



# Densifying Berkeley: Potential Impacts on Displacement and Equity

A REPORT BY THE ANTI-EVICTION MAPPING PROJECT

# Overview

**Berkeley, like many California and Bay Area cities, is experiencing an affordable housing crisis.**

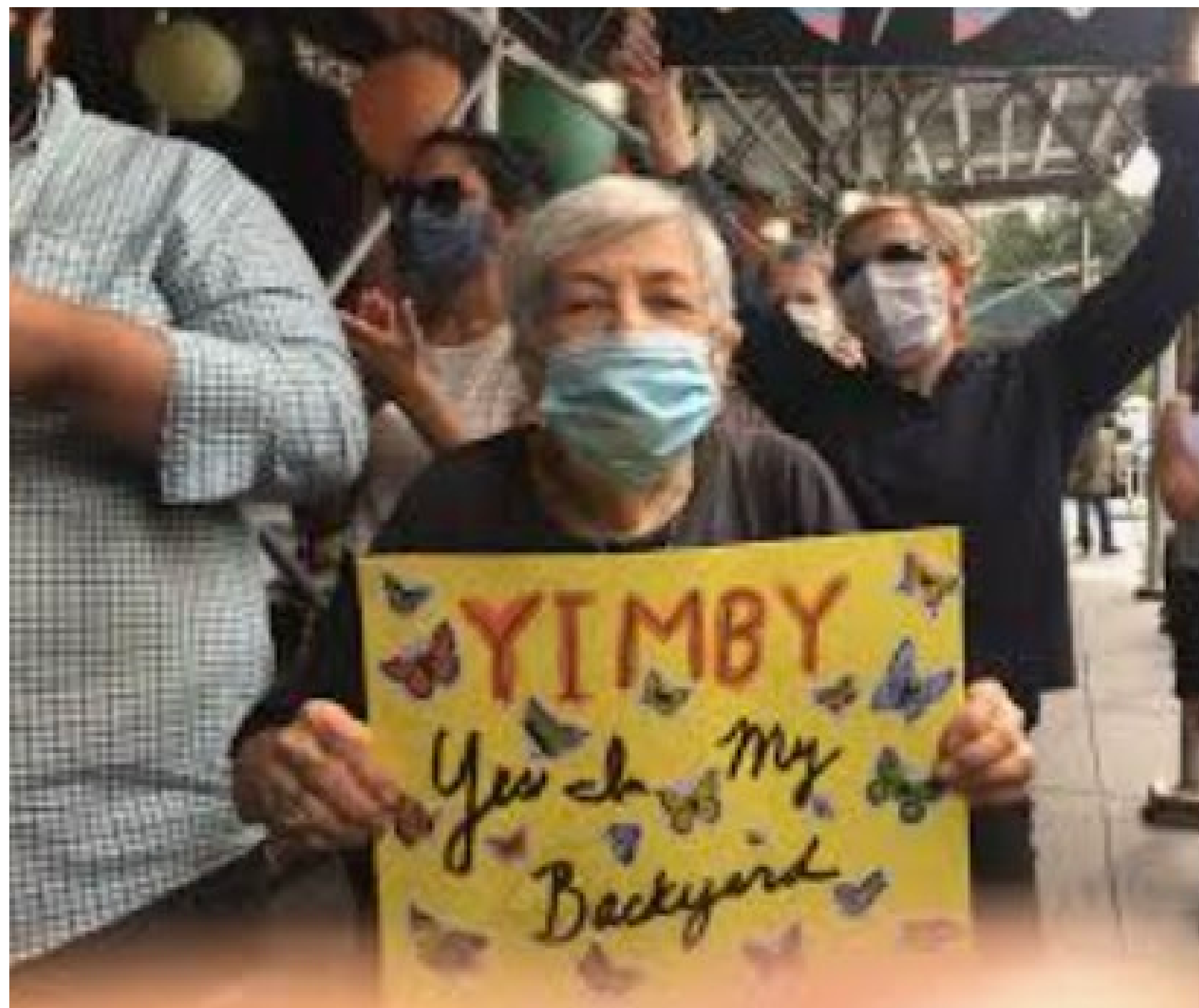
- Between 2005-2019, the median gross rent for the city **increased by over 50%**
- **In 2019, 53% of tenant households in Berkeley are rent burdened, and almost a third spent more than 50% of their income on rent**

As the City of Berkeley contemplates how to implement SB 9 and revise the Housing Element with denser zoning laws to build more housing, this study investigates the impacts of upzoning and densification, especially on Black, brown, and low-income renters.

**Our recommendations focus on how Berkeley can use zoning reform in combination with its strong tenant protections to distribute the benefits of upzoning more equitably, and to mitigate the risks of displacement and of racial exclusion.**

# DEBATES AROUND UPZONING

Densification  
and the false  
YIMBY vs.  
NIMBY  
dichotomy



# ZONING IN BERKELEY

# Current residential zoning in Berkeley reflects legacies of racist exclusionary practices: A majority of the city is zoned for R1-R1A, R2-R2A

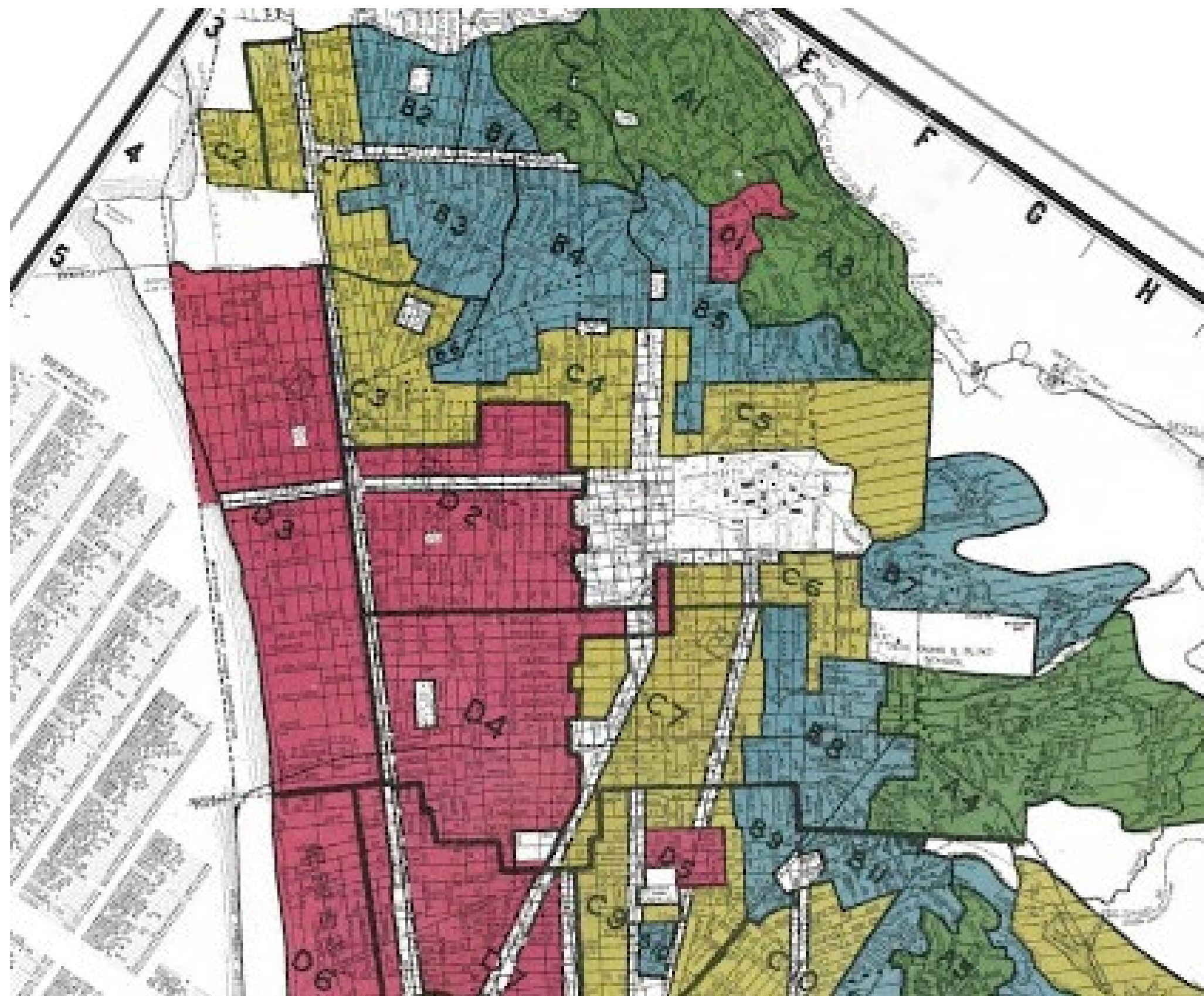


Image shows racially discriminatory HOLC map of Berkeley. Areas in North and southeast Berkeley are green and blue, indicating white populations, while West and South Berkeley are red, indicating neighborhoods with Black or Asian communities.

