

Measure N
Article 34
Low-Income
Housing

Shall any federal, state or local public entity be empowered to develop, construct or acquire an additional 3,000 units of low-rent housing in the City of Berkeley for persons of low income?

Financial Implications:

Uncertain, dependent on means of financing used.

**CITY ATTORNEY ANALYSIS
MEASURE FOR AUTHORIZATION OF LOW RENT HOUSING**

This measure was placed on the ballot by the City Council.

Article XXXIV of the California Constitution requires that a City's voters grant prior approval before any federal, state or local public entity can develop, construct or acquire certain types of low rent (below market rate) housing projects in that City. Berkeley citizens have voted to approve the development of 200 units of housing for low income persons in 1977, 300 units in 1981, 500 units in 2000, and 500 units in 2016.

Since 2016, 242 units of housing subject to Article XXXIV has been developed in the City, and the City is anticipating the construction of a significant number of additional units in the next few years. Thus, additional voter authorization is required in order to develop additional units which are subject to Article XXXIV referendum requirements.

The proposed measure would authorize any public entity to develop, construct or acquire an additional 3,000 units of low income housing in the City of Berkeley for low income persons.

This measure grants only general authority for units to be developed, constructed or acquired and does not approve any individual project. All projects subject to this grant of authority would be required to comply with all applicable federal, state and local laws including land use, housing and building requirements.

Financial Implications

The financial implications of any specific housing project depends on the particular method of financing of that project. The financial implications are unknown at this time.

s/FARIMAH FAIZ BROWN
Berkeley City Attorney

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

AUTHORIZING PUBLIC ENTITIES TO DEVELOP, CONSTRUCT, OR ACQUIRE NO MORE THAN 3,000 UNITS OF LOW RENT HOUSING IN THE CITY OF BERKELEY

WHEREAS, Article XXXIV of the Constitution of California requires that a majority of qualified voters of the City of Berkeley determine whether or not any public entity should be empowered to develop, construct, or acquire low rent housing projects in the City of Berkeley.

NOW THEREFORE, BE IT RESOLVED by the People of the City of Berkeley that any public entity shall be empowered to develop, construct or acquire up to 3,000 additional units of low-rent housing for persons of low income in the City of Berkeley.

BE IT FURTHER RESOLVED that the terms of the authorization contained in this measure shall be construed in the same manner as Article XXXIV of the Constitution of California and any laws or cases interpreting that section.

ARGUMENT IN FAVOR OF MEASURE N

Vote YES on Measure N. Placed on the ballot by a unanimous City Council and Mayor, Measure N enables the City of Berkeley to develop, construct or acquire up to 3,000 units of low-income housing.

Housing is a human right. Yet, our community faces a critical shortage of homes affordable to seniors, persons with disabilities, veterans, students, and working families. Rising rents and home prices continue to lock people out of the housing market and fuel displacement, and while recent efforts have decreased homelessness, more affordable homes are needed to meet the demand for affordable and supportive housing.

Article XXXIV of the California Constitution requires that voters grant prior approval before any federal, state, or local public entity develops or acquires below-market-rate housing. While the City does not build affordable units directly, we provide funding to non-profit developers who build, purchase, and preserve affordable homes.

Berkeley voters last authorized the City to develop 500 units of low-income housing in 2016. Since that time, thanks to voters' enthusiastic support for Measures U1 and O, the City has fulfilled our Article 34 authorization and must again obtain voter approval to develop the affordable and supportive housing we need.

Recent State mandates require Berkeley to plan for the addition of several thousand affordable units over the next eight years. Measure N authorizes Berkeley to support the development or acquisition of an additional 3,000 units of low-income housing, enabling the City to meet State housing requirements and continue our successful efforts to address Berkeley's critical shortage of affordable homes.

Vote YES on Measure N to authorize up to 3,000 much-needed units of affordable and supportive housing and reaffirm Berkeley's commitment to equity and diversity.

s/Jesse Arreguín

Berkeley Mayor; President, Association of Bay Area Governments

s/Sophie Hahn

Berkeley City Council District 5

s/Brad Wiblin

Executive Vice President (EVP) BRIDGE Housing

s/Libby Lee-Egan

Chair, Housing Advisory Commission

REBUTTAL TO THE ARGUMENT IN FAVOR OF MEASURE N

No on N!

Measure N's marketing boasts to relieve the critical affordable housing shortage for everybody, but it offers no real solutions except the enrichment of corporations and their lavishly compensated managers.

The proponents make a specious claim to provide affordable apartments to students. Students won't qualify for this housing! So, without any assurances, UC students should be wary of these promises.

The proponents also claim that this measure is required because high home prices lock people out of the housing market, but this measure does nothing to help would-be homeowners.

