



Office of the City Manager

ACTION CALENDAR

July 16, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Timothy Burroughs, Director, Planning

Subject: Annual Housing Pipeline Report

RECOMMENDATION

Review and provide input on the data included in the Housing Pipeline Report.

FISCAL IMPACTS OF RECOMMENDATION

None.

CURRENT SITUATION AND ITS EFFECTS

This report responds to a standing City Council request, initially delivered on November 28, 2017, to present information annually about recent housing development in Berkeley, including:

- Projects that have been submitted and are pending approval/entitlements;
- Projects that were issued a use permit but have not had building permits issued;
- Projects that were issued a building permit;
- Projects that were issued a Certificate of Occupancy; and
- Regional Housing Needs Allocation (RHNA) goals and progress report.

This report aligns with the annual reporting required by the State Department of Housing and Community Development and Department of Finance. Alignment with State-level reporting requirements is important for maximizing the efficiency of the staff time needed to produce these data. Staff seeks to avoid compiling multiple versions of these data multiple times per year.

The California Department of Finance tracks the number and type of building permits finalized each year. Data from cities is due to the Department of Finance by February 1 of each year.

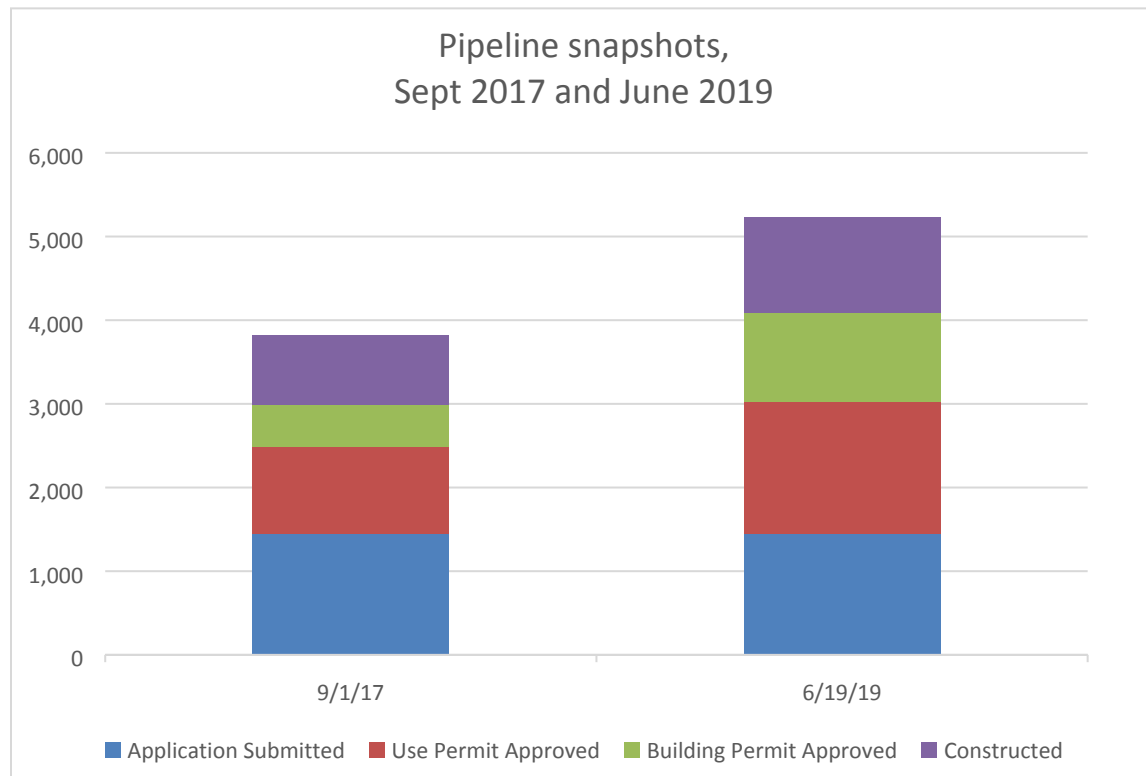
The Department of Housing and Community Development requires jurisdictions to submit an annual progress report (APR) that tracks status of implementation of each jurisdiction's Housing Element of its General Plan. These data are important because the Housing Element allows the city to adequately plan to meet the housing needs of everyone in the community. The APR ensures the City is following the policies and

programs outlined in the Housing Element. The APR requirements were expanded greatly in the past year to require local jurisdictions to track project addresses; building permit numbers; and dates of completed application submittals, entitlements issued, building permits issued, and building permits finalized between January 1 and December 31 of a given year. Affordability levels, housing tenure (ownership and rentals) and SB-35 applications are also recorded. The APR is due by April 1 each year.

