



Office of the City Manager

PUBLIC HEARING
June 17, 2025

To: Honorable Mayor and Members of the City Council
 From: Paul Buddenhagen, City Manager
 Submitted by: Scott Gilman, Director, Health, Housing and Community Services
 Subject: Affordable Housing Compliance Review Fee

RECOMMENDATION

Conduct a public hearing and upon conclusion, adopt a Resolution establishing a Department of Health, Housing, and Community Services (HHCS) fee of \$130 per hour to review and approve the compliance of new construction projects with the City's affordable housing regulations.

FISCAL IMPACTS OF RECOMMENDATION

The \$130 fee would be assessed hourly. Staff estimates that reviewing an application requires between three to six hours of work. This results in an estimated fee between \$390 and \$780 per project. The fee revenue would vary depending on the number of applications received. Fees will be deposited into the City's Local Housing Trust Fund (353), and will be designated for administration. .

This fee would not apply to projects with a loan from the City's Housing Trust Fund program.

CURRENT SITUATION AND ITS EFFECTS

City departments – including Planning and Development, Public Works, and Fire – have historically charged fees to review new residential housing applications. HHCS currently does not assess fees for the affordable housing compliance sections of these applications.

HHCS staff reviews applications for their compliance with local and state affordable housing requirements. This includes the Inclusionary Housing ordinance (Berkeley Municipal Code [BMC] Chapter 23.328), Demolition ordinance replacement unit requirements (BMC Chapter 23.326), State Density Bonus, and SB 35. Staff also negotiate and draft the regulatory agreements to legally secure the affordability requirements to each project's property title.

BACKGROUND

The City's Inclusionary Housing ordinance requires new construction residential housing projects to provide 20% of the on-site units as affordable under the City's Below Market Rate (BMR) housing program. Applicants may alternatively pay an in-lieu fee or provide less than 20% of on-site units and a proportional in-lieu fee. These requirements are typically layered with other local and state laws that require affordable housing.

HHCS staff works with applicants to understand and implement the range of requirements. Staff record the documents and coordinate monitoring for future security.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no environmental impacts associated directly with the subject of this report.

RATIONALE FOR RECOMMENDATION

The City already charges fees for the Planning and Development Department to review housing applications. HHCS has provided its services for no cost to applicants. These services are currently paid for by the general fund.

This fee would be consistent with the City's application review practices. The fees assessed would be reflective of a project's complexity and special requests.

ALTERNATIVE ACTIONS CONSIDERED

The City could continue to perform the tasks without charging applicants. This program would continue to rely on the general fund to pay for these activities.

CONTACT PERSON

Mike Uberti, Senior Community Development Project Coordinator, HHCS, (510) 981-5114

Attachments:

- 1: Resolution
 Exhibit A: Fee Schedule
- 2: Public Hearing Notice

RESOLUTION NO. ##,###-N.S.

ADOPTING AN AFFORDABLE HOUSING COMPLIANCE REVIEW FEE SCHEDULE FOR SERVICES PROVIDED BY THE DEPARTMENT OF HEALTH, HOUSING AND COMMUNITY SERVICES

WHEREAS, Berkeley Municipal Code Chapter 23.328, the Inclusionary Housing Ordinance, requires new residential housing applications to provide affordable housing; and

WHEREAS, the Inclusionary Housing ordinance requirements can be layered with additional local and state laws related to affordable housing; and

WHEREAS, the Department of Health, Housing and Community Services (HHCS) provides staffing to implement the requirements of the Inclusionary Housing Ordinance and other local and state laws; and

WHEREAS, Berkeley Municipal Code section 23.328.050 allows the City Council to set fees for the administration and implementation of the ordinance.

WHEREAS, residential housing applications with City of Berkeley Housing Trust Fund loans will not be subject to the fee;

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City adopts the HHCS affordable housing compliance review fee schedule attached as Exhibit A.

BE IT FURTHER RESOLVED that the fee schedule will remain valid for an HHCS successor agency, if any.

Exhibits

A: Affordable Housing Compliance Review Fee Schedule

Exhibit A: Affordable Housing Compliance Review Fee Schedule

Applicable Fee	Amount
Affordable Housing Compliance Review	\$130 per hour

**NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL
AFFORDABLE HOUSING COMPLIANCE REVIEW FEE**

The public may participate in this hearing by remote video or in-person.

The Department of Health, Housing, and Community Services is proposing setting a fee via resolution per Berkeley Municipal Code Chapter 23.328.050.

The hearing will be held on June 17, 2025 at 6:00 p.m. in the School District Board Room, located at 1231 Addison Street, Berkeley CA 94702.

A copy of the agenda material for this hearing will be available on the City’s website at <https://berkeleyca.gov/> as of June 5, 2025. **Once posted, the agenda for this meeting will include a link for public participation using Zoom video technology, as well as any health and safety requirements for in-person attendance.**

For further information, please contact Mike Uberti at 510-981-5400. Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, or e-mailed to council@berkeleyca.gov in order to ensure delivery to all Councilmembers and inclusion in the agenda packet.

Communications to the Berkeley City Council are public record and will become part of the City’s electronic records, which are accessible through the City’s website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the City Clerk. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at (510) 981-6900 or clerk@berkeleyca.gov for further information.

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I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City’s website, on June 5, 2025.

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Mark Numainville, City Clerk

