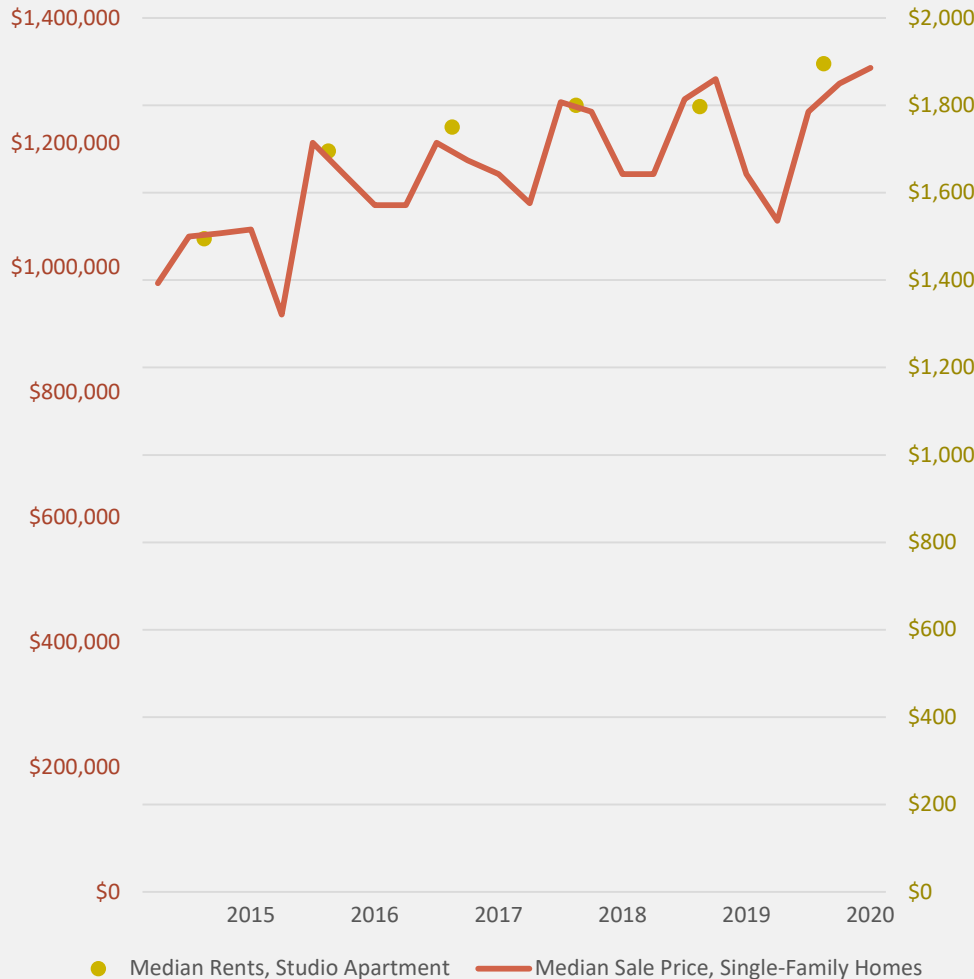
**Modera Achenson Commons** is currently under construction. The 205 unit building will boast 14,000 sq. feet of retail space. The building is next to the UC Berkeley campus and in the heart of Downtown at the intersection of Shattuck and University Avenues. It is due to open in the middle of 2021.

# DEVELOPMENT & HOUSING:

## housing costs



Housing Prices in Berkeley 2015-2020



Sources: MLS, Redfin, and City of Berkeley Rent Stabilization Board

Median Sale Price, Single-Family Homes, Dec 2020

Alameda	\$1,073,750
Albany	\$784,000
<b>Berkeley</b>	<b>\$1,320,000</b>
El Cerrito	\$1,051,028
El Sobrante	\$660,000
Emeryville	\$635,000
Oakland	\$855,000
Richmond	\$550,000
Piedmont	\$2,470,000
San Leandro	\$770,000

Sources: Redfin (top), CalMatters.org, RentCafe.com (bottom)

### Home sales prices remain high but rents drop

Berkeley's single family home values increased 14.8% from Nov. 2019 to Nov. 2020, with a 4.1% increase in sales volume over the same period. 76 single family homes were sold in Berkeley in Nov. 2020 alone and 79% sold above list price. Since stay-at-home orders began in March 2020, the median price of single family homes in California (\$700,000) hit an all time high in August. Meanwhile, median rents in larger cities have dropped: San Francisco's median rent decreased 25% since Q1 2020 and Berkeley's market rate rents for multi-bed units decreased by 3% year over year to \$3,099.



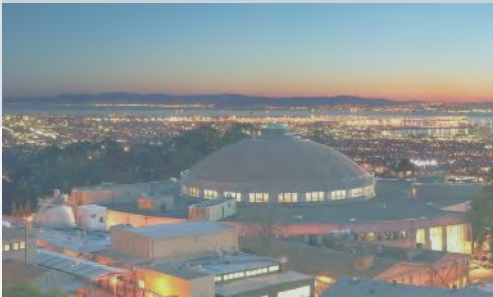
## FACE COVERINGS REQUIRED



- ✓ CUSTOMERS
- ✓ STAFF
- ✓ VENDORS

Everyone must cover their nose and mouth with a mask, bandana, or other cloth barrier.

[CITYOFBERKELEY.INFO/COVID-19](http://CITYOFBERKELEY.INFO/COVID-19)

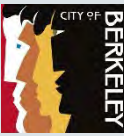


# COVID-19 CRISIS RESPONSE & RECOVERY



# BUSINESS & ARTS SUPPORT:

## small business revolving loan fund & resiliency loan program



The City of Berkeley's Revolving Loan Fund (RLF) is federally funded by the Economic Development Administration (EDA) and provides access to capital for businesses that don't qualify for traditional commercial loans. All current RLF recipients were offered a six month pause in monthly payments due to the pandemic.

Portfolio Summary 2020	Total Loans	Active Loans
Number of RLF Loans	44	8
RLF \$ Loaned	\$2,693,417	\$760,000
Total Non-RLF \$ Leveraged	\$7,870,426	\$2,364,010
Private Sector Jobs Created	218.5	51
Private Sector Jobs Saved	102.5	77
Total Minority Jobs Created and Saved		124
Total Women Jobs Created and Saved		133
<b>Totals Jobs Created/Saved</b>		<b>267</b>

Source: Berkeley OED, June 2020

Current RLF Borrowers Include:



**NABOLOM BAKERY**

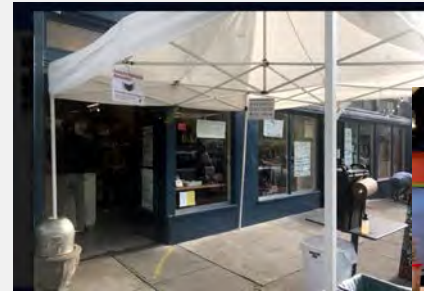


**KITCHEN on FIRE**  
cooking school since 2005  
1509 Shattuck Ave, Berkeley CA 94709



### Supporting Berkeley's existing small businesses

Berkeley's small businesses are key to the economic health of the City of Berkeley. Recognizing the enormous negative impact of COVID-19 on businesses' finances, OED applied for a CARES Act grant to provide additional funding to existing businesses. The City was awarded the grant and launched the **COVID-19 Resiliency Loan Program (RLP)** for Berkeley businesses that are at least two years old and with 50 employees or less. This program streamlines the approval of 0%-1% interest loans for businesses in need of working capital with a six month non-payment and non-accrual period to provide additional assistance and flexibility for entrepreneurs.

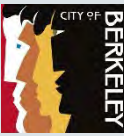


Photos: RLF recipients pivot to new COVID-safe practices -- an outdoor handwashing station at Nabolom Bakery (above) and online cooking classes at Kitchen on Fire (right).

The Loan Administration Board (LAB) and City Council acted swiftly to modify the existing Revolving Loan Fund (RLF) Administrative Plan to incorporate the RLP. In addition, the LAB worked with staff and partner organizations to conduct targeted outreach to the hardest-hit businesses, including many that didn't receive previous grant funding from the Berkeley Relief Fund.



# BUSINESS & ARTS SUPPORT:



## Business & Arts Relief Grants

### Continuity Grant Awards

In April of 2020, the [City awarded grants to businesses and arts organizations](#) whose revenues were significantly impacted by the COVID-19 pandemic. The Business and Arts Organization Continuity Grant Programs were funded through a \$3M allocation of the City's catastrophic reserve fund on March 17, 2020 to provide assistance to renters, small businesses and arts organizations significantly impacted by the COVID-19 pandemic and state of emergency. Of that funding, \$1 million was allocated to expand the Housing Assistance Program, which provides assistance to low-income renters; \$1 million was allocated to create the Business Continuity Grant Program; and \$1 million was allocated to create the Arts Organization Continuity Grant Program. In addition, community leaders launched the Berkeley Relief Fund, a campaign to raise private donations to match the City's contribution.