- Single Family, Limited two family (R1, R1A)
- Two-family Residential, Restricted Multiple-family Residential (R2, R2A)
- Multi-family Residential (R3, R4)
- Residential High Density SubArea (RS, RSMU)
- Mixed Use Residential (MUR)
- Commercial Zones

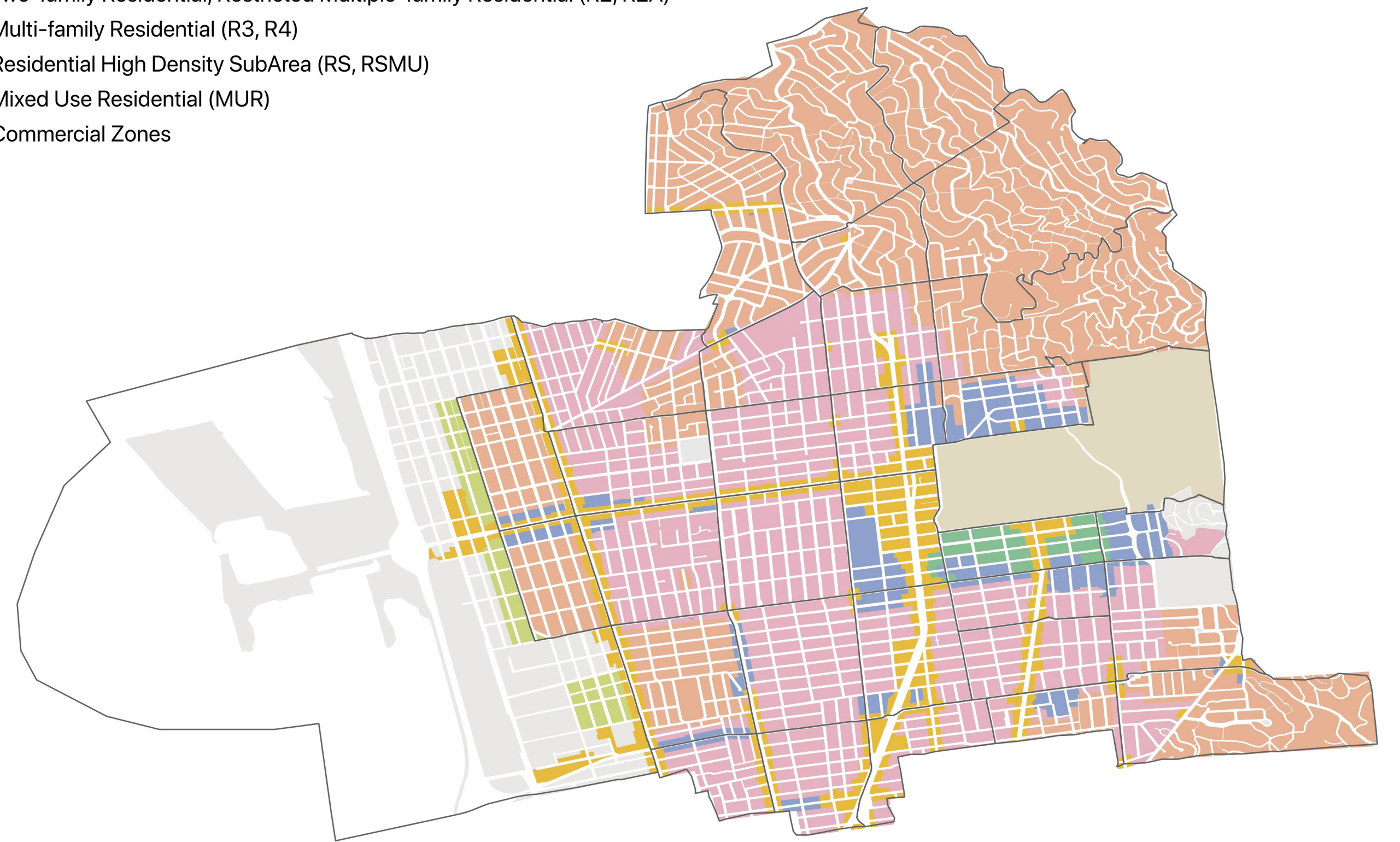


Image shows current residential zones in Berkeley.

## Current development practices favor market-rate housing

Affordable housing, most of which are achieved through inclusionary bonuses, have only accounted for 8.6% of all permits in this RHNA cycle (2015-2023)

Our studies shown in future slides indicate that upzoning policies must address this deficit in housing development in order to protect low income communities and further racial equity

**Table 2. 2020 RHNA Allocation Progress**

<b>Income Level<sup>1</sup></b>	<b>5<sup>th</sup> Cycle RHNA Allocation</b>	<b>Units Permitted (2020)</b>	<b>Total Units Permitted (2015-2020)</b>	<b>Remaining Units</b>	<b>Percent Progress</b>
Very Low (< 50% AMI)	532	38	172	360	32%
Low (50 – 80% AMI)	442	13	61	382	14%
Moderate (80 – 120% AMI)	584	-	-	584	0%
Above Moderate (> 120% AMI)	1401	539	2476	-	177%
<b>Total RHNA</b>	<b>2959</b>				
<b>Total Units Permitted</b>		<b>590</b>	<b>2709</b>		

# BERKELEY'S AFFORDABLE HOUSING CRISIS

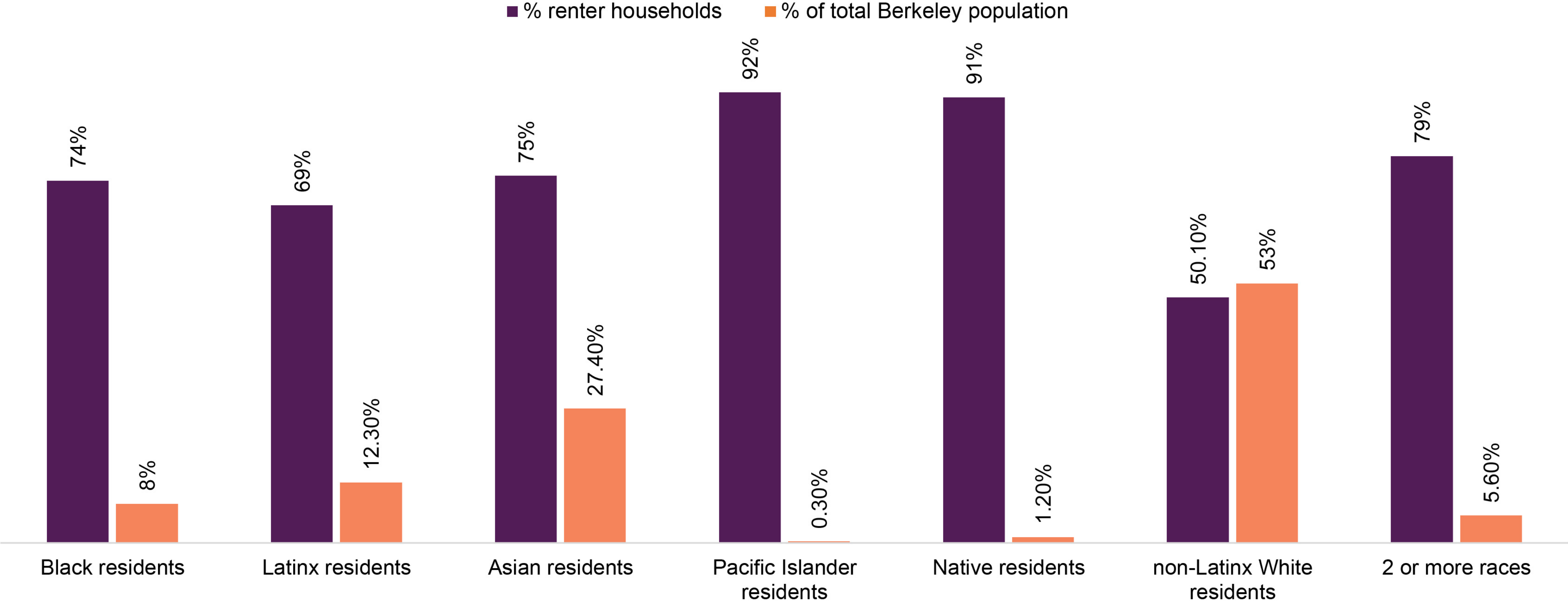
## KEY FINDINGS FROM THIS SECTION:

- THE PRIVATE MARKET IS UNABLE TO PRODUCE SUFFICIENT LEVELS OF AFFORDABLE HOUSING, EVEN WITH SUBSIDIES AND OTHER INCENTIVES.
- AFFORDABLE HOUSING IS MORE EFFECTIVE AT COMBATING DISPLACEMENT THAN MARKET-RATE DEVELOPMENT.
- THE GREATEST DEFICIT IN BERKELEY'S HOUSING SUPPLY LIES AT LOW INCOME (50-80% AMI) AND VERY LOW INCOME (<30-50% AMI) LEVELS; ONLY 30% OF THESE RESIDENTS ARE ADEQUATELY HOUSED.

**53%** of Berkeley renter households were rent burdened in 2019: a total of **13,794 households**

**Berkeley residents who are Black, Indigenous, and people of color are disproportionately renters rather than homeowners and are therefore disproportionately vulnerable to high rents and rent burden.**