No affordable homes for students, no affordable homes to purchase.

This measure will only create dedicated low-income buildings, like Berkeley's Hope Center project, adding to Berkeley's already substantial inventory of low-income projects. This Bridge Housing building has 89 units and cost \$745,000 per unit of housing. At that price, this measure's 3,000 units will cost \$2,235,000,000 to build. The \$97,000,000 left from Measure O is woefully insufficient. Similarly, the \$200,000,000 affordable housing portion of proposed Measure L will be a funding failure.

Berkeley will be short \$1,938,000,000 in funds needed to build! Almost 2 billion dollars!

A better plan to create affordable housing is with Berkeley's inclusionary affordable housing ordinance. This has successfully provided hundreds of affordable units through the years at no cost to residents.

We, the undersigned opponents of Measure N disagree with the City Council's intention to prioritize housing subsidized by homeowners over housing subsidized by market rate landlords.

Vote No on N!

s/James M Tharp
District 3 Voter

s/Justin Lee
Resident, District 2

s/Dan McDunn
Dissident

s/David K. Denton
Berkeley Homeowner

s/Lilana Spindler
Founder – Berkeley for Assessment Tax Equity

ARGUMENT AGAINST MEASURE N

Measure N is the **wrong way to create much needed affordable housing** in Berkeley because it involves long-term indebtedness and higher costs for civic services.

In the past, Berkeley successfully sued U.C.'s student expansion efforts to the tune of \$500 per new student. This was to account for the fiscal impact on services. Why isn't the City considering the impact on city services of 3,000 new low-income units in this measure?

Similar to UC's status, low-income landlords are exempt from the property and parcel taxes for the civic services of their tenants. Corporate landlords with 3,000 low-income units will create more cost burdens to schools, parks, libraries, Fire Dept and EMT. In so many units, 5,000 new residents means \$2,500,000 extra costs per year. This fiscal impact is on current residents, especially those paying the notorious parcel tax overages.

There is a better way to create more low-income units - through the 20% inclusionary ordinance which applies to every market rate development. Who pays for those tenants' services? The landlord does. You are not asked to subsidize wealthy developers. With 1800 total units entitled this year, and permitting on the upswing, we will have 3600 new affordable units in 10 years paid for entirely by landlords.

No Measure N needed!

Indeed, 2018's \$135,000,000 Measure O is being spent now to create hundreds of low-income units already. This vast wealth is being directed to local corporate landlords. Meanwhile, Berkeley struggles to provide basic services to residents and accuses you of underfunding affordable housing. On the contrary, you are supporting it every time you pay rent or your property tax bill.

Don't let this measure mislead you. It is unnecessary and makes you poorer and a few lucky corporate landlords wealthier. **Vote NO on Measure N!**

s/Chris Catlett
retiree

s/Laura Menard
Former BUSD Parent Advocate

s/Justin Lee
Voter District 2

s/Lilana Spindler
Founder, BATE, Berkeley for Assessment Tax Equity

REBUTTAL TO ARGUMENT AGAINST MEASURE N

Let's be clear: If Measure N doesn't pass, Berkeley won't be able to create affordable housing in the coming years.

In the 1950s, a State constitutional amendment passed allowing communities to veto affordable housing, and for decades has contributed to the shortage of affordable units Statewide – fueling an epidemic of homelessness and housing insecurity. The law still stands – a shameful vestige of a racist past.

Measure N gives Berkeley the authorization to go ahead with our ambitious affordable housing program; without your YES votes, affordable housing will come to a halt.

We're shocked anyone would oppose Measure N and trust the voters of Berkeley to Vote YES. Despite an unprecedented housing crisis, opponents argue against low-income housing because they imagine it will increase burdens for other residents.

Due to rising housing costs, teachers, artists, retail and restaurant staff, and other essential workers are being priced out. They're key to keeping Berkeley a creative, diverse, safe, and vibrant community. Opponents of Measure N view these community members as a price tag rather than key contributors to our City's success.

Opponents argue that private developments can meet affordability needs, but market rate projects aren't yielding significant numbers of affordable units. Instead, the City is successfully leveraging County, State, Federal and private funds to create thousands of affordable units.

Vote Yes on Measure N to allow up to 3,000 more units of low-income housing in Berkeley and help our City address the dual crises of housing affordability and homelessness.

s/Igor A. Tregub
Chair, Sierra Club Northern Alameda County Group

s/Daniel Sawislak
Executive Director, Resources for Community Development

s/Chris Schildt
Chair, Berkeley Housing Authority Board

s/Leah Simon-Weisberg
Chair of the Berkeley Rent Board

s/Jesse Arreguín
Berkeley Mayor