### COVID-19 Small Business & Arts Organization Emergency Grant Program Impact



#### MARCH 2020



- Berkeley City Council allocates \$2,000,000 for the Business and Arts Continuity emergency relief grant program

1,058 Business Grant Applications Received

#### APRIL 2020



- Grant applications go Live
- Berkeley Relief Fund campaign raises additional \$842,000 in private donations for the relief grant program

71 Arts Grant Applications Received

700 Business Grants Awarded Totalling \$1,669,999

#### MAY 2020



- Grant awards are processed and recipients receive funding

63 Arts Grants Awarded Totalling \$954,542

## SMALL BUSINESS & ARTS ORGANIZATIONS SUPPORTED BY THE COVID-19 EMERGENCY RELIEF GRANT PROGRAMS

### SMALL BUSINESS CONTINUITY GRANTS BY SECTOR

251

RESTAURANTS

85

PERSONAL SERVICES

142

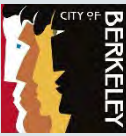
RETAIL

222

OTHER SERVICES

TOTALING: \$1,669,999

# BUSINESS & ARTS SUPPORT:



## COVID-19 Emergency Operations Center Response

### New avenues for City-Business communications

Throughout the pandemic, OED found a number of ways to communicate with – and hear from – businesses citywide:

- Established an Emergency Business Outreach Team (April 2020) which conducted ~5000 business surveys and ~800 phone calls to assess preliminary COVID-19 impacts
- Fielded thousands of direct business inquiries by phone & email
- Hosted 40+ [recovery listening sessions](#) for key industry sectors and arts organizations
- Issued 24 [OED newsletters](#) (viewed 33,000+ times) with relevant information and opportunities for businesses
- Partnered with the Berkeley Chamber to organize 13 digital Berkeley Business Forums for the business community at large to gain information, ask questions and share resources
- Conducted field surveys in Berkeley's commercial districts to document business closures, pivots and vacancies
- Published COVID-19 resources for businesses & arts organizations on the [City of Berkeley](#) + [Berkeley Chamber](#) websites

### Protecting Public Health – Through Our Business Community

Berkeley businesses quickly implemented *site specific protection plans* to keep customers and employees safe, and worked tirelessly to educate customers and employees on the importance of masking and physical distancing to contain airborne disease transmission.

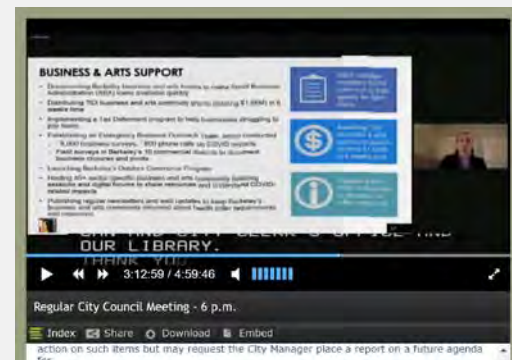


Image Credits: City of Berkeley

Berkeley employers participated in group testing programs for front line workers to help ensure safe workplaces.



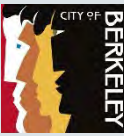
### Presentation to City Council (Oct. 27, 2020)



Source: Lessons Learned in [Organizational Management During Crisis and COVID-19 Response 2020 Summary Report, Item 24.](#)



# BUSINESS & ARTS SUPPORT:



## Outdoor Commerce

Berkeley's business community pivoted quickly to offer innovative "to-go" service models and embraced outdoor dining and commerce during the pandemic.



### Outdoor Commerce

Berkeley's City Council authorized an [urgency ordinance](#) in June 2020 to permit outdoor dining and commerce.

Over **50 installations** of both public and private outdoor commerce were established in Berkeley in 2020.



Credit: City of Berkeley Outdoor Commerce Guide

### Technical Assistance for Businesses

OED coordinated a [webpage](#) and a [guide](#) to assist businesses with outdoor commerce installations and worked with local architects and designers to provide design templates and pro-bono assistance.



**Street Bar**  
And Casual Outdoor Dining in front of The UC Theatre  
Open to the Public Every Friday & Saturday



Clockwise: 'Outfront' at the UC Theater, online orders at Café Buenos Aires, pick up food at Imm Thai Restaurant, and curbside service at Picante.



### Which permit is right for my business?



#### SIDEWALK SEATING (PAGE 3)

- For applicants wishing to serve food and/or alcohol or increase their outdoor dining capacity a sidewalk seating application is likely the most appropriate.
- For applicants conducting personal service businesses outdoors (i.e. hair and nail salons) with reservations and personal protective equipment (PPE) in place.
- Sidewalk seating or sidewalk area for personal service is controlled by the permittee and may be used for patrons with reservations.

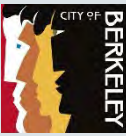


#### PARKLETS (PAGE 4)

- For applicants that want to provide extra outdoor space for queuing, or "to-go" food consumption, or fitness classes construction of a parklet may be a better fit.
- Parklets are considered public space. The parklet sponsor(s) is/are required to maintain the space.



# BUSINESS & ARTS SUPPORT:

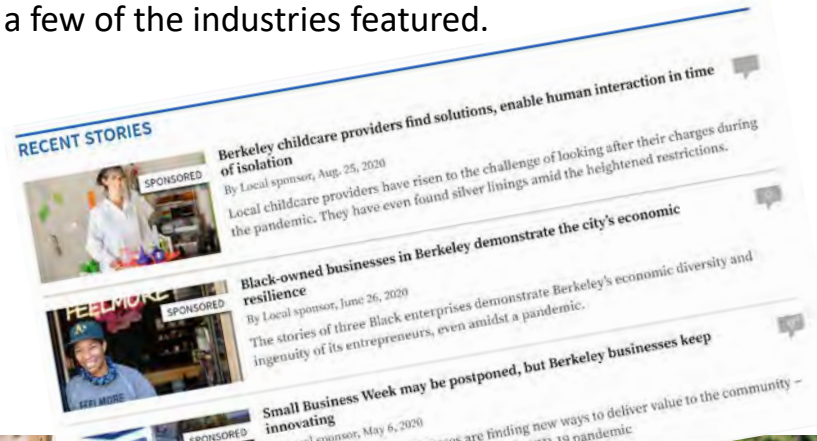


## #DiscoveredinBerkeley business marketing campaign

The **Discovered in Berkeley** marketing campaign highlighted local businesses with notable pandemic “pivots” and entrepreneurs demonstrating perseverance and creativity. Women-owned businesses, black-owned businesses, childcare providers, healthy food manufacturers, artists and curators were a few of the industries featured.

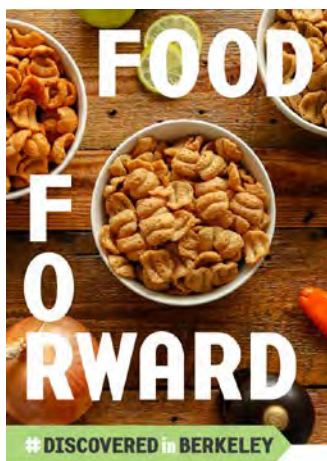
Throughout 2020:

- More than 2,700 users visited [DiscoveredinBerkeley.com](https://DiscoveredinBerkeley.com)
- 1000+ uses of #DiscoveredinBerkeley were found on Instagram
- 9 Berkeleyside articles generated 24,000+ page views and 1000+ outbound clicks to Berkeley businesses’ websites
- 27 Berkeleyside banner ads generated 1.1 million+ impressions and nearly 1,500 “clicks”



Discover how Berkeley childcare providers are finding solutions and enabling human interaction in time of isolation.

Learn more about childcare providers across Berkeley



Berkeley-based food businesses are responding to the shelter-in-place order with ingenuity and community support.

Learn more about Berkeley's innovative businesses



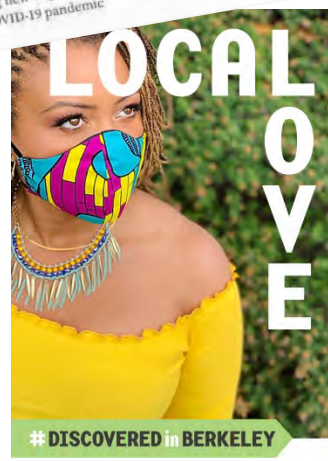
**BERKELEYHOLIDAYS.COM Gift Guide**  
Spoil your friends and family over the holidays—and enable economic recovery—with gifts from **Fourth Street Fine Art**.

Support local businesses this holiday season



A host of Berkeley makers and bakers are nourishing locals and building community, despite the challenges of 2020.

Learn more about Berkeley's innovative businesses



Discover Black-owned businesses in Berkeley, like **Lola's African Apparel**, which employs Nigerian tailors and seamstresses to make contemporary and traditional styles.

Learn more about Black-owned businesses in Berkeley



# BUSINESS & ARTS SUPPORT:



## #BerkeleyHolidays Gift Guide and marketing campaign

A partnership between OED, the Berkeley Chamber, Visit Berkeley and business districts citywide, the #BerkeleyHolidays Gift Guide and marketing campaign promoted safe local shopping during the holiday season.