Percent Renter Occupancy vs. Percent Berkeley Population, 2019



Source: American Community Survey, 2019 5-yr estimate

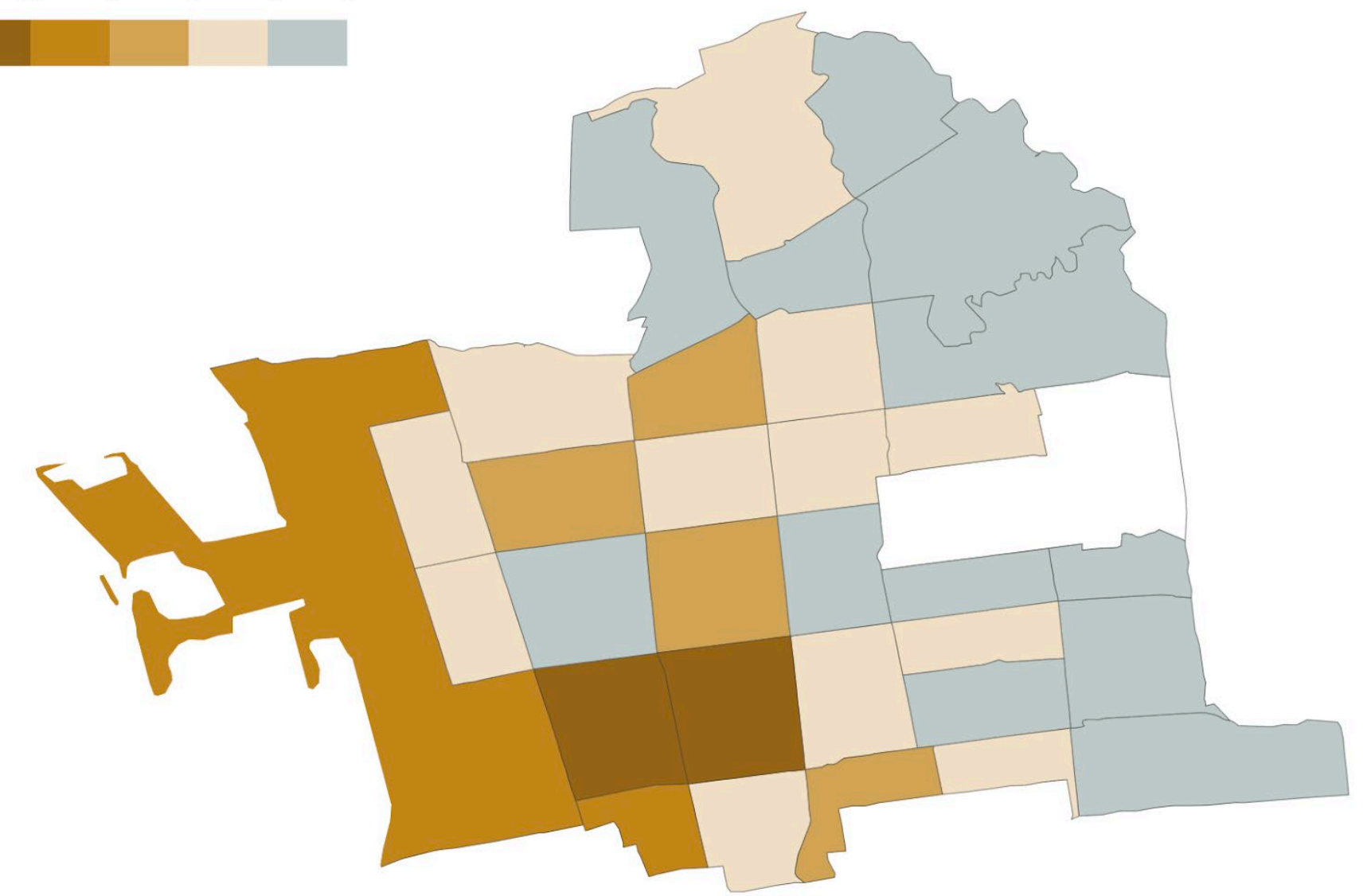
# Increase in rent & displacement of low income renters

**2019, the estimated average rent in Berkeley was \$3,165 per month.**

**Between 2005-2019, the median gross rent paid (including estimated cost of utilities) in Berkeley increased by over 50%, and:**

- Households earning \$200,000 or more per year increased by 124%
- In contrast, households in Berkeley earning less than \$75,000 per year decreased 22.8%
- Black residents, who are primarily renter households, decreased by 21%, a rate higher than any other racial or ethnic group

% Change in Black Population, 2009-2019

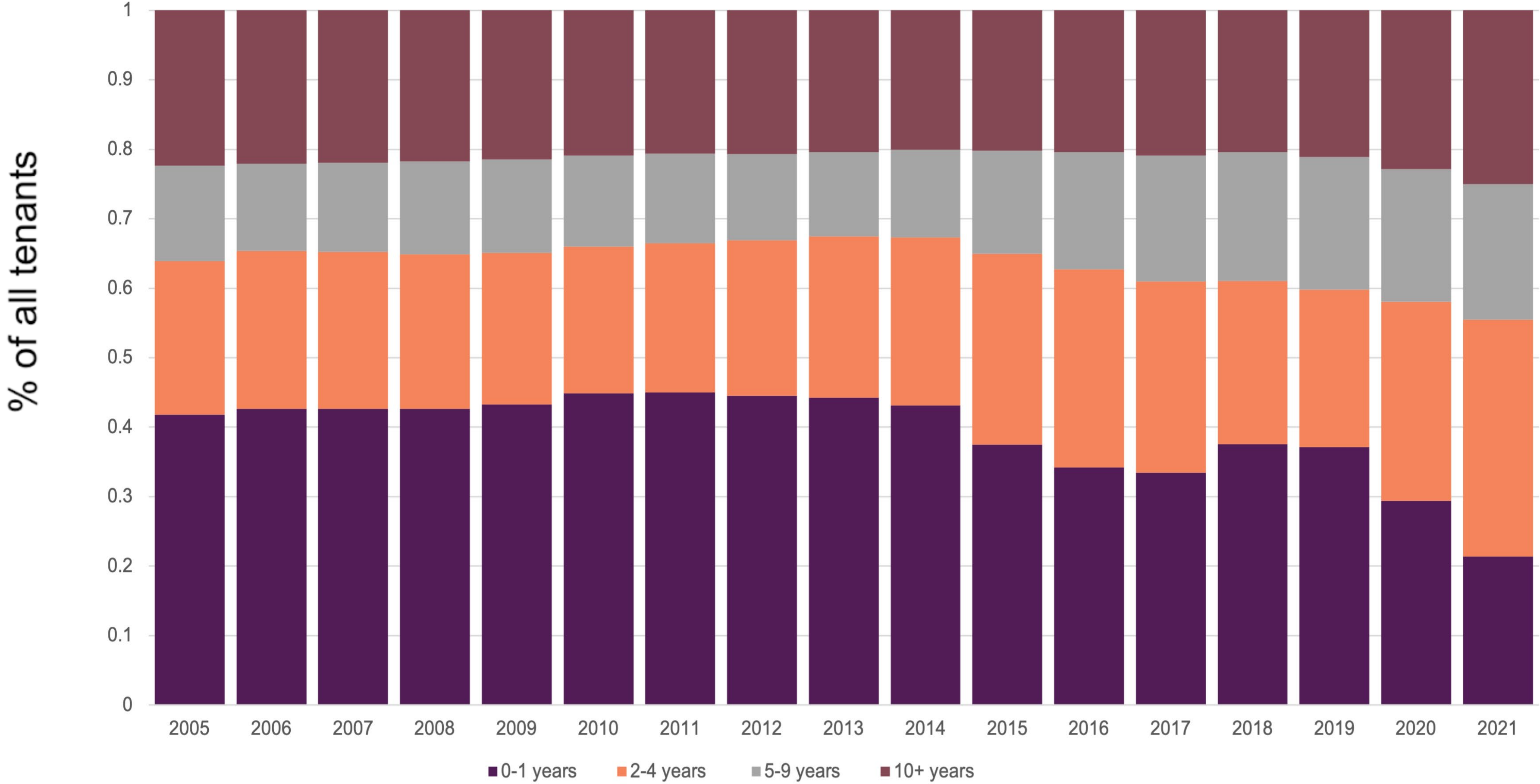


□ UC Berkeley

\*NOTE: not all of these households are renters, though a majority are

Since 1999, 90.7% of rent stabilized units have risen to market rate in between tenant vacancies, which further diminishes the supply of truly affordable units for low-income renters seeking housing.

Median length of tenancy for stabilized units, 2005-2021



**42.6%** of tenancies lasted from 0-1 years

**22.7%** of tenancies lasted from 2-4 years

**13.4%** of tenancies lasted from 5-9 years

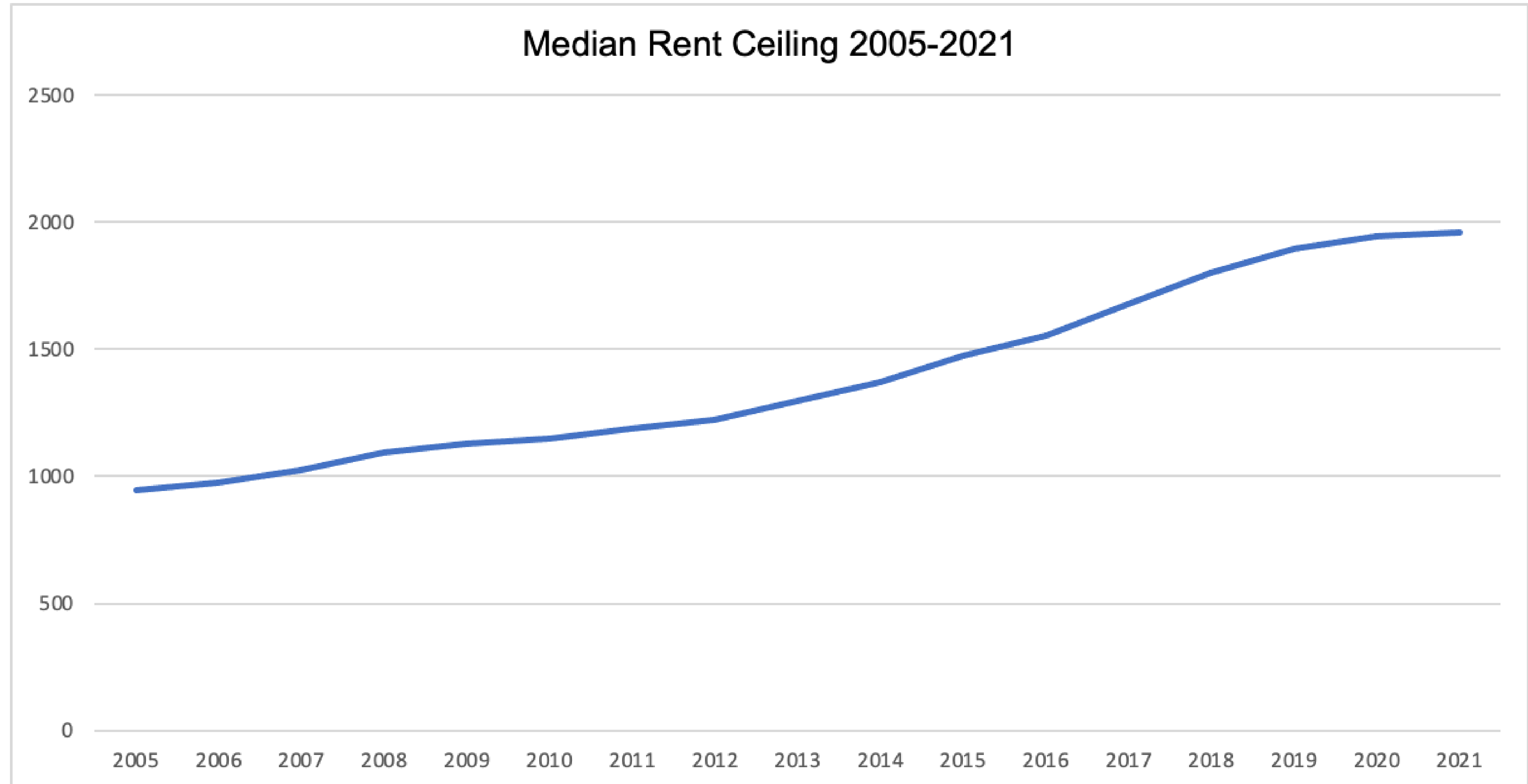
**20.8%** of tenancies lasted 10+ years

Source: Berkeley Rent Stabilization Board, tenancy data 2005-2021

## The median rent ceiling for stabilized units has about doubled from 2005-2021

In Q3 of 2021, the median rent ceiling for the 1,801 units with tenancies starting before 1999 was **\$832.87**