Given that all local data must be submitted to the State by April 1 of each year, staff propose that the annual housing pipeline report be submitted to the City Council each July moving forward.

Summary of Housing Pipeline Data

The following chart summarizes the number of units proposed or produced, from projects comprising five units or more, in each stage of the development pipeline: submitted Use Permit Application; Approved Use Permit application; Building Permit issued; and Construction completed/Certificate of Occupancy issued. The chart provides a snapshot of these data taken on June 19, 2019, and the last such snapshot on Sept. 1, 2017.



The chart above is a summary of the more detailed information provided in Tables 1-4 attached. The detailed data Tables include:

Table 1 – Projects with more than five units submitted and pending approval.

Table 1 provides the address, Zoning District, total units and status of review by the City of pending projects, regardless of submittal date. This table does not report on the number of affordable units, because those may change prior to Zoning approval, and later prior to Certificate of Occupancy. For many projects in Berkeley, the total number of units and the total number and type of affordable units within a proposed project may change until an applicant pays the Affordable Housing Mitigation Fee, which, per BMC Section 22.20.065.C, is due only prior to issuance of a Certificate of Occupancy.

The number of dwelling units pending review by the Land Use Division is 1,448, which is slightly less than the same figure in the pipeline report presented to Council in November 2017, which was 1,452 units. These units included in Table 1 would be created within fewer projects: 18 projects in this report, compared with 23 projects that were pending in 2017.

As reported to Council in 2017, the information presented in the “Project Status” column tends to change quickly and often (several rounds of staff review, for example, often require changes to a project’s description), and thus this annual pipeline report would not provide the most current project-by-project information. The City’s Current Zoning Applications Log, which is updated weekly for all pending applications, provides the most up-to-date information and can be found here: https://www.cityofberkeley.info/Planning_and_Development/Land_Use_Division/Current_Zoning_Applications_Log.aspx.

Table 1 also includes a “Submittal Date” column that may be useful to understand the overall timeline for review of a project as applicants respond to City requests for additional documents needed to complete or clarify applications and comply with CEQA, to input provided by the community, and to suggestions or direction from the Landmarks Preservation Commission, Design Review Committee, Zoning Adjustments Board, and (when appealed) the City Council.

Table 2 – Projects with more than five units that were approved but have not yet received a building permit. Table 2 provides the address, Zoning District and number of units by income category for projects that received Zoning approval, but have not received a building permit. The number of dwelling units in this category is 1,573 (up from 1,042 in the last report).

Table 2 provides the first opportunity to report more reliable information about the number and levels of affordability a project will provide, however, as noted above,

the number of below market rate units is only certain at the issuance of Certificate of Occupancy.

Table 2 also includes “Entitlement Year” and “By” columns to report on the year the use permit was granted and the final approving body (ZAB or Council).

For projects in Table 2, the median time period between when use permit applications were deemed complete and the use permit was issued by either ZAB or City Council was 4.9 months.

Building permits will be issued in the near future for the projects shown in Table 2 as having applied for a building permit, with the exception of 3020 San Pablo Ave. While the project owners for this address applied for a building permit in 2015, staff is not aware of any project activity by the applicants since that time.

Notable among the 18 projects in Table 2 which have not yet submitted a building permit application are 2720 San Pablo Ave. and 2701 Shattuck Ave., both of which were approved in 2007. While each site has a use permit for a new building, the current owners submitted use permit applications for new, different projects at these sites. These new use permit applications are included within Table 1 as pending projects.

Table 3 – Projects with more than five units for which a building permit was issued, but are not yet occupied. Table 3 provides the address, Zoning District and number of units by income category for projects that have received a building permit following their Zoning approval. The number of dwelling units in this category is 1,074 (up from 525 in the last report). All projects included in this table are now under construction.