- **155 Berkeley businesses** were featured, including 86 Woman-owned and 36 Minority-owned businesses.
- BerkeleyHolidays.com received **12,000 page views** generating nearly **4,000 clicks to merchant sites**.
- The social media campaign generated **~1,300 unique #BerkeleyHolidays posts** on Instagram – & more on Facebook.
- Advertising on social media (Facebook & Instagram) and in local publications (*The Daily Cal* & *Berkeleyside*) generated **450,000+ impressions**
- 3,800 unique viewers saw the Discovered in Berkeley articles featuring select Gift Guide businesses in *Berkeleyside*
- 97% of businesses surveyed would participate in the campaign again\*

\*Based on Jan. 2021 Berkeley Chamber survey results from 32 participating businesses

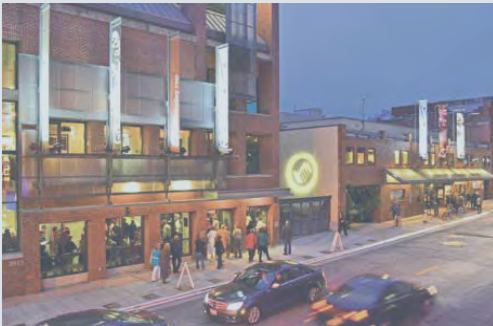






city of

# BERKELEY



## Office of Economic Development (OED)

See the OED website for past Economic Dashboards and other economic reports:

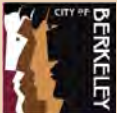
<https://www.cityofberkeley.info/oed/reports/>

Contact OED for more information:

[oedmailbox@cityofberkeley.info](mailto:oedmailbox@cityofberkeley.info)



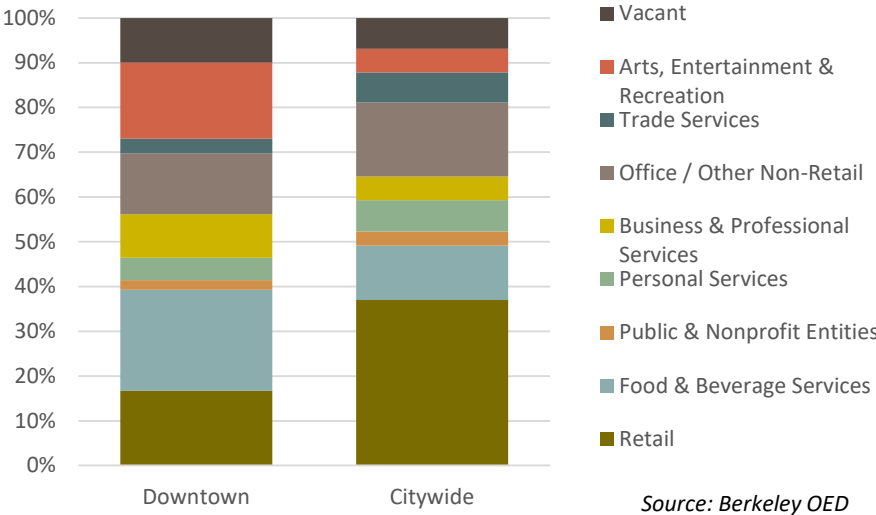
# DOWNTOWN: 2020 Snapshot



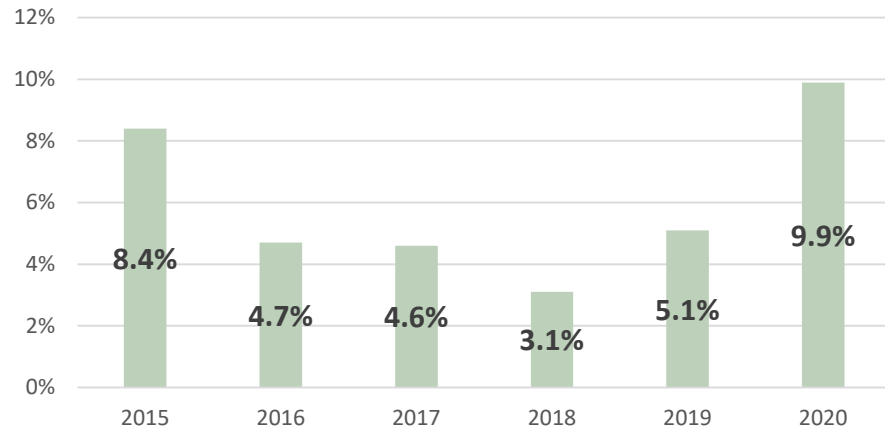
Downtown Berkeley serves as the City's core commercial district, meeting the daily needs of residents, students, workers, and visitors. The district benefits from a significant concentration of arts and entertainment uses, which occupy 17% of total ground floor commercial space in the district compared to 6.9% citywide. As of Q4 2020, the vacancy rate in Downtown is 9.9%, which has nearly doubled since late 2019 (5.1%). Sales tax revenue generated in 2020 by Food & Beverage services dropped to \$755,043, from its peak of \$1.17 million dollars in 2019 (-36%), and Retail sales tax collected also decreased by \$125,000 (-26%).



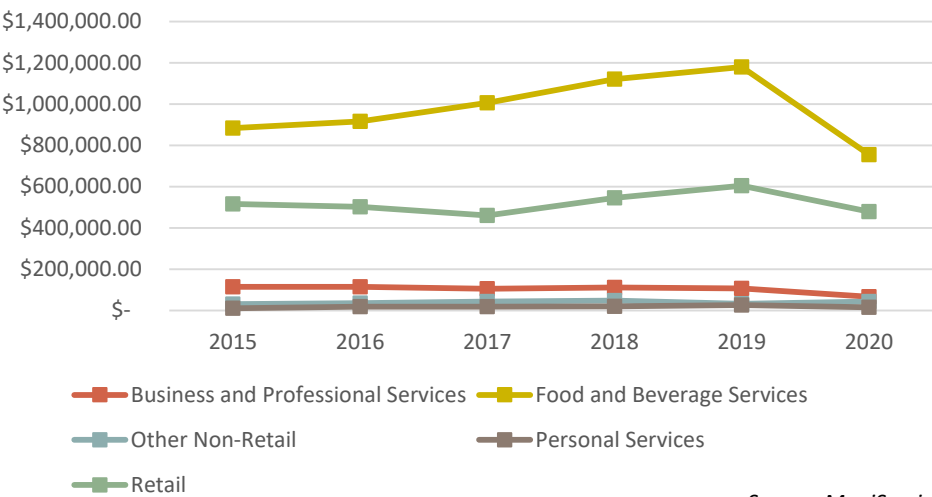
**Ground Floor Commercial Business Mix (by Square Footage), 2020 Q4**



**Ground Floor Commercial Vacancy Rate (by Square Footage), 2015-2020**



**Sales Tax Revenue by Sector, 2015-2020**



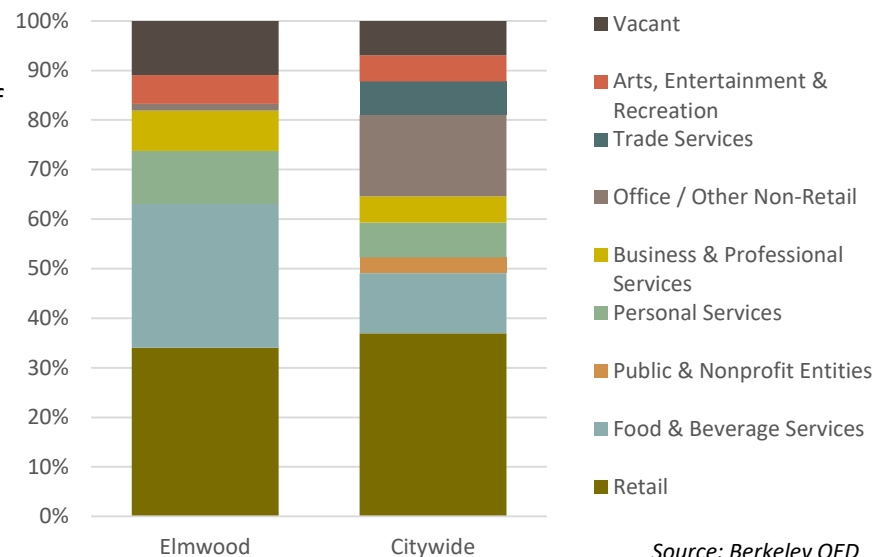
# ELMWOOD: 2020 Snapshot



The Elmwood is a compact three block commercial district along College Avenue near the Berkeley-Oakland border and the neighboring Rockridge shopping district. The Elmwood district is characterized by a high concentration (29.0%) of Food & Beverage services and personal services (10.7%), and is a walkable, neighborhood-serving commercial district. As of Q4 2020, the district's vacancy rate by square footage is 10.9%, a 3.6% increase from Q3 2019 (7.3%). Sales tax collected from the Food and Beverage sector in the Elmwood decreased by \$42,953, from 2019 to 2020, and by \$40,642 for Retail, as indoor capacity for retail shopping was limited, and indoor dining was prohibited due to the pandemic.