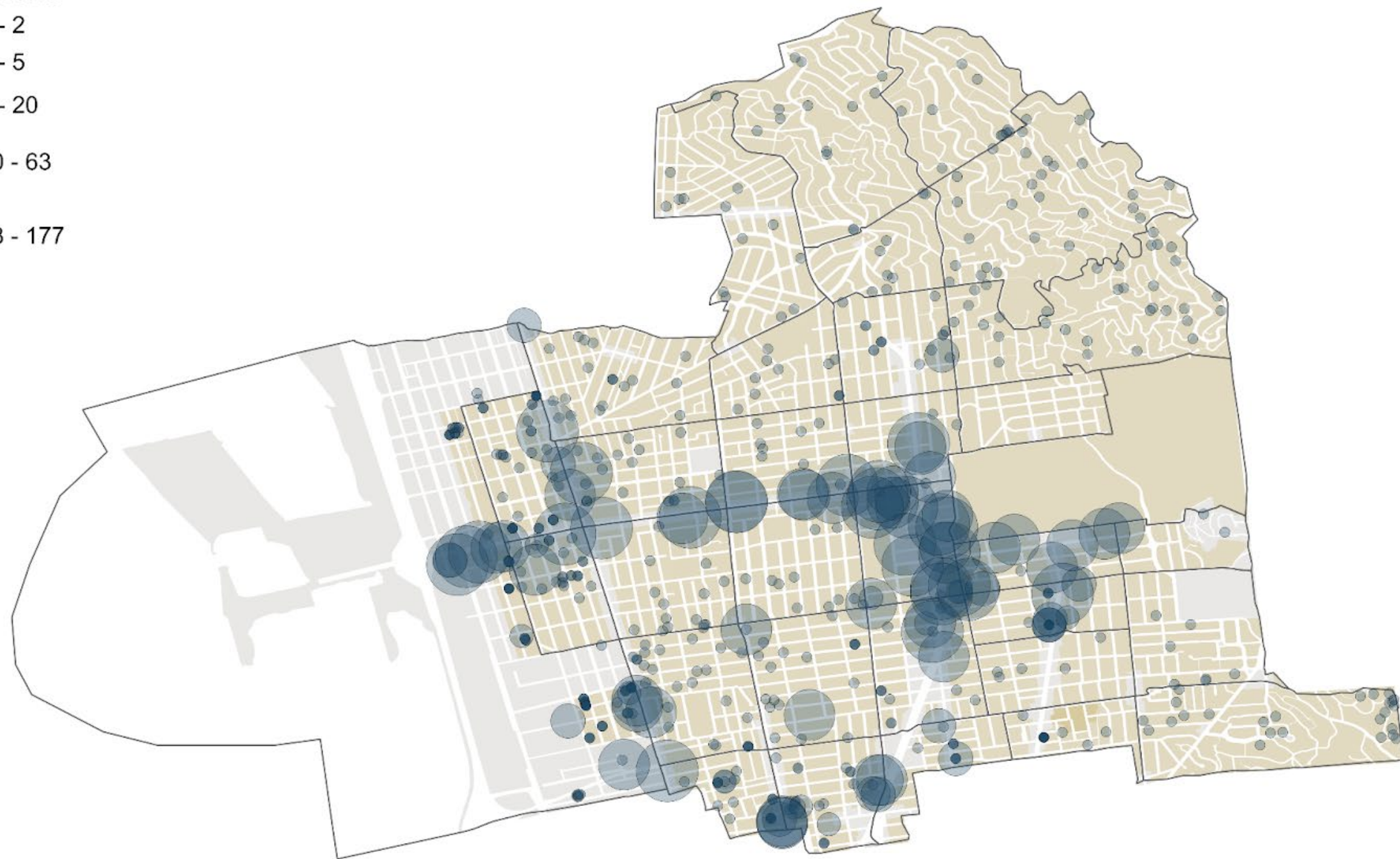
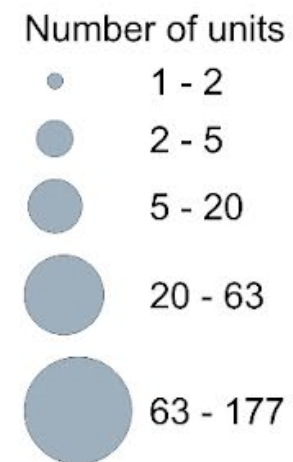
This compares to the remaining 17,599 units that undergo vacancy decontrol-recontrol, whose median rent was \$2,263.52



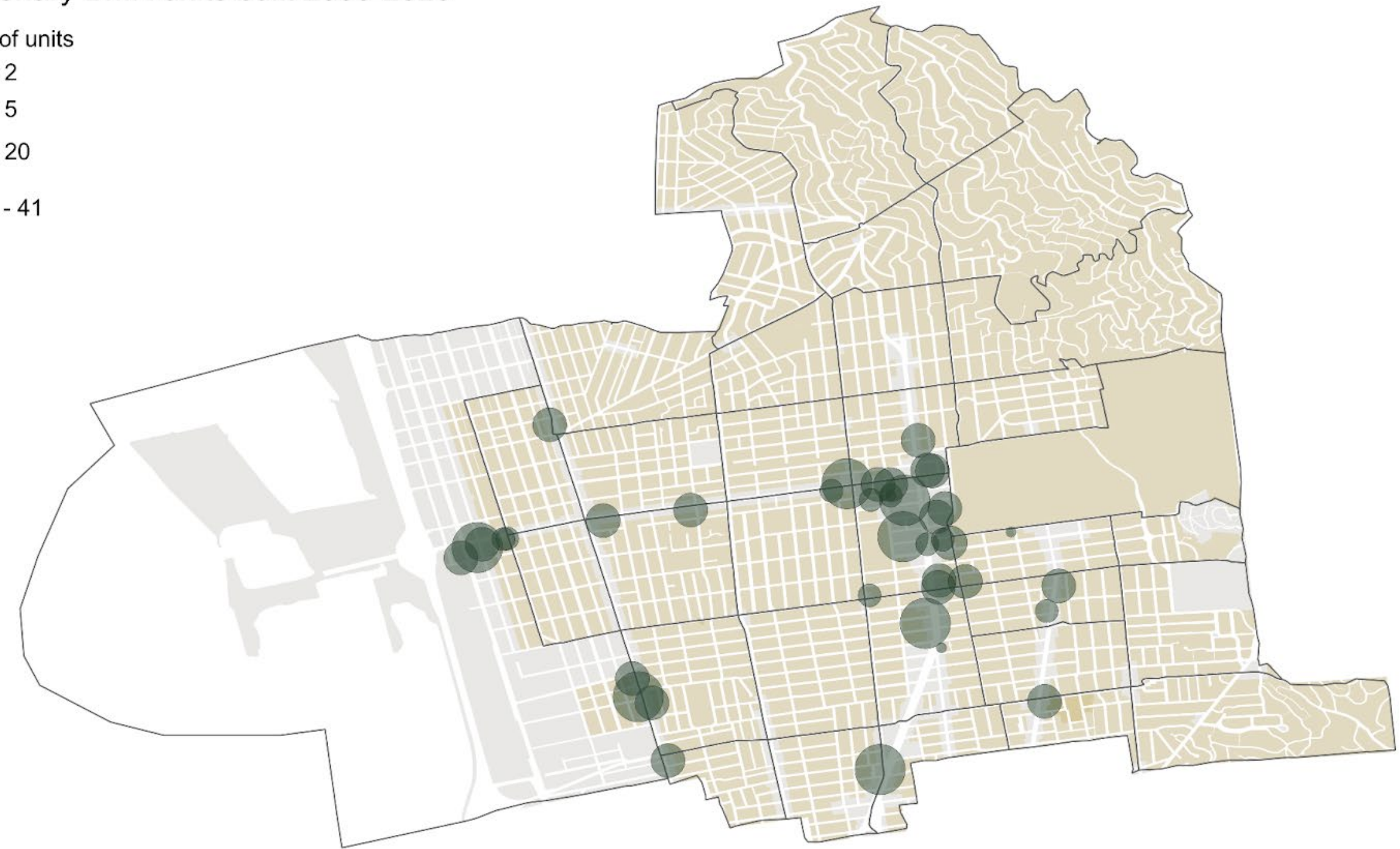
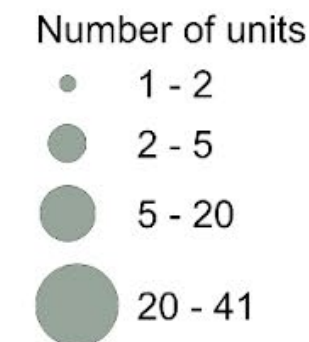
# Our studies find that additional affordable units decreased the likelihood of displacement, while an increase in general supply of housing remained inconclusive in its impact to mitigate displacement.