This table also demonstrates the range of timelines between entitlement and building permit issuance. Of the 18 projects that are currently under construction, 10 received a building permit within 24 months of receiving a use permit. Of the eight projects that took longer, seven were sold prior to submittal of a building permit. Of note is the project known as Acheson Commons (shown in Table 3 as 2111, 2131 & 2145 University Avenue & 1900 Walnut), a project site that was also sold after the City issued the use permit. The timeline between use permit and building permit issuance was also affected by the complexity of this particular site, which comprises four parcels.

The median time period between use permit issuance and building permit issuance for projects in Table 3 was 20.6 months.

New to Table 3 is the “Projected Completion Date” column, which provides an estimated calendar year of construction completion (more specific dates cannot be reliably furnished, as many factors can prolong date of completion, such as season, costs, and economic trends).

Table 4 – Projects with more than five units, that received a building permit after 2014, and which have been issued a Certificate of Occupancy. The baseline for this table is 2014 because the current Regional Housing Needs Assessment (RHNA) started on January 1, 2014 and runs through to October 31, 2022. This table provides the most accurate information about the number of units and the breakdown of affordable units, because these numbers generally do not change after the Certificate of Occupancy is issued. The number of dwelling units in this category is 1,141 (up from 952 in the last report).

Unlike the 2017 housing pipeline report, Table 4 now provides the date a building permit was issued along with the date the project was completed. Table 4 also reports the year a project was approved, and the final approving body (ZAB or Council). The median time from building permit issuance to Certificate of Occupancy issuance for these projects was 24.2 months.

Table 5 – Status of Regional Housing Needs Allocation (RHNA) - all housing types. Unlike in 2017, Table 5 now provides the City’s progress towards RHNA numbers for all housing production, regardless of the number of dwelling units within a project (the prior report only included projects with five or more dwellings). Table 5 continues to report on building permits issued after January 1, 2014, and is current through 2018 (per RHNA reporting requirements). Through 56% of the reporting period, the City’s progress ranges from 65% for Very Low Income units to 141% for Above-Moderate units (for Very Low, this is an improvement over the 34% reported to Council in 2017).

As is reported in Table 2, over 200 additional below market rate units have been entitled, but are not yet included in the RHNA numbers because they have not received a building permit.

Within the numbers in Table 5 is a trend that merits highlighting in this report: the production of Accessory Dwelling Units (ADUs). The number of building permits issued for new ADUs increased from one in 2015 to 80 in 2018, for a building permit total of 171 since 2015.

BACKGROUND

The City Council made its original request for a periodic Housing Pipeline report on June 13, 2017, in response to a request authored by Council Member Harrison.

Planning presented its first housing pipeline report on October 31, 2017 (and later on November 28, 2017, with a few corrections). On December 11, 2018, Council approved another related referral from Council Member Harrison that requested further information on the time between phases of the development process, particularly between entitlement and building permit issuance.

ENVIRONMENTAL SUSTAINABILITY

There are no environmental impacts from this report. The implications of housing development on sustainability issues is considered at length in the City's Climate Action Plan, available at: <https://www.cityofberkeley.info/climate/>.

CONTACT PERSON

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Attachments:

- 1: Table 1 – Projects submitted and pending approval
- 2: Table 2 – Projects approved
- 3: Table 3 – Projects with Building Permit issued
- 4: Table 4 – Projects with Certificate of Occupancy issued
- 5: Table 5 – Status of Regional Housing Needs Allocation

Table 1 – Projects with more than 5 units submitted and pending approval by ZAB or Council.					
#	Street Name	Zoning	Total Units	Submittal Date	Project Status as of 6/19/2019
3031	Adeline	C-SA	42	7/24/18	Incomplete
2590	Bancroft	C-T	87	6/5/19	Incomplete
2015	Blake	R-4	155	12/20/18	Incomplete
2000	Dwight	R-4	126	4/24/19	Incomplete
1155	Hearst	R-2A	11	2/2/16	Under Appeal, Council tbd
2176	Kittredge	C-DMU	165	2/7/19	Incomplete
2099	MLK	C-DMU	72	5/2/19	Incomplete
2425	Prospect	R-3(H)	17	7/6/18	Incomplete
1835	San Pablo	C-W	95	11/19/18	Incomplete, ZAB & DRC Previews Pending
2371	San Pablo	C-W	14	5/15/19	Incomplete
2720	San Pablo	C-W	40	1/20/16	Complete May 2019; ZAB Preview Fall 2019
1951	Shattuck	C-DMU	156	6/29/18	ZAB Hearing June 2019
2023	Shattuck	C-DMU	48	3/5/19	Complete; ZAB & DRC Previews Fall 2019
2352	Shattuck	C-DMU	237	6/28/18	ZAB Preview May 2019, DRC June 2019
2701	Shattuck	C-SA	57	12/13/16	Under Appeal, ZAB June 2019
2650	Telegraph	C-1	45	4/18/19	Incomplete
1110	University	C-1	36	3/3/17	Incomplete; on hold per applicant
1486	University	C-1	45	10/28/16	Complete December 2017, then on hold per applicant until May 2019. ZAB & DRC Previews Pending
Total:			1,448		