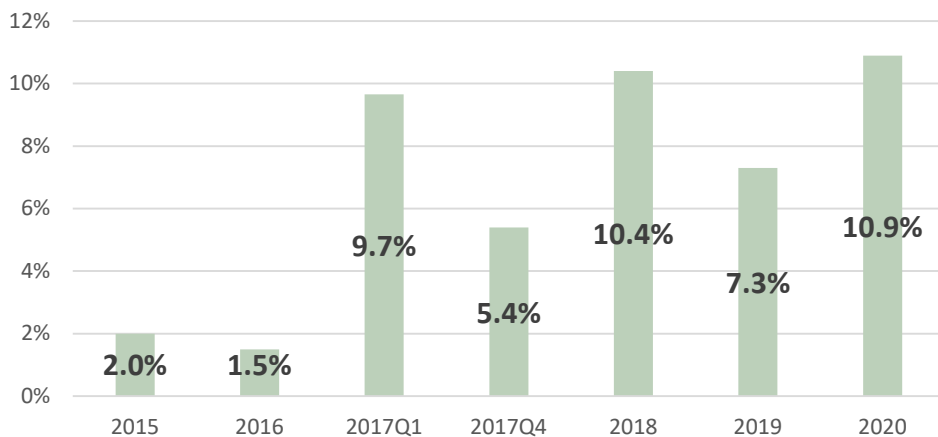


### Business Mix (by Square Footage), 2020 Q4



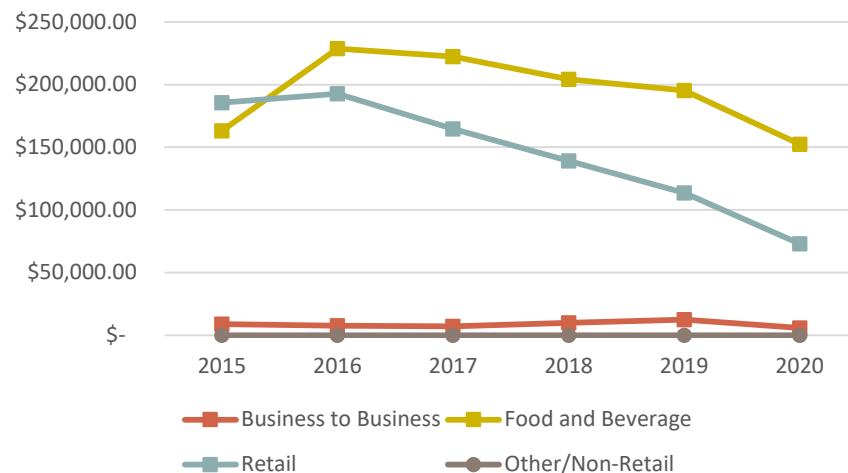
Source: Berkeley OED

### Ground Floor Commercial Vacancy Rate (by Square Footage), 2015-2020



Source: Berkeley OED

### Sales Tax Revenue by Sector, 2015-2020



Source: MuniServices

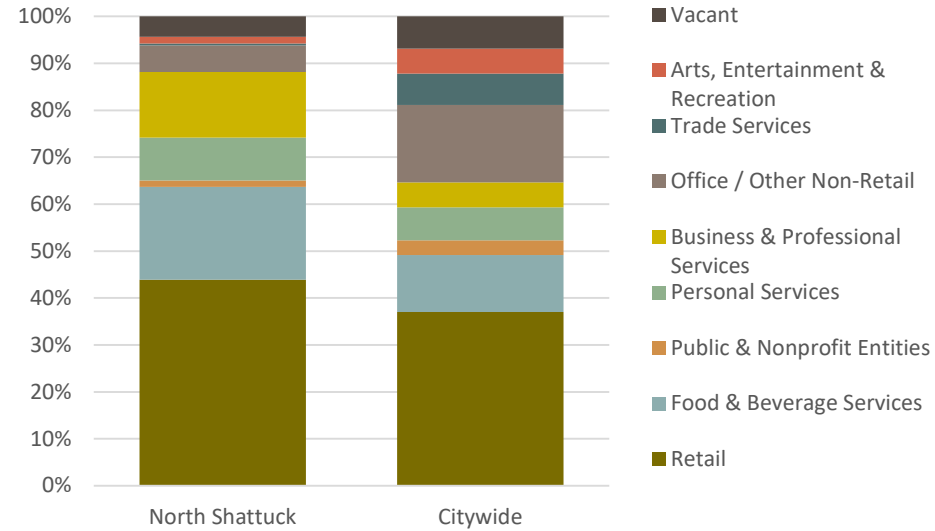
# NORTH SHATTUCK: 2020 Snapshot

North Shattuck is one of Berkeley's oldest commercial districts, just north of Downtown. The district is characterized by a high concentration of well-known, long-standing, and celebrated restaurants, including Chez Panisse and the Cheeseboard. North Shattuck is both a walkable, neighborhood-serving commercial district as well as a global destination for food and dining. As of Q4 2020, the district's vacancy rate by square footage is 4.3%, which is up by over 3% from one of the lowest ever vacancy rates of 0.7% in 2019.

Sales tax collected from the Food and Beverage sector in North Shattuck decreased by \$117,811, from 2019 to 2020, and by \$48,532 for Retail, as indoor capacity for retail shopping was limited, and indoor dining was prohibited due to the pandemic.