This RHNA cycle, only 233 units have been permitted at Low-Income (50 – 80% AMI) or Very Low Income (< 50% AMI) levels, continuing the decades-long pattern of relying on market-rate development to solve the housing crisis.

Total Units Constructed 2000 - 2020

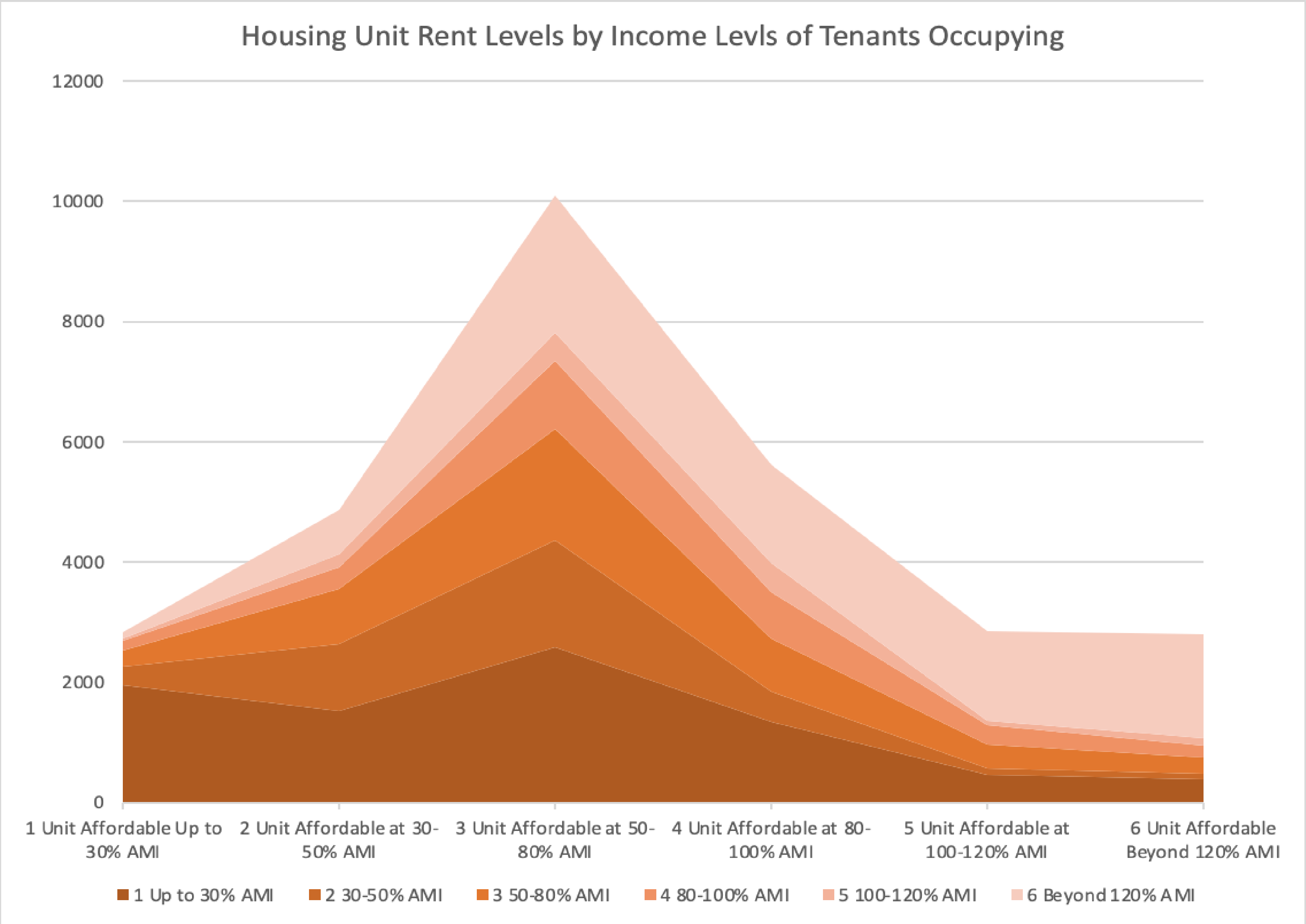


Inclusionary BMR units built 2000-2020



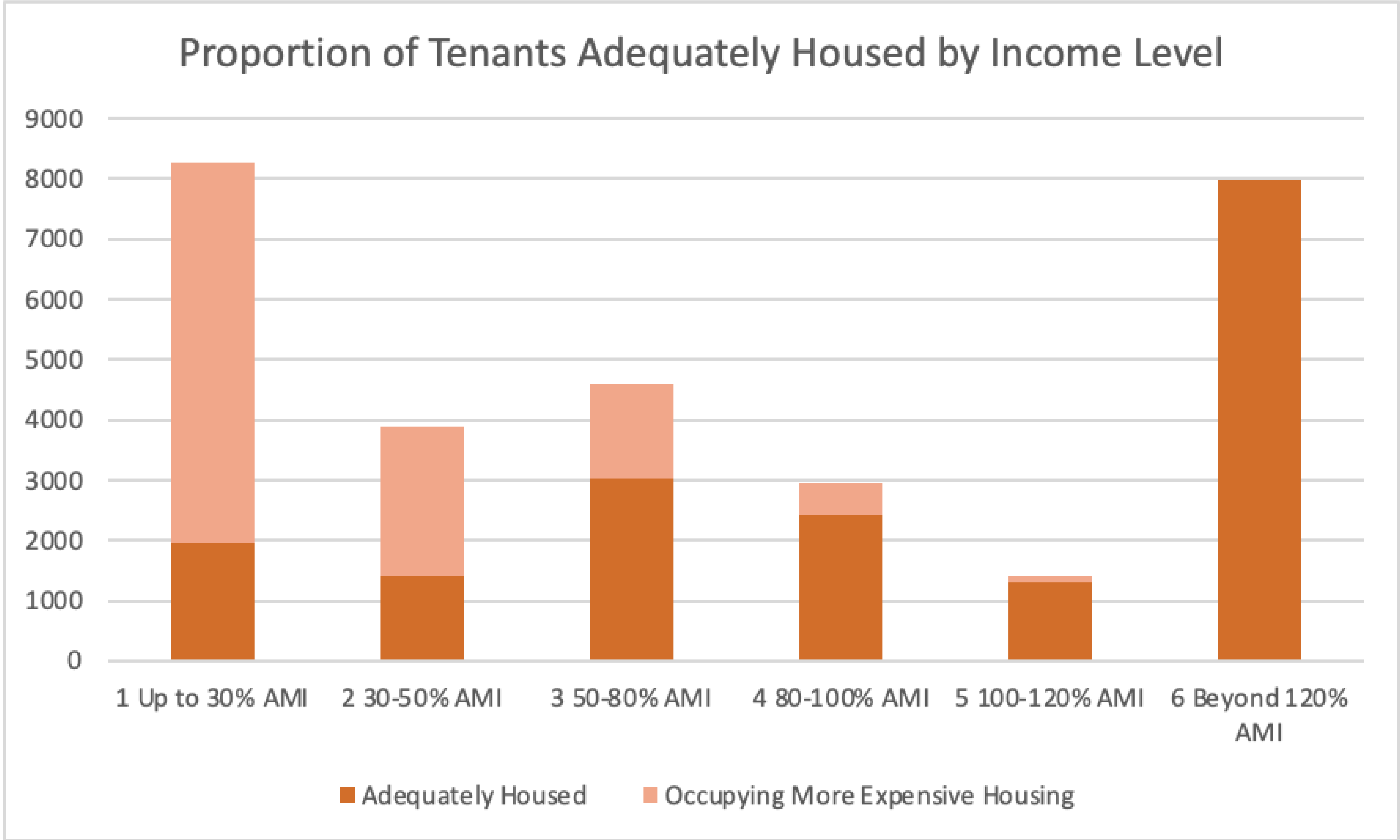
Residential Zones  
2010 Census Tracts

70% of households below 80% of Area Median Income (AMI) occupy units that are unaffordable to them.



