



**BERKELEY CITY COUNCIL LAND USE, HOUSING, & ECONOMIC
DEVELOPMENT COMMITTEE
SPECIAL MEETING**

BERKELEY CITY COUNCIL SPECIAL MEETING

**Thursday, April 25, 2019
10:30 AM**

2180 Milvia Street, 6th Floor - Redwood Room

Committee Members:

Mayor Jesse Arreguin, and Councilmembers Sophie Hahn and Lori Droste

AGENDA

Roll Call

Public Comment on Non-Agenda Matters

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes for Approval - March 21, 2019

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker. Speakers are permitted to yield their time to one other speaker, however no one speaker shall have more than four minutes.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

Committee Action Items

- 2. Analysis of Site Capacity for Housing Development at the West Berkeley Service Center, 1900 6th Street**
From: Mayor Arreguin and Councilmembers Kesarwani, Wengraf, and Bartlett
Referred: January 7, 2019
Due: May 27, 2019
Recommendation: 1) Short-Term Referral to the City Manager to conduct an analysis of potential site capacity looking at site context and yield under three scenarios: existing zoning conditions in the MUR; a potential maximum height of six stories under the MUR zoning, and a potential maximum height of six stories and reclassification as C-W. Staff will present the findings of this analysis to the City Council as an Information Item.
2) Direct the City Manager to return to City Council at the same meeting when the site capacity analysis is presented with an Action Item to: issue an RFI for the development of the West Berkeley Service Center site (formerly the West Berkeley Senior Center) into a senior housing and services project consistent with Age Friendly Berkeley recommendations, maximizing the number of affordable units; and refer to the Planning Commission potential modifications to the underlying MUR zoning for the West Berkeley Service Center site, 1900 6th Street.
Financial Implications: Staff time
Contact: Jesse Arreguin, Mayor, 981-7100
- 3. Update on North Berkeley BART Zoning and Future Development**
From: Mayor Arreguin
Referred: April 3, 2019
Due: October 8, 2019
Recommendation: The intent of this Information item is to give the Land Use, Housing & Economic Development Policy Committee a status update on, and opportunity to discuss, the visioning process for North Berkeley BART Zoning and Future Development to date and next steps prior to the May 9th Special Council Meeting.
Financial Implications: Staff time.
Contact: Jesse Arreguin, Mayor, 981-7100
- 4. Measure O Affordable Housing Bond Planning**
From: City Manager
Contact: Kelly Wallace, Housing & Community Services Division, 981-5400

Committee Action Items

5. **Open Doors Initiative: First Time Homebuyer Program**

From: Councilmembers Bartlett and Robinson, and Mayor Arreguin

Referred: February 11, 2019

Due: July 1, 2019

Recommendation: That the City Council direct the Planning Commission to design a regulatory mechanism (Open Doors Initiative) to incentivize the creation of affordable starter homes for Berkeley city employees and persons of moderate income. Also recommend that the City Council direct Housing and Economic Development to analyze the financial barriers to access for low-income homeowners, and to develop a financial program of low-interest loans tied to outreach and education to ensure low-income homeowners can participate and benefit from this program. The Open Doors Initiative is intended to provide assistance to homeowners in R1 and R1A zones to renovate their properties and become multi-family condominiums (the “Missing Middle”). To qualify for zoning approval, families must agree to deed restrictions which limit the sale of the newly-created condominiums to Employees of the City of Berkeley and/or first time moderate income first time home buyers.

Increasing the supply of one bedroom and studio condominiums also allow community members, previously shut out of the middle class, the opportunity to own a home while simultaneously enabling older homeowners to downsize and efficiently utilize their equity. The deed restrictions provided a path to homeownership for moderate income persons; first responders to be on hand in the event of a crisis; and for workers to avoid long commutes by owning homes in the city they serve.

The Open Doors initiative serves the policy goals of economic inclusion, community resilience, and environmental sustainability.

Financial Implications: To be determined by an impact study.

Contact: Ben Bartlett, Councilmember, District 3, 981-7130

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

Unscheduled Items

6. **Berkeley Qualified Opportunity Fund**

From: Councilmember Bartlett

Referred: March 19, 2019

Due: September 23, 2019

Recommendation: On March 19, 2019 City Council referred this item to the Land Use, Housing, and Economic Development Committee with the request to consider the following items:

- Refer to the Budget Process to conduct an equity assessment and community process to discuss opportunity zones, particularly in South Berkeley.
- Engage the Office of Economic Development in the community process.
- Set up standards that reflect the City's goals for the opportunity zones.
- Set priorities for public projects that the City would like to have completed in the opportunity zones.

Financial Implications: See report.

Contact: Ben Bartlett, Councilmember, District 3, 981-7130

7. **Referral: Fee on New Non-Residential Development to Contribute to the Revolving Loan Fund**

From: Councilmember Robinson

Referred: March 18, 2019

Due: September 22, 2019

Recommendation: Refer to the City Manager to develop a new fee on non-residential development to contribute to the City of Berkeley's Revolving Loan Fund (RLF) for small business financing.

Financial Implications: See report

Contact: Rigel Robinson, Councilmember, District 7, 981-7170

Unscheduled Items

8. **Local Construction Workforce Development Policy**

From: Councilmember Bartlett and Mayor Arreguin

Referred: April 8, 2019

Due: October 7, 2019

Recommendation: Policy Recommendation: That the City Council refer to the Planning Commission to address the shortage of qualified local construction workers; worker retention, and elevated labor costs through the creation of a construction workforce development policy. This local workforce development policy will encourage housing and nonresidential development applicants to require contractors to utilize apprentices from state-approved, joint labor-management training programs, and to offer employees employer-paid health insurance plans. The policy will help stabilize regional construction markets; and enhance productivity of the construction workforce Berkeley needs to meet its General Plan's build-out goals.

Program: The City should require contractor prequalification for General Plan Area projects of 30,000 square feet or more.

Apprenticeship: Each general contractor and subcontractor (at every tier for the project) will sign a statement stipulating that it participates in a Joint Apprenticeship Program approved by the State of California, Division of Apprenticeship Standards. For each apprenticeable craft a contractor or subcontractor employs on its workforce, the contractor will maintain the ratio of apprentices as required by California Labor Code section 1777.5 which apprentices are enrolled and participating in a Joint Apprenticeship Program approved by the State of California, Division of Apprenticeship Standards.

Health Care Coverage: Each general contractor or subcontractor (at every tier for the project) will sign a statement stipulating to and providing documented proof that the contractor pays at least 75 percent of the cost of the premiums for health insurance at the silver level (as set forth by Covered California) for all its construction craft employees and the employees' dependents and that this coverage has been maintained for 180 consecutive days prior to the submission of the pre-qualification documents (a copy of the Declaration of Insurance Coverage showing the dates of continuous coverage or proof that the Contractor contributes to an Employee Benefit Plan shall qualify) OR documentary proof that such medical coverage has been offered to employees within 180 days prior to the submission of pre-qualification documents. Any change in coverage must be immediately provided to the City of Berkeley.

Financial Implications: See report.

Contact: Ben Bartlett, Councilmember, District 3, 981-7130

Unscheduled Items

9. **Referral to City Manager to Return to Council with an Amnesty Program for Legalizing Unpermitted Dwelling Units**
From: Councilmembers Wengraf, Harrison, and Hahn, and Mayor Arreguin
Referred: April 8, 2019
Due: October 7, 2019
Recommendation: That the City of Berkeley create and launch an Amnesty Program to incentivize the legalization of unpermitted dwelling units in order to improve the health/safety and preserve and possibly increase the supply of units available. A set of simple and clearly defined standards and a well-defined path for meeting those standards should be established in order to achieve the greatest success.
Financial Implications: See report
Contact: Susan Wengraf, Councilmember, District 6, 981-7160
10. **Prioritizing Affordable Housing for Homeless**
From: Mayor Arreguin
Referred: April 15, 2019
Due: October 7, 2019
Recommendation: Refer to the Housing Advisory Commission to develop an ordinance to set aside 20% of affordable housing units for individuals experiencing homelessness, with preference given to BUSD students.
Financial Implications: Staff time
Contact: Jesse Arreguin, Mayor, 981-7100

Adjournment

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*This is a meeting of the Berkeley City Council Land Use, Housing & Economic Development Committee. Since a quorum of the Berkeley City Council may actually be present to discuss matters with the Council Land Use, Housing & Economic Development Committee, this meeting is being noticed as a special meeting of the Berkeley City Council as well as a Council Land Use, Housing & Economic Development Committee meeting.*

*Written communications addressed to the Land Use, Housing & Economic Development Committee and submitted to the City Clerk Department will be distributed to the Committee prior to the meeting.*

*This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Mark Numainville, City Clerk, 981-6900.*



### COMMUNICATION ACCESS INFORMATION:

This meeting is being held in a wheelchair accessible location. To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at 981-6418 (V) or 981-6347 (TDD) at least three business days before the meeting date. Attendees at public meetings are reminded that other attendees may be sensitive to various scents, whether natural or manufactured, in products and materials. Please help the City respect these needs.

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I hereby certify that the agenda for this special meeting 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 April 18, 2019.



Mark Numainville, City Clerk

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA.

**ANNOTATED AGENDA
BERKELEY CITY COUNCIL LAND USE, HOUSING, & ECONOMIC
DEVELOPMENT COMMITTEE
REGULAR MEETING**

BERKELEY CITY COUNCIL SPECIAL MEETING

**Thursday, March 21, 2019
10:30 AM**

2180 Milvia Street, 1st Floor - Cypress Room

Committee Members:

Mayor Jesse Arreguin, and Councilmembers Sophie Hahn and Lori Droste

Roll Call: 10:33 a.m.

Present: Droste, Hahn

Absent: Arreguin

Public Comment on Non-Agenda Matters: None.

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes for Approval – March 7, 2019

Action: M/S/C (Hahn/Droste) to approve minutes as presented.

Vote: Ayes: Hahn, Droste; Noes: None; Abstain: None; Absent: Arreguin

Committee Action Items

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

Committee Action Items

2. **Analysis of Site Capacity for Housing Development at the West Berkeley Service Center, 1900 6th Street** *(Item contains revised material.)*
From: Mayor Arreguin and Councilmembers Kesarwani, Wengraf, and Bartlett
Referred: January 7, 2019
Due: May 27, 2019

Recommendation: 1) Short-Term Referral to the City Manager to conduct an analysis of potential site capacity looking at site context and yield under three scenarios: existing zoning conditions in the MUR; a potential maximum height of six stories under the MUR zoning, and a potential maximum height of six stories and reclassification as C-W. Staff will present the findings of this analysis to the City Council as an Information Item.

2) Direct the City Manager to return to City Council at the same meeting when the site capacity analysis is presented with an Action Item to: issue an RFI for the development of the West Berkeley Service Center site (formerly the West Berkeley Senior Center) into a senior housing and services project consistent with Age Friendly Berkeley recommendations, maximizing the number of affordable units; and refer to the Planning Commission potential modifications to the underlying MUR zoning for the West Berkeley Service Center site, 1900 6th Street.

Financial Implications: Staff time

Contact: Jesse Arreguin, Mayor, 981-7100

Action: No speakers. M/S/C (Hahn/Droste) to continue the item to the next meeting.

Vote: Ayes: Hahn, Droste; Noes: None; Abstain: None; Absent: Arreguin

Committee Action Items

3. **Open Doors Initiative: First Time Homebuyer Program** *(Item contains revised material.)*

From: Councilmembers Bartlett and Robinson, and Mayor Arreguin

Referred: February 11, 2019

Due: July 1, 2019

Recommendation: That the City Council direct the Planning Commission to design a regulatory mechanism (Open Doors Initiative) to incentivize the creation of affordable starter homes for Berkeley city employees and persons of moderate income. Also recommend that the City Council direct Housing and Economic Development to analyze the financial barriers to access for low-income homeowners, and to develop a financial program of low-interest loans tied to outreach and education to ensure low-income homeowners can participate and benefit from this program. The Open Doors Initiative is intended to provide assistance to homeowners in R1 and R1A zones to renovate their properties and become multi-family condominiums (the “Missing Middle”). To qualify for zoning approval, families must agree to deed restrictions which limit the sale of the newly-created condominiums to Employees of the City of Berkeley and/or first time moderate income first time home buyers.

Increasing the supply of one bedroom and studio condominiums also allow community members, previously shut out of the middle class, the opportunity to own a home while simultaneously enabling older homeowners to downsize and efficiently utilize their equity. The deed restrictions provided a path to homeownership for moderate income persons; first responders to be on hand in the event of a crisis; and for workers to avoid long commutes by owning homes in the city they serve. The Open Doors initiative serves the policy goals of economic inclusion, community resilience, and environmental sustainability.

Financial Implications: To be determined by an impact study.

Contact: Ben Bartlett, Councilmember, District 3, 981-7130

Action: 1 speaker. M/S/C (Droste/Hahn) to continue the item to the next meeting.

Vote: Ayes: Hahn, Droste; Noes: None; Abstain: None; Absent: Arreguin

Committee Action Items

4. **Refer to the City Manager and the Planning Commission to Modify BMC 22.20.065 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Fees for Rental Developments are Levied Based on a Project's Gross Residential Floor Area and are Applied to all Projects Regardless of Size** (*Item contains revised materials.*)

From: Councilmembers Robinson, Hahn, and Droste and Mayor Arreguin

Referred: February 11, 2019

Due: July 1, 2019

Recommendation: Refer to the City Manager and the Planning Commission to modify BMC 22.20.065 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Mitigation Fees for rental developments are levied on the basis of a project's gross residential floor area (GRFA), rather than on its number of housing units, and so that all new rental housing developments will be subject to the fee.

Financial Implications: See report

Contact: Rigel Robinson, Councilmember, District 7, 981-7170

Action: No speakers. M/S/C (Hahn/Droste) to recommend that the report submitted to the Land Use, Housing & Economic Development Committee on March 21, 2019 and further amended to include a referral to the Planning Commission and additional language in the Recommendation section be submitted to the City Council with a Positive Recommendation.

Vote: Ayes: Hahn, Droste; Noes: None; Abstain: None; Absent: Arreguin

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

- None

Adjournment

Action: M/S/C (Droste/Hahn) to adjourn the meeting.

Vote: Ayes: Hahn, Droste; Noes: None; Abstain: None; Absent: Arreguin

Adjourned at 11:07 a.m.

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA.

I hereby certify that these are the true and correct minutes of the meeting of March 21, 2019.

Deon Sailes
Assistant City Clerk



Office of the Mayor

ACTION CALENDARApril 2, 2019

To: Members of the City Council

From: Mayor Jesse Arreguín and Councilmembers Kesarwani, Wengraf, and Bartlett

Subject: ~~RFP for Development of West Berkeley Service Center Site~~ Analysis of Site Capacity for Housing Development at the West Berkeley Service Center, 1900 6th Street

~~RFI for Affordable Housing at the West Berkeley Senior Center Site~~

RECOMMENDATION

1) Short-Term Referral to the City Manager to conduct an analysis of potential site capacity looking at site context and yield under three scenarios:

- Existing zoning conditions in the MUR
- A potential maximum height of six stories under the MUR zoning
- A potential maximum height of six stories and reclassification as C-W

Staff will present the findings of this analysis to the City Council as an Information Item.

2) Direct the City Manager to return to City Council at the same meeting when the site capacity analysis is presented with an Action Item to:

~~Direct the City Manager to issue~~ Issue an RFI~~P~~ for the development of the West Berkeley Service Center site ~~(formerly the West Berkeley Senior Center)~~ into a senior housing and services project consistent with Age Friendly Berkeley recommendations, maximizing the number of affordable units; and

Refer to the Planning Commission potential modifications to the underlying MUR zoning for the West Berkeley Service Center site, 1900 6th Street.

BACKGROUND

The population of Berkeley residents 65 years and older has steadily increased in recent years. In 2017, older adults were estimated to make up 13.5% of our community – an increase of approximately 2% from the 2010 Census (11.7%) and approximately 3% from the 2000 Census (10.2%). Recent projections from multiple sources, including

the Alameda County Plan for Older Adults, show that by 2030 one in five residents (20.5%) in Berkeley will be over 65, nearly doubling the current population. Advances in medicine and the spike of 'baby boomers' born after World War II have resulted in a late-twentieth century demographic phenomenon, popularly referred to as the 'silver tsunami', that cities across the country are similarly anticipating.

Based on surveys completed by AARP (2012) and the Age Friendly Berkeley Initiative (2018) we know that older adults increasingly prefer to age in their communities, which tells us we need a continuum of housing options for this growing population, in tandem with services. We also know that housing affordability and availability, along with transit access, are major areas of concern, especially for low-income respondents. In 2014, 23% of Berkeley residents 60 years and older were living under 200% of the Federal Poverty Level, according to the American Community Survey. As of July 2018, there were 738 dedicated affordable units for seniors, with a waitlist of 6-8 years. Amidst the current affordability crisis, low- and fixed-income seniors are struggling just to stay housed, let alone receive the care they require.

In an effort to respond to current and future needs, the Berkeley Age Friendly Continuum was formed out of conversations between residents and those providing and working in aging services across the city. The goal of this work is to strengthen Berkeley as a place to age, and ensure implementation of an integrated, person-centered, replicable, continuum of supports and services for older adults and those with disabilities as they navigate transitions of aging. This effort is now supported by the City of Berkeley, Kaiser, Sutter and AARP, and is heavily informed by the Age Friendly Cities and Communities effort led by the World Health Organization. Their three-year Action Plan will soon be released, focusing on how we can move forward aging standards, and ensure ours is a livable community where all generations thrive.

While the initial work of the Age Friendly Continuum has been focused on conducting a comprehensive needs assessment, setting priorities, articulating an organizational structure, and developing a 3-year plan, their longer term goal has always included piloting a senior housing and services facility that could be a model for the future of aging in place in Berkeley. One of the recommendations from their soon to be released Age Friendly Berkeley Action Plan under Housing and Economic Security, is to "develop a continuum of affordable, accessible housing options for older adults to age in their community regardless of their health or financial status".

In April 2016, the City Council passed a referral to identify City owned properties that have the potential to be used for affordable housing sites. An information report with the referral response was presented in February 2017, with the West Berkeley Service Center (WBSC) identified as a potential site for future development. In May 2017, Council then passed a budget referral for a feasibility study for the construction of affordable senior housing, specifically mentioning the WBSC along with the North and South Berkeley Senior Centers. Located at 1900 6th Street, the WBSC is an

approximately 31,000 square foot parcel situated in a Mixed Used Residential (MUR) zone. Public transit accessibility is plentiful, with several high-frequency AC Transit routes and Amtrak located within half a mile. In addition, the 4th Street shopping corridor, and community health care facilities are nearby. The site is currently home to several tenants that provide a variety of services, including the City of Berkeley Aging Services, the Black Infant Health Program, Public Health Nurses and the Meals on Wheels program.

Initial plans were to keep the WBSC under the scope of the Measure T1 process. Measure T1, passed by Berkeley voters in 2016, is a \$100 million bond for rebuilding and renovating the City's aging infrastructure, including City owned facilities. Yet what this site needs is beyond an infrastructure upgrade, and its history as a hub for senior services presents an opportunity. West Berkeley has an extremely limited number of affordable housing units for seniors, despite being in a location that is easily accessible to various medical and aging services. And thanks to the passage of Measure O, a \$135 million dollar housing bond, combined with other funding opportunities, it could now be possible to fund the development of a senior housing and services facility modeled after the work of Age Friendly Berkeley, that becomes the gold standard for aging in place in our community, and the region.

Such a development would be consistent with the West Berkeley Plan, which calls for the residential development of MUR zones to facilitate the activation of such blocks while also maintaining a high level of services for the diverse population of West Berkeley. Additionally, the Plan calls for the development of housing, which provides on-site supportive services, as an explicit goal.

A first step to this process would be to issue an RFIP for a conceptual design for development of the WBSC, including the following criteria:

- Focuses on universally designed, affordable housing for older adults
- Incorporates the latest in technology and aging
- Functions both as services linked to housing and as a community hub of activity
- Reserves a portion of the units for assisted living and memory care
- Consistency with the recommendations of the Age Friendly Berkeley Initiative
- Maximize sustainability and energy efficiency

Any proposed development could have access to various forms of funding, including but not limited to Measure O (which explicitly mentions senior housing), new markets and low-income tax credits, local/regional/state funding such as U1, A1, and Prop 63/MHSA, along with private foundations.

RATIONALE FOR RECOMMENDATION

With Berkeley's senior population expected to skyrocket over the next decade, steps must be made to accommodate appropriate increase housing and services. There is

currently a lack of senior housing in Northwest Berkeley, despite being in close proximity to various healthcare, shopping, and transit options. Affordable housing is particularly limited with wait lists for some senior housing projects between 6-8 years. There is also a need for a neighborhood hub for access to information and activities for older people in the area, along with meeting rooms and event space.

In 2017, Council voted to look into the feasibility of developing housing at Berkeley's senior centers, as recommended by the community. There are limitations to providing services at the North and South Berkeley Senior Centers due to their current R-2A residential zoning, and housing options site constraints exist are limited at the North Center due to the proximity of the BART tunnel. The development of WBSC for senior housing and services is consistent with both zoning regulations and the West Berkeley Plan. Such a development is also consistent with the Age Friendly Continuum.

Developing the former West Berkeley Senior Center into senior housing and services would uphold and honor the legacy of elder advocates who championed the creation of the Center to serve the needs of the West Berkeley Community, and would be consistent with its long-standing use.

FINANCIAL IMPLICATIONS

Staff time.

ENVIRONMENTAL SUSTAINABILITY

Not applicable.

CONTACT PERSON

Mayor Jesse Arreguin	510-981-7100
<u>Councilmember Rashi Kesarawani</u>	<u>510-981-7110</u>
<u>Councilmember Susan Wengraf</u>	<u>510-981-7160</u>
<u>Councilmember Ben Bartlett</u>	<u>510-981-7130</u>

Attachments:

1. Age Friendly Initiative, HHCS Presentation, City Council Worksession on July 17, 2018
2. Referral Response: Analysis of City-Owned Property for Potential Housing Development, February 14, 2017
3. Budget Referral: Feasibility Study For The Construction Of Affordable Senior Housing, May 16, 2017



Office of the Mayor

ACTION CALENDAR

April 2, 2019

To: Members of the City Council

From: Mayor Jesse Arreguín and Councilmembers Kesarwani, Wengraf, and Bartlett

Subject: Analysis of Site Capacity for Housing Development at the West Berkeley Service Center, 1900 6th Street

RECOMMENDATION

1) Short-Term Referral to the City Manager to conduct an analysis of potential site capacity looking at site context and yield under three scenarios:

- Existing zoning conditions in the MUR
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- A potential maximum height of six stories and reclassification as C-W

Staff will present the findings of this analysis to the City Council as an Information Item.