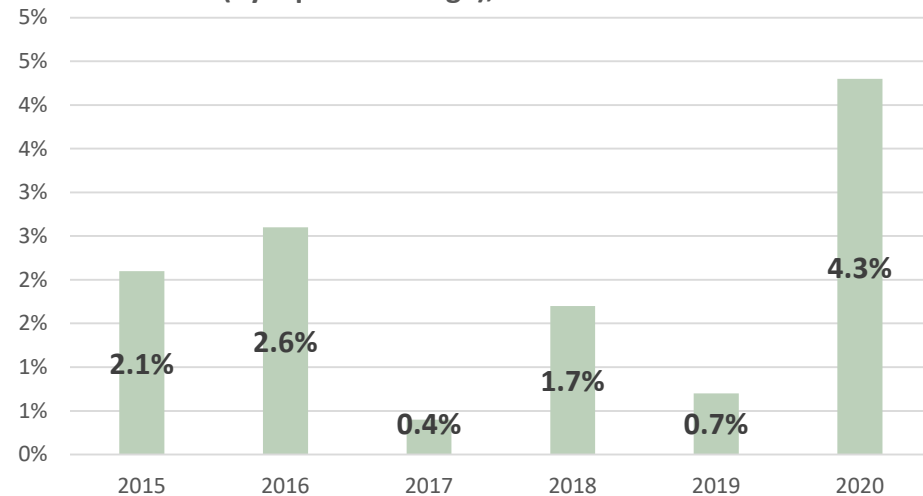


### Business Mix (by Square Footage), 2020 Q4



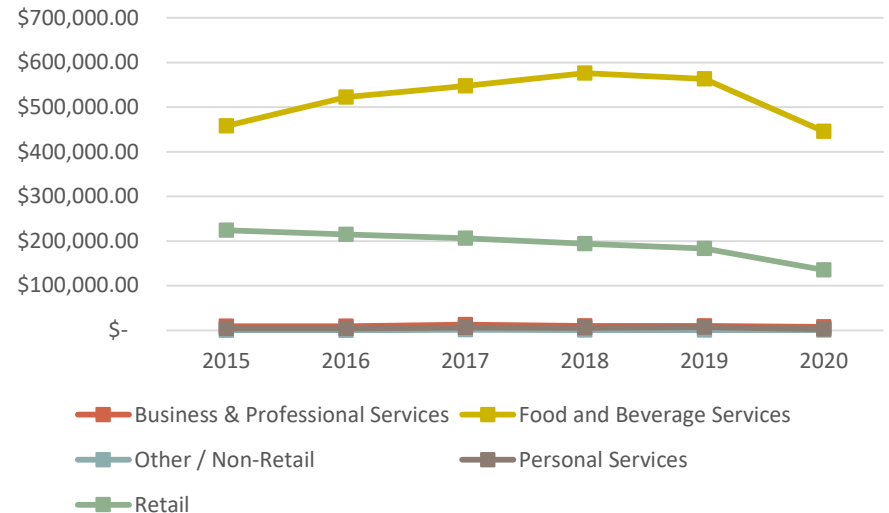
Source: Berkeley OED

### Ground Floor Commercial Vacancy Rate (by Square Footage), 2015-2020



Source: Berkeley OED

### Sales Tax Revenue by Sector, 2015-2020



Source: MuniServices

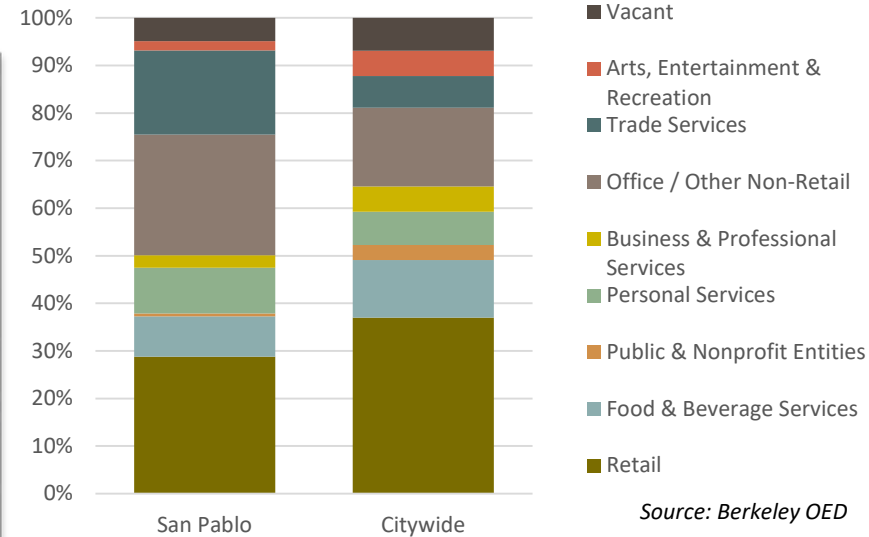
# SAN PABLO: 2020 Snapshot



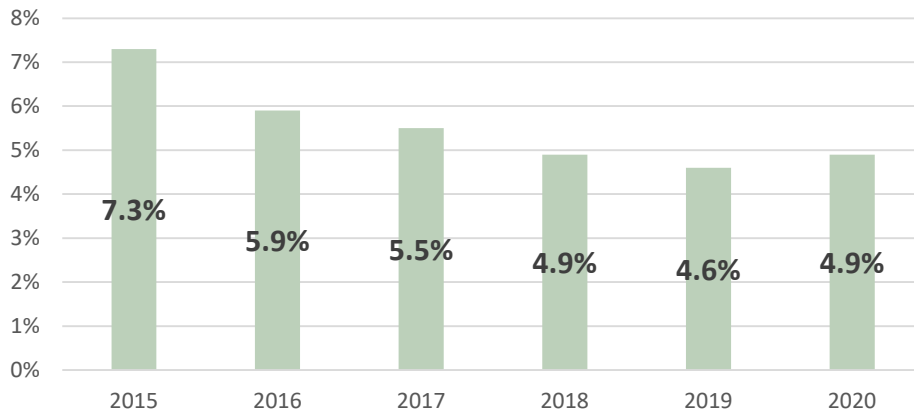
San Pablo Avenue is Berkeley's largest commercial corridor, running the entire north-south length of the City. San Pablo is characterized by a high concentration of Trade Services (17.7%), including over 60 automobile services. San Pablo functions more as a regional destination for specific uses rather than a walkable, neighborhood-serving commercial district; as such, it features smaller percentages of Food & Beverage Services (8.5%) and Personal Services (9.6%). In Q4 2020, the district's vacancy rate by square footage was 4.9%, the same rate as Q4 of 2018, and up three tenths of a percent from late 2019. Retail Sales tax revenue collected in 2020 has decreased by \$166,972 since 2019, but continues to be the largest source of tax revenue for the area.



## Business Mix (by Square Footage), 2020 Q4

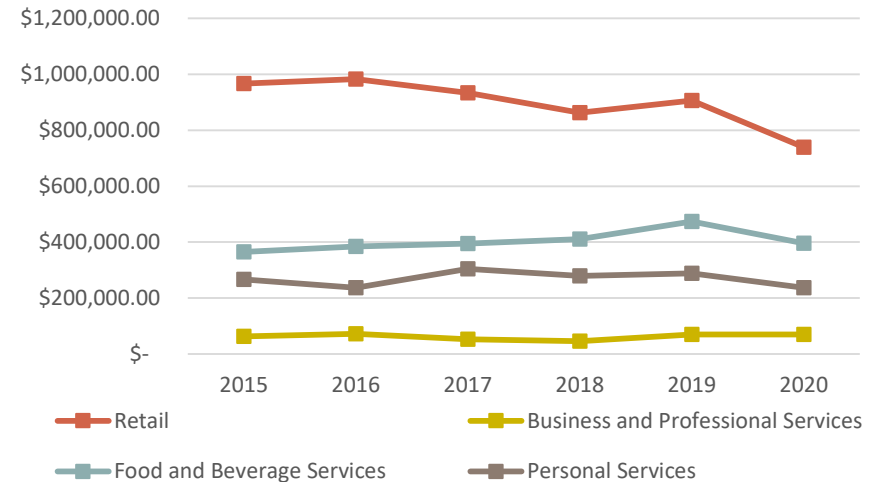


## Ground Floor Commercial Vacancy Rate (by Square Footage), 2015-2020



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2015-2020



Source: MuniServices

# SOLANO: 2020 Snapshot

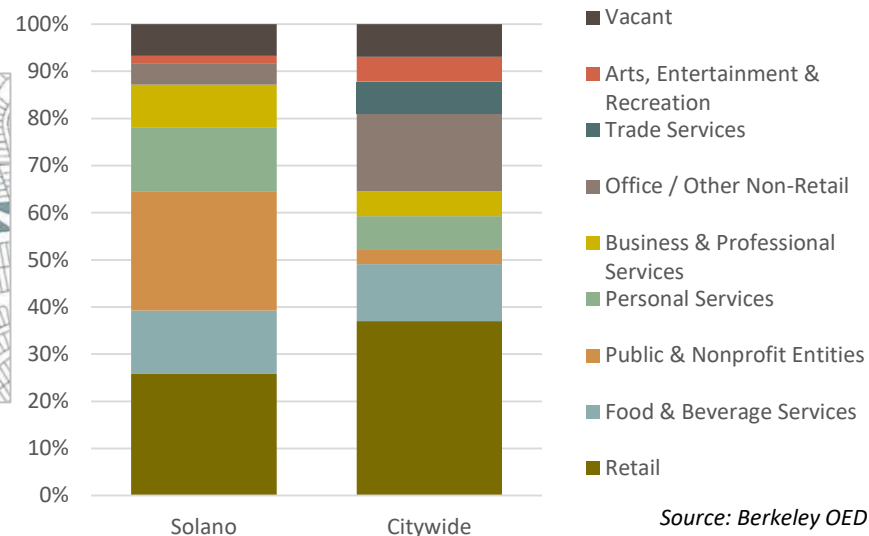


Solano is a small commercial district in North Berkeley, with a total of 147 commercial spaces and approximately 274,800 square feet of commercial space. It shares a border with Albany and is situated next to a large elementary school and an active neighborhood of single-family homes. Solano has a large key asset (the former Oaks Theatre) that is due to be occupied by a climbing gym in late 2021. The district's vacancy rate by square footage is 6.7%, a 4.1% increase from Q3 2019 (2.6%).

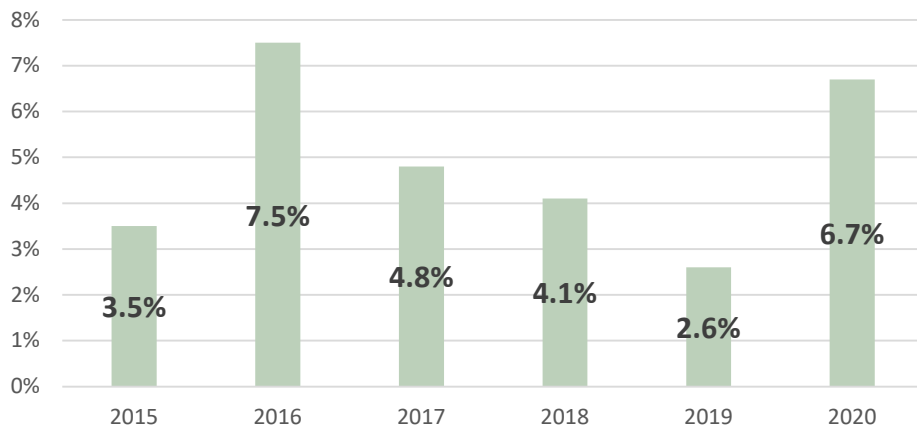


Sales tax collected from the Food and Beverage sector along Solano Avenue decreased by \$20,678, from 2019 to 2020, and by \$28,514 for Retail, as indoor capacity for retail shopping was limited, and indoor dining was prohibited due to the pandemic.