Note: Proposed #s of affordable units are not reported at this pre-approval stage, as they tend to change significantly.

Table 2 - Approved projects with more than 5 units: No Active Building Permit.													
#	Street Name	Zoning	Ext Low <30% AMI	VLI 31%-50% AMI	LI 51%-80% AMI	MOD 81-120% AMI	BMR Total	Above MOD	Total Units	Entitlement Year	By:	Building Permit Applied For?	Subtotals
2009	Addison	C-DMU					0	44	44	2018/2019	ZAB	No	Units in Approved projects, no BP yet applied for: 1,289
2902	Adeline	C-SA & R-4		4	4	1	9	41	50	2017	Council		
3051	Adeline	C-SA		0	0	0	0	11	11	2016	ZAB		
2028	Bancroft	C-DMU		2			2	35	37	2019	ZAB		
2012	Berkeley Way	C-DMU	53	54	17		124	1	125	2018	SB35		
2211	Harold	C-DMU		0	0	0	0	302	302	2015	Council		
1601	Oxford	R-3		13	21	0	34	3	37	2018	SB35		
1200	San Pablo	C-W		5			5	52	57	2018	ZAB		
1201	San Pablo	C-W		0	0	5	5	22	27	2006	Council		
1740	San Pablo	C-W		4			4	48	52	2018	ZAB		
2100	San Pablo	C-W		0	0	0	0	96	96	2017/2019	ZAB		
2198	San Pablo	C-W		5			5	52	57	2019	ZAB		
2720	San Pablo	C-W		0	3	0	3	15	18	2007	ZAB		
2190	Shattuck	C-DMU		0	0	0	0	274	274	2019	Council		
2701	Shattuck	C-SA		0	0	4	4	20	24	2007	Council		
3000	Shattuck	C-SA		2	2	0	4	19	23	2018	Council		
1040	University	C-W & R-3		27	0	0	27	0	27	2012	ZAB		
1717	University	C-1		3	0	0	3	25	28	2017	ZAB		
2072	Addison	C-DMU					0	55	55	2018/2019	ZAB	10/26/18	Units in Approved projects, BP applied for: 284
2542	Durant	C-T		0	0	0	0	32	32	2018	ZAB	4/4/19	
2527	San Pablo	C-W		6	5	0	11	57	68	2018	Council	8/17/18	
3020	San Pablo	C-W		2	2	0	4	25	29	2007	ZAB	2/11/15	
2628	Shattuck	C-SA					0	78	78	2019	ZAB	5/9/19	
2556	Telegraph	C-T					0	22	22	2018	ZAB	12/19/18	
Totals:			53	127	54	10	244	1,329	1,573				