2) Direct the City Manager to return to City Council at the same meeting when the site capacity analysis is presented with an Action Item to:

Issue an RFI for the development of the West Berkeley Service Center site (formerly the West Berkeley Senior Center) into a senior housing and services project consistent with Age Friendly Berkeley recommendations, maximizing the number of affordable units; and

Refer to the Planning Commission potential modifications to the underlying MUR zoning for the West Berkeley Service Center site, 1900 6th Street.

BACKGROUND

The population of Berkeley residents 65 years and older has steadily increased in recent years. In 2017, older adults were estimated to make up 13.5% of our community – an increase of approximately 2% from the 2010 Census (11.7%) and approximately 3% from the 2000 Census (10.2%). Recent projections from multiple sources, including the Alameda County Plan for Older Adults, show that by 2030 one in five residents (20.5%) in Berkeley will be over 65, nearly doubling the current population. Advances in medicine and the spike of ‘baby boomers’ born after World War II have resulted in a

late-twentieth century demographic phenomenon, popularly referred to as the ‘silver tsunami’, that cities across the country are similarly anticipating.

Based on surveys completed by AARP (2012) and the Age Friendly Berkeley Initiative (2018) we know that older adults increasingly prefer to age in their communities, which tells us we need a continuum of housing options for this growing population, in tandem with services. We also know that housing affordability and availability, along with transit access, are major areas of concern, especially for low-income respondents. In 2014, 23% of Berkeley residents 60 years and older were living under 200% of the Federal Poverty Level, according to the American Community Survey. As of July 2018, there were 738 dedicated affordable units for seniors, with a waitlist of 6-8 years. Amidst the current affordability crisis, low- and fixed-income seniors are struggling just to stay housed, let alone receive the care they require.

In an effort to respond to current and future needs, the Berkeley Age Friendly Continuum was formed out of conversations between residents and those providing and working in aging services across the city. The goal of this work is to strengthen Berkeley as a place to age, and ensure implementation of an integrated, person-centered, replicable, continuum of supports and services for older adults and those with disabilities as they navigate transitions of aging. This effort is now supported by the City of Berkeley, Kaiser, Sutter and AARP, and is heavily informed by the Age Friendly Cities and Communities effort led by the World Health Organization. Their three-year Action Plan will soon be released, focusing on how we can move forward aging standards, and ensure ours is a livable community where all generations thrive.

While the initial work of the Age Friendly Continuum has been focused on conducting a comprehensive needs assessment, setting priorities, articulating an organizational structure, and developing a 3-year plan, their longer term goal has always included piloting a senior housing and services facility that could be a model for the future of aging in place in Berkeley. One of the recommendations from their soon to be released Age Friendly Berkeley Action Plan under Housing and Economic Security, is to “develop a continuum of affordable, accessible housing options for older adults to age in their community regardless of their health or financial status”.

In April 2016, the City Council passed a referral to identify City owned properties that have the potential to be used for affordable housing sites. An information report with the referral response was presented in February 2017, with the West Berkeley Service Center (WBSC) identified as a potential site for future development. In May 2017, Council then passed a budget referral for a feasibility study for the construction of affordable senior housing, specifically mentioning the WBSC along with the North and South Berkeley Senior Centers. Located at 1900 6th Street, the WBSC is an approximately 31,000 square foot parcel situated in a Mixed Used Residential (MUR) zone. Public transit accessibility is plentiful, with several high-frequency AC Transit routes and Amtrak located within half a mile. In addition, the 4th Street shopping

corridor, and community health care facilities are nearby. The site is currently home to several tenants that provide a variety of services, including the City of Berkeley Aging Services, the Black Infant Health Program, Public Health Nurses and the Meals on Wheels program.

Initial plans were to keep the WBSC under the scope of the Measure T1 process. Measure T1, passed by Berkeley voters in 2016, is a \$100 million bond for rebuilding and renovating the City's aging infrastructure, including City owned facilities. Yet what this site needs is beyond an infrastructure upgrade, and its history as a hub for senior services presents an opportunity. West Berkeley has an extremely limited number of affordable housing units for seniors, despite being in a location that is easily accessible to various medical and aging services. And thanks to the passage of Measure O, a \$135 million dollar housing bond, combined with other funding opportunities, it could now be possible to fund the development of a senior housing and services facility modeled after the work of Age Friendly Berkeley, that becomes the gold standard for aging in place in our community, and the region.

Such a development would be consistent with the West Berkeley Plan, which calls for the residential development of MUR zones to facilitate the activation of such blocks while also maintaining a high level of services for the diverse population of West Berkeley. Additionally, the Plan calls for the development of housing, which provides on-site supportive services, as an explicit goal.

A first step to this process would be to issue an RFI for a conceptual design for development of the WBSC, including the following criteria:

- Focuses on universally designed, affordable housing for older adults
- Incorporates the latest in technology and aging
- Functions both as services linked to housing and as a community hub of activity
- Reserves a portion of the units for assisted living and memory care
- Consistency with the recommendations of the Age Friendly Berkeley Initiative
- Maximize sustainability and energy efficiency

Any proposed development could have access to various forms of funding, including but not limited to Measure O (which explicitly mentions senior housing), new markets and low-income tax credits, local/regional/state funding such as U1, A1, and Prop 63/MHSA, along with private foundations.

RATIONALE FOR RECOMMENDATION

With Berkeley's senior population expected to skyrocket over the next decade, steps must be made to increase housing and services. There is currently a lack of senior housing in Northwest Berkeley, despite being in close proximity to various healthcare, shopping, and transit options. Affordable housing is particularly limited with wait lists for some senior housing projects between 6-8 years. There is also a need for a

neighborhood hub for access to information and activities for older people in the area, along with meeting rooms and event space.

In 2017, Council voted to look into the feasibility of developing housing at Berkeley’s senior centers, as recommended by the community. There are limitations to providing services at the North and South Berkeley Senior Centers due to their current R-2A residential zoning, and site constraints exist at the North Center due to the proximity of the BART tunnel. The development of WBSC for senior housing and services is consistent with both zoning regulations and the West Berkeley Plan. Such a development is also consistent with the Age Friendly Continuum.

Developing the former West Berkeley Senior Center into senior housing and services would uphold and honor the legacy of elder advocates who championed the creation of the Center to serve the needs of the West Berkeley Community, and would be consistent with its long-standing use.

FINANCIAL IMPLICATIONS

Staff time.

ENVIRONMENTAL SUSTAINABILITY

Not applicable.

CONTACT PERSON

Mayor Jesse Arreguín	510-981-7100
Councilmember Rashi Kesarawni	510-981-7110
Councilmember Susan Wengraf	510-981-7160
Councilmember Ben Bartlett	510-981-7130

Attachments:

1. Age Friendly Initiative, HHCS Presentation, City Council Worksession on July 17, 2018
2. Referral Response: Analysis of City-Owned Property for Potential Housing Development, February 14, 2017
3. Budget Referral: Feasibility Study For The Construction Of Affordable Senior Housing, May 16, 2017



Office of the Mayor

ACTION CALENDAR

January 22, 2019

To: Honorable Members of the City Council

From: Mayor Jesse Arreguín and Councilmembers Kesarwani, Wengraf, and Bartlett

Subject: RFP for Development of West Berkeley Service Center Site

RECOMMENDATION

Direct the City Manager to issue an RFP for the development of the West Berkeley Service Center site into a senior housing and services project consistent with Age Friendly Berkeley recommendations.

BACKGROUND

The population of Berkeley residents 65 years and older has steadily increased in recent years. In 2017, older adults were estimated to make up 13.5% of our community – an increase of approximately 2% from the 2010 Census (11.7%) and approximately 3% from the 2000 Census (10.2%). Recent projections from multiple sources, including the Alameda County Plan for Older Adults, show that by 2030 one in five residents (20.5%) in Berkeley will be over 65, nearly doubling the current population. Advances in medicine and the spike of ‘baby boomers’ born after World War II have resulted in a late-twentieth century demographic phenomenon, popularly referred to as the ‘silver tsunami’, that cities across the country are similarly anticipating.

Based on surveys completed by AARP (2012) and the Age Friendly Berkeley Initiative (2018) we know that older adults increasingly prefer to age in their communities, which tells us we need a continuum of housing options for this growing population, in tandem with services. We also know that housing affordability and availability, along with transit access, are major areas of concern, especially for low-income respondents. In 2014, 23% of Berkeley residents 60 years and older were living under 200% of the Federal Poverty Level, according to the American Community Survey. As of July 2018, there were 738 dedicated affordable units for seniors, with a waitlist of 6-8 years. Amidst the current affordability crisis, low- and fixed-income seniors are struggling just to stay housed, let alone receive the care they require.

In an effort to respond to current and future needs, the Berkeley Age Friendly Continuum was formed out of conversations between residents and those providing and working in aging services across the city. The goal of this work is to strengthen Berkeley as a place to age, and ensure implementation of an integrated, person-centered, replicable, continuum of supports and services for older adults and those with disabilities as they navigate transitions of aging. This effort is now supported by the City of Berkeley, Kaiser, Sutter and AARP, and is heavily informed by the Age Friendly

Cities and Communities effort led by the World Health Organization. Their three-year Action Plan will soon be released, focusing on how we can move forward aging standards, and ensure ours is a livable community where all generations thrive.

While the initial work of the Age Friendly Continuum has been focused on conducting a comprehensive needs assessment, setting priorities, articulating an organizational structure, and developing a 3-year plan, their longer term goal has always included piloting a senior housing and services facility that could be a model for the future of aging in place in Berkeley. One of the recommendations from their soon to be released Age Friendly Berkeley Action Plan under Housing and Economic Security, is to “develop a continuum of affordable, accessible housing options for older adults to age in their community regardless of their health or financial status”.

In April 2016, the City Council passed a referral to identify City owned properties that have the potential to be used for affordable housing sites. An information report with the referral response was presented in February 2017, with the West Berkeley Service Center (WBSC) identified as a potential site for future development. In May 2017, Council then passed a budget referral for a feasibility study for the construction of affordable senior housing, specifically mentioning the WBSC along with the North and South Berkeley Senior Centers. Located at 1900 6th Street, the WBSC is an approximately 31,000 square foot parcel situated in a Mixed Used Residential (MUR) zone. Public transit accessibility is plentiful, with several high-frequency AC Transit routes and Amtrak located within half a mile. In addition, the 4th Street shopping corridor, and community health care facilities are nearby. The site is currently home to several tenants that provide a variety of services, including the City of Berkeley Aging Services, the Black Infant Health Program, Public Health Nurses and the Meals on Wheels program.

Initial plans were to keep the WBSC under the scope of the Measure T1 process. Measure T1, passed by Berkeley voters in 2016, is a \$100 million bond for rebuilding and renovating the City’s aging infrastructure, including City owned facilities. Yet what this site needs is beyond an infrastructure upgrade, and its history as a hub for senior services presents an opportunity. West Berkeley has an extremely limited number of affordable housing units for seniors, despite being in a location that is easily accessible to various medical and aging services. And thanks to the passage of Measure O, a \$135 million dollar housing bond, combined with other funding opportunities, it could now be possible to fund the development of a senior housing and services facility modeled after the work of Age Friendly Berkeley, that becomes the gold standard for aging in place in our community, and the region.

Such a development would be consistent with the West Berkeley Plan, which calls for the residential development of MUR zones to facilitate the activation of such blocks while also maintaining a high level of services for the diverse population of West

Berkeley. Additionally, the Plan calls for the development of housing, which provides on-site supportive services, as an explicit goal.

A first step to this process would be to issue an RFP for a conceptual design for development of the WBSC, including the following criteria:

- Focuses on universally designed, affordable housing for older adults
- Incorporates the latest in technology and aging
- Functions both as services linked to housing and as a community hub of activity
- Reserves a portion of the units for assisted living and memory care
- Consistency with the recommendations of the Age Friendly Berkeley Initiative

Any proposed development could have access to various forms of funding, including but not limited to Measure O (which explicitly mentions senior housing), new markets and low-income tax credits, local/regional/state funding such as U1, A1, and Prop 63/MHSA, along with private foundations.

FINANCIAL IMPLICATIONS

Staff time.

ENVIRONMENTAL SUSTAINABILITY

Not applicable.

CONTACT PERSON

Mayor Jesse Arreguín 510-981-7100

Attachments:

1. Age Friendly Initiative, HHCS Presentation, City Council Worksession on July 17, 2018
2. Referral Response: Analysis of City-Owned Property for Potential Housing Development, February 14, 2017
3. Budget Referral: Feasibility Study For The Construction Of Affordable Senior Housing, May 16, 2017

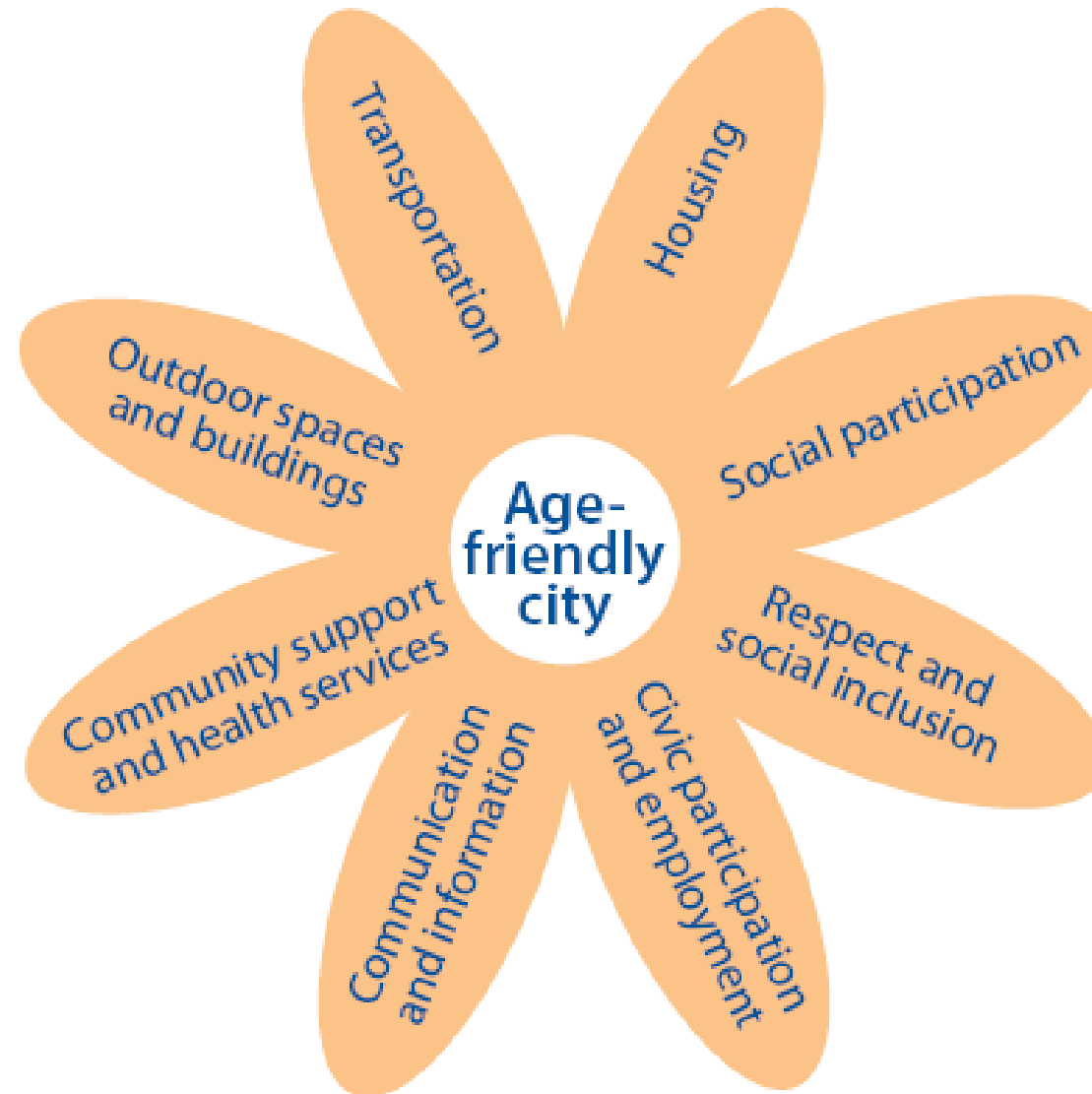
Age Friendly Initiative

Presented by Tanya Bustamante

Department of Health, Housing & Community Services

July 17, 2018

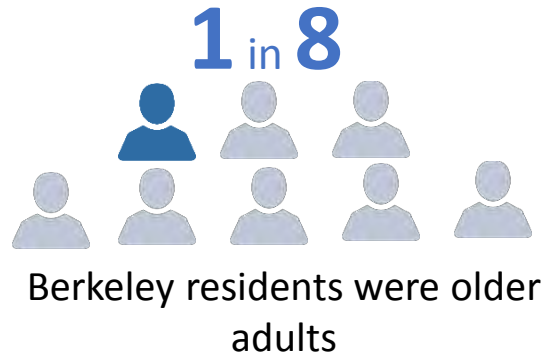
Age Friendly City



Age Friendly Berkeley Initiative

SHIFTING DEMOGRAPHICS

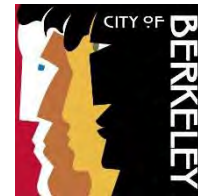
In 2010, approximately



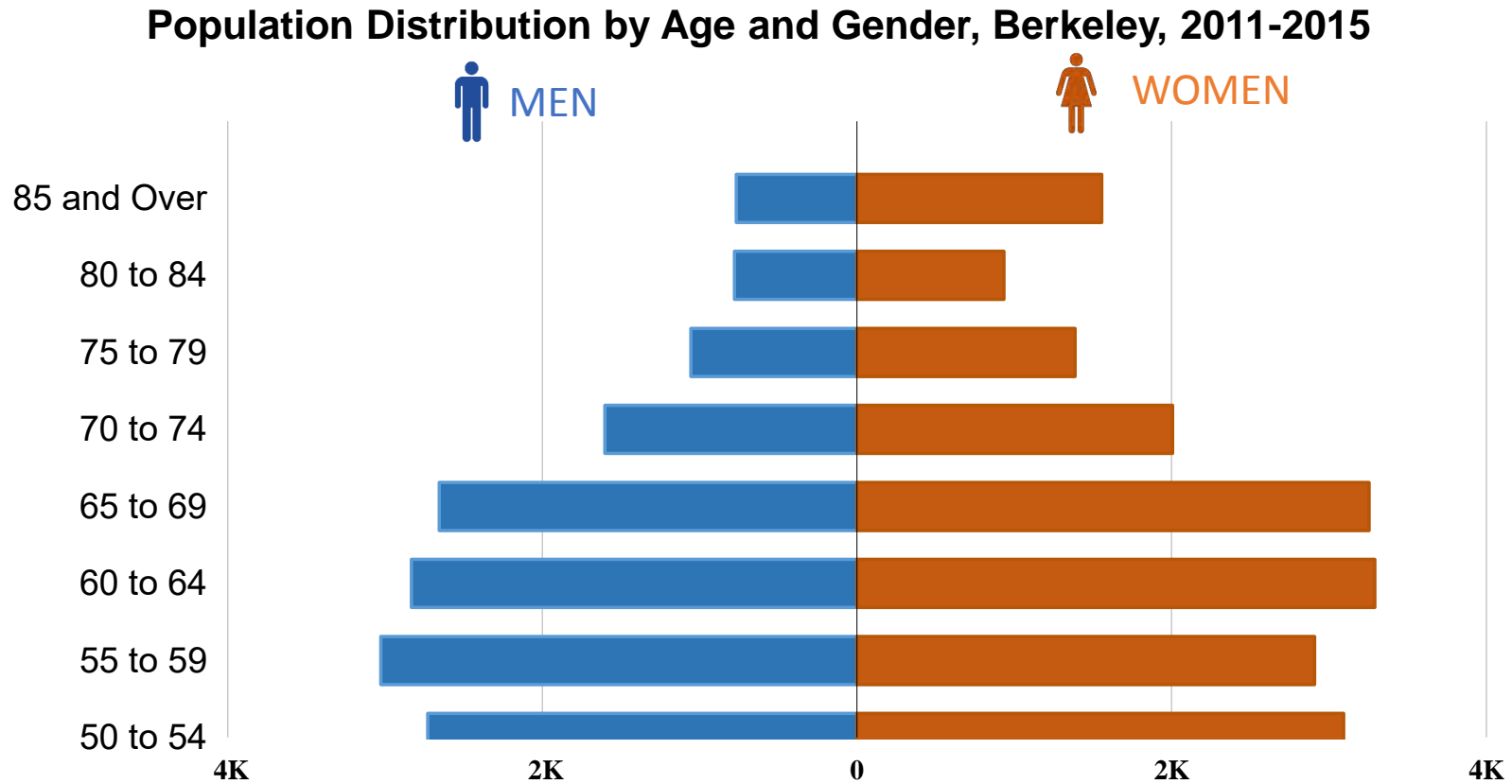
By 2030, more than



PARTNERS



Older Adults in Berkeley



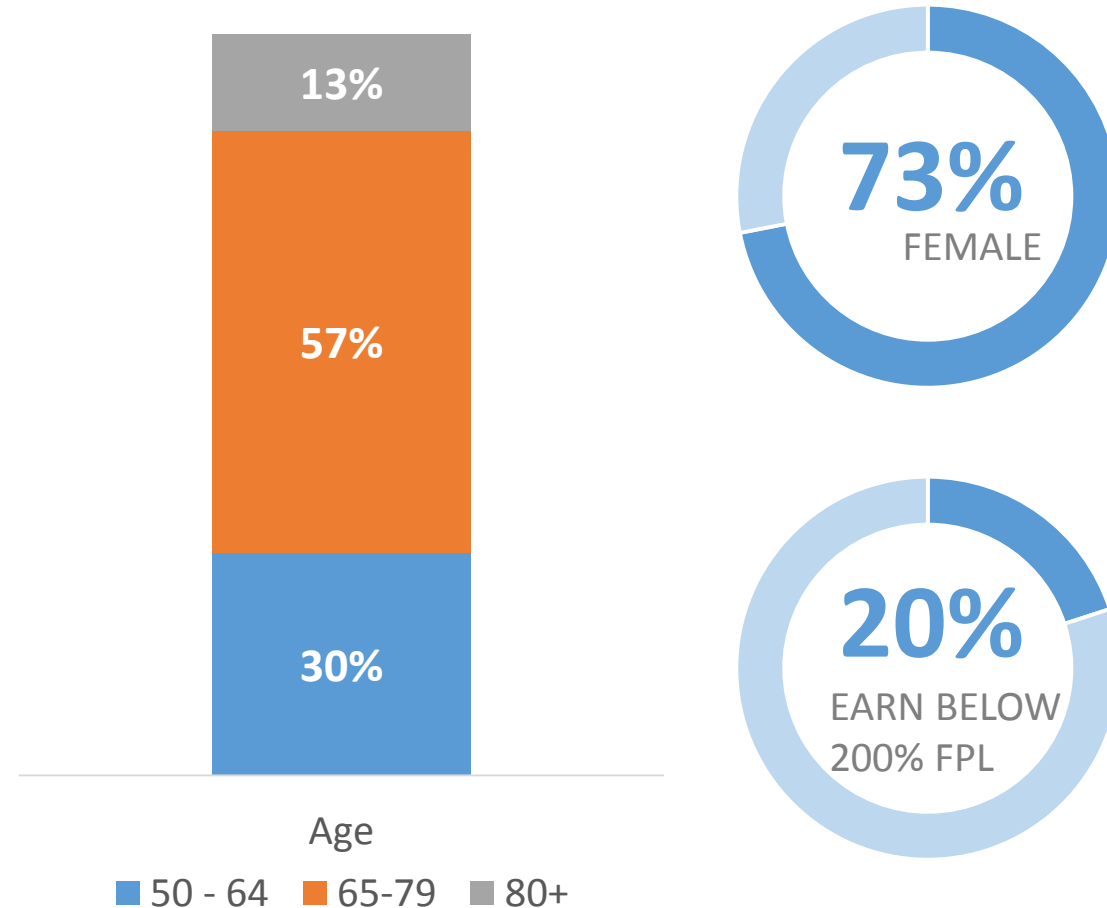
Source: City of Berkeley Public Health Division, Epidemiology & Vital Statistics; U.S. Census, ACS 2011-2015