## Business Mix (by Square Footage), 2020 Q4

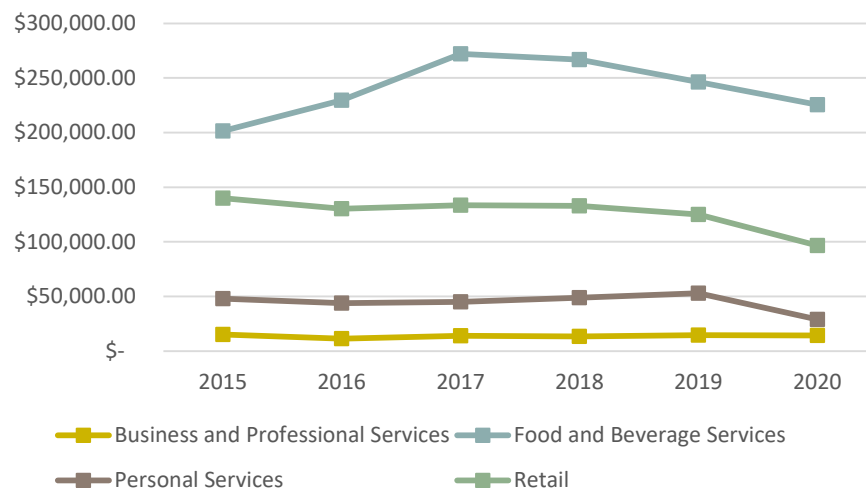


## Ground Floor Commercial Vacancy Rate (by Square Footage), 2015-2020



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2015-2020



Source: MuniServices



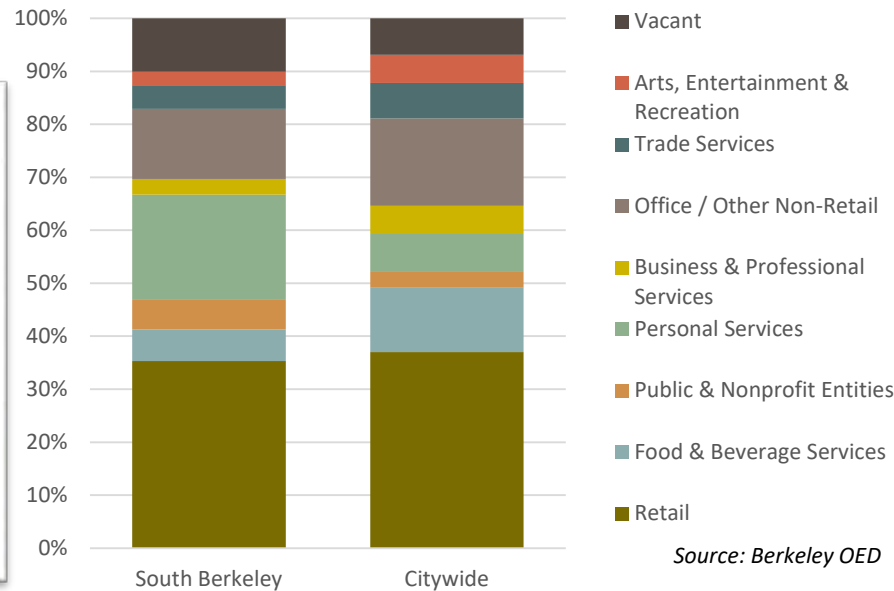
# SOUTH BERKELEY: 2020 Snapshot



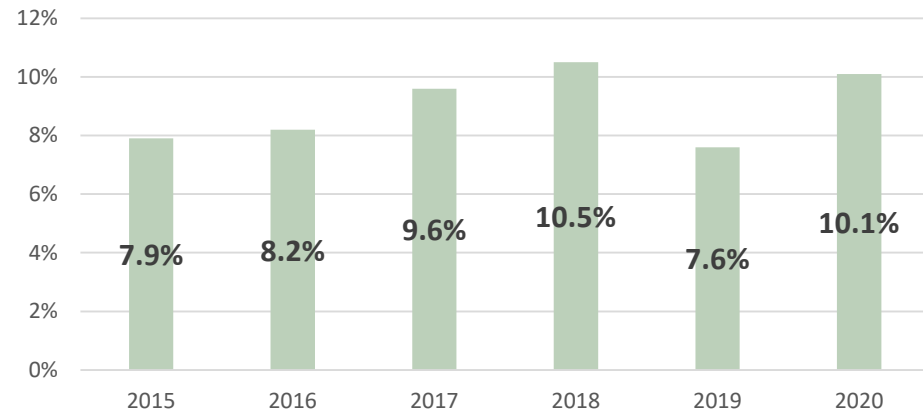
South Berkeley is a large district stretching over an area known for its cultural diversity and includes the Lorin District, the Sacramento corridor, and the South Shattuck area. South Berkeley includes several car dealerships, which accrue significant retail sales tax revenue for the City. The area also features a high concentration of Personal Services businesses (19.8% vs. 7.0% citywide) but is under-served by Food & Beverage services, which account for only 6.0% of ground floor commercial space, as compared to 12.1% citywide. As of Q4 2020, the district's vacancy rate by square footage was 10.1%, a 2.5% increase from 2019.



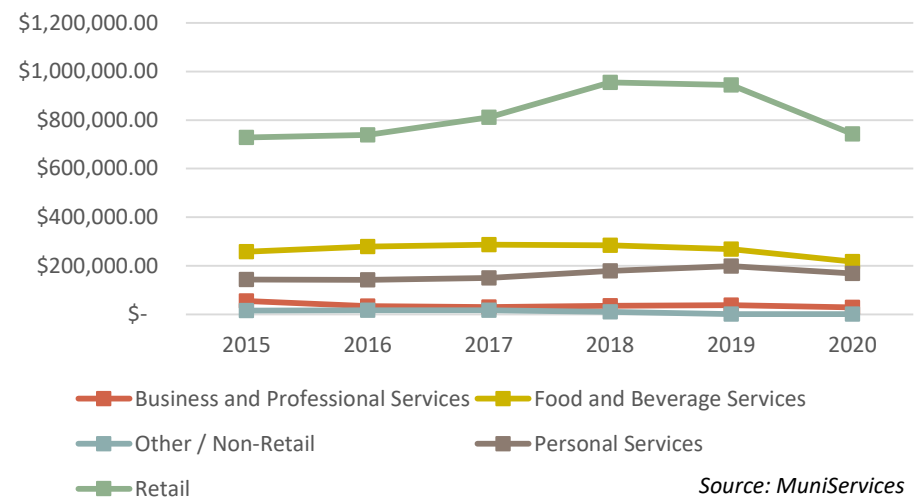
## Business Mix (by Square Footage), 2020 Q4



## Ground Floor Commercial Vacancy Rate (by Square Footage), 2015-2020

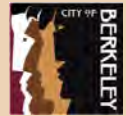


## Sales Tax Revenue by Sector, 2015-2020





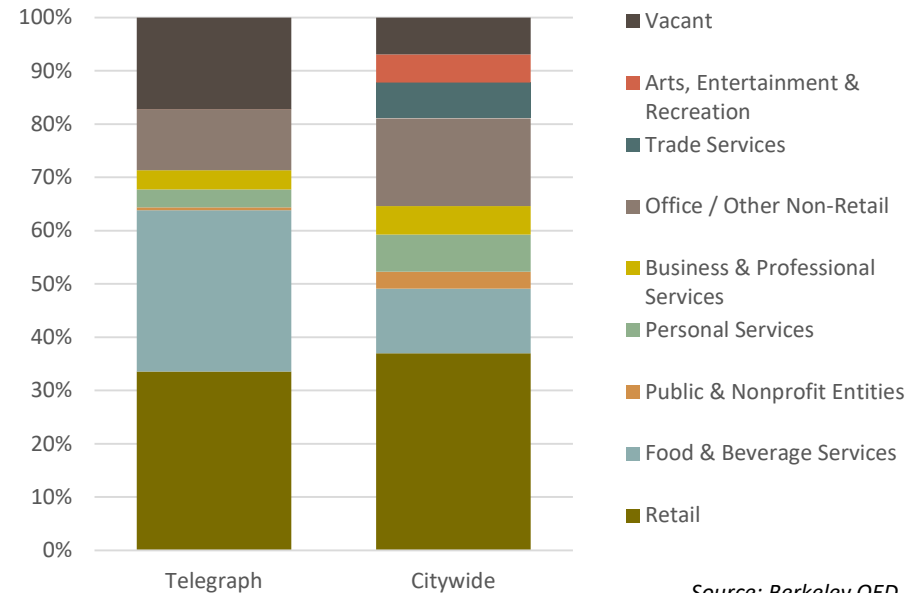
# TELEGRAPH: 2020 Snapshot



The Telegraph district has undergone significant change with respect to its ground floor inventory over the past several years. Food & Beverage services have shown a dramatic increase since 2012, with 30.3% of Food & Beverage services accounting for ground floor commercial space in the district, as compared to 12.1% Citywide. As of Q4 2020, the district's ground floor commercial vacancy rate at 17.2% has increased dramatically from 2019's 4.4%, nearly matching the past peak of 17.9% in 2012. New ground floor leases and developments are anticipated along Telegraph Avenue in 2021, including the large Enclave Building at Telegraph and Haste St.