Table 3 – Approved projects with more than 5 units: Building permit issued.												
#	Street Name	Zoning	VLI 31%-50% AMI	LI 51%-80% AMI	MOD 81-120% AMI	BMR Total	Above MOD	Total Units	Entitlement Year	By:	Building Permit Issued	Est. Completion Date
1950	Addison	C-DMU	5	0	0	5	106	111	2016	ZAB	11/17/17	2019
2126	Bancroft	C-DMU	5	0	0	5	45	50	2016	ZAB	11/6/17	2019
2580	Bancroft	C-T	11			11	111	122	2018	ZAB	5/21/19	2020
2035	Blake	C-SA	4	0	0	4	78	82	2016	Council	8/10/17	2020
739	Channing	MU-R				0	10	10	2018	ZAB	6/12/18	Unknown
2510	Channing	C-T	3			3	37	40	2018	ZAB	4/5/18	2020
2631	Durant	R-SMU	0	0	0	0	56	56	2016	Council	12/1/17	2020
1500	San Pablo	C-W & R-1A	16	0	0	16	154	170	2016	Council	12/21/17	2020
2747	San Pablo	C-W	3	3	0	6	33	39	2007	ZAB	8/18/17	2020
2748	San Pablo	C-W	23	0	0	23	0	23	2014	ZAB	5/17/18	2019
2539	Telegraph	C-T	6	0	0	6	64	70	2016	ZAB	10/20/17	2019
2597	Telegraph	C-T & R-2	1	0	0	1	9	10	2017	Council	8/9/18	2020
1698	University	C-1	3	0	0	3	33	36	2014	ZAB	10/19/18	2020
2067	University	C-DMU	4	0	0	4	46	50	2016	ZAB	10/10/18	2020
2111	University	C-DMU	6	0	0	6	62	68	2013	ZAB	6/27/18	2020
2131	University	C-DMU	2	0	0	2	19	21	2013	ZAB	6/27/18	2020
2145	University	C-DMU	3	0	0	3	33	36	2013	ZAB	6/27/18	2020
1900	Walnut	C-DMU	7	0	0	7	73	80	2013	ZAB	6/27/18	2020
Totals:			102	3	0	105	969	1,074				

Table 4 – Approved projects with more than 5 units: Building Permit Issued after 2014 and now occupied.

#	Street Name	Zoning	VLI 31%-50% AMI	LI 51%-80% AMI	MOD 81-120% AMI	BMR Total	Above MOD	Total Units	Entitlement Year	By:	Building Permit Issued	Complete Date
1935	Addison	C-DMU	0	0	0	0	69	69	2013	Council	10/17/14	5/26/17
2002	Addison	C-DMU	0	0	0	0	6	6	2016	ZAB	2/1/18	8/28/18
2024	Durant	C-DMU	0	0	0	0	78	78	2013	Council	7/8/14	12/7/15
2526	Durant	C-T	0	0	0	0	44	44	2014	ZAB	2/18/14	6/30/17
2532	Durant	C-T	0	0	0	0	7	7	2016	ZAB	6/23/17	1/30/19
2107	Dwight	C-DMU	9	0	0	9	90	99	2012	ZAB	12/1/17	3/24/17
2201	Dwight	R-S	7	0	0	7	70	77	2013	ZAB	6/3/15	11/17/16
2227	Dwight	R-3	0	0	0	0	6	6	2013	Council	9/7/15	5/25/18
2001	Fourth	C-W	12	0	0	12	140	152	2014	ZAB	4/1/16	7/31/18
2441	Haste	C-T	0	0	0	0	42	42	2013	ZAB	5/7/14	6/27/16
3132	MLK	C-SA	0	41	0	41	1	42	2007	ZAB	11/20/15	12/7/17
3015	San Pablo	C-W	8	7	0	15	83	98	2007	Council	3/19/14	2/16/16
2598	Shattuck	C-SA & R-2A	4	3	0	7	25	32	2014	Council	5/1/15	5/31/17
2600	Shattuck	C-SA & R-2A	12	12	0	24	99	123	2014	Council	1/1/14	3/17/17
2711	Shattuck	C-SA	0	0	0	0	18	18	2016	ZAB	9/6/17	9/1/18
800	University	C-W	4	0	0	4	54	58	2013	ZAB	7/15/14	12/2/15
824	University	C-W	4	0	0	4	44	48	2015	ZAB	8/20/15	2/6/18
1812	University	C-1	4	0	0	4	40	44	2014	ZAB	6/25/15	3/7/17
1974	University	C-DMU	8	0	0	8	90	98	2014	ZAB	9/29/15	10/3/17
Totals:			72	63	0	135	1,006	1,141				

Table 5 – Status of Regional Housing Needs Allocation - All Housing Types.**Progress towards 2014-2022 RHNA: Approved Building Permits****January 1, 2014 – December 31, 2018**

Building Permit Action Year	Ext Low <30% AMI	VLI 31%-50% AMI	LI 51%-80% AMI	MOD 81-120% AMI	BMR Total	Above MOD	Total
January 1, 2014 – December 31, 2018	0	174	66	0	240	1,975	2,215
RHNA	266	266	442	584	1,558	1,401	2,959
Remaining RHNA Capacity Requirement	266	92	376	584		-574	
Percent of Goal Achieved	0%	65%	15%	0%		141%	

The current RHNA is for an 8.8-year period, from January 1, 2014 through October 31, 2022.