Informing the Berkeley Age Friendly Plan

PROCESS

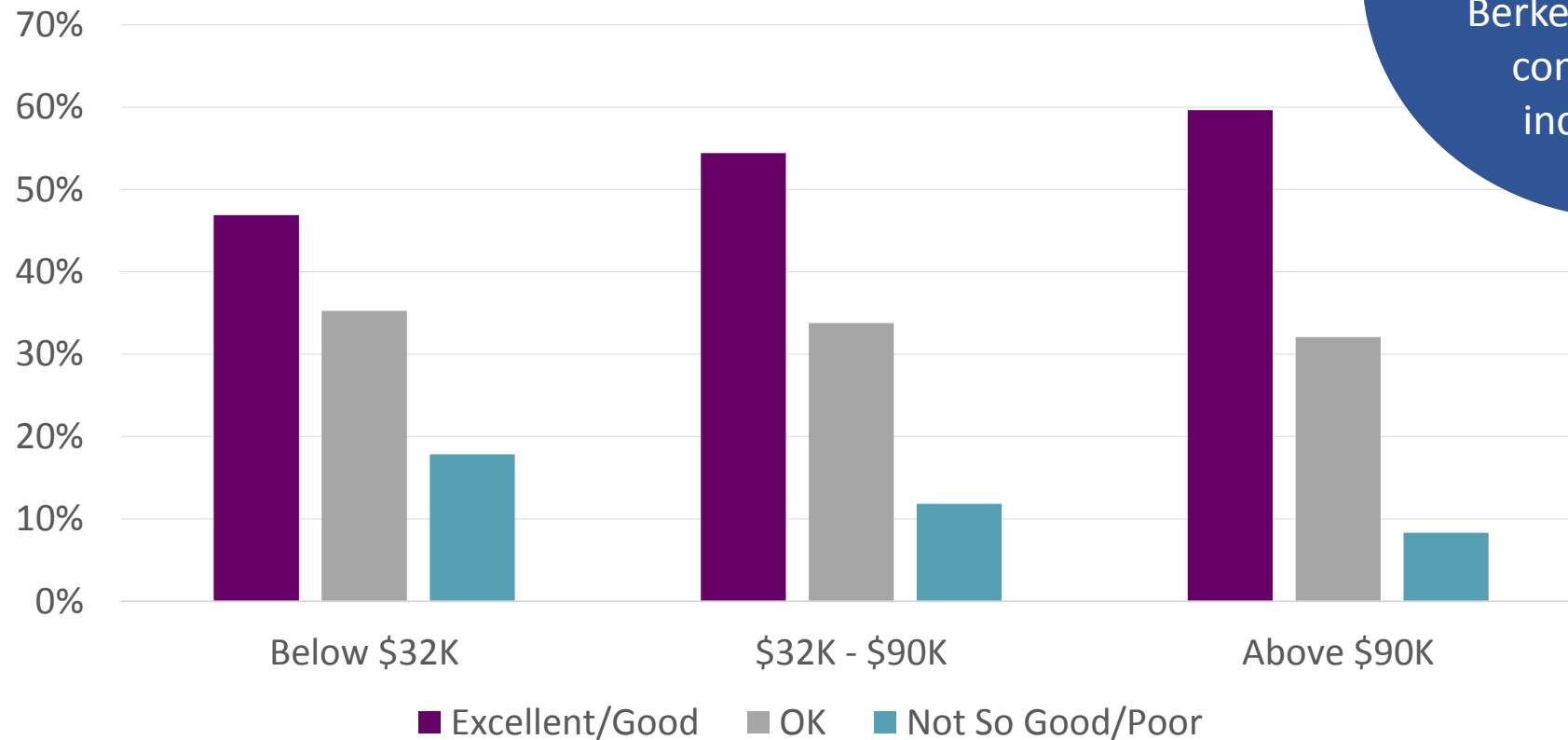
- Community Survey:
 - Over 1,400 respondents (Berkeley adults age 50+)
- Informational Interviews:
 - 18 City staff from 9 Departments

PROFILE OF COMMUNITY RESPONDENTS



Berkeley Rating Varies by Income

How Respondents Rate Berkeley as a Place to Age by Income Group



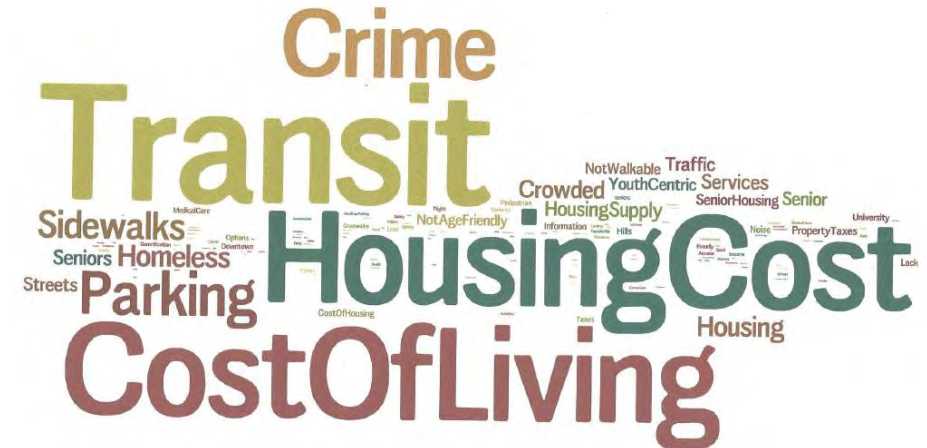
Those earning below \$32k were more than **twice** as likely to rate Berkeley poorly when compared to top income earners

Benefits and Challenges to Aging In Place in Berkeley

Reasons Berkeley is **Excellent/Good** Place to Age

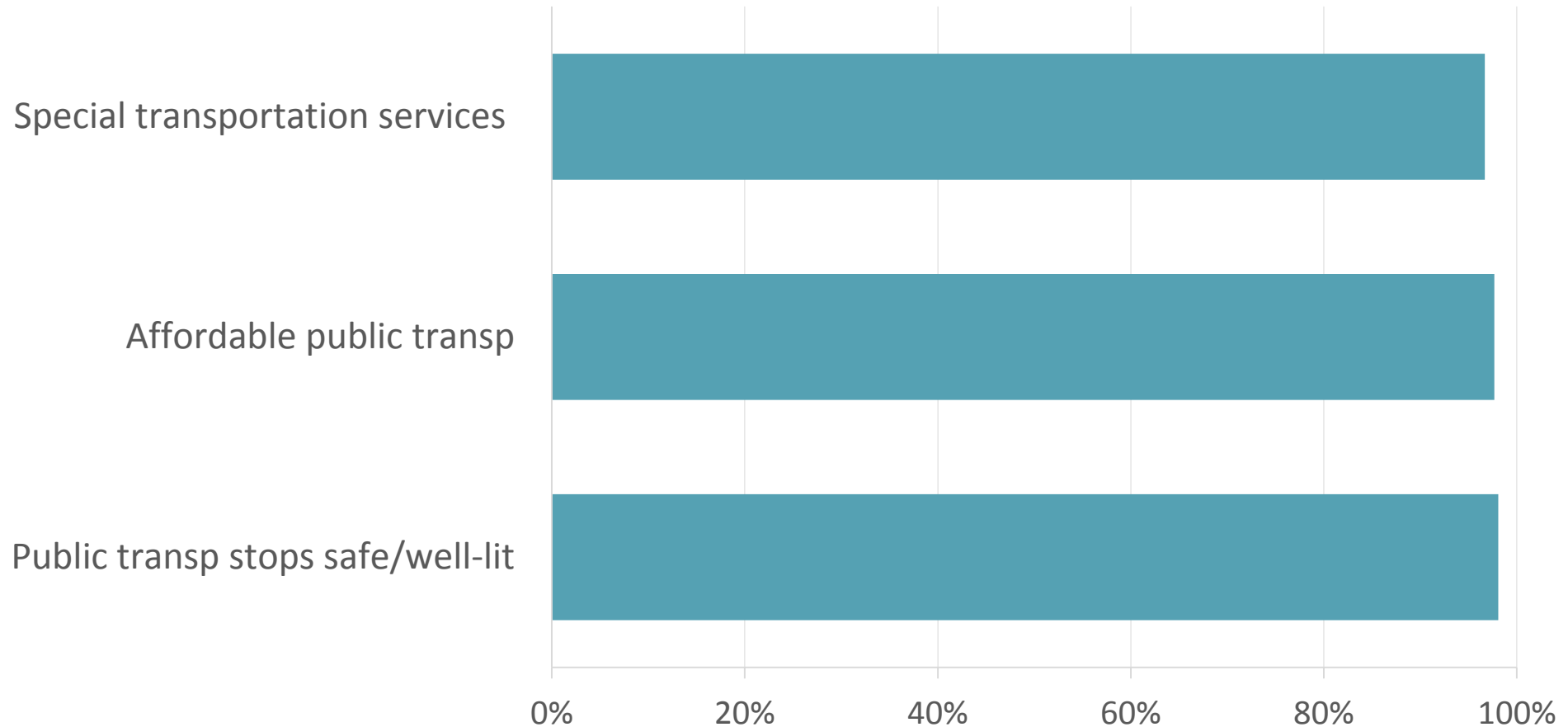


Reasons Berkeley is **Not So Good/Poor** Place to Age



Transportation is a High Priority for Older Adults

Traffic Resources that are
Very Important or Somewhat Important for Seniors



City of Berkeley Projects that Support an Age Friendly City for All

HOUSING

- Senior and disabled home loan programs
- Accessory Dwelling Unit (ADU) policies
- Housing safety program thru Planning Department

OPEN SPACES

- Older adult programs thru Parks & Rec Department
- “Crime Prevention through Environmental Design”
- Older adults engaged thru Measure T1

TRANSPORT.

- Master pedestrian plan in commercial areas
- City sidewalk assessment
- Mobility management and travel training for seniors

Recommended Actions

TRANSPORTATION



- Advance affordability, availability, and reliability of public transport
- Improve transportation infrastructure
- Extend educational programs on public transit options

HOUSING



- Promote universal design & accessible neighborhoods
- Support policy efforts that preserve units rented below market rates
- Collaborate to develop continuum of housing options

OUTDOOR SPACES



- Seek older adult input while developing the master pedestrian plan
- Improve park bathrooms and facilities
- Create safe routes to common destinations

Aging Services Division at a Glance

24.4

FTE STAFF

190

VOLUNTEERS

170

VULNERABLE SENIORS
RECEIVE CASE MANAGEMENT

1,140

SENIOR CENTER CLASSES
DELIVERED

120

SHOPPING EXCURSIONS
ORGANIZED

50,000

MEALS SERVED AT
OUR SENIOR CENTERS

13,400

TAXI RIDES

1,270

VAN RIDES

60,000

MEALS DELIVERED TO
HOMEBOUND SENIORS

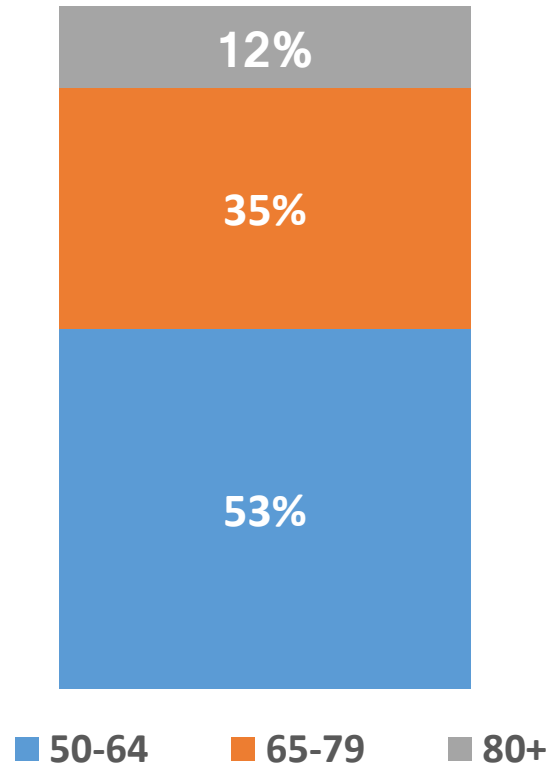
Questions?



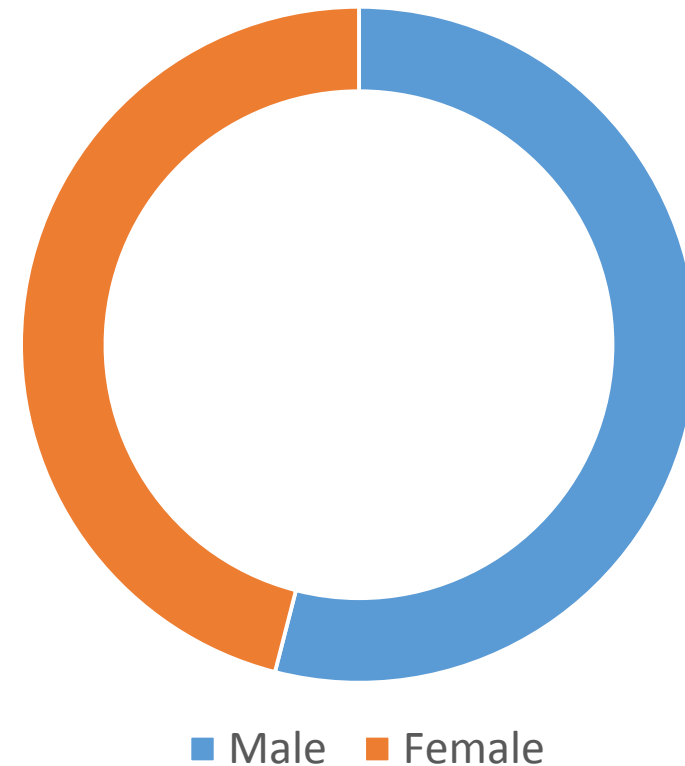
Additional Slides

Older Adults in Berkeley

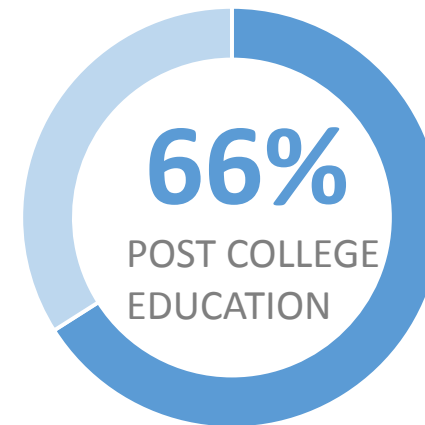
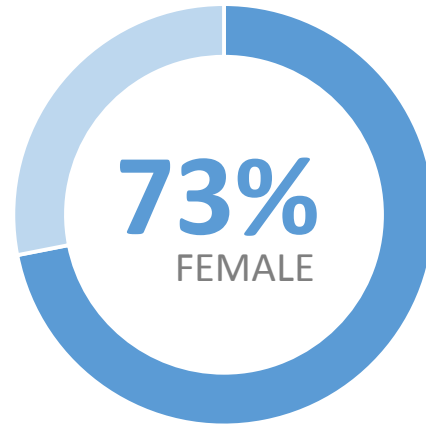
Age Distribution for Adults 50+