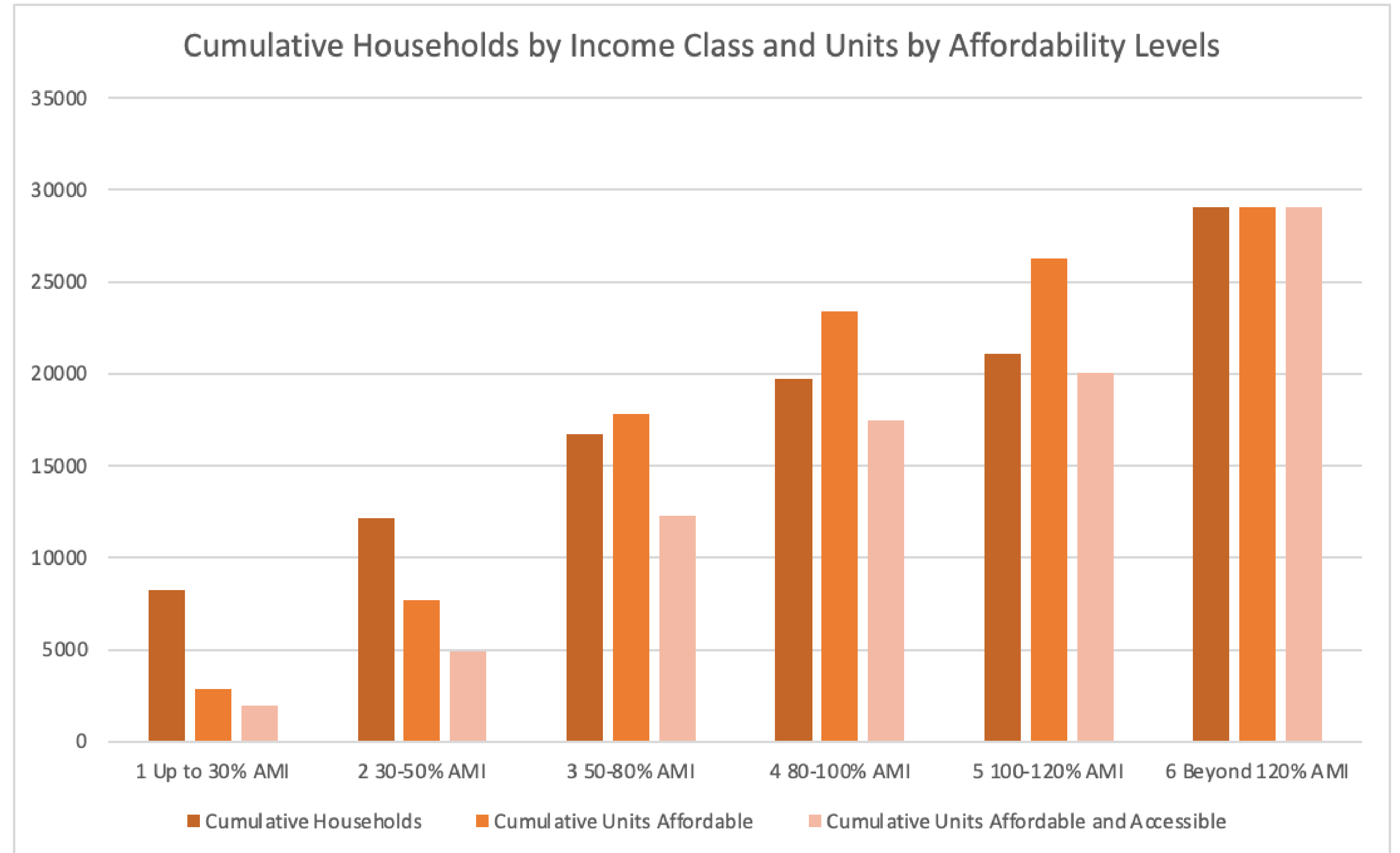
# Lowest income groups are severely inadequately housed.

6,314 households earning up to 30% AMI occupy more expensive housing. In contrast, only 122 households earning above 100% AMI live in a higher affordability category; all 120%+ AMI residents are adequately housed.



**Access to affordable units on the market, as well as deficit in overall supply, is a significant barrier to low-income households being adequately housed.**

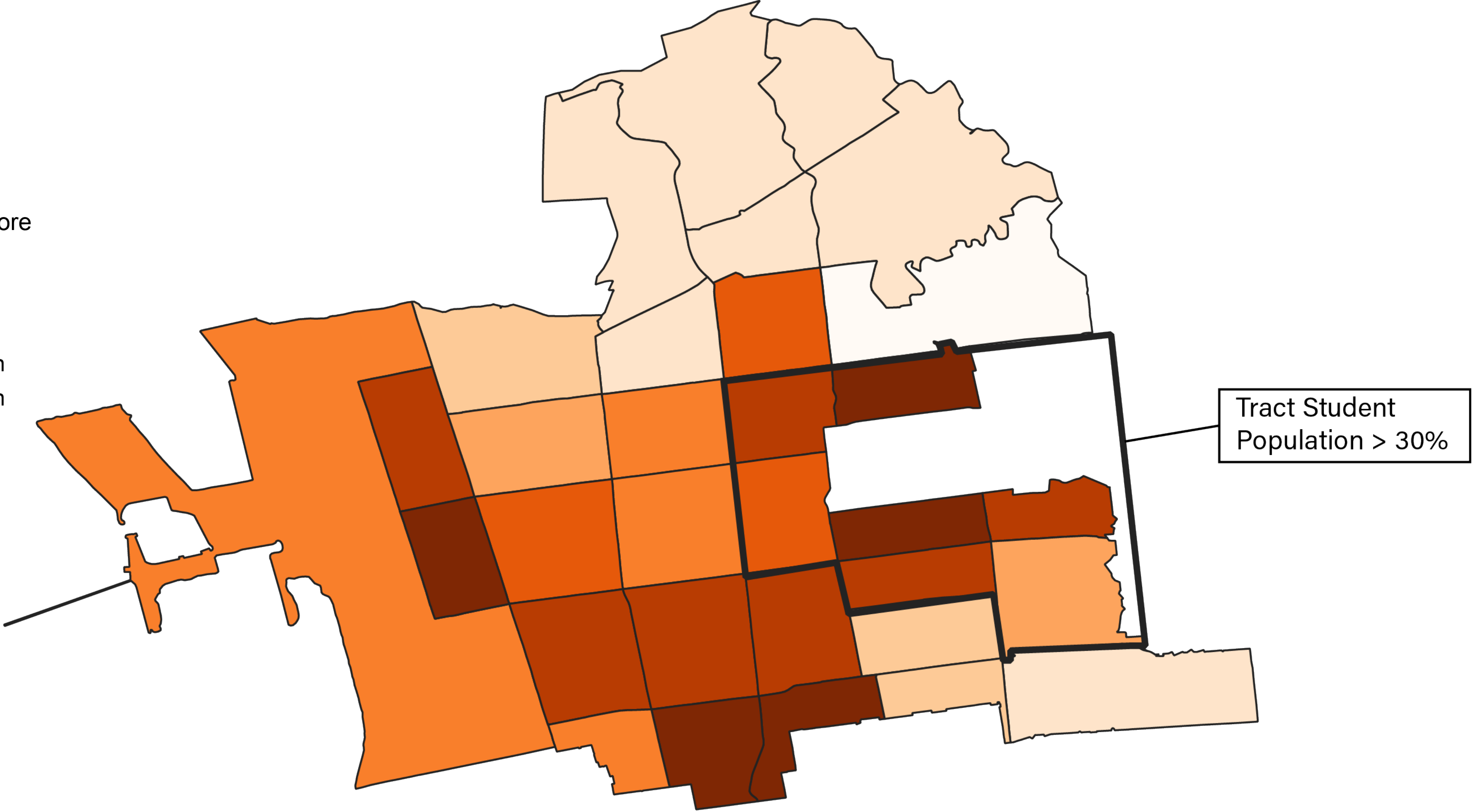
The deficit in available units at high income levels is attributable to lower income households who are pushed up and out of their own affordability categories by an absolute lack of affordable housing.



**Current West Berkeley and South Berkeley residents are the most vulnerable to displacement by densification; North Berkeley and southeast Berkeley residents have minimal or low risk.**

Relative Vulnerability Score

- 0 – Minimal Concern
- 1 – Less Concern
- 2 – Less Concern
- 3 – Moderate Concern
- 4 – Moderate Concern
- 5 – High Concern
- 6 – High Concern
- 7 – Most Concern



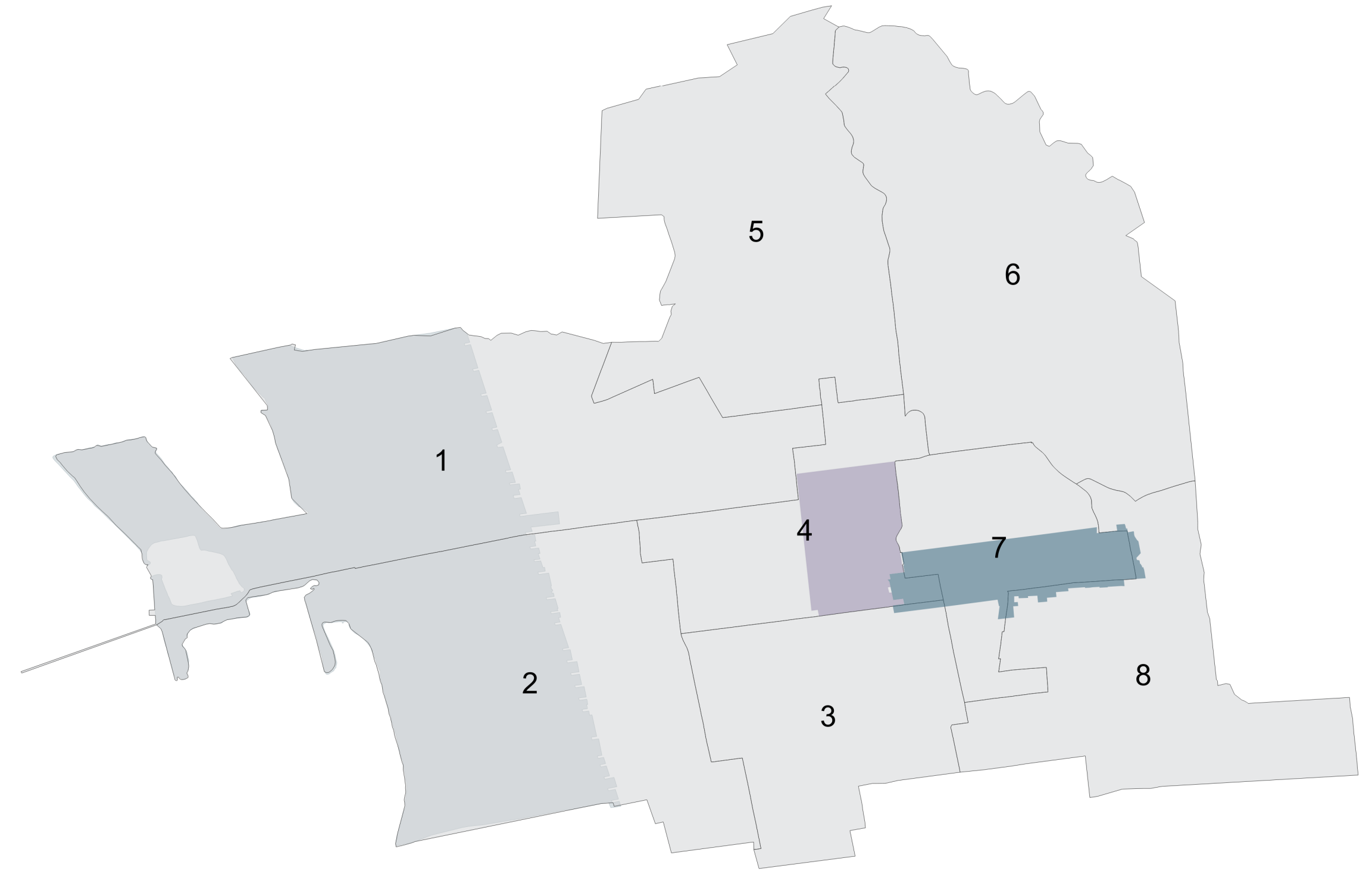
# CASE STUDY FINDINGS

**SOUTH OF CAMPUS AREA & DOWNTOWN BERKELEY**

**WEST BERKELEY**

Upzoning does not automatically lead to greater equity

Increased density in Berkeley neighborhoods has not led to greater racial integration and opportunities for vulnerable communities.



