



Housing Advisory Commission

WORKSESSION

January 15, 2019

(Continued from November 27, 2018)

To: Honorable Mayor and Members of the City Council
 From: Housing Advisory Commission
 Submitted by: Igor Tregub, Chairperson, Housing Advisory Commission
 Subject: North Berkeley BART Site Recommendations

RECOMMENDATION

Adopt guidelines for the development of the North Berkeley BART site to develop as many housing units as possible and include as many affordable units as financially feasible, with an emphasis on addressing the City's underserved Regional Housing Need Allocation (RHNA) targets.

FISCAL IMPACTS OF RECOMMENDATION

None explicitly. However, a significant number of units allowed on-site, can lead to a large share of affordable units to be cross-subsidized by market rate, therefore requiring less public subsidy for below-market rate units by the City.

CURRENT SITUATION AND ITS EFFECTS

In reaction to pending state bills preempting municipal control on housing development, Mayor Jesse Arreguin and Councilmember Linda Maio, along with BART president Rebecca Saltzman held a meeting on North Berkeley BART development in March. Afterwards, on May 15th, the Mayor and Councilwoman Maio directed the City Manager to assist in future events which would render ideas related to housing on the site per-BART district's guidelines.

On July 11, 2018, in line with the general direction of these preliminary initiatives, the Housing Advisory Commission voted unanimously to logistically plan for affordability on the BART site by creating a subcommittee with the sole directive of capturing public feedback. On July 24, 2018, shortly after the subcommittee's creation, Councilwoman Maio submitted an informational item on a guideline for process for developing the site in the fall.

The subcommittee's jurisdiction pertained to recommending to council a composition of affordability on the site. There were three choices: An exclusively market-rate project with sufficient fee payment to the housing trust fund, a mixed-income project featuring market-rate units cross-subsidizing substantial amounts of below-market rate units, and a site composed entirely of below-market rate units. A public meeting was held at the

West Berkeley library with representatives of numerous community groups in North Berkeley having submitted emails and spoken testimony regarding their preferred option.

Of the 23 emails (disregarding duplicate senders), 12 recommended a mixed-income project composing of market-rate and below-market rate units. Of this group, one email stated to have represented 20 North Berkeley BART neighbors. Six stated the subcommittee was premature or should not make a decision. Three endorsed the subcommittee without stated preference, and two noted parking concerns.

Among in-person speakers, five neighbors supported a mixed-income project with maximized density, two believed the subcommittee to be premature, one spoke in favor of an entirely below-market rate project, one opposed any high-rise, and one spoke about parking concerns.

Regardless of what public feedback returned to the subcommittee, the powers of the Housing Advisory Commission was relegated only to affordability on the site, and suggest means in which the Council could fulfil that affordability.

The subcommittee voted to eliminate the market-rate on-site only option and forward the remaining options to the Housing Advisory Commission:

Action: M/S/C (Lewis/Owens) The HAC will choose between recommending to the Berkeley City Council a mixed-income project and a 100% BMR project, while encouraging the greatest degree (% of units) of inclusionary units and depth of affordability (aka AMI) overall at North Berkeley BART site.

Vote: Ayes: Lewis, Owens, and Tregub. Noes: none. Abstain: none. Absent: none.

At its September 6, 2018 meeting, following an additional round of public feedback and letters proportionally similar in opinion to the subcommittee, the HAC adopted the following recommendation:

Action: M/S/C (Wolfe/Owens) to recommend to the City Council to adopt guidelines for the development of the North Berkeley BART site to develop as many housing units as possible and include as many affordable units as financially feasible, with an emphasis on addressing the City's underserved Regional Housing Need Allocation (RHNA) targets.

Vote: Ayes: Amezcua, Johnson, Kesarwani, Lewis, Lord, Owens, Tregub, Wolfe, and Wright. Noes: None. Abstain: None. Absent: None.

It should be noted with respect to concerns of prematurity, that the recommendations and scope taken by the commission have already been examined by the BART district, as of 2017. See page 22 of BART's 2017 transit-oriented development guidelines: https://www.bart.gov/sites/default/files/docs/BART_TODGuidelinesFinal2017_compressed.pdf

BART has recommended that North Berkeley BART station compose of several hundred units, with a site composition of 100% below-market housing, presumably low-income tax credit housing requiring city subsidy. Additionally, Ashby BART station is recommended to be composed of over 1000 units, with a mixed-income composition. BART TOD officials have also communicated that these are without City input and are preliminary guidelines that are non-binding at the moment.