Gender Distribution for Adults 50+

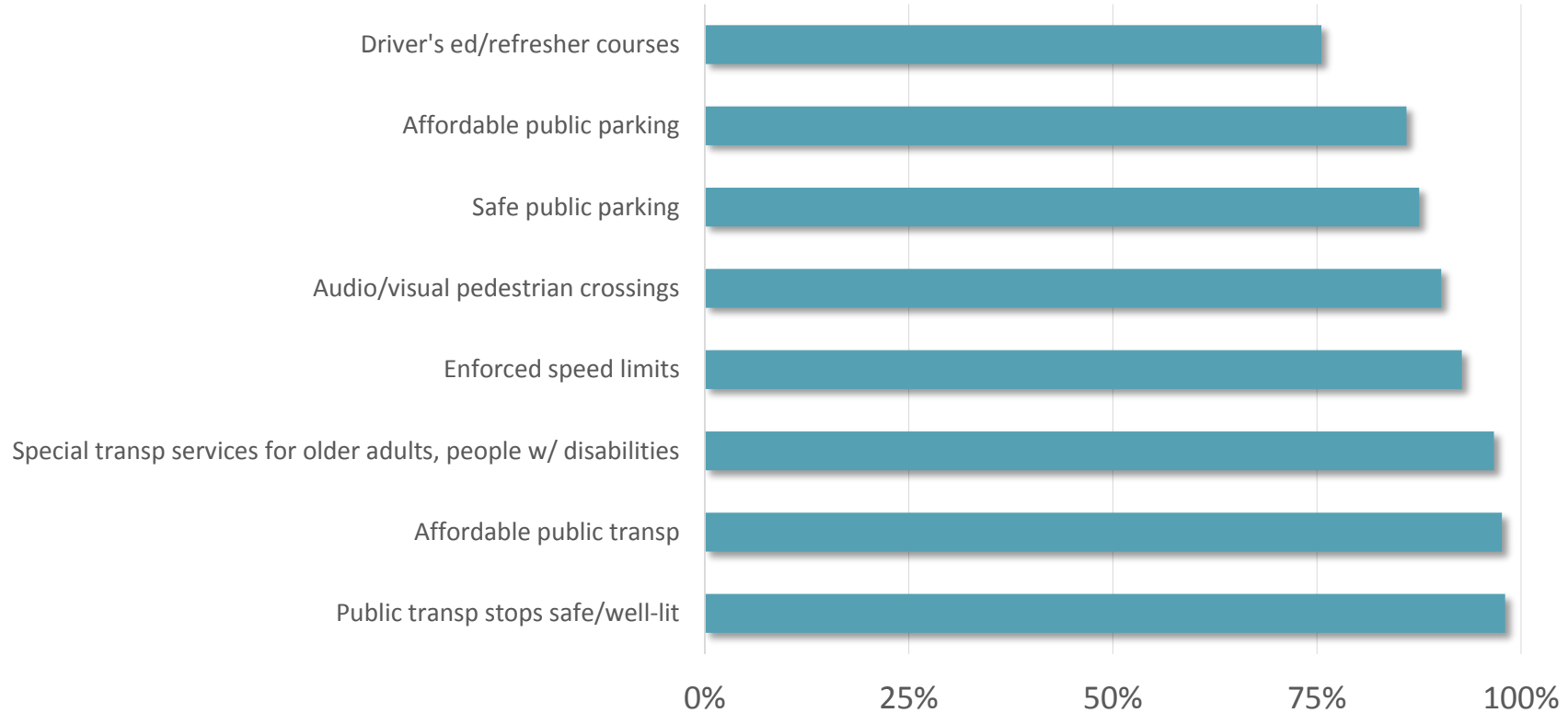


Community Survey Respondent Profile

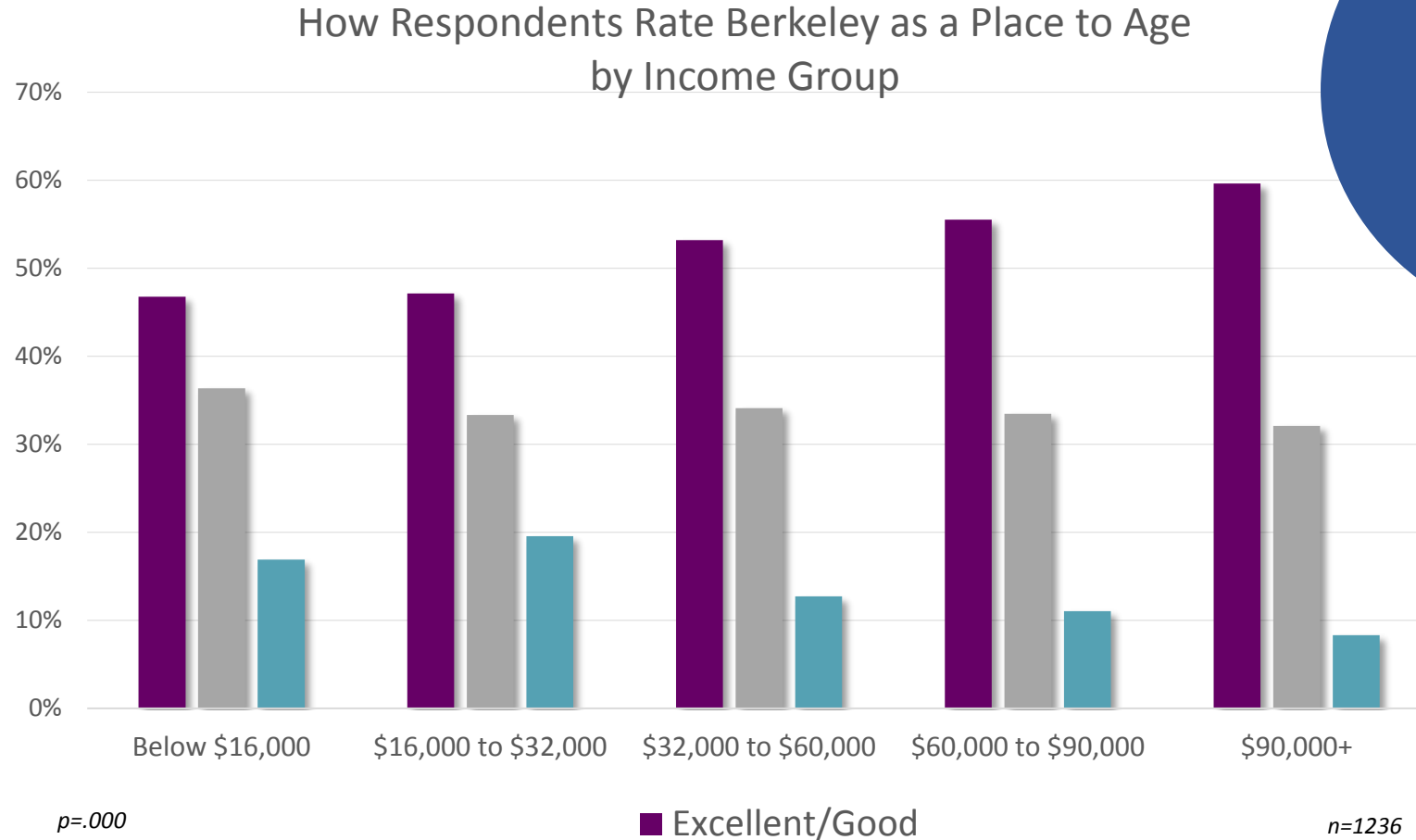


Transportation is a High Priority for Older Adults

Traffic Resources that are
Very Important or Somewhat Important for Seniors

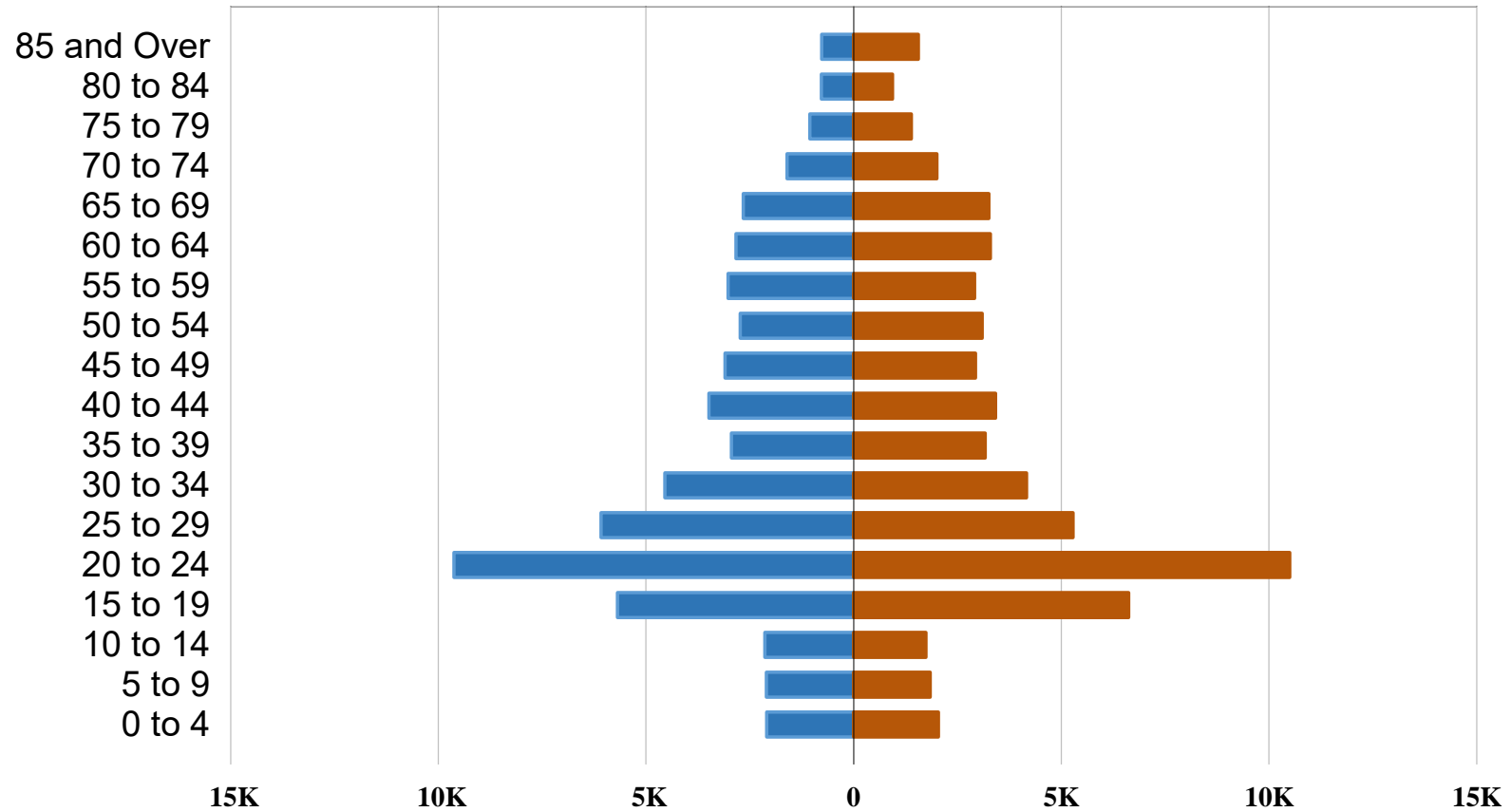


Berkeley Rating Varies by Income



Those earning below \$32k were more than **twice** as likely to rate Berkeley poorly when compared to top income earners

Berkeley Population by Age and Gender



Source: City of Berkeley Public Health Division, Epidemiology & Vital Statistics; U.S. Census, ACS 2011-2015

Older Adults in Berkeley

- Age distribution
 - 55-59 5.4%
 - 60-64 5.2%
 - 65-74 8.2%
 - 75-84 3.7%
 - 85+ 1.8%
- Gender (65 and over)
 - Male 41.8%
 - Female 58.2%

Aging Services Division

- **Staffing & Volunteers**

- 24 FTE staff
- 175-200 volunteers throughout the year

- **2 Senior Centers**

- Daily classes, enrichment activities, shuttle transportation
 - 97 classes per month
 - 10-12 field and shopping trips per month
- 200 lunchtime meals served each day (over 50,000 meals per year)
- Paratransit services:
 - FY17: over 13,400 taxi rides & over 1,270 van rides

- **Social Services Unit**

- Caseload of approximately 120

- **Meals on Wheels**

- Approximately 60,000 meals delivered per year

City of Berkeley Projects that Support an Age Friendly City for All

HOUSING

- Senior and disabled home loan programs
- Accessory Dwelling Unit (ADU) policies
- Housing safety program thru Planning Department

OPEN SPACES

- Older adult programs thru Parks & Rec Department
- “Crime Prevention through Environmental Design”
- Older adults engaged thru Measure T1

TRANS.

- Master pedestrian plan in commercial areas
- City sidewalk assessment
- Mobility management and travel training for seniors




Office of the City Manager

INFORMATION CALENDAR

February 14, 2017

To: Honorable Mayor and Members of the City Council

From:  Dee Williams-Ridley, City Manager

Submitted by: Paul Buddenhagen, Director, Health, Housing and Community Services

Subject: Referral Response: Analysis of City-Owned Property for Potential for Housing Development

SUMMARY

On April 5, 2016 City Council requested an inventory of City-owned properties in order to evaluate their potential for affordable housing development. In the past, the City has sold (for example, for Oxford Plaza and Harper Crossing) and leased (in the case of William Byron Rumford Senior Plaza) City-owned property to support affordable housing.

The City owns 119 properties scattered throughout Berkeley. (In many cases, these properties are made up of multiple legal parcels.) Staff reviewed the inventory and assessed each site's development potential, based on criteria prioritizing sites that are mostly likely to accommodate a multifamily rental project and most competitive for affordable housing funding. HHCS staff reviewed the sites' zoning designation, square footage, current use, and whether or not properties were protected as parks or open space under Measure L, the Berkeley Public Parks and Open Space Preservation Ordinance. Six properties were identified citywide that met the basic criteria. One is the Berkeley Way parking lot, currently the subject of an agreement with BRIDGE Housing related to its development as affordable housing. The other five all had other significant challenges to development. All would require more review before taking any further action.

Staff did not review properties for the potential to sell. Oakland's housing plan, Oakland at Home, recommended selling City-owned properties not suitable for affordable housing development and placing 30% of the proceeds in a housing trust fund.

CURRENT SITUATION AND ITS EFFECTS

This report responds to a referral that originally appeared on the April 5, 2016 Council agenda and was sponsored by Councilmember Wengraf.

For this project, HHCS staff started with a detailed list of City-owned parcels that had been compiled by the Public Works Department from multiple sources, and updated it with information from the Berkeley Municipal Code as well as internal records. The

complete list is attached (see Attachment 3). It is the most comprehensive list that has been compiled to date.

Initial Assessment: Selected Properties

HHCS staff identified six properties that met basic criteria for housing development suitability and grouped them in three categories, based on the criteria briefly described above, and described in depth in the Background section of this report. The following describes the six properties which best met the criteria identified. None of these sites were identified as housing opportunity sites in the Housing Element, primarily because of existing City uses and zoning constraints. The City already has an agreement with BRIDGE Housing for the development of Berkeley Way, and the other five have significant challenges to development. These sites are also listed in Attachment 1.

Group 1. Two properties met all basic criteria. They are: 1) located within zones allowing multifamily development; 2) larger than 15,000 square feet; 3) not protected under Measure L; and 4) have no existing structures.

- **Berkeley Way Parking Lot (2012 Berkeley Way):**
The City and BRIDGE Housing have a Disposition and Development Agreement for a project on this site that will incorporate affordable housing, permanent supportive housing, transitional housing, homeless services, and replacement public parking. On September 27, 2016, City Council awarded \$835,897 in Housing Trust Funds to support additional predevelopment activities, including architectural work, environmental studies, and planning fees.
- **Elmwood Parking Lot (2642 Russell Street)**
Five City-owned parcels could be merged to create a 27,000 square foot lot. The parcels currently form a narrow parking lot situated between a row of shops facing College Avenue, and a residential neighborhood composed primarily of 1-2 story single family homes and small multifamily buildings. This parking lot supports the Elmwood commercial area. At a minimum, this site would need to be rezoned to support multifamily housing development at a large enough scale to make affordable housing feasible.

While the square footage of the parcel initially seemed promising, several of the adjacent residential buildings are situated on the lot lines, and the businesses use the City's property for trash pickup and delivery access. Setbacks would likely be required on one if not both sides. In addition, the lot's irregular shape and proximity to existing commercial and residential uses would constrain its footprint and height to the point at which an affordable development may be infeasible, particularly with replacement parking for the commercial district. Combined, these limitations are likely to make affordable housing development infeasible at this time.

Group 2. Two additional properties are 1) located within zones allowing multifamily development; 2) larger than 15,000 square feet; and 3) not protected under Measure L; but they have active City uses. A third property, Center Street Garage, also met these criteria but was not considered because it is currently under construction.

- **West Berkeley Service Center (1900 Sixth Street).** The West Berkeley Service Center is located on a parcel that is 31,000 square feet, in an area that is a mix of commercial, industrial, and residential. Some of the parking spots are currently being used for City vehicles. The neighboring buildings are 1-2 stories tall, but 4-5 story buildings are located one block away along University Avenue. Though the existing zoning (MUR - Mixed Use Residential) permits multifamily development, changing the zoning could help maximize the site's development potential. Demolishing and replacing the service center, currently used for senior social services, the Black Infant Health Program, Public Health Nurses and the Meals on Wheels program, would add significantly to the cost of housing development at the site.
- **Telegraph-Channing Garage and Shops (2425 Channing Way)**
This six-story parking garage also includes retail spaces on the ground floor. Built in the late 1960s, the garage provides parking for the stores and restaurants along Telegraph Avenue near the UC Berkeley campus. Conceivably, the site could be redeveloped to include replacement commercial spaces and parking with housing over it.

However, since the structure is a key resource for local businesses, the costs of temporary commercial relocation during construction, and the costs of replacing parking and commercial spaces would make development very costly and could be infeasible in combination with affordable housing. In order to also add new residential units, the replacement structure would likely need to be several stories taller than the current structure, which is already among the tallest buildings in the neighborhood. These issues present significant challenges to using the site for affordable housing in the foreseeable future.

Group 3. These properties are both larger than 15,000 square feet and vacant, but would require zoning changes before multifamily housing could be constructed and have constraints from Measure L. The North Bowling Green is protected from development under Measure L, and would require a vote of the people to change its designation and make it legal to develop. The Santa Fe Right of Way requires further analysis to determine Measure L's applicability. Unlike other parcels protected under Measure L, both of these properties are fenced off from the public and not in active use.

- **North Bowling Green (1324 Allston Way)**
Within the Corp Yard, along Allston Way, the North Bowling Green is a vacant lot of approximately 21,000 square feet that is not actively used by the City. The site

was used as a lawn bowling green starting in 1929, but has not been maintained as such since 2008. This site, along with the South Bowling Green and clubhouse, is leased to the Berkeley Lawn Bowling Club, though Parks is negotiating a new lease that will not include the North Bowling Green. The site contains elevated levels of pesticides and metals, and the contaminated soil would need to be excavated or encapsulated prior to active use or development, which does not rule out affordable housing development but would add to the cost. The entire Corp Yard site is within an R-2 zone, so the North Bowling Green would need to be split from the Corp Yard parcel and rezoned to allow for multifamily housing. The 150-unit Strawberry Creek Lodge (affordable senior housing) is located within a block of the vacant site, though the immediately adjacent residential units are single-family homes.

- **Santa Fe Right of Way**

The City owns six vacant, non-contiguous parcels that were part of the right of way for the former Santa Fe Railroad. The lots cut through the middle of blocks at a diagonal, and are separated by several streets: Ward, Derby, Carleton, Parker and Blake. Collectively, the parcels comprise approximately 75,000 square feet of undeveloped land. The parcels are zoned R-1 and R-2, which do not permit multifamily construction. The neighborhood is primarily single family homes with a few 2-story multifamily buildings. Although it could be possible to combine these sites into a single scattered site project, it would be difficult to achieve the density required to make a scattered site project large enough to be competitive for tax credit and other affordable housing funding.

BACKGROUND

The initial data collection resulted in a list of 229 individual parcels, which was reduced to 119 after staff analysis. Several Berkeley Housing Authority and BUSD properties associated with Berkeley 75, former public housing, were removed from consideration, and adjacent parcels were combined into single entries to better assess their development potential. Staff then researched each property for specific data, including zoning and property square footage.

From the list of 119 parcels, some City-owned properties were excluded from further analysis because they were not available or clearly not suitable for development as housing. Sites not considered for future housing development included City offices at Center and Milvia, street segments, sidewalks, fire and police facilities, and sites leased to existing affordable housing projects.

The City owns approximately one acre of air rights to develop over the western parking lot at Ashby BART, which is zoned C-SA. The site was not included in this report because it is being analyzed as part of the Adeline Corridor planning process. The City does not own air rights at North Berkeley BART.

Methodology and Criteria

The remaining 92 properties were then ranked based on a set of criteria established to identify the sites with the greatest development potential (and fewest development barriers). The following criteria were used:

Zoning

Given the City of Berkeley's general plan and municipal code, multi-family housing can only be built within certain zones¹. Properties outside these zones were ranked lower since they would require zoning changes in order to be suitable for higher density development.

Size of parcel/ability to support 50+ units of housing

Staff prioritized sites that can accommodate 50+ units of housing for affordable housing development. In this analysis, we looked at sites of 15,000 square feet as having the greatest potential, and gave consideration to sites over 10,000 square feet. Sites smaller than this are unsuitable for affordable multifamily housing development because:

- Even with greatly reduced or donated land, affordable housing development requires public funding. There are limited funding sources for affordable housing, and most multifamily housing developers pursue Low Income Housing Tax Credits as a significant source. Tax credit funding is highly competitive, and non-tax credit projects can be difficult to finance. California intends to start incentivizing larger developments by awarding higher points to projects with 50 or more units. Staff estimated that sites under 15,000 square feet would not allow for the density required to meet the 50-unit minimum for a competitive project. Sites between 10,000 and 15,000 were included but ranked lower, as they could be combined for a scattered site project.
- The long length of time required for obtaining financing for Harper Crossing (41 units) and Grayson Street Apartments (23 units) are probably at least partially related to their small size. Smaller projects are generally less competitive for housing funds because of their higher per unit costs and, in the case of the Affordable Housing and Sustainable Communities program, due to their smaller impact on reducing greenhouse gas emissions.
- Similarly, Oakland's housing plan recommended using sites that can accommodate 50+ units for affordable housing, and selling the others for revenue to support housing.
- One local affordable housing developer, when asked about minimum size, said "we've found that in higher-density areas (like Berkeley) sites should be at least 15,000 sq ft. We will look at smaller sites if there are special circumstances but as a rule of thumb it is hard to create a feasible multifamily rental project on a site

¹ Zones that allow multifamily housing are R-3, R-4, R-5, C-1, C-N, C-E, C-NS, C-SA, C-T, C-SO, C-W, C-DMU, and MU-R

under that size.” Another emphasized the need to look at the development capacity, citing a project on 13,000 square foot plot with 62 one-bedrooms, feasible only because it has 6 stories (typically not possible in Berkeley).

Parks and open spaces, restricted by Measure L

In 1986, Berkeley residents passed Measure L, the Berkeley Public Parks and Open Space Preservation Ordinance, ensuring that all existing City open space would be preserved (not developed). Measure L requires a vote of the people to use or to develop a public open space or park for any purpose other than public parks or open space, unless a State of Emergency has been declared. In this context, the Homeless Shelter Crisis declared by City Council in 2016 does not qualify as a State of Emergency, and would not supersede Measure L. Staff consulted with Parks to confirm that 23 properties larger than 10,000 square feet are restricted under Measure L. Staff did not ask Parks to review the following properties in hillside zones due to topographical constraints on development: Grotto Rock Park, Indian Rock Park, Remillard Park, Cragmont Park, and Great Stone Face Park.

Current Use

Berkeley is largely built out, and most City-owned properties have buildings and active uses. Staff prioritized properties that do not have any structures, followed by properties that are active City facilities, and finally properties leased to non-City entities. Staff did not review the 21 leases noted in the property inventory, and did not assess the development potential of the sites once the leases expire, as that was beyond the scope of the current analysis.

Properties Less Suitable for Development

The remaining 113 properties were considered less suitable for development because they did not meet enough of the priority criteria. More than half of the remaining properties were eliminated because they fell below the threshold of 10,000 square feet (49 properties) or because they are actively used open space or parks and are protected under Measure L (22 properties, excluding the Santa Fe ROW). Other properties were eliminated because of their current use, including a number of City facilities on lots larger than 15,000 square feet. Attachment 2 includes a list of every City-owned property over 15,000 square feet in area.

ENVIRONMENTAL SUSTAINABILITY

Any site would require environmental analysis to assess its suitability for development, and identify contaminants or issues needing remediation.

POSSIBLE FUTURE ACTION

Staff will continue to work with BRIDGE Housing and the Berkeley Food and Housing Project on the redevelopment of the Berkeley Way Parking Lot. Staff plan to report back to City Council with a recommendation on the disposition of two former

Redevelopment Agency properties the City owns on 5th Street. Staff welcome any additional information that could further update the property information shown in Attachment 3.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Fiscal impacts of future action will depend on the course of action identified. Developing new affordable housing on City-owned land will require additional City funding contributions.