- Downtown Berkeley boundary
- South of UC campus area boundary
- West Berkeley area boundary

**WEST BERKELEY:**

Rezoned in 1998

Surge in development in the 2010s

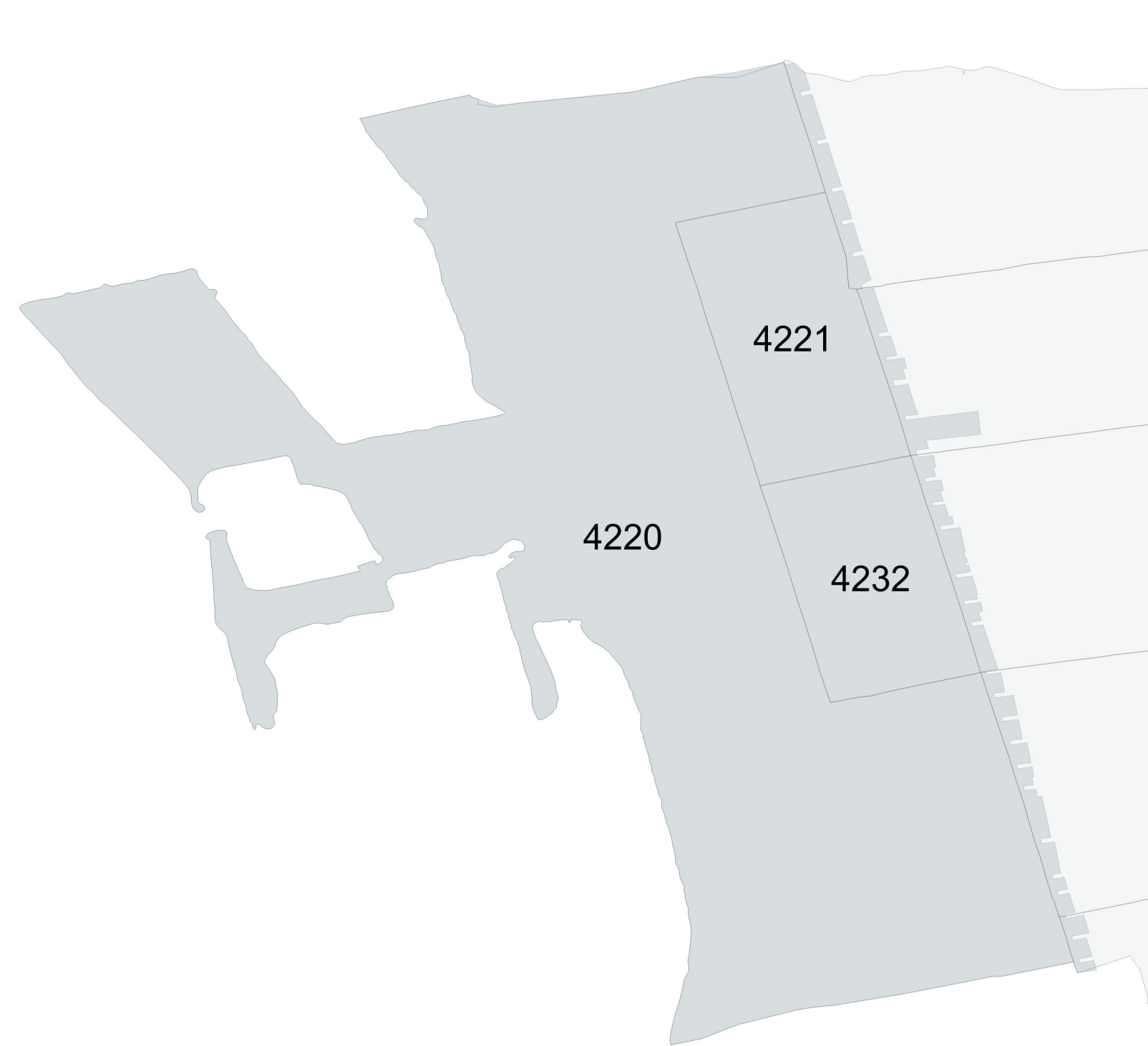
**SOUTH OF UC CAMPUS AREA:**

Rezoned in 2011

**DOWNTOWN BERKELEY AREA:**

Rezoned in 2012

**Findings  
indicate  
patterns of  
displacement  
in West  
Berkeley**



**Marina/Industrial Area: tract 4220**

- 27.3% increase in white residents
- 13.3% decrease in Black residents
- 104.4% increase in median income

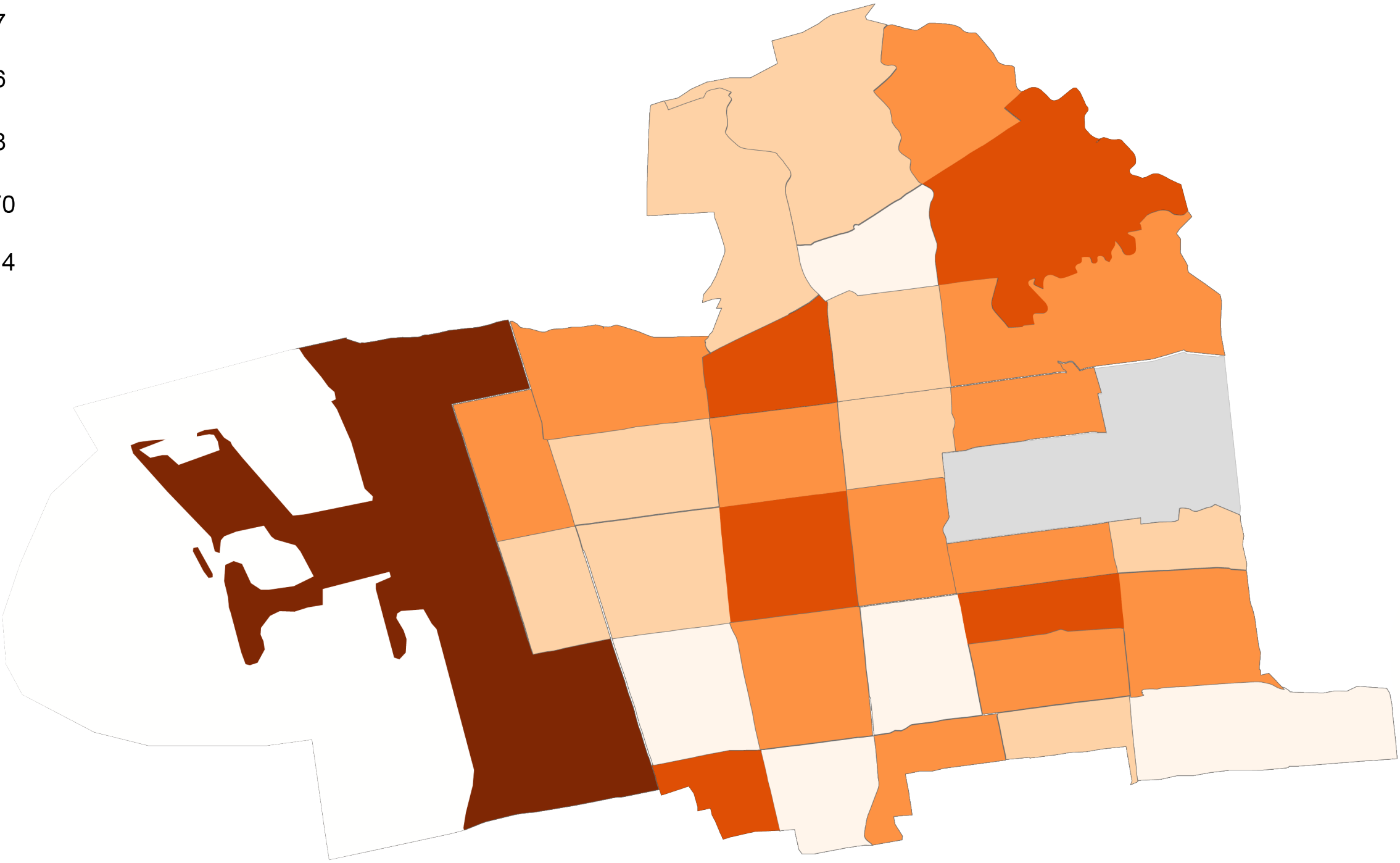
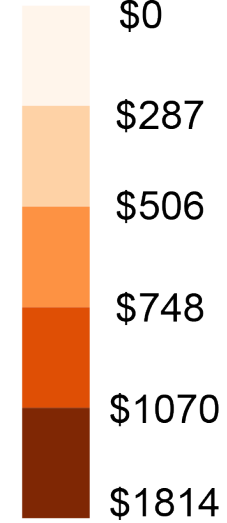
**Northern Residential Area: tract 4221**