The Housing Advisory Commission is issuing a near identical report in subject, different in prescription, save for quantifiable density recommendations since that is not within the scope of the commission. However, we can advise affordability recommendations with density guidelines to determine the financial feasibility of those recommendations, like an ordinary RFP.

BACKGROUND

Berkeley is undergoing a severe housing crisis brought about through a shortage of units and a high demand for jobs regionally and locally. North Berkeley BART's parking lot provides an opportunity for substantial levels of housing adjacent to a reliable transit system that currently has capacity for more riders at that station. The North Berkeley BART Station ridership is approximately two-thirds of what the Ashby BART Station handles in terms of daily weekday ridership, making the North Berkeley BART Station an ideal site for future transit oriented development.

Additionally, Berkeley is suffering from a traffic crisis leading to intense congestion during rush hour. It should be noted that in 1950, Berkeley's population was 113,805, and in 2016, the population had increased to 121,240 persons (according to U.S. Census bureau estimates). Therefore the substantial increases in traffic appear to be caused by regional commuting, rather than from the actual increased population. The promotion of transit-oriented housing to help with regional transit demand is one solution.

ENVIRONMENTAL SUSTAINABILITY

A significant portion of the city's greenhouse emissions derive from automobiles, and recent studies have shown that building infill housing adjacent to transit is the best way to minimize emissions and reduce housing costs through increased supply.

RATIONALE FOR RECOMMENDATION

There are only a few sites in the City of Berkeley where it is possible to build denser housing that provides well planned walkability and accessibility. North Berkeley's

parking lot is one of these sites. There are four parcels of considerable space and a BART station which offers two minute trips to Downtown Berkeley, eleven minute trips to Downtown Oakland, and 24 minute trips to Downtown San Francisco. Because low-income individuals are more likely to use transit, it is imperative that any development on the North Berkeley BART site provides as many units as feasible that are affordable to low-income households.

Some members of the Housing Advisory Commission voiced the concern that the City may negotiate with BART to award development rights only to nonprofit housing developers. In turn, these developers will require city subsidies to build and produce units at a density of 75 dwelling units/acre, the minimum required by BART. They therefore recommend that, in order to cross subsidize affordable units, a considerable amount of market rate units also be built to grow the overall total for a mixed-income project. Ideally, the final development project will provide the greatest total number of below-market rate units, particularly those that would be affordable to the underperforming AMI levels within the City.

The Housing Advisory Commission is stating this early as a guideline for affordability for when the Council begins to deliberate with the BART district and the Planning Department. We're aware that BART currently owns the site in its entirety, both air and land rights, and will also have the final say regarding which developers are rewarded that request for process (RFP). RFP procedures are normally a HAC function with City property, but this is not City property.

Some members also voiced concern that if Council were to work with the Planning Department to only zone for an insubstantial or baseline amount of units, that overall numbers of below-market rate housing would be smaller than what's ideal and the mandated inclusionary percentage for the market-rate project would be smaller. If the council devises with Planning a zoning designation that is baseline to the unit minimum, and expects the HAC to recommend a higher inclusionary rate than BART's 20% requirement, it will not only produce less affordable units, but may not be financially feasible. This could result in BART ultimately disregarding City input since they are leasing the land.

Therefore, we advise to the Council, after public feedback and deliberation, that when zoning the property with the Planning Department, the Council should facilitate that the zoning permits flexibility to allow a considerable number of units above BART's unit minimum. A high density project would allow for the Housing Advisory Commission to work with the RFP process on maximizing the total number of affordable units, through cross-subsidizing them with market-rate units. When land-use decisions from planning are decided for the parking lot, the Housing Advisory Commission can return with an inclusionary percentage recommended for the site.

If the new zoning allows for the total unit amount to be considerably larger than BART's baseline, the HAC can recommend a percentage considerably higher than BART's baseline of 20% inclusionary.

ALTERNATIVE ACTIONS CONSIDERED

If the recommendation is not followed, the city can move forward with a baseline amount of density or slightly above BART's land-lease standards and the Housing Advisory Commission will recommend a percentage accordingly.

CITY MANAGER

The City Manager thanks the Commission for their work on this important issue and reaffirms her commitment to partnering with interested parties as a development moves forward.

CONTACT PERSON

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