CONTACT PERSON

Jenny Wyant, Community Development Project Coordinator, HHCS, 510-981-5228

Attachments:

1. Selected Property List
2. City Properties Larger Than 15,000 SF
3. Inventory of City Properties
4. Original Referral Report from April 5, 2016

Selected Property List

Priority Group	Name (Address)	Zoning	Lot SF	Current Use	Image	Bldg SF
1	Berkeley Way Parking Lot (2012 Berkeley Way)	C-DMU Buffer	40,945	Parking Lot		
1	Elmwood Parking Lot (2642 Russell, 5 parcels)	C-E	27,374	Parking Lot		
2	Telegraph-Channing Garage and Shops (2425 Channing Way)	C-T	32,685	Parking Garage		189,867
2	West Berkeley Service Center (1900 Sixth St)	MUR	31,020	City Facility		
3	North Bowling Green (portion of City Corp Yard, 1324 Allston)	R-2	21,000	City Facility		46,604
3	Santa Fe Right of Way (Ward, Derby, Carleton, and Blake, 6 parcels)	R-1/R-2	75,086	ROW		

**Attachment 2:
All City-Owned Properties Larger Than 15,000 SF**

City Facilities

- Berkeley Fire Station Number 5 (2680 Shattuck Ave)
- Berkeley Fire Station Number 6 (999 Cedar St)
- Berkeley Fire Warehouse (1011 Folger Ave)
- Berkeley Police Department / Old City Hall (2100 / 2134 MLK Jr. Way)
- Berkeley Public Library – Central Branch (2090 Kittredge St)
- Berkeley Public Library-North Branch (1170 The Alameda)
- Berkeley Transfer Station (1201 Second St)
- City Corp Yard (1326 Allston Way)
- City Office Building (1947 Center St.)
- Civic Center Building (2180 Milvia St)
- Fire Department Station No.2 (2029 Berkeley Way)
- Firehouse Number 7 (3000 Shasta Ave)
- North Berkeley Senior Center (1901 Hearst Ave)
- North Bowling Green (part of City Corp Yard, 1324 Allston)
- South Berkeley Senior Center (2939 Ellis St)
- West Berkeley Service Center (1900 Sixth St)

Existing Affordable Housing

- Oceanview Garden Apartments (1816 Sixth St)
- University Avenue Cooperative Homes Apartments (Addison at Sacramento)
- William Byron Rumford Senior Plaza (3012 Sacramento St)

Leased Properties

- Berkeley Black Repertory Group Theater (3201 Adeline St)
- Berkeley Recycling Center (669 Gilman St)
- Nia House Learning Center (2234 Ninth St)
- Veterans Memorial Building (1931 Center St)
- Women's Daytime Drop-In Center (2218 Acton St)

Parking Lots/Garages

- Berkeley Way Parking Lot (2012 Berkeley Way)
- Center Street Garage (2025 Center St)
- Elmwood Parking Lot (2642 Russell)
- Oxford Plaza Parking Garage (2165 Kittredge)
- Telegraph-Channing Garage and Shops (2425 Channing Way)

Parks and Open Space



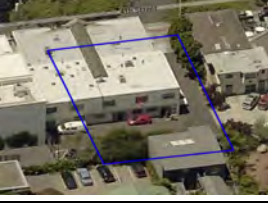


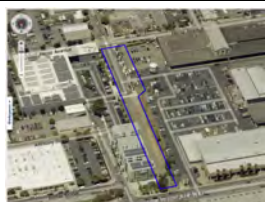


- Aquatic Park* (80 Bolivar Dr)
- Berkeley Way Mini Park (1294 Berkeley Way)
- Cedar Rose Park* (1300 Rose St)
- Codornices Park and Berkeley Rose Garden (1201 Euclid Ave)
- Community Garden (1308 Bancroft Way)
- Cragmont Rock Park (960 Regal Rd)
- Dorothy Bolte Park (540 Spruce St)
- George Florence Park (2121 Tenth St)
- Glendale- La Loma Park (1310 La Loma Ave)
- Great Stoneface park (1930 Thousand Oaks Blvd)
- Greg Brown Park (1907 Harmon St)
- Grotto Rock Park (879 Santa Barbara Rd)
- Grove Park (1730 Oregon St)
- Harrison Park (1100 Fourth St)
- Hillside Open Space on Euclid Ave
- Indian Rock Park (950 Indian Rock Ave)
- James Kenney Park* (1720 Eighth St)
- John Hinkel Park (41 Somerset Pl)
- Live Oak Park* (1301 Shattuck Ave)
- Marina*/Cesar Chavez Park (11 Spinnaker Way)
- MLK Jr. Civic Center Park (2151 Martin Luther King Jr Way)
- Ohlone Park (1701 Hearst Ave)
- Remillard Park (80 Poppy Ln)
- San Pablo Park (2800 Park St)
- Strawberry Creek Park (1260 Allston Way)
- Terrace View Park (1421 Queens Rd)
- Virginia-McGee Totland (1644 Virginia St)
- Willard Park (2730 Hillegass Ave)

**A portion of the property is leased to a local organization.*








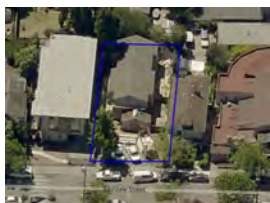
Other

- Santa Fe Right of Way (approx. 1400 Carleton)
- Sidewalk and Road (Ashby between Harper and MLK Jr. Way)
- Roundabout (Parkside Dr)
- Sojourner Truth Court (former Santa Fe ROW)
- West St (between Lincoln and Delaware)






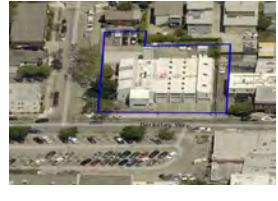


Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
1631 5th Street	MUR	5,525	Other	Former RDA property. Vacant lot.		057 211701100				
1654 5th Street	MULI/ MUR	5,300	Other	Former RDA property. Vacant, single-family home.		057 211602300				
1817-1819 Fourth Street	C-W	12,500	Other	2 parcels. Former RDA properties. Leased for retail.		057 209901400 057 209901500	10,070			
63rd Street Mini Park (1615 63rd St)	R-2A	8,100	Park			052 152201100				
Abandoned Rail ROW (1018 Ashby Ave)	MULI	11,450	ROW	2 parcels.		053 163300300 053 163300400				
Abandoned Rail ROW (between Heinz and Ashby, at Ninth)	MULI/ C- W	11,855	ROW	Potential extension of Emeryville Greenway?		053 165200300				
Abandoned Rail ROW (near 920 Flogr)	MULI	743	ROW	At Berkeley-Emeryville City Line along Greenway.		052 151201002				
Ann Chandler Public Health Center (830 University Ave)	C-W	14,700	City Facility			056 196600100				





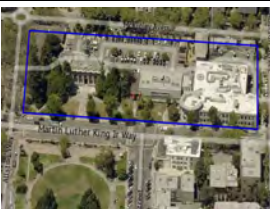



Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Aquatic Park (80 Bolivar Dr)	Along MM/ MULI/C- DMU Buffer/R- 2A/No zoning available	739,878	Park	12 parcels		060 251300101 054 177100100 060 250700101 060 250700102 054 175200100 054 175200201 054 177200100 054 177100200 060 252700101 056 194900601 056 194800300		Yes, a portion	Bay Area Outreach Recreation Program; Waterside Workshop	7/31/2021
BART ROW (Adeline at Alcatraz)	Zoning not found, in between C-SA/ R- 2A	5,553	ROW			052 153200600				
BART ROW (Gilman to Neilson)	C-N/ R- 1A/ R-2	7,350	Other			060 239107502				
Bateman Mall (3027 Colby St)	R-2A/ R-3	9,501	Park			052 157405906				
Becky Temko Tot Park (2424 Roosevelt Ave)	R-2	6,760	Park			055 190701100				
Berkeley 75 (1521 Alcatraz Ave, A,B,C,D)	R-3	7,150	Leased	scattered site affordable housing development		052 152000800		Yes	Berkeley 75 Housing Partners LP - c/o Related California	2/1/2084
Berkeley 75 (1605 Stuart St C)	R-2	6,750	Leased	scattered site affordable housing development		054 173001400		Yes	Berkeley 75 Housing Partners LP	5/12/2083
Berkeley 75 (1812 A,B,C Fairview St)	R-2A	6,500	Leased	scattered site affordable housing development		052 153001800		Yes	Berkeley 75 Housing Partners LP	5/12/2083







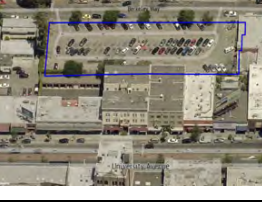

Attachment 3:
Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Berkeley 75 (2231, 2231A, 2231B, 2235 Eighth St)	R-1A	6,500	Leased	scattered site affordable housing development		056 197001507		Yes	Berkeley 75 Housing Partners LP	5/12/2083
Berkeley 75 (3016 Harper St A, B)	R-2A	4,893	Leased	scattered site affordable housing development		053 160200600		Yes	Berkeley 75 Housing Partners LP	5/12/2083
Berkeley Adult Day Health Center (1890 Alcatraz Ave)	C-SA	9,404	Other			052 152702401	4,425			
Berkeley Black Repertory Group Theater (3209 Adeline St)	C-SA	17,097	Leased	3 parcels		052 152902100 052 152902200 052 152902300	8,000	Yes	Black Repertory Group	5/30/2023
Berkeley Fire Station Number 1 (2442 Eighth St)	R-1A	10,260	City Facility			056 193901902	5,260			
Berkeley Fire Station Number 2 (2029 Berkeley Way)	C-DMU Buffer	23,977	City Facility			057 205100901	13,685			
Berkeley Fire Station Number 3 (2710 Russell St)	R-2	9,359	City Facility			052 156702601	5,100			
Berkeley Fire Station Number 4 (1900 Marin Ave)	R-1H/ R- 1A	12,623	City Facility			061 257302600	5,442			





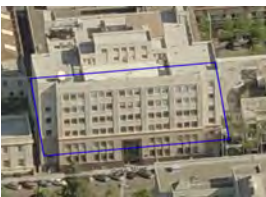



Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Berkeley Fire Station Number 5 (2680 Shattuck Ave)	C-SA	17,300	City Facility			055 181900301	9,302			
Berkeley Fire Station Number 6 (999 Cedar St)	R-1A	26,000	City Facility			059 231201200	8,346			
Berkeley Fire Station Number 7 (3000 Shasta Ave)	R-1H	129,277	City Facility	from BMC. RealQuest Pro and City site indicate that EBMUD is owner of larger parcel, not City.		063 316001305 063 316003700				
Berkeley Fire Warehouse (1011 Folger Ave)	MULI	24,425	City Facility			053 163403000	8,021			
Berkeley Police Department / Old City Hall (2100 / 2134 MLK Jr. Way)	R-2	144,480	City Facility			057 201701601	122,783	Yes	Building Opportunities for Self Sufficiency (BOSS) - McKinley House; County of Alameda; Berkeley Unified School District	6/30/2013
Berkeley Public Library - Central Branch (2090 Kittredge St)	C-DMU Corridor	25,141	City Facility			057 202801701	75,000			
Berkeley Public Library - Claremont Branch (2940 Benvenue Ave)	R-2A	11,652	City Facility	2 parcels		052 157301600, 052 157301700	7,434			
Berkeley Public Library (2031 Bancroft Way)	C-DMV Buffer/ Corridor	14,133	City Facility			057 202800500	30,000			









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Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Berkeley Public Library-North Branch (1170 The Alameda)	R-1	17,668	City Facility			061 260503500	10,591			
Berkeley Public Library-South Branch (1901 Russell St)	R-2A	13,444	City Facility			053 167901601	5,250			
Berkeley Public Library-West Branch (1125 University Ave)	C-1	12,000	City Facility			057 208501100	9,400			
Berkeley Recycling Center (669 Gilman St)	M	48,150	Leased			060 236200110	22,595	Yes	Community Conservation Center Inc	8/31/1991
Berkeley Transfer Station (1201 Second St)	M	276,531	City Facility	5 parcels		060 238200102 060 238200303 060 236200109 060 236200111 060 236200108	51,615			
Berkeley Way Mini Park (1294 Berkeley Way)	R-2A/ C-1	18,733	Park	BMC		057 208102300	960			
Berkeley Way Parking Lot (2012 Berkeley Way)	C-DMU Buffer	40,945	Parking Lot			057 205302201				
BOSS: Harrison House/ Sankofa house (711 / 701 Harrison)	MULI	6,486	Leased	HCS Leased		060 238300102		Yes	Building Opportunities for Self Sufficiency (BOSS) - Harrison House	10/31/2013


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Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Cedar Rose Park (1300 Rose St)	R-2	175,727	Park	9 parcels		060 241605800 060 241607700 059 228601900 059 228600203 059 229302001 060 242309600 059 228600103 058 213801500 059 228600104		Yes, a portion	Ala Costa Center	No End Date
Center Street Garage (2025 Center St)	C-DMU Core	34,267	Parking Garage			057 202302003	175,500			
City Corp Yard (1326 Allston Way)	R-2	250,072	City Facility			056 199301501	46,604	Yes	Berkeley Lawn Bowling	12/31/2014
City of Berkeley Animal Shelter (1 Bolivar Dr)	C-W	8,874	Leased			060 252100201		Yes	New Cingular Wireless	No End Date
City Office Building (1947 Center St)	C-DMU Buffer	18,750	City Facility			057 202200600	116,142	Yes	International Computer Science Institute; Rising Sun Energy Center	4/30/2013
Civic Center Building (2180 Milvia St)	C-DMU Buffer	38,808	City Facility			057 202100100	77,145			
Codornices Park and Berkeley Rose Garden (1201 Euclid Ave)	R-1H	470,240	Park	4 parcels		060 246800101 060 246800102 060 246800103 060 246500900				
Colby St. (between Ashby and Webster)	Next to R-3	13,603	Other	BMC		052 157308706				






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Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Community Basketball Court	R-1	11,886	Open Space			058 213903108				
Community Garden (1308 Bancroft Way)	R-2	38,526	Open Space	former rail ROW		056 192203402				
Contra Costa Rock Park (869 Contra Costa Ave)	R-1H	7,456	Park			061 257605600				
Cragmont Rock Park (960 Regal Rd)	R-1H	136,458	Park	2 parcels		063 297500900 063 297501000				
Dorothy Bolte Park (540 Spruce St)	R-1H	50,516	Park			062 293902001 062 293902301				
Elmwood Parking Lot (2642 Russell St)	C-E	27,374	Parking Lot	6 parcels		052 156800300, 052 156800501, 052 156800601, 052 156800700, 052 156800801, 052 156800401				
Epehsian's Children's Center (1907 Harmon St)	R-2A	3,000	Leased			052 152901100		Yes	Epehsian's Children's Center	No End Date
Fountain Walk (at Hopkins and El Dorado)	C-N (H)/ R-1H	9,678	Other			061 257100200				



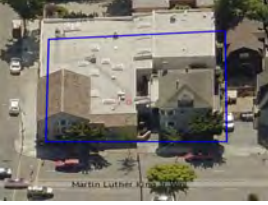





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Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Frederick Mini Park (780 Arlington Ave)	R-1H	9,925	Park			062 292002300				
George Florence Park (2121 Tenth St)	R-1A	21,600	Park			056 197701900				
Glendale- La Loma Park (1310 La Loma Ave)	R-1H	129,092	Park	5 parcels		060 246904300 060 246905500 060 246904200 060 246906101 064 423201100				
Great Stone Face park (1930 Thousand Oaks Blvd)	R-1H	30,471	Park			062 292000100				
Greg Brown Park (1907 Harmon St)	R-2A	20,046	Park	2 parcels		052 152902601 052 152901002				
Grizzly Peak Park (50 Whitaker Ave)	R-1H	10,692	Park	BMC		063 298304900				
Grotto Rock Park (879 Santa Barbara Rd)	R-1H	16,867	Park			061 258204500				
Grove Park (1730 Oregon St)	R-2/R-2A	121,794	Park	3 parcels		053 167600101 053 167800101 053 167800102				









Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Harper Crossing (3132 MLK Jr. Way)	R-2A/ C-SA	14,585	Other	Satellite Affordable Housing Associates development		052 155101302				
Harrison Park (1100 Fourth St)	MULI	280,341	Park	4 parcels		060 238300102 060 238300200 060 238300300 060 238300400	9,644			
Haskell-Mabel Mini Park (1255 Haskell St)	R-2A	2,658	Park			053 162600601				
Hillside Open Space on Euclid Ave (near 660 Euclid Ave)	R-1H	21,041	Open Space	steep slope. Near 660 Euclid.		063 295601701				
Indian Rock Park (950 Indian Rock Ave)	R-1H	39,714	Park	2 parcels		061 257802100 061 258401600				
James Kenney Park (1720 Eighth St)	R-1A	159,948	Leased			058 212200100		Yes, a portion	BAHIA	5/15/2012
John Hinkel Park (41 Somerset Ave)	R-1H	180,127	Park	3 parcels		061 257900200 061 257900100 061 259803300				
Live Oak Park (1301 Shattuck Ave)	R-2H/ R-2AH	224,036	Leased			060 245503805 060 246601500		Yes	Theater First INC	1/31/2023



Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Lower Codornices Path (at Sixth St)	MULI	2,900	Park			060 238501000				
Marina/Cesar Chavez Park (11 Spinnaker Way)	No Zoning available	191,060,069	Leased			060 254500100 060 254000201 060 252800701 060 253400103	2,529	Yes, a portion	Berkeley yacht Club; Berkeley marine Center; Berkeley Company, Highline Kites; Cal Sailing Club; Cal adventures; Skates Restaurant; Hs Lordships; Bait Shop-oung Kim; Doubletree	12/31/2058
Mental Health Adult Clinic (2640 MLK Jr Way)	R-2A	12,314	City Facility			054 181100300	11,194			
MLK Jr. Civic Center Park (2151 Martin Luther King Jr Way)	R-3/ C-DMU Buffer	121,548	Park			057 202100200	-			
Mortar Rock Park (901 Indian Rock Ave)	X? Next to R-1H	5,174	Park			061 258305100				
Nia House Learning Center (2234 Ninth St)	R-1A	19,855	Leased			056 197000801	7,760	Yes	Nia House Learning Center	8/1/2053
North Berkeley Senior Center (1901 Hearst Ave)	R-2A	32,803	City Facility			057 205701202				
North Bowling Green (portion of City Corp Yard, 1324 Allston)	R-2	21,000	City Facility			056 199301501	46,604			





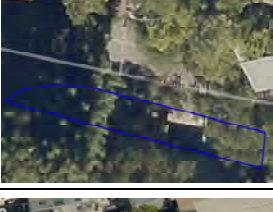



Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Oak Park (35 Domingo Ave)	R-1H	9,894	Park			064 424200100				
Oak Ridge Steps (between El Camino Real and Oak Ridge)	R-1H	1,408	ROW			064 424301400				
Oceanview Garden Apartments (1816 Sixth St)	MUR	115,476	Other	Oceanview Garden Apartments. Former RDA property. 2 non-contiguous parcels.		057 209801202 058 211801007				
Ohlone Park (1701 Hearst Ave)	R-2/ R-2A	300,981	Park	10 Parcels		057 206702801 057 206600601 057 206503100 057 206400702 057 205601501 057 206700700 058 215002001 060 241403102 060 241707602 060 241101802				
Open Space (1100 Kains Ave)	R-2, adjacent to C-W	5,200	Other	Only the open space is in Berkeley. Buildings are in Albany.		060 241000200				
Open Space (Santa Fe Ave at Albany border)	R-2	1,925	Open Space	adjacent to BART ROW		060 240906902				
Open Space on California (entrance to 1600 Addison condos)	R-2	3,322	Park			056 200500300				
Open Space (Hillcrest Rd)	R-1H	4,427	Other			064 424701600				





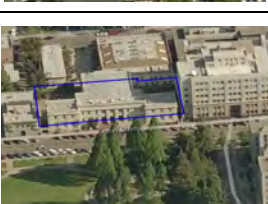
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Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Open Space (Sutter St at Eunice St)	R-1H	7,579	Open Space			061 256600600				
Open Space (Tamalpais Rd)	R-1H	1,760	Open Space			060 247303800				
Open Space (Twain Ave near Sterling Ave)	R-1H	3,271	Open Space			063 298400805				
Oxford Plaza Parking Garage (2165 Kittredge)	C-DMU Core	46,633	Parking Garage	2 parcels. City owns a portion of the site - parking garage. Parcel listed as 0 square feet.		057 211800100 057 211900100	46,302			
Parking Lot (Adeline and Alcatraz)	C-SA	5,831	Leased			052 152801504	-	Yes	Children's First Medical Group	No End Date
Presentation Park (2199 California st)	R-2	2,493	Park			056 200500200				
Prince Street Mini Park (1631 Prince St)	R-2A	6,750	Park			053 160601000				
Remillard Park (80 Poppy Ln)	R-1H	83,734	Park	3 parcels		063 297601201 063 297601100 063 297601203				


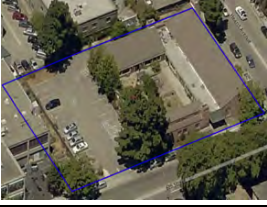


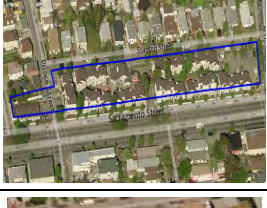


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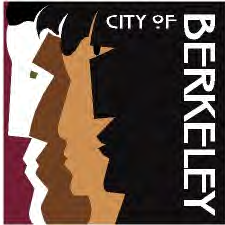
Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Roundabout (Parkside Drive)	R-1H	16,767	Open Space			064 424404200				
San Pablo Park (2800 Park st)	R-1	518,647	Park			053 166500100				
Santa Fe Right of Way (approx. 1400 Carleton)	R-1/R-2	75,086	ROW	6 parcels		054 179302700 054 178303500 054 17830360 054 179402800 054 173502000 054 179002800				
Sidewalk and Road (Ashby between Harper and MLK Jr. Way)	R-2A/ C-SA	16,500	Other			053 160100402				
Sidewalk (Le Conte Ave at La Loma Ave)	R-2AH	2,957	Other			058 220400100				
Small Parcel (Ashby Ave, between Harper and Ellis)	R-2A	222	Other			053 160200401				
small plaza (Henry and Hearst)	R-2A	1,620	Other			057 205101602				
Sojourner Truth Court (former Santa Fe ROW)	R-3/ R-1/ C-SA	36,110	ROW	includes some open space		054 173702000				

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Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
South Berkeley Senior Center (2939 Ellis St)	R-2A	21,690	City Facility	3 parcels		053 160302100 053 160302200 053 160302300				
Spiral gardens (2850 Sacramento St)	R-1/ C-SA	12,423	Leased			053 166903000		Yes	Spiral Gardens Community Garden	6/30/2008
Strawberry Creek Park (1260 Allston Way)	R-2/ R-2A	147,999	Park	3 parcels		056 199000700 056 199100200 056 199000403				
Telegraph-Channing Garage and Shops (2425 Channing Way)	C-T	32,685	Parking Garage			055 187900601	189,867			
Terrace View Park (1421 Queens Rd)	R-1H	39,724	Park			060 248504601				
Tevlin Street (north of Gilman)	R-1A	7,438	Other			060 241701900				
University Avenue Cooperative Homes Apartments (Addison at Sacramento)	R-4	50,842	Leased	Resources for Community Development affordable housing project		056 199600401 056 199602401 056 199601000 056 199600600 056 199600900 056 199600200 056 199602800 056 199600300		Yes	UACH, LP	11/15/2080
Veterans Memorial Building (1931 Center St)	C-DMU Buffer	24,819	Leased			057 202202000	33,254	Yes	Building Opportunities for Self-Sufficiency (BOSS); Dorothy Day House; Option Recovery Services; Berkeley Food and Housing Project; Berkeley place; American Legion Post 7; Disabled American Vets, The Ecology Center	Mo to mo

Inventory of City Properties

Name (Address)	Zoning	Lot SF	Current Use	Notes	Image	APN	Bldg SF	Leased?	Tenant	End Lease Term
Virginia-McGee Totland (1644 Virginia St)	R-2	16,248	Park			058 215700100				
West Berkeley Service Center (1900 Sixth St)	MUR	31,020	City Facility			057 209700201				
West St. (between Lincoln and Delaware)	In between R-2/ R-1	33,048	Other	BMC. 3 parcels		058 213602400 058 213701800 058 213501900				
Willard Park (2730 Hilleglass Ave)	R-2	111,000	Park			054 171102700				
William B Rumford Senior Plaza (3012 Sacramento St)	C-SA	76,666	Leased	Resources for Community Development affordable housing project		053 161401800	47,424		South Berkeley Cmty Housing Dev Corp - William Byron Rumford Sr. Plaza (Resources for Community Development)	8/26/2070
Women's Day Time Drop-in Center (2213 Byron St)	R-2	4,800	Leased			056 198403000	3,173	Yes	Women's Day Time Drop-in Center	12/24/2023
Women's Daytime Drop-In Center (2218 Acton St)	R-2	21,085	Leased	Adjacent to City Corp Yard		056 199300600	594	Yes	Women's Daytime Drop In Center	2/18/2018



Susan Wengraf
Councilmember District 6

CONSENT CALENDAR

April 5, 2016

To: Honorable Mayor and Members of the City Council
 From: Councilmember Susan Wengraf
 Subject: Analyzing All City-Owned Properties for Potential for Housing Development

RECOMMENDATION

Request that the City Manager explore the opportunity for the City of Berkeley to build housing on city-owned property: conduct an inventory of city owned properties and return to City Council as soon as possible with an evaluation and analysis of those properties that are appropriate for the development of affordable housing.