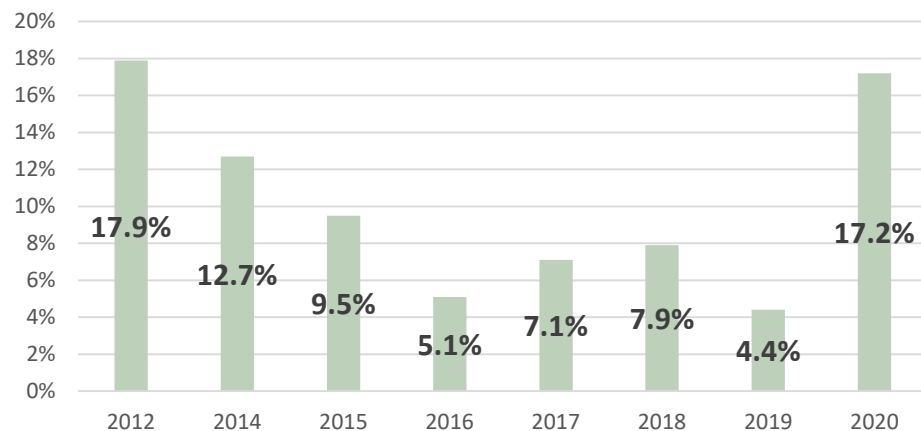


## Business Mix (by Square Footage), 2020 Q4



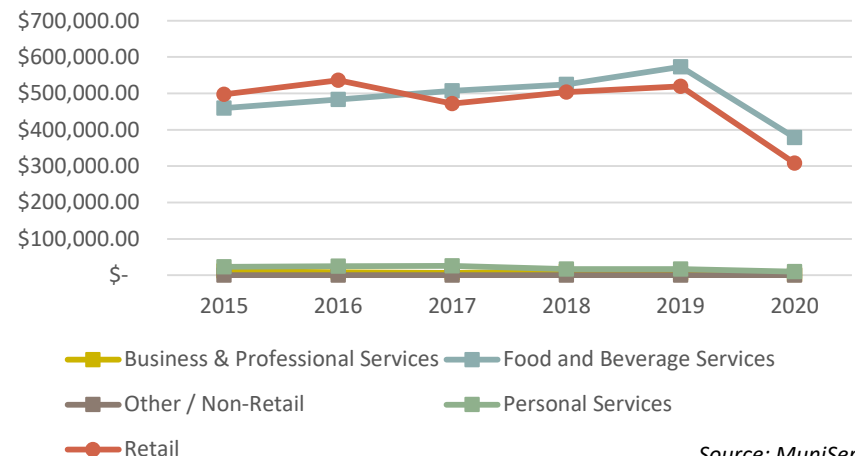
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2012-2020



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2015-2020



Source: MuniServices

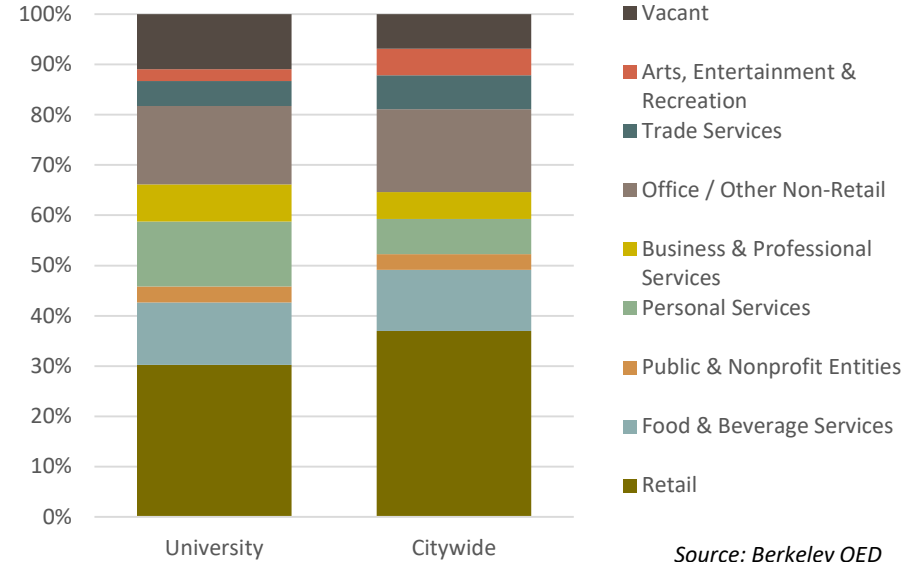
# UNIVERSITY: 2020 Snapshot



University Avenue, from Martin Luther King Jr Way to the waterfront, spans many of the City's neighborhoods and serves as the gateway to the UC Berkeley Campus. Since 2015, Personal Services (including Transportation receipts) and Food & Beverage Services have generated the most sales tax revenue for the district. Retail sales tax collected in 2020 decreased by \$28,674 from 2019 due chiefly to the pandemic. The 2020 vacancy rate matches 2018's number at 11% but has increased by 2.2% from 2019's rate of 7.8%.

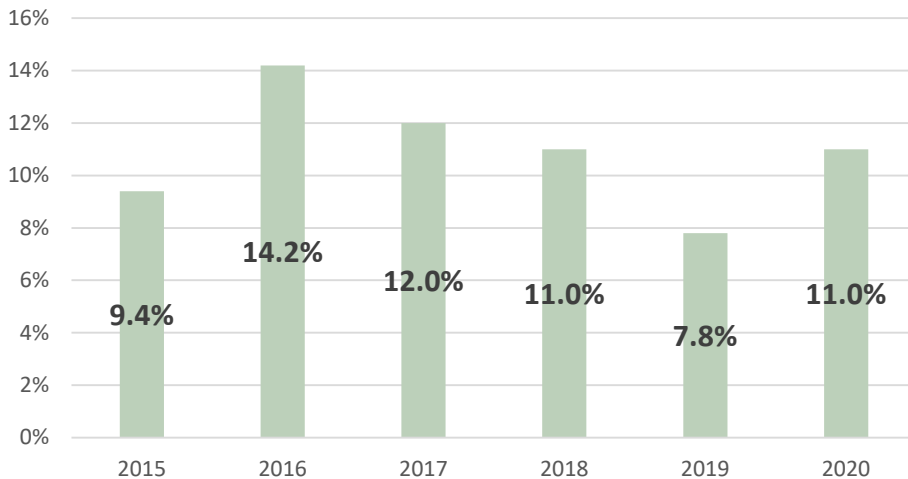


## Business Mix (by Square Footage), 2020 Q4



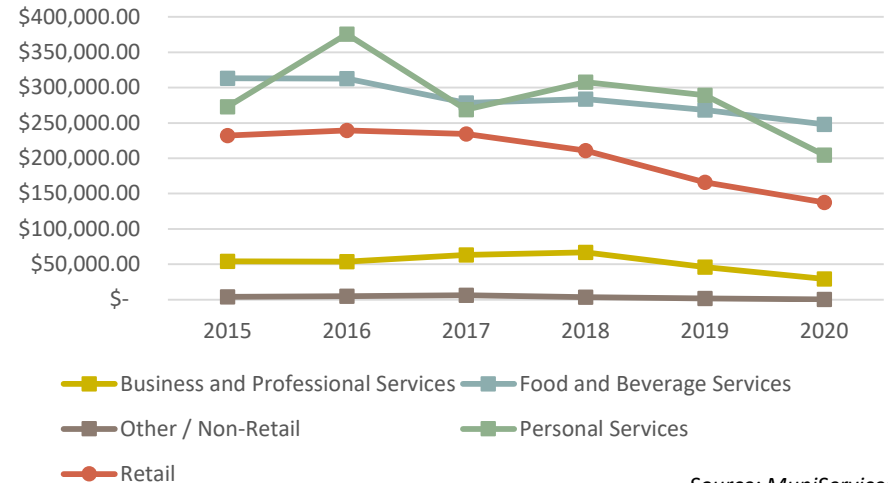
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2015-2020



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2015-2020



Source: MuniServices

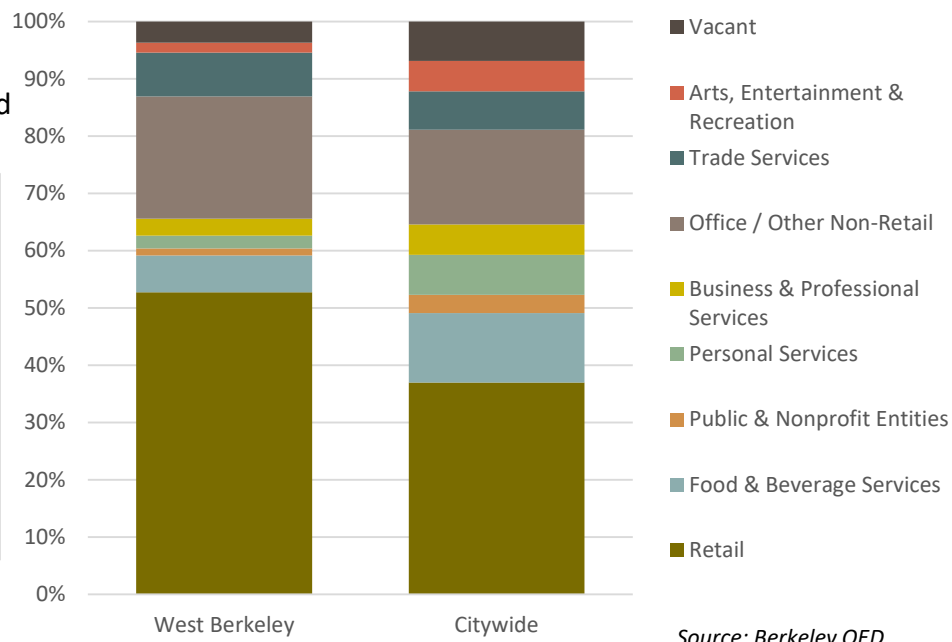
# WEST BERKELEY: 2020 Snapshot



West Berkeley represents all commercial spaces west of San Pablo Avenue, including 4<sup>th</sup> Street and the Gilman Corridor. There are a number of major, large-floor-plate retailers, and a dense cluster of home supplies and construction businesses. There is also a higher percentage of non-retail commercial uses, including manufacturing and warehousing. Retail accounts for 52.7% of ground floor commercial space in the district, as compared to 36.9% citywide. West Berkeley also has a smaller percentage of square footage devoted to Food and Beverage (6.4%) businesses than the citywide rate of 12.1%. The commercial vacancy rate in Q4 of 2020 is 3.7%, a decrease from 2019's 5.4%. Sales tax revenue has decreased in this area for all industries except for "Other / Non-Retail" health care related sales tax collection (up by \$7,144 or +21%).