- 19.9% decrease in Latinx residents
- 15.4% decrease in poverty

# West Berkeley experienced dramatic increases in rent and in the population of white residents

### Monthly Median Rent (utilities included)

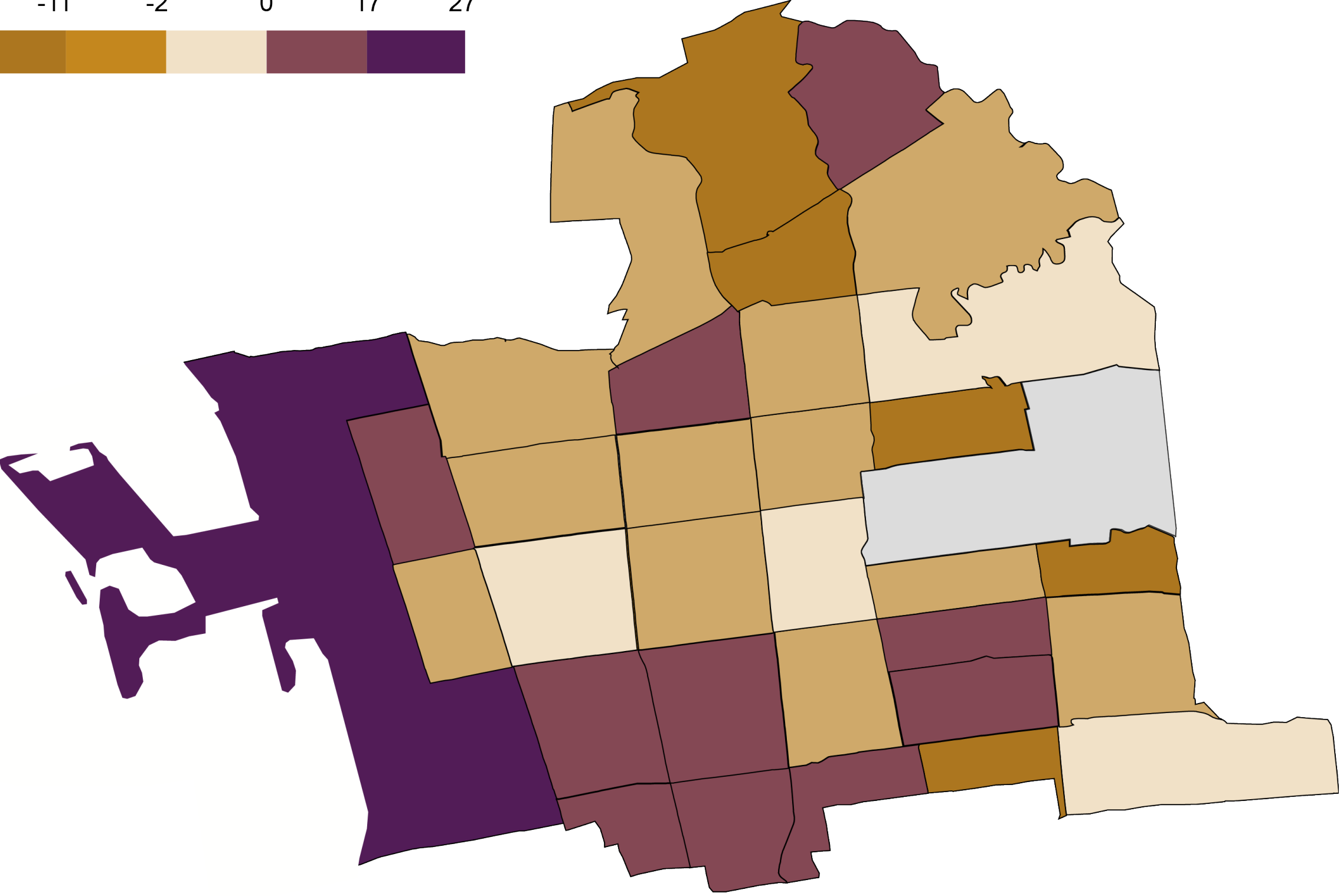
Change in median gross rent between 2005-2019 (in US dollars)



UC Berkeley

### Change in White Population, 2005-2019

% change in white population, 2009-2019



Source: American Community Survey, 2019 5-yr estimate

# POLICY RECOMMENDATIONS

## Anti-displacement measures

**Protect vulnerable areas** – especially South Berkeley, West Berkeley – by directing future upzonings considered as a part of the city’s Housing Element Update to North and Southeast Berkeley, areas of ‘minimal’ or ‘low’ concern for displacement.

**Consider a special district overlay** to preserve and develop affordable housing in vulnerable areas.

**Mandate a racial impact study** ahead of all rezonings.

**One-to-one replacements** of protected units in cases of demolition, passing legislation to ensure the safety and habitability of housing during construction, and adopting a ‘right to return’ policy. Prioritize the production of rental units over condominiums, and addition to and subdivision of existing structures over demolition.

# Tenant protections & affordable housing production

**Increase protections + resources for low-income tenants** such as rent relief for tenants struggling to pay rent and protection from ‘source of income’ discrimination.

**Adopt Anti-Speculation Measures** by encouraging community ownership of land through land trusts, housing cooperatives, and tenants’ opportunity to purchase the homes they live in. Disincentivize speculation by imposing transfer and vacancy taxes and enforcing laws regulating short-term rentals.

**Increase the Production of Affordable Housing** by adjusting the city’s affordable housing mitigation fee periodically to accurately calculate land value capture on new developments and to incentivize the production of affordable units.

**THANK YOU & QUESTIONS**



# Densifying Berkeley: Potential Impacts on Displacement and Equity

A Report by the Anti-Eviction Mapping Project

## Executive Summary

The Bay Area, like the rest of California, has a severe affordable housing shortage. The affordable housing crisis is often attributed to the prevalence of single-family zoning, an exclusionary policy rooted in a long history of racial segregation. Berkeley's move to end exclusionary zoning was touted as a racial equity measure that would increase the access of vulnerable populations to affordable and stable housing. The city is considering ways to upzone Berkeley as a part of its Housing Element Update to create missing middle housing, which is perceived to be more affordable than single-family homes. In this report, the Anti-Eviction Mapping Project (AEMP) asks whether upzoning can be deployed to equitably distribute housing to people who need it most without simultaneously increasing the risk of displacement in those communities. AEMP concludes that the city cannot rely solely on housing production, even when coupled with inclusionary policies such as requiring a certain number of below market rate apartments, to desegregate and provide much-needed housing to low-income communities. Strengthening tenant protections, disincentivizing speculation, and other anti-displacement measures must be key components of any efforts to densify the city.

The outcomes of upzoning depend on the particular nuances of upzoning policies as well as the unique contexts in which they are implemented. In this study, we couple the research and debates on upzoning in the state and beyond with a rigorous analysis of the impact of development on Berkeley communities as well as a model for projecting their risk to future displacement caused by zoning reform. We analyze data from the American Community Survey (ACS), Integrated Public Use Microdata Series (IPUMS), Alameda County Assessor's Office, and the Berkeley Rent Stabilization Board and City of Berkeley to understand the particular housing needs of Berkeley's communities and project their vulnerability to displacement. We also examine the impact of past development and zoning changes in three key Berkeley neighborhoods: Downtown Berkeley, the area immediately south of the UC Berkeley campus, and West Berkeley. Our recommendations look at how Berkeley can use zoning reform in combination with its strong tenant protections to distribute the benefits of upzoning more equitably, and to mitigate the risks of displacement and impacts of racial exclusion.

## Key Findings:

- Upzoning can lead to speculation, increased land values, and displacement. By the same token, upzoning has not led to greater racial integration and opportunities for vulnerable communities.

Upzoning alone is unlikely to make housing affordable to those most in need in Berkeley and make Berkeley's housing market more equitable.

- Because filtering - does not appear to be creating significant numbers of units affordable to low-income residents, it is unlikely that the production of additional market-rate units will substantially increase the amount of housing available to those most in need.
- The private market is unable to produce sufficient levels of affordable housing even with subsidies and other incentives.
- Our model shows that the production of affordable housing lowers the risk of displacement, while the impact of market-rate housing is not statistically significant.
- The greatest deficit in Berkeley's housing supply lies at Low Income (50-80% AMI) and Very Low Income (<30-50% AMI or below) levels. These households are forced to occupy housing at much higher income levels.
- Current West Berkeley and South Berkeley residents are the most vulnerable to displacement by zoning changes; North Berkeley and Southeast Berkeley residents have minimal or low risk.

#### Key Recommendations:

- Protect Vulnerable Areas – South Berkeley, West Berkeley – from the impacts of upzoning by directing future upzonings considered as a part of the city's Housing Element Update to North and Southeast Berkeley, areas of 'minimal' or 'low' concern for displacement. Consider a special district overlay to preserve and develop affordable housing in vulnerable areas.
- Mandate a Racial Impact Study ahead of all rezonings.
- Adopt additional Anti-Displacement Measures by mandating one-to-one replacements of protected units in cases of demolition, passing legislation to ensure the safety and habitability of housing during construction, and adopting a 'right to return' policy. Prioritize the production of rental units over condominiums, and addition to and subdivision of existing structures over demolition.
- Increase protections and resources for low-income tenants, such as rent relief for tenants struggling to pay rent and protection from 'source of income' discrimination.
- Adopt Anti-Speculation Measures by encouraging community ownership of land through land trusts, housing cooperatives, and tenants' opportunity to purchase the homes they live in. Disincentivize speculation by imposing transfer and vacancy taxes and enforcing laws regulating short-term rentals.
- Increase the Production of Affordable Housing by adjusting the city's affordable housing mitigation fee periodically to accurately calculate land value capture on new developments and to incentivize the production of affordable units. The City should incentivize the production of affordable units through Costa-Hawkins 1954.52B by creating a process for homeowners and developers to regulate rent increases in exchange for waivers and bonuses. Berkeley should consider lowering the threshold for the AHMF to include all new residential development.
- Expand the Berkeley Rent Registry to capture rental costs for units partially covered by the Stabilization Ordinance to better track patterns of speculation and tenant turnover and to inform Berkeley's housing policies.