BACKGROUND

Across the state of California, urban centers are experiencing a crisis in housing availability at all levels of affordability. The crisis is very severe in the Bay Area. Lack of funds and subsidies from the state and federal government has exacerbated the obstacles to developing housing at all levels of affordability. In addition, the scarcity and the high cost of land in the Bay Area and in Berkeley, specifically, is an enormous barrier to producing affordable housing. Berkeley needs to optimize its limited resources now and look to partner with housing developers to build housing on city-owned land.

The City of Berkeley has a unique opportunity. The two senior centers, "North", on MLK and Hearst, and "South" on Ellis and Ashby and the Service Center on 6th Street are all in need of significant renovation. Now is the time to evaluate these properties to determine if it is feasible to create a mixed-use, housing/community center on these sites prior to spending millions of dollars on the current structures.

All City owned properties should be explored and evaluated for their potential as sites for housing development.

In addition, the Berkeley Unified School District owns property that has the potential to be developed as housing. The City of Berkeley should work closely with the BUSD to encourage them to move forward with their own analysis of potential housing sites that are currently under- utilized.

This severe housing crisis calls for all publicly owned land to be evaluated and considered.

FINANCIAL IMPLICATIONS: Staff time

CONTACT: Councilmember Susan Wengraf Council District 6 510-981-7160



Susan Wengraf
Councilmember District 6

CONSENT CALENDAR
May 16, 2017

To: Honorable Mayor and Member of the City Council

From: Councilmembers Susan Wengraf, Kate Harrison, Linda Maio and Ben Bartlett

Subject: Budget Referral: Feasibility Study for the Construction of Affordable Senior Housing

RECOMMENDATION:

Refer to the budget referral process a feasibility study that evaluates the financial requirements and analyzes the site/context yield of the construction of affordable housing for seniors on the sites of North Berkeley Senior Center, West Berkeley Service Center and South Berkeley Senior Center.

FINANCIAL IMPLICATIONS:

\$100,000

BACKGROUND:

The demographic for people over 65 is increasing in Berkeley. By 2030, the population of residents over 65 will be more than 26,000. The number one concern expressed by seniors is their ability to be able to stay housed in Berkeley, as they get older.

Berkeley has an opportunity to provide affordable senior housing by building over the senior or service centers. Since the city owns the land, a public/private partnership for the construction and management is an excellent possibility.

As the city moves forward with planning the expenditures from Measure T1, we should be sure that resources used on improving our current facilities do not pre-empt the possibility of future development at these three sites.

ENVIRONMENTAL SUSTAINABILITY

No adverse effect on the environment.

CONTACT PERSON

Councilmember Susan Wengraf Council District 6 510-981-7160



Office of the Mayor

INFORMATION CALENDAR

April 23, 2019

To: Members of the City Council

From: Mayor Jesse Arreguin

Subject: Update on North Berkeley BART Zoning and Future Development

BACKGROUND

On May 9, 2019, the City Council will be holding a Special Meeting to discuss North Berkeley BART Zoning and Future Development to:

1. Consider the proposed land use scenarios developed by City staff from the January 15, 2019 worksession;
2. Provide formal direction to the City Manager on a vision for development on the site including proposed zoning requirements;
 - a. Based on this directive, City staff will develop a MOU with BART for project solicitation that will include, but not be limited to:
 - i. Development timeline, sequence of events expected
 - ii. Goals and objectives
 - iii. Development character elements not included in zoning envelope
 - iv. Funding
 - v. City-BART relationship
 - vi. Force majeure (i.e. circumstances outside of our control, economy, etc.);
3. Provide guidance to the Planning Commission for implementing zoning modifications.

RECOMMENDATION

The intent of this Information item is to give the Land Use, Housing & Economic Development Policy Committee a status update on, and opportunity to discuss, the visioning process for North Berkeley BART Zoning and Future Development to date and next steps prior to the May 9th Special Council Meeting.

CONTACT PERSON

Mayor Jesse Arreguin — 510-981-7100



Health Housing and
Community Services Department
Housing & Community Services Division

MEMORANDUM

To: Land Use, Housing & Economic Development Committee Agenda

From: Amy Davidson, Interim Manager

Date: April 15, 2019

Subject: **Measure O Planning**

Update on Measure O Bond Oversight Committee Formation

As of April 11, seven of Commissioners have been appointed to the Measure O Bond Oversight Committee. A roster of appointees is attached (*Attachment 1*). The first meeting of the Committee is scheduled for Monday, April 29. After an irregular schedule the first few months, necessitated by staff and space conflicts, the Committee will meet the third Monday of the month. Committee information is available online at: https://www.cityofberkeley.info/Clerk/Commissions/Commissions_Measure_O_Bond_Oversight_Committee.aspx

Update on Projects with Housing Trust Fund Reservations

Council allocated funds for predevelopment loans to the Bay Area Community Land Trust, SAHA, and BRIDGE Housing, and reserved \$29.5M for future loans for two developments through the Housing Trust Fund (HTF) program:

- Berkeley Way, BRIDGE Housing Corporation / Berkeley Food and Housing Project, \$23.5M (at least \$9.5M Measure O eligible)
- 1601 Oxford, Satellite Affordable Housing Associates, \$6M (all Measure O eligible).

However, other than \$4.6M in the HTF, the City does not have funds budgeted to satisfy the \$29.5M reservation. As of February 2019, the balance of general fund revenue received from Measure U1 was \$3,337,066. Information about the current balance in the Housing Trust Fund is included as *Attachment 2*. Revenue from the Affordable Housing Mitigation Fee (AHMF) and federal funds are not anticipated to reach this level in the near future. Measure O funds could cover at least \$15.5M of the reserved total. This includes \$9.5M of Berkeley Way's \$23.5M reservation (the projected \$14M capitalized operating reserve cannot be funded from Measure O proceeds), plus \$6M for the Oxford Senior Apartments. Staff continue to work with BRIDGE, BFHP and the Berkeley Housing Authority to explore whether project-based Section 8 vouchers may

A Vibrant and Healthy Berkeley for All

be available for both projects, which could reduce the need for capitalized operating reserve funding for Berkeley Way from the City.

As reported at the January 15, 2019 City Council worksession on Measure O, BRIDGE and BFHP applied for three sources of state funding in January and February of this year: Affordable Housing and Sustainable Communities (AHSC, awards projected for Summer 2019), No Place Like Home (NPLH, awards expected June 2019), and Supportive Housing Multifamily Housing Program (SHMHP, awards expected July 2019). 1601 Oxford is waiting on an award of No Place Like Home funds so the projects are on similar timelines.

If the projects are successful in their current funding rounds, they will next need to apply for an allocation of noncompetitive 4% Low Income Housing Tax Credits this summer, with awards expected in the fall. Both would need to start construction within about 180 days of the tax credit allocation, no later than early 2020. If Measure O funds will be used to fund these projects, the City can wait until they are awarded Low Income Housing Tax Credits to issue bonds in order to minimize the City's bond expenditure timing risks.

Projected HTF Revenue

The most reliable source of funds for the HTF are federal HOME funds. The City has historically allocated \$500,000 to \$700,000 per year in HOME funds into the HTF. In recent years, the HTF has been in a tenuous position as federal budget negotiations have proposed completely eliminating the HOME program; the program ultimately received continued funding, but neither this trend, nor the current federal administration allow for confident predications for future federal funding.

Most HTF revenue comes from mitigation fees which vary considerably with the economy and real estate market. The largest source of fee revenue is the Affordable Housing Mitigation Fee on new rental housing, which accounts for \$1.5M of the \$4.6M currently available for the HTF program. Developers have the option of paying the fee, building Below Market Rate units, or providing a combination of units and fees. Of the 14 projects completed as of April 1, 2019 that were subject to the AHMF, four paid the full fee, five provided units in lieu of any fee, and five provided a combination of units and a proportional fee. It is difficult to predict fee revenue with any certainty since there are usually several years between when a project is entitled and completed, and because owners have until the Certificate of Occupancy to decide whether to pay a fee and/or provide units. The largest fee payment anticipated from a project in construction (the best indicator of whether the project will be completed) will be from Modera Acheson Common, which is expected to pay a total of \$4.1 million.

Measure O Bond Implementation

This report seeks to build on initial discussions from the January 15, 2019 Council worksession and request that the Council in collaboration with the Measure O Bond Oversight Committee provide staff direction regarding the use of Measure O funds and

the role and responsibilities of the Measure O Bond Oversight Committee. Key issues for Council and Committee input are outlined below.

1. Should the City explore establishing new programs for the initial issuance of Measure O bond funds or to focus on the Housing Trust Fund program (new construction and rehab)? Is this a question for the Measure O Committee to evaluate?

As indicated in the January 15, 2019 report, an initial issuance of \$30M to \$40M could be used to fund \$15.5M in existing HTF reservations as described above, leaving \$14.5M to \$24.5M available for other projects. Since the HTF guidelines allow predevelopment loan applications to be submitted at any time, without issuance of a Request for Proposals (RFP), staff have already reviewed applications for developments projecting a total of \$30M in additional HTF requests.¹ If the City issued an RFP for HTF proposals using Measure O funds, these projects and others would be likely to apply.

If any Measure O funds will be used for the HTF program, staff will need to revise the HTF guidelines to be more consistent with current practices and priorities.

2. How does Council define the roles and responsibilities of the Measure O Oversight Committee? If any Measure O funds will be used for the Housing Trust Fund program, will the Housing Advisory Commission or the Measure O Committee review project applications? If the Measure O Committee will fill this role, should the HAC review changes to the HTF guidelines?

Measure O states the Oversight Committee should be tasked with ensuring all expenditures are consistent with the stated intention of measure. Providing additional clarity on the roles and responsibilities of the Committee is necessary to understand how the City will integrate Measure O funds into its current process for reviewing and recommending loans for affordable housing projects.

The City has historically used the HTF program to combine multiple revenue sources from local and federal funds into a consolidated loan. Leveraging the City's share of federal funds with local funds provides the City the flexibility to support specific project needs while staying in compliance with applicable federal requirements. Since federal Department of Housing and Urban Development (HUD) funds come with many stringent requirements; using them in combination with local funds facilitates local flexibility to support additional uses and needs. For example, HOME funds typically have stringent commitment deadlines but are not sufficient to fully fund most projects; combining them with local funds allows a pipeline of projects that can use the funds in time. Similarly, Measure O funds could not fund capitalized operating reserves that could be needed for a homeless-serving development, while general funds like Measure U1 revenue could.

¹ SAHA's 2527 San Pablo Avenue (\$12M), RCD's 2001 Ashby (\$18M)

The HTF program guidelines specify that the Housing Advisory Commission will review all funding application. Requiring multiple commissions to review a single loan would create the potential for confusion and conflict that could impede timely use of funds.

3. Should the Housing Trust Fund guidelines be revised to allow for moderate income developments? If so, to what extent?

Currently the HTF guidelines require that a total of 60% of the units be restricted at or below 60% of area median income (currently up to \$62,760 for a family of three), including 20% of units at or below 30% of area median income (AMI). These requirements overlay well with Low Income Housing Tax Credit funding and state funding sources designed to complement tax credits. The revised guidelines could establish an additional option for moderate-income developments above these AMI levels.

As noted in the January 15, 2019 report, moderate income housing is eligible for fewer funding sources than housing below 60% AMI and therefore requires a higher local subsidy. As an example, The San Francisco Examiner recently reported the City of San Francisco plans to fund a teachers' housing project for moderate income households (80% - 120% AMI) at \$385,000 to \$513,000 of City funds per unit. For comparison, the City has reserved \$171,429 per unit for 1601 Oxford.

4. If an HTF RFP is issued, should there be a priority or a requirement for certain types of activities such as new construction, rehabilitation of existing affordable housing, and/or acquisition and rehabilitation of existing, unsubsidized housing?

Limiting HTF funds to new construction will prioritize adding units to the City's portfolio, while allowing rehabilitation of existing affordable housing will preserve current affordable housing for the long term. Regardless, staff recommend that projects be evaluated on cost per square foot among other criteria to encourage use of innovative construction solutions such as modular housing.

5. If an HTF RFP is issued, should there be a priority or a requirement for serving certain populations, i.e. homeless adults, moderate income families, etc.?

Possible Timeline for Next Steps

Staff are working with bond counsel to refine required steps and possible timeline.

Process step	Possible dates
Council Policy Committee feedback on Measure O priorities	April 25, 2019

Measure O subcommittee feedback on Measure O priorities and HTF guidelines revisions	April 29, 2019 May 15, 2019 June 17, 2019
Commission HTF Subcommittee and full Commission review of HTF guidelines revisions	June – September 2019
Council direction on Measure O priorities and possible authorization of an RFP	September 10, 2019
Issuance of HTF RFP	September 11, 2019
Application period	September 11, 2019 – October 21, 2019
Staff evaluation of HTF applications *timeline may need to be extended depending on number and complexity of applications received	October 21, 2019 – November 18, 2019
Commission subcommittee review of HTF application	November 22 – December 13, 2019 -
Commission approval of funding recommendations	December/January 2019
Measure O bond issuance	January 2020
Loan closing for Berkeley Way and Oxford Senior Apartments	February – April, 2020
Council approval of funding recommendations	February 2020

Attachments .

1. Measure O Oversight Committee Roster as of April 5, 2019
2. Funds Currently in Housing Trust Fund by Source

Attachment 1 – Measure O Commission Roster
Current as of April 11, 2019

<u>Name</u>	<u>Appointed by Councilmember</u>
vacant	Kesarwani/District 1
vacant	Davila/District 2
Mr. Igor Tregub	Bartlett/District 3
Mr. Nico Calavita	Harrison/District 4
Ms. Christina Oatfield	Hahn/District 5
Ms. Emily Marthinsen	Wengraf/District 6
Ms. Eleanor Smith	Robinson/District 7
Ms. Kim-Mai Cutler	Droste/District 8
Mr. Joshua Daniels	Arreguin/Mayor

Attachment 2 – Funds Currently in Housing Trust Fund by Source

Source	Unencumbered Balance as of 4/1/2019
HUD HOME	1,020,992
Affordable Housing Mitigation Fee Revenue	1,462,501
Housing Mitigation Fee on Commercial Development	876,283
Inclusionary Housing Ordinance Fees (includes HTF loan repayments)	349,716
Condominium Conversion Fee	853,596
Total	4,563,088



Councilmember Ben Bartlett

City of Berkeley, District 3
2180 Milvia Street, 5th Floor
Berkeley, CA 94704
PHONE 510-981-7130

EMAIL: bbartlett@cityofberkeley.info

FEB 21 2019
OFFICE OF THE CITY CLERK
CITY OF BERKELEY

To: Honorable Mayor and Members of the City Council
From: Councilmembers Ben Bartlett [and Rigel Robinson](#), and Mayor Jesse Arreguin
Subject: Open Doors Initiative: [First Time Homebuyer Program](#)

Short Term Referral to Planning Commission

RECOMMENDATION

That the City Council direct the Planning Commission to design a regulatory mechanism (Open Doors Initiative) to incentivize the creation of affordable starter homes for Berkeley city employees and persons of moderate income. [Also recommend that the City Council direct hHousing and eEconomic dDevelopment to analyze the financial barriers to access for low-income homeowners, and to develop a financial program of low-interest loans tied to outreach and education to ensure low-income homeowners can participate and benefit from this program.](#) The Open Doors Initiative is intended to provide assistance to homeowners in R1 and R1A zones to renovate their properties and become multi-family condominiums (the “Missing Middle”). To qualify for zoning approval, families must agree to deed restrictions which limit the sale of the newly-created condominiums to Employees of the City of Berkeley and/or first time moderate income first time home buyers—~~the ‘Missing Middle’~~.

Increasing the supply of one bedroom and studio condominiums also allow community members, previously shut out of the middle class, the opportunity to own a home while simultaneously enabling older homeowners to downsize and efficiently utilize their equity. The deed restrictions provide a path to homeownership for moderate income persons; first responders to be on hand in the event of a crisis; and for workers to avoid long commutes by owning homes in the city they serve.

The Open Doors Initiative serves the policy goals of economic inclusion, community resilience, and environmental sustainability.

CURRENT SITUATION

Ever-Increasing Housing Costs Have Drastically Reduced First-Time Home Buyers

Housing ownership is a human right. The Open Doors Initiative is meant to increase home ownership opportunities for first-time home buyers ~~among the ‘missing middle’~~ (people earning 80-120% AMI) who are increasingly shut out of the market.

Housing is now prohibitively expensive. [California ranks 49th in homes per capita and an abysmal 49th in home ownership rates.](#) Likewise, the nation has seen a steep decline of first-time home buyers. In 2010, first-time buyers purchased roughly half of the homes sold nationally; in 2016, only 35% went to first-time buyers¹.

¹ <https://www.nytimes.com/2017/04/21/realestate/first-time-home-buyers-statistics.html>

While the number of first-time home buyers has steadily decreased, the cost of homes has simultaneously increased. Zillow reports that the median home value in Berkeley is \$1,231,400 and predicts that Berkeley home values will rise 5.9% within the next year.² In comparison, the median home value in the United States is \$222,800³ - just 18% of the median home value in Berkeley.

Many would-be home buyers are finding that they cannot afford to do so. In fact, a recent Credit Sesame survey of more than 1,000 renters found that roughly half of renters only rent a home because they can't afford to own.⁴

[Low-income homeowners face challenges affording and maintaining their homes](#)
[In Berkeley, many long-time homeowners were able to purchase their homes when values were much lower. Even though redlining and discrimination by financial institutions greatly limited access to capital for African Americans in particular, many were still able to become homeowners in South and West Berkeley.](#)

BACKGROUND

The Need for Starter Homes

The Open Doors Initiative proposes to increase the number of starter homes, such as condominiums. It envisions residential homeowners dividing their properties into condominiums in Berkeley. Homeowners are granted increased density, with administrative approval, and other fiscal incentives -- provided the homeowner meets certain affordability restrictions and sells to city employees, and first-time homebuyers of moderate income.

Previous generations leveraged the rising housing market to utilize the equity of “starter” homes to allow them to purchase larger homes. This process also gave young families experience of maintaining homes and building community. Today this fundamental act has become more difficult, as the supply of starter homes have drastically dwindled⁵.

Bloomberg reports that starter home inventory has hit its lowest level since Trulia began keeping track in 2012⁶. The supply of starter homes is declining at 17% year-over-year, nearly twice as fast as all homes, and over 3 times faster than larger homes⁷. In July 2017, only 450,000 homes listed below \$200,000 remained in the market, which was about 120,000 fewer than in July 2015 (See id.)

Berkeley is now presented with an historic opportunity to impact the housing crisis by increasing its availability of starter homes. Currently, “[o]ver a third, or 35 percent, of millennials say ‘the down payment’ is their biggest obstacle to buying a home.⁸”

With the Open Doors Initiative, houses that once cost upwards of \$1,000,000 and require a 20% down payment of \$200,000 (and often being sold for cash outright) will now be incentivized to become individual starter homes with drastically reduced costs – four condominiums created from the above converted home would

² <https://www.zillow.com/berkeley-ca/home-values/>

³ <https://www.zillow.com/home-values/>

⁴ <https://www.gobankingrates.com/investing/real-estate/reasons-women-struggling-buy-home/>

⁵ <https://optimise-design.com/bring-back-starter-home/>

⁶ <https://www.bloomberg.com/news/articles/2018-03-21/u-s-starter-homes-are-pricier-smaller-older-and-scarcer>

⁷ https://www.realtor.com/research/housingshortage_starterhomes/

⁸ <https://www.cnbc.com/2018/09/14/the-2-main-reasons-young-people-cant-buy-homes.html>

ideally each cost approximately \$250,000 with a 20% down payment of only \$50,000. Such a change would turn homeownership into an achievable goal for many people, including young families.

“Americans 65 to 74 are now the country’s fastest-growing age group. According to a 2014 AARP survey, 88 percent of older Americans want to remain in place as they age.”⁹ Open Doors Initiative encourages seniors in Berkeley who own large homes to downsize, earn money and while saving their assets.

In summary, we believe that increasing starter homes, will increase accessibility to homeownership for under-represented communities, artists, younger people, first responders, and teachers. This will, in turn:

- a. Reduce the wealth gap between older, predominately white homeowners and underrepresented communities;
- b. Increase diversity of Berkeley neighborhoods;
- c. Support Resiliency and Sustainability by reducing commute times for First Responders and City Employees;
- d. Provide financial benefit to senior homeowners

High Home Prices Place Homeownership Out of Reach for a Majority of City Workers and Berkeley Residence

Berkeley salaries¹⁰ are competitive in the region, but still fall below the threshold required to compete in the current housing market.