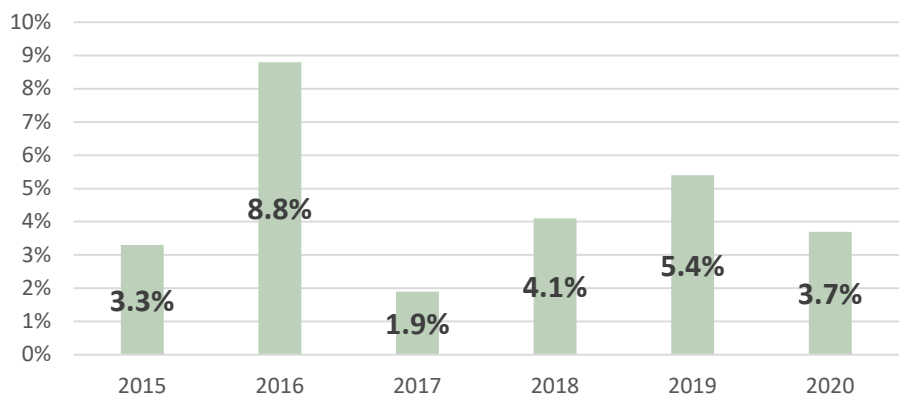


## Business Mix (by Square Footage), 2020 Q4



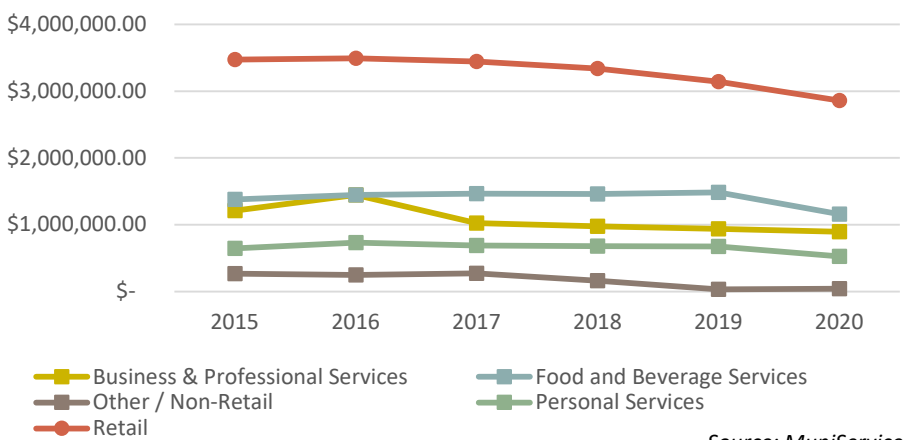
Source: Berkeley OED

## Ground Floor Commercial Vacancy Rate (by Square Footage), 2015-2020



Source: Berkeley OED

## Sales Tax Revenue by Sector, 2015-2020



Source: MuniServices

# NEIGHBORHOOD (C-N): 2020



Across Berkeley there are **11** smaller commercial pockets, zoned as “C-N” or “Neighborhood Commercial.” These areas are not more than one or two block collections of commercial enterprises that are distributed throughout Berkeley (see map).

Taken together, the “C-N” areas represent nearly 190 commercial spaces, and approximately 300,000 square feet of commercial space. The C-N areas collectively generate 3% of the city’s total sales tax. They also include a few large Arts, Entertainment and Recreation facilities (30% by square footage) and Public and Non-Profit entities (12.4% compared to 3% citywide).

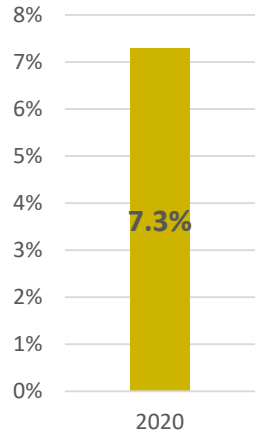


These areas include commercial nodes at the following intersections:

- Claremont and Prince
- Claremont and Tunnel
- College and Alcatraz
- Gilman and Curtis
- Hearst and Euclid
- Hopkins and El Dorado
- Hopkins and Monterey
- Martin Luther King Jr Way (MLK) and Dwight
- MLK and Hearst
- MLK and Rose
- MLK and Virginia

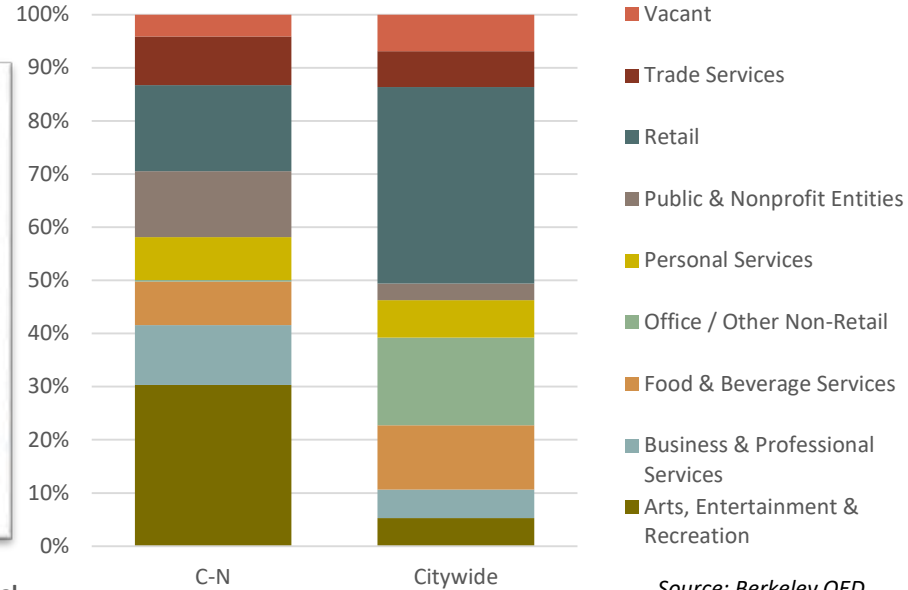
The first field data from the C-N areas was collected during the COVID-19 Pandemic of 2020 to track the impact of shelter-in-place orders on neighborhood-serving retail and service businesses.

**Ground Floor Commercial Vacancy Rate (by Square Footage), Q4 2020**



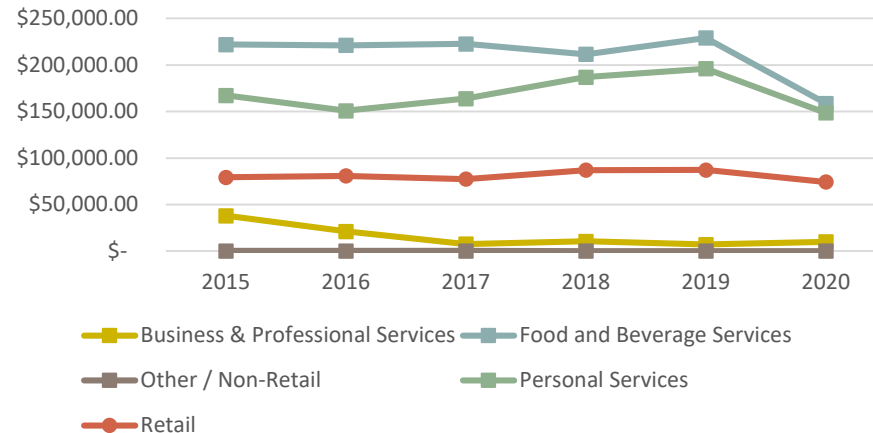
Source: Berkeley OED

**Business Mix (by Square Footage), 2020 Q4**



Source: Berkeley OED

**Sales Tax Revenue by Sector, 2015-2020**



Source: MuniServices