Table 2-20: Average Annual Salary by Job Type, Oakland, Fremont, Hayward Metro Area, 1st Quarter 2013

Job Title	Avg. Annual Salary
Health Care	
Physicians and Surgeons, All Other	> \$203,051
Registered Nurses	\$122,458
Physician Assistants	\$107,636
Pharmacy Technicians	\$50,535
Healthcare Support Workers, All Other	\$49,022
Home Health Aides	\$31,802
Higher Education	
Engineering Teachers, Postsecondary	\$111,076
History Teachers, Postsecondary	\$98,592
Social Science Research Assistants	\$54,683
Graduate Teaching Assistants	\$30,028
Local Government	
Urban and Regional Planners	\$85,419
Fire Fighters	\$88,704
Parking Enforcement Workers	\$50,796
Other Office	
Receptionists and Information Clerks	\$35,734
Office and Administrative Support Workers, All Other	\$36,696
Retail and Service	
Waiters and Waitresses	\$22,723
Dishwashers	\$21,372
Retail Salespersons	\$28,825

Source: CA Employment Development Department, Occupational Employment Statistics (OES) Survey Results

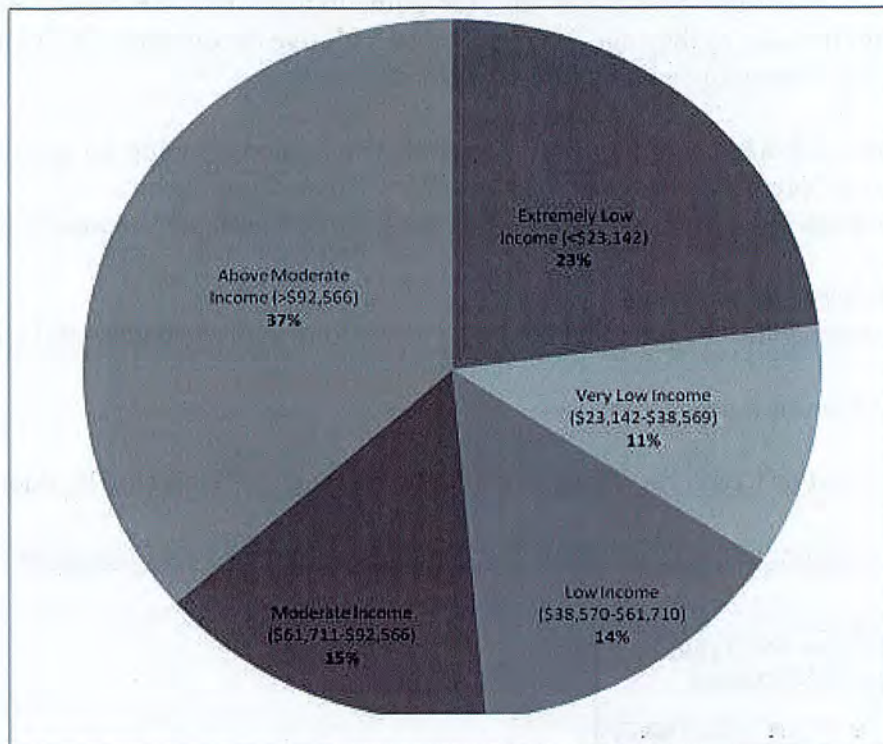
11

⁹ https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_u5_5b27c1f1e4b056b2263c621e

¹⁰ [https://www.cityofberkeley.info/uploadedFiles/Human Resources/Level 3 - General/SalaryListNONBENEFITED.pdf](https://www.cityofberkeley.info/uploadedFiles/Human%20Resources/Level%203%20-%20General/SalaryListNONBENEFITED.pdf)

¹¹ [https://www.cityofberkeley.info/uploadedFiles/Planning and Development/Level 3 - Commissions/Commission for Planning/2015-2023%20Berkeley%20Housing%20Element FINAL.pdf](https://www.cityofberkeley.info/uploadedFiles/Planning%20and%20Development/Level%203%20-%20Commissions/Commission%20for%20Planning/2015-2023%20Berkeley%20Housing%20Element%20FINAL.pdf)

Figure 2-7: Household Income Distribution in Berkeley, ACS 2008-20012 Estimates



Source: ACS 2008-2012 5-year estimates, Table S1901

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Accommodating City Workers Will Benefit Minority Groups, Who Are Disproportionately Unable to Purchase Homes:

To accommodate workers like teachers and first responders in Berkeley, federal housing rules allow us to set aside workforce housing through a deed restriction. For example, in Colorado, the Peak One Neighborhood, Frisco Town Council, and Summit County Combined Housing Authority has adopted a deed restriction¹³ limited sales to municipal workers¹⁴ or work in the County¹⁵. A workforce deed restriction, accompanied by a change in zoning, can ensure that new homes with deed restricted units are only made available to people who have a history of employment in Berkeley/Alameda County and/or meet certain income requirements. Not only would this deed restriction ensure that units are never sold or rented to anyone who earns income outside of the Berkeley/Alameda County, but also it would protect Berkeley's long-term local workers by stabilizing the housing supply for residents. Because Berkeley city workers are disproportionately minorities, accommodating city workers with deed restrictions will benefit Berkeley minorities.

To successfully increase accessibility for these different communities, we have to change the underlying zoning in order to allow developers to convert single-family homes into duplexes, fourplexes, and other forms of housing that could house multiple groups of people. Currently, these types of housing are not allowed to be built

¹² [https://www.cityofberkeley.info/uploadedFiles/Planning and Development/Level 3 - Commissions/Commission for Planning/2015-2023%20Berkeley%20Housing%20Element FINAL.pdf](https://www.cityofberkeley.info/uploadedFiles/Planning%20and%20Development/Level%203%20Commissions/Commission%20for%20Planning/2015-2023%20Berkeley%20Housing%20Element%20FINAL.pdf)

¹³ [https://peakoneneighborhood.com/pdf/Peak One Income Deed Restriction.pdf](https://peakoneneighborhood.com/pdf/Peak%20One%20Income%20Deed%20Restriction.pdf)

¹⁴ [https://peakoneneighborhood.com/pdf/Peak One Non-Income Deed Restriction.pdf](https://peakoneneighborhood.com/pdf/Peak%20One%20Non-Income%20Deed%20Restriction.pdf)

¹⁵ <https://peakoneneighborhood.com/community/locals-price-deed-restriction/>

in the R1 and in a few R2 districts as a result of zoning issues. Thus, we need to address zoning conditions in order to increase accessibility to homeownership for our constituents.

Wealth Gaps Have Resulted from Homeownership Inequalities

The impact of rising housing costs has manifested itself in glaring wealth disparities between homeowners and renters. Roughly half (51.2%) of the total wealth accumulated by the typical American homeowner is derived from the value of their primary residence¹⁶. Owning a home can drastically improve one's net worth. "Since 2013, the average homeowner has seen their net worth rise from \$201,600 to \$231,400. Renters have watched theirs fall from \$5,600 to \$5,000."¹⁷

Due to the increase in housing costs and the resulting inaccessibility to homeownership for many people, fewer people are able to accrue wealth by purchasing a home. These wealth disparities are most prevalent in underrepresented communities. For instance, a significant wealth gap has appeared between white and non-white households. "Recent data from the Survey of Income and Program Participation (2014) shows that black households hold less than seven cents on the dollar compared to white households."¹⁸

"The Institute for Policy Studies recent report *The Road to Zero Wealth: How the Racial Divide is Hollowing Out the America's Middle Class* (RZW) showed that between 1983 and 2013, the wealth of the median black household declined 75 percent (from \$6,800 to \$1,700), and the median Latino household declined 50 percent (from \$4,000 to \$2,000). At the same time, wealth for the median white household increased 14 percent from \$102,000 to \$116,800."¹⁹

This gap shows no sign of slowing, but rather is projected to increase in the coming years. "In fact, by 2020 [...] black and Latino households are projected to lose even more wealth: 18 percent for the former, 12 percent for the latter. After those declines, the median white household will own 86 times more wealth than its black counterpart, and 68 times more wealth than its Latino one." (See id.)

Another wealth disparity that has grown more extreme is between the younger and older generation. "Older people have always had more net worth than younger people, of course, but never like this. Thirty years ago, families headed by someone over 62 had eight times the median wealth of families headed by someone under 40. By 2013, older families had 15 times the wealth of younger families."²⁰

Because homeownership increases one's ability to expand one's net worth, it is the surest on-ramp to addressing these grotesque wealth disparities.

Displacement as a Result of High Home Costs

Historically, Berkeley's redlining policies denied people of color access to its best neighborhoods. Today, though these policies have long been gone, the residual effect of those policies combined with the housing crisis has had the effect of reinforcing similar divides. "The difference between the large homes and winding roads of the predominantly white neighborhoods of the Hills and the Claremont neighborhood, and the modest, mixed-

¹⁶ <https://www.zillow.com/research/black-hispanic-home-wealth-16753/>

¹⁷ https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e

¹⁸ <https://insightcced.org/what-we-get-wrong-about-closing-the-racial-wealth-gap/>

¹⁹ <https://www.forbes.com/sites/brianthompson1/2018/02/18/the-racial-wealth-gap-addressing-americas-most-pressing-epidemic/#25b6eb127a48>

²⁰ https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e

use character of racially diverse South and West Berkeley is indicative of the city's racial and class-based divisions."²¹

Housing costs in the United States have condemned many to a life of poverty, especially African Americans and Hispanics. "Though the number of Americans living in poverty has increased by 41 percent since 2000, the number of "high-poverty census tracts" has increased even faster. By now, 51 percent of blacks and 44 percent of Hispanics live in these areas of concentrated poverty, compared to just 17 percent of whites. According to numerous studies, children who grow up in areas of concentrated poverty are disadvantaged on nearly every measure, from school quality to violence to social mobility."²²

The ever-increasing cost of housing has also forced teachers and first responders to live long distances from their workplaces. For example, San Francisco has seen a teacher shortage, because housing is so costly that the average teacher can only afford .7% of the homes on the market.²³ In addition, despite earning more than \$100,000 in San Francisco and San Jose, first responders can afford just 2.4% and 6.6% of currently listed homes, respectively.²⁴ In the event of a fire or massive tragedy, we need first responders to be able to live in Berkeley.

A closer look at the makeup of first-time buyers reveals a disturbingly large gap between white and non-white purchasers. The breakdown is as follows: 79% were white, 9% Hispanic, 8% Asian Pacific Islander, 7% African American, and 3% other²⁵.

This racial divide is not just present in first-time buyers. Zillow reports that "[i]n 1900, the gap in the homeownership rate between black and white households was 27.6 percentage points. It's now 30.3 percentage points.²⁶" Additionally, according to the same report, "the difference between white and Hispanic homeownership rates has more than tripled", from 7.9 percentage points in 1900 to 25.7 percentage points in 2016. (See id.) "It's the widest gap among whites, blacks, Hispanics and Asians." (See id.)

It is likely that the racial and gender wage gaps present in the United States have directly affected homeownership rates. When getting approved for a mortgage, a borrower's income is an important factor when lenders assess his or her reliability, which puts borrowers with less income at a severe disadvantage.

In 2016, Pew Research found that African American men earned 73% of what white men earned, and Hispanic men earned approximately 69%²⁷. White women earn approximately 82% of white men, Asian women earn 87%, African American women earn 65%, and Hispanic women earned only 58%. (See id.)

The New York Times's study of first-time buyers reflects the effect of the gender wage gap; while the median home price for a single male was \$157,000, the median price for a single female was \$146,300²⁸.

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Another group adversely affected by the rising housing costs is young people, who are increasingly unable to afford homes. “Though every age bracket contains significant inequalities, Americans over 65 are the only cohort with higher homeownership rates now than in 1987. Homeownership for every other age group has fallen significantly”²⁹

Many young people continue to be hindered by their student loans, preventing them from purchasing a home. “Paying college loans is a big burden for homebuyers. It’s harder to save for a down payment and can make qualifying for a mortgage more difficult. It can also delay a purchase as people pay down their debt.”³⁰

A recent study has also revealed that people in the LGBTQ+ community face unique challenges when buying a home. In April 2018, a survey by Freddie Mac among 2,313 LGBT community members (aged 22 to 72) living in the United States found that “49 percent of LGBT households are likely to own a home - considerably lower than the current national rate (64.3 percent).”³¹ The study showed that when deciding where to live, LGBT renters cited price, safety and a LGBT-friendly location as the most important factors. (See id.)

Berkeley prides itself on accepting people from all walks of life. However, unless a conscious effort is made to increase accessibility of homeownership, underrepresented communities will continue to be denied access to the same benefits enjoyed by current, often very wealthy, homeowners. "Homeownership has become an indispensable part of being a full participant in American society," National Urban League President and CEO Marc H. Morial said. “An erosion of homeownership rates among African Americans represents not only a devastating financial loss but a barrier to full participation in the American dream.”³²

Funding

In addition to private lenders and federal and state homeownership programs, potential funding sources include Measure A1 Homeowner Development Funds and Qualified Opportunity Zones.

In 2016, Alameda County passed Measure A1, which issued \$580 million in bonds to acquire and improve real property to help poor and middle-class people buy homes.³³ The Open Doors Initiative proposes to use these A1 Homeowner Development Funds for low income first-time home buyers.

Additionally, the Initiative proposes to explore the use of Qualified Opportunity Zone funds to aid in financing³⁴ construction costs³⁵. Qualified Opportunity Zone funds were established in the Tax Cuts and Jobs Act of 2017 with the purpose of improving Qualified Opportunity Zones.³⁶ Investors with capital gains can defer taxes on those gains if they invest within Qualified Opportunity Zones.³⁷

²⁹ https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e

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³¹ <https://freddiemac.gcs-web.com/news-releases/news-release-details/new-research-finds-lgbt-homeownership-rates-lag-behind-general>

³² <https://newsroom.wf.com/press-release/consumer-lending/wells-fargo-commits-increase-african-american-homeownership>

³³ [https://ballotpedia.org/Alameda_County,_California,_Affordable_Housing_Bond_Issue,_Measure_A1_\(November_2016\)](https://ballotpedia.org/Alameda_County,_California,_Affordable_Housing_Bond_Issue,_Measure_A1_(November_2016))

³⁴ www.verbhouse.com

³⁵ www.divvyhomes.com

³⁶ <https://www.wellsfargo.com/the-private-bank/insights/planning/wpu-qualified-opportunity-zones/>

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These Qualified Opportunity Zone funds should be used towards the construction costs related to the creation of starter homes. This will ease the financial burden of seniors seeking to downsize their homes and promote the construction of new starter homes in Berkeley.

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, LAWS

Currently Berkeley has a number of units zoned as R1 and R1A, Single Family Residential. The Open Doors Initiative will allow homeowners in an R1 and R1A zone to apply for administrative approval to convert their single family home into a multi-family unit, provided they meet affordability restrictions and agree to sell to moderate income persons and/or city workers including, first responders, firefighters, and other public employees.

The Open Doors Initiative will also require deed restrictions in units that are converted from R1 and R1A to multi-family condos to sell to city workers that meet income requirements, ensuring that the “Missing Middle” of income earners with the city of Berkeley have access to home ownership.

Low-income homeowners face challenges affording and maintaining their homes in Berkeley, many long-time homeowners were able to purchase their homes when values were much lower. Even though redlining and discrimination by financial institutions greatly limited access to capital for African Americans in particular, many were still able to become homeowners in South and West Berkeley.

The Open Doors Initiative would benefit these homeowners by providing a means financial stability. However, in order to realize these benefits, homeowners would be required to make substantial home improvements. The current cost in Berkeley for home improvements is \$400-500 per square foot.

Such prices will likely require the homeowner to receive commercial home improvement loans. This is problematic because, many homeowners of color still face barriers and discrimination in accessing commercial home improvement loans.

This practice of discrimination by lenders can result in homes falling into disrepair. Coupled with aggressive code enforcement has led to some community members losing their homes to receivership and the courts.

For these reasons, the Open Doors Initiative will include not only regulatory changes, but financial and informational programs to ensure low-income homeowners are able to participate and benefit from this program. The Open Doors Initiative helps low-income homeowners realize some of the equity locked up in their home, invest in maintenance and improvements, and provide affordable homeownership opportunities for others in the community. Thus, the program meets the city's goals of stabilizing communities that are facing displacement while adding to the affordable homeownership stock.

ACTIONS/ALTERNATIVES CONSIDERED

That the City Council adopt The Open Doors Initiative to assist the creation of affordable starter homes and empower city employees and first-time home buyers. The Open Doors Initiative will allow homeowners in R1 and R1A zones to apply to renovate their properties to become multi-family condominiums, while providing incentives for doing so. To qualify for zoning approval, families must agree to deed restrictions which prohibit them from selling the newly-created condominiums to anyone who is not an employee with the city of Berkeley or does not meet income requirements. These deed restrictions are meant to provide a path to home ownership for persons within the missing middle and workers with the city of Berkeley who could otherwise not afford to own a home in the city they serve.

RATIONALE FOR RECOMMENDATION

As noted above, the homeownership has become increasingly more difficult. By financially incentivizing R1 homeowners to convert to multi-family condominiums, the city of Berkeley will offer a path to older homeowners seeking to downsize to leverage their equity while providing Berkeley city workers with a supply of affordable condominiums. Over time, as the housing market rises, Berkeley city workers and moderate income persons who own these condominiums will be able to leverage the equity themselves when taking out loans, or sell the condominiums to other Berkeley city workers and moderate income persons.

IMPLEMENTATION, ADMINISTRATION AND ENFORCEMENT

To be determined.

FISCAL IMPACTS OF RECOMMENDATION

To be determined by an impact study.

ENVIRONMENTAL SUSTAINABILITY

Duplexing single family homes promotes environmentally sounded infill housing development. In addition, the Open Doors Initiative does not require the creation of additional parking spaces.

OUTCOMES AND EVALUATION

To be determined.

CONTACT PERSON

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<u>Katie Ly</u>	<u>katiely22@berkeley.edu</u>
Matthew Napoli	<u>napoli.matthew@gmail.com</u>

Attachment:

- 1) **City of Berkeley Employee Salaries:**
[https://www.cityofberkeley.info/uploadedFiles/Human_Resources/Level_3 -
_General/SalaryListNONBENEFITED.pdf](https://www.cityofberkeley.info/uploadedFiles/Human_Resources/Level_3_-_General/SalaryListNONBENEFITED.pdf)



Councilmember Ben Bartlett

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2180 Milvia Street, 5th Floor
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PHONE 510-981-7130

EMAIL: bbartlett@cityofberkeley.info

To: Honorable Mayor and Members of the City Council
From: Councilmembers Ben Bartlett and Rigel Robinson, and Mayor Jesse Arreguin
Subject: Open Doors Initiative

Short Term Referral to Planning Commission

RECOMMENDATION

That the City Council direct the Planning Commission to design a regulatory mechanism (Open Doors Initiative) to incentivize the creation of affordable starter homes for Berkeley city employees and persons of moderate income. The Open Doors Initiative is intended to provide assistance to homeowners in R1 and R1A zones to renovate their properties and become multi-family condominiums. To qualify for zoning approval, families must agree to deed restrictions which limit the sale of the newly-created condominiums to Employees of the City of Berkeley and/or first time moderate income first time home buyers -- the 'Missing Middle'..

Increasing the supply of one bedroom and studio condominiums also allow community members, previously shut out of the middle class, the opportunity to own a home while simultaneously enabling older homeowners to downsize and efficiently utilize their equity. The deed restrictions provide a path to homeownership for moderate income persons; first responders to be on hand in the event of a crisis; and for workers to avoid long commutes by owning homes in the city they serve.

The Open Doors Initiative serves the policy goals of economic inclusion, community resilience, and environmental sustainability.

CURRENT SITUATION

Ever-Increasing Housing Costs Have Drastically Reduced First-Time Home Buyers

Housing ownership is a human right. The Open Doors Initiative is meant to increase home ownership opportunities for first-time home buyers among the 'missing middle' (people earning 80-120% AMI) who are increasingly shut out of the market.

Housing is now prohibitively expensive. The nation has seen a steep decline of first-time home buyers. In 2010, first-time buyers purchased roughly half of the homes sold nationally; in 2016, only 35% went to first-time buyers¹.

¹ <https://www.nytimes.com/2017/04/21/realestate/first-time-home-buyers-statistics.html>

While the number of first-time home buyers has steadily decreased, the cost of homes has simultaneously increased. Zillow reports that the median home value in Berkeley is \$1,231,400 and predicts that Berkeley home values will rise 5.9% within the next year.² In comparison, the median home value in the United States is \$222,800³ - just 18% of the median home value in Berkeley.

Many would-be home buyers are finding that they cannot afford to do so. In fact, a recent Credit Sesame survey of more than 1,000 renters found that roughly half of renters only rent a home because they can't afford to own.⁴

BACKGROUND

The Need for Starter Homes

The Open Doors Initiative proposes to increase the number of starter homes, such as condominiums. It envisions residential homeowners dividing their properties into condominiums in Berkeley. Homeowners are granted increased density, with administrative approval, and other fiscal incentives -- provided the homeowner meets certain affordability restrictions and sells to city employees, and first-time homebuyers of moderate income.

Previous generations leveraged the rising housing market to utilize the equity of “starter” homes to allow them to purchase larger homes. This process also gave young families experience of maintaining homes and building community. Today this fundamental act has become more difficult, as the supply of starter homes have drastically dwindled⁵.

Bloomberg reports that starter home inventory has hit its lowest level since Trulia began keeping track in 2012⁶. The supply of starter homes is declining at 17% year-over-year, nearly twice as fast as all homes, and over 3 times faster than larger homes⁷. In July 2017, only 450,000 homes listed below \$200,000 remained in the market, which was about 120,000 fewer than in July 2015 (See id.)

Berkeley is now presented with an historic opportunity to impact the housing crisis by increasing its availability of starter homes. Currently, “[o]ver a third, or 35 percent, of millennials say ‘the down payment’ is their biggest obstacle to buying a home.”⁸

With the Open Doors Initiative, houses that once cost upwards of \$1,000,000 and require a 20% down payment of \$200,000 (and often being sold for cash outright) will now be incentivized to

² <https://www.zillow.com/berkeley-ca/home-values/>

³ <https://www.zillow.com/home-values/>

⁴ <https://www.gobankingrates.com/investing/real-estate/reasons-women-struggling-buy-home/>

⁵ <https://optimise-design.com/bring-back-starter-home/>

⁶ <https://www.bloomberg.com/news/articles/2018-03-21/u-s-starter-homes-are-pricier-smaller-older-and-scarcer>

⁷ https://www.realtor.com/research/housingshortage_starterhomes/

⁸ <https://www.cnbc.com/2018/09/14/the-2-main-reasons-young-people-cant-buy-homes.html>

become individual starter homes with drastically reduced costs – four condominiums created from the above converted home would ideally each cost approximately \$250,000 with a 20% down payment of only \$50,000. Such a change would turn homeownership into an achievable goal for many people, including young families.

“Americans 65 to 74 are now the country’s fastest-growing age group. According to a 2014 AARP survey, 88 percent of older Americans want to remain in place as they age.”⁹ Open Doors Initiative encourages seniors in Berkeley who own large homes to downsize, earn money and while saving their assets.

In summary, we believe that increasing starter homes, will increase accessibility to homeownership for under-represented communities, artists, younger people, first responders, and teachers. This will, in turn:

- a. Reduce the wealth gap between older, predominately white homeowners and underrepresented communities;
- b. Increase diversity of Berkeley neighborhoods;
- c. Support Resiliency and Sustainability by reducing commute times for First Responders and City Employees;
- d. Provide financial benefit to senior homeowners

Accommodating City Workers Will Benefit Minority Groups, Who Are Disproportionately Unable to Purchase Homes.

To accommodate workers like teachers and first responders in Berkeley, federal housing rules allow us to set aside workforce housing through a deed restriction. A workforce deed restriction, accompanied by a change in zoning, can ensure that new homes with deed restricted units are only made available to people who have a history of employment in Berkeley/Alameda County and/or meet certain income requirements. Not only would this deed restriction ensure that units are never sold or rented to anyone who earns income outside of the Berkeley/Alameda County, but also it would protect Berkeley’s long-term local workers by stabilizing the housing supply for residents. Because Berkeley city workers are disproportionately minorities, accommodating city workers with deed restrictions will benefit Berkeley minorities.

To successfully increase accessibility for these different communities, we have to change the underlying zoning in order to allow developers to convert single-family homes into duplexes, fourplexes, and other forms of housing that could house multiple groups of people. Currently, these types of housing are not allowed to be built in the R1 and in a few R2 districts as a result of zoning issues. Thus, we need to address zoning conditions in order to increase accessibility to homeownership for our constituents.

Wealth Gaps Have Resulted from Homeownership Inequalities

⁹ https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e

The impact of rising housing costs has manifested itself in glaring wealth disparities between homeowners and renters. Roughly half (51.2%) of the total wealth accumulated by the typical American homeowner is derived from the value of their primary residence¹⁰. Owning a home can drastically improve one's net worth. "Since 2013, the average homeowner has seen their net worth rise from \$201,600 to \$231,400. Renters have watched theirs fall from \$5,600 to \$5,000."¹¹

Due to the increase in housing costs and the resulting inaccessibility to homeownership for many people, fewer people are able to accrue wealth by purchasing a home. These wealth disparities are most prevalent in underrepresented communities. For instance, a significant wealth gap has appeared between white and non-white households. "Recent data from the Survey of Income and Program Participation (2014) shows that black households hold less than seven cents on the dollar compared to white households."¹²

"The Institute for Policy Studies recent report *The Road to Zero Wealth: How the Racial Divide is Hollowing Out the America's Middle Class* (RZW) showed that between 1983 and 2013, the wealth of the median black household declined 75 percent (from \$6,800 to \$1,700), and the median Latino household declined 50 percent (from \$4,000 to \$2,000). At the same time, wealth for the median white household increased 14 percent from \$102,000 to \$116,800."¹³

This gap shows no sign of slowing, but rather is projected to increase in the coming years. "In fact, by 2020 [...] black and Latino households are projected to lose even more wealth: 18 percent for the former, 12 percent for the latter. After those declines, the median white household will own 86 times more wealth than its black counterpart, and 68 times more wealth than its Latino one." (See id.)

Another wealth disparity that has grown more extreme is between the younger and older generation. "Older people have always had more net worth than younger people, of course, but never like this. Thirty years ago, families headed by someone over 62 had eight times the median wealth of families headed by someone under 40. By 2013, older families had 15 times the wealth of younger families."¹⁴

Because homeownership increases one's ability to expand one's net worth, it is the surest on-ramp to addressing these grotesque wealth disparities.

Displacement as a Result of High Home Costs

¹⁰ <https://www.zillow.com/research/black-hispanic-home-wealth-16753/>

¹¹ https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e

¹² <https://insightcced.org/what-we-get-wrong-about-closing-the-racial-wealth-gap/>

¹³ <https://www.forbes.com/sites/brianthompson1/2018/02/18/the-racial-wealth-gap-addressing-americas-most-pressing-epidemic/#25b6eb127a48>

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Historically, Berkeley's redlining policies denied people of color access to its best neighborhoods. Today, though these policies have long been gone, the residual effect of those policies combined with the housing crisis has had the effect of reinforcing similar divides. "The difference between the large homes and winding roads of the predominantly white neighborhoods of the Hills and the Claremont neighborhood, and the modest, mixed-use character of racially diverse South and West Berkeley is indicative of the city's racial and class-based divisions."¹⁵

Housing costs in the United States have condemned many to a life of poverty, especially African Americans and Hispanics. "Though the number of Americans living in poverty has increased by 41 percent since 2000, the number of "high-poverty census tracts" has increased even faster. By now, 51 percent of blacks and 44 percent of Hispanics live in these areas of concentrated poverty, compared to just 17 percent of whites. According to numerous studies, children who grow up in areas of concentrated poverty are disadvantaged on nearly every measure, from school quality to violence to social mobility."¹⁶

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This racial divide is not just present in first-time buyers. Zillow reports that "[i]n 1900, the gap in the homeownership rate between black and white households was 27.6 percentage points. It's now 30.3 percentage points."²⁰ Additionally, according to the same report, "the difference between white and Hispanic homeownership rates has more than tripled", from 7.9 percentage points in 1900 to 25.7 percentage points in 2016. (See id.) "It's the widest gap among whites, blacks, Hispanics and Asians." (See id.)

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These Qualified Opportunity Zone funds should be used towards the construction costs related to the creation of starter homes. This will ease the financial burden of seniors seeking to downsize their homes and promote the construction of new starter homes in Berkeley.

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, LAWS

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ACTIONS/ALTERNATIVES CONSIDERED

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RATIONALE FOR RECOMMENDATION

As noted above, the homeownership has become increasingly more difficult. By financially incentivizing R1 homeowners to convert to multi-family condominiums, the city of Berkeley will offer a path to older homeowners seeking to downsize to leverage their equity while providing Berkeley city workers with a supply of affordable condominiums. Over time, as the housing market rises, Berkeley city workers and moderate income persons who own these condominiums will be able to leverage the equity themselves when taking out loans, or sell the condominiums to other Berkeley city workers and moderate income persons.

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FISCAL IMPACTS OF RECOMMENDATION

To be determined by an impact study.

ENVIRONMENTAL SUSTAINABILITY

Duplexing single family homes promotes environmentally sounded infill housing development. In addition, the Open Doors Initiative does not require the creation of additional parking spaces.

OUTCOMES AND EVALUATION

To be determined.

CONTACT PERSON

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Councilmember Ben Bartlett

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CONSENT CALENDAR

To: Honorable Mayor and Members of the City Council
 From: Councilmember Ben Bartlett
 Subject: **Berkeley Qualified Opportunity Fund**

TITLE/ Subject

Creation of a Municipal Qualified Opportunity Fund to invest in Berkeley's Qualified Opportunity Zones

RECOMMENDATION

Short Term Referral to Planning Commission
 City Manager
 City Economic Development Officer
 Housing Advisory Commission
 Office of Economic Development

That the City Council create a municipal Qualified Opportunity Fund to invest in Qualified Opportunity Zones to stimulate economic growth and develop more affordable housing in Berkeley. The Opportunity Fund and related development of Opportunity Zones will serve the goals of shared economic development, more affordable housing, and economic inclusion by incentivizing investors to direct capital gains toward economically vulnerable neighborhoods in Berkeley while allowing the city to stipulate conditions on the structures built and jobs created.

Qualified Opportunity Funds give investors the opportunity to delay capital gains taxes by investing in property sited in Qualified Opportunity Zones. After holding the investment for five years investors can exclude 10% of the deferred gain, After seven years investors can exclude 15% of the deferred gain, and after ten years 100% of the post-acquisition gain. and after ten years investors can exclude from income the post-acquisition gain.¹.

Creating a Municipal Qualified Opportunity Fund will give the City of Berkeley a means of enhancing the existing Opportunity Zone Legislation. A Berkeley Opportunity Fund enables the City to compete with market driven investment by offering alternative models of community-centric, equitable investment in neighborhoods. A Berkeley QOF would feature:

- 1) Enhanced affordability requirements
- 2) Growth in good jobs and business opportunities for historically disadvantaged groups

CURRENT SITUATION

Specific areas of Berkeley have been selected by the State of California and certified by the U.S. Treasury Department as Qualified Opportunity Zones. The State of California selected these zones

¹ <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>

in economically-distressed areas. Provided investors meet certain requirements, they can defer capital gains taxes and eventually the tax on value appreciation when investing in these zones.

BACKGROUND

The Tax Cuts and Jobs Act created a vehicle for individuals to invest in their communities while realizing tax savings. When an individual sells an investment which generates capital gains, that person can invest any portion of those gains into a Qualified Opportunity Fund within 180 days. The deferred capital gains will be taxed on the date the investment in the Qualified Opportunity Fund is sold, or on December 31, 2026, whichever comes first. Qualified Opportunity Funds must invest, either directly or indirectly, in distressed communities designated as Qualified Opportunity Zones by the IRS². Such zones in Berkeley that have been designated by the California Department of Finance as qualified Opportunity Zones include the Alameda County tract numbers 4232, 4235, 4239.01, and 4525. These areas include several blocks surrounding Shattuck Avenue from University Avenue to Ashby Avenue, several streets surrounding Adeline Street until 52nd Street (often referred to as the “Adeline Corridor”), and a rectangular shape of land bordering University Avenue north and San Pablo Avenue to the east and terminating at Dwight Way³.

Qualified Opportunity Funds can be invested into specific Qualified Opportunity Zones which have been selected by the Internal Revenue Service and state governments across the United States. Qualified Opportunity Zones are eligible investments for Qualified Opportunity Funds anywhere within the state they exist, and from other parts of the U.S. By establishing a municipal Qualified Opportunity Fund, the city of Berkeley will take a proactive approach to its development and be able to tailor that development to meet the specific needs of current Berkeley residents.

Investors can defer capital gains which are invested into Qualified Opportunity Funds. Moreover, investments in Qualified Opportunity Funds held longer than 5 years allow taxpayers to exclude 10% of the deferred gain, those held longer than 7 years allow taxpayers to exclude a total of 15% of the deferred gain, and those held longer than 10 years allow the taxpayer to exclude the post-acquisition gain on the investment in the Funds.

These new Qualified Opportunity Funds are not without critiques, however. As structures in the Qualified Opportunity Zones become replaced or refurbished and the neighborhood itself becomes more appealing, there is a risk that housing prices will rise, driving out the existing low-income residents and people of color in Berkeley. Furthermore, locally-owned small businesses could face increased competition from large franchises and may also be unable to meet rising rental costs from the developing Qualified Opportunity Zones. New locations of existing franchised businesses may bring new jobs, but those jobs may not pay a living wage or benefits that allow Berkeley workers to support themselves. In short, the city of Berkeley must also leverage the creation of the Qualified Opportunity Fund to ensure that current Berkeley residents living in Qualified Opportunity Zones are able to benefit from the revitalized and new buildings.

The City of Berkeley should consider the following policies in the creation of a Qualified Opportunity Fund to protect current Berkeley residents from adverse effects of the expected development:

- 1) Leverage tax incentives to ensure jobs created in Qualified Opportunity Zones go to local residents, pay a liveable wage, and offer worker protections and benefits that protect families

² <https://www.congress.gov/bill/115th-congress/house-bill/1>

³ <https://opzones.ca.gov/oz-map/>

- 2) Ensure historically disadvantaged businesses have access to contracting opportunities in Qualified Opportunity Zones
- 3) Require 50% of housing built in Qualified Opportunity Zones to be affordable to those making less than median area income to support local inhabitants already living in Qualified Opportunity Zones
- 4) Ensure that populations in Qualified Opportunity Zones have access to critical services such as healthcare, transportation, healthy food, and quality education services
- 5) Take steps to include historically underrepresented groups in every aspect of the QOZ process including investment, construction, operation, and purchase.

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, LAWS

Qualified Opportunity Funds and Zones were created as part of the Tax Cuts and Jobs Act of 2017.

ACTIONS/ALTERNATIVES CONSIDERED

Because Qualified Opportunity Funds and Zones are new, there are other jurisdictions to draw from as an example.

CONSULTATION/OUTREACH OVERVIEW AND RESULTS

External stakeholders include residents and businesses in the Qualified Opportunity Zones, their neighbors, potential investors, and contractors. Internal stakeholders include the Berkeley City Office of Economic Development, City Manager, City Planner, and Zoning Advisory Board.

RATIONALE FOR RECOMMENDATION

Qualified Opportunity Funds can exist independently of a municipal Fund set up by the city of Berkeley. It is legal, however, for the city to set up its own Qualified Opportunity Fund to compete with other Funds to invest in Qualified Opportunity Zones. If the city sets up its own Fund it can direct investments in a deliberate manner, using its municipal Qualified Opportunity Fund to set de facto housing and planning policy through which properties it invests in and how it chooses to renovate those properties. Creating a municipal Qualified Opportunity Fund will give the city of Berkeley greater influence over how investments into its neighborhoods are directed, and how those neighborhoods develop. This is an avenue through which the goals of economic inclusion, affordable housing, and continued neighborhood authenticity and character can be achieved.

Investors can and will create Qualified Opportunity Funds to invest in Berkeley's Qualified Opportunity Zones independent of a municipal Qualified Opportunity Fund. The purpose of creating a municipal Qualified Opportunity Fund is to allow the city of Berkeley to centralize and focus investments into the city, leveraging those investments to ensure current Berkeley residents realize the benefits of Qualified Opportunity Zones. The San Francisco Bay Area has a large community of impact investors, those desiring their investments to benefit communities, and a municipal Qualified Opportunity Fund will serve as a vehicle to centralize and direct these investments.

IMPLEMENTATION, ADMINISTRATION AND ENFORCEMENT

The City of Berkeley would create a Qualified Opportunity Fund to serve as a "bucket" for funds to invest in Qualified Opportunity Zones designated by the State of California and certified by the U.S. Treasury Department.

ENVIRONMENTAL SUSTAINABILITY

Creating a municipal Qualified Opportunity Fund will allow the city of Berkeley more influence in how Qualified Opportunity Zones are developed. Though new construction and renovation can offer environmental risks and hazards, the City can use Qualified Opportunity Funds to set specific terms for development, such as requiring buildings be carbon neutral. Thus, establishing a Qualified Opportunity Fund could yield a positive environmental effect relative to allowing purely independent Qualified Opportunity Funds to develop the same areas of Berkeley.

FISCAL IMPACTS

The potential revenue capture for the city of Berkeley is difficult to calculate, but increased property taxes, sales tax revenue, and other forms of revenue for the city are extremely likely outcomes. As Qualified Opportunity Zones are refurbished or developed and new housing and shopping is created, the city of Berkeley will benefit from the economic stimulation created by development.

OUTCOMES AND EVALUATION

To be determined by an impact study.

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ATTACHMENTS/SUPPORTING MATERIALS



CITY COUNCILMEMBER
RIGEL ROBINSON
 DISTRICT 7

07

ACTION CALENDAR
 April 2, 2019

To: Honorable Mayor and Members of the City Council
 From: Councilmember Rigel Robinson
 Subject: Referral: Fee on New Non-Residential Development to Contribute to the Revolving Loan Fund

RECOMMENDATION

Refer to the City Manager to develop a new fee on non-residential development to contribute to the City of Berkeley's Revolving Loan Fund (RLF) for small business financing.

BACKGROUND

Small businesses play a critical part in Berkeley's identity, community, and economy. In the City's Economic Development Worksession on Small Business Support, the Office of Economic Development (OED) found that Berkeley is comprised of 5,000 small businesses.¹ These small businesses are diverse by sector, type, and ownership demographics and contribute to the substantial overall fiscal impact of businesses to the City of Berkeley. 25% of the City's general fund revenues are generated by business-related taxes.

The OED's Revolving Loan Fund (RLF) offers loans directly to businesses with interest rates and terms that are below market. Small businesses can take advantage of the RLF monies to fund fixed assets, equipment, working capital, and real estate.²

In order to encourage and support local small businesses, we must continue to provide low-interest loans by expanding and strengthening the RLF. Levying a new fee on non-residential development would provide support for small businesses and nonprofits impacted by these construction and development projects.

Cities such as Toronto and Seattle have acknowledged the direct impact of construction on nearby local businesses and as a result considered financial assistance.^{3 4} In the presence of construction, vehicle, bus, and foot traffic can plummet. This makes it difficult for a family-owned business to sustain itself during this time. While grants or tax

¹ https://www.cityofberkeley.info/Clerk/City_Council/2018/01_Jan/Documents/2017-01-16_WS_Item_01_Economic_Development_Worksession.aspx

² https://www.cityofberkeley.info/Clerk/City_Council/2019/02_Feb/Documents/2019-02-05_WS_Item_02_Referral_Response_Small_Business_pdf.aspx

³ <https://www.toronto.ca/legdocs/2000/agendas/council/cc/cc000509/wks8rpt/cl002.pdf>

⁴ <https://nextcity.org/daily/entry/seattle-complete-streets-project-small-business-impact>

reliefs for affected businesses are prohibited, expanding the RLF would be a measure in support of small businesses.

New commercial developments with established retailers can also contribute to gentrification, pushing out potential local businesses. In addition, some retailers also mentioned the competition posed by bigger stores or chains with greater economies of scale.⁵ The RLF supports small businesses to navigate these challenges.

Construction costs in Berkeley continue to rise by the day. In drafting their recommendation, staff should consider the impact of the potential fee on project viability, especially as it relates to mixed use developments which include both residential and non-residential uses.

FINANCIAL IMPLICATIONS

Potential revenue increases to the RLF from higher fees on non-residential development.

ENVIRONMENTAL SUSTAINABILITY

None.

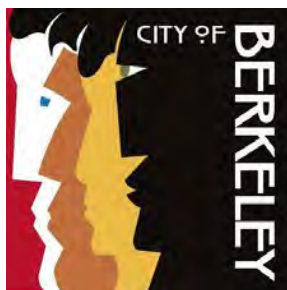
CONTACT PERSON

Councilmember Rigel Robinson, (510) 981-7170
David Lin, Intern

Attachments:

- 1: City Council Report - Economic Development Worksession: Small Business Report (https://www.cityofberkeley.info/Clerk/City_Council/2018/01_Jan/Documents/2017-01-16_WS_Item_01_Economic_Development_Worksession.aspx)
- 2: City Council Report - Referral Response: Small Business Support (https://www.cityofberkeley.info/Clerk/City_Council/2019/02_Feb/Documents/2019-02-05_WS_Item_02_Referral_Response_Small_Business_pdf.aspx)
- 3: City of Toronto - Construction Effects on Small Businesses (<https://www.toronto.ca/legdocs/2000/agendas/council/cc/cc000509/wks8rpt/cl002.pdf>)

⁵ https://www.cityofberkeley.info/Clerk/City_Council/2018/01_Jan/Documents/2017-01-16_WS_Item_01_Economic_Development_Worksession.aspx



Councilmember Ben Bartlett

08

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CONSENT CALENDAR

April 23rd, 2019

To: Honorable Mayor and Members of the City Council
 From: Councilmember Ben Bartlett and Mayor Jesse Arreguin
 Subject: Local Construction Workforce Development Policy

RECOMMENDATION:

Policy Recommendation:

That the City Council refer to the Planning Commission to address the shortage of qualified local construction workers; worker retention, and elevated labor costs through the creation of a construction workforce development policy. This local workforce development policy will encourage housing and nonresidential development applicants to require contractors to utilize apprentices from state-approved, joint labor-management training programs, and to offer employees employer-paid health insurance plans. The policy will help stabilize regional construction markets; and enhance productivity of the construction workforce Berkeley needs to meet its General Plan's build-out goals.

Program:

The City should require contractor prequalification for General Plan Area projects of 30,000 square feet or more.

Apprenticeship:

Each general contractor and subcontractor (at every tier for the project) will sign a statement stipulating that it participates in a Joint Apprenticeship Program approved by the State of California, Division of Apprenticeship Standards. For each apprenticeable craft a contractor or subcontractor employs on its workforce, the contractor will maintain the ratio of apprentices as required by California Labor Code section 1777.5 which apprentices are enrolled and participating in a Joint Apprenticeship Program approved by the State of California, Division of Apprenticeship Standards.

Health Care Coverage

Each general contractor or subcontractor (at every tier for the project) will sign a statement stipulating to and providing documented proof that the contractor pays at least 75 percent of the cost of the premiums for health insurance at the silver level (as set forth by Covered California) for all its construction craft employees and the employees' dependents and that this coverage has been maintained for 180 consecutive days prior to the submission of the pre-qualification documents (a copy of the Declaration of Insurance Coverage showing the dates of continuous coverage or proof that the Contractor contributes to an Employee Benefit Plan shall qualify) OR documentary proof that such medical coverage has been offered to employees within

180 days prior to the submission of pre-qualification documents. Any change in coverage must be immediately provided to the City of Berkeley.

CURRENT SITUATION:

As the City of Berkeley plans to increase production of housing, commercial buildings, and public facilities, the need for a skilled construction workforce is vital. Shortages of skilled construction workers, particularly residential trades workers, threaten to delay or derail development plans.

The shortages are attributable to factors such as reduced utilization of state-approved apprenticeships, fewer young labor force entrants, dwindling contractor offerings of health and retirement plans, and the related trend of lagging construction productivity growth. These realities have been affecting the land use goals of local jurisdictions. For instance, in San Francisco, many entitled projects with thousands of units awaiting construction are stalled due to skilled labor shortages, diminished contractor productivity, and construction costs that spiked.

The creation and utilization of apprenticeship acts to both recruit and retain an adequate base of construction workers and to be a pipeline for future supervisors and licensed independent contractors. Requiring contractors on major projects in Berkeley to employ apprentices results in a higher volume of apprentice training, and thus, an increase in the construction labor force.

BACKGROUND:

In the 1960s, the introduction of a requirement to employ apprentices on public works projects dramatically increased the amount of apprentice training. Later, this allowed for higher amounts of apprentices to be employed in the private sector, helping builders produce over 4.1 million housing units between 1970 and 1989.

More than 96 percent of the 21,000 apprentices in the greater San Francisco Bay Area who were active or completed their state-approved programs between 2013 and 2018 were affiliated with joint apprenticeship programs.

According to the State of California's 2014 Affordable Housing Cost Study and Economic Census data specific to California's construction industry, construction labor wages and benefits account for only 15% of total project costs. Meanwhile, since 1992 the industry's basis for profitability has increased 50% more than either construction labor or materials.

Despite this increase in profitability, there is still a disconnect between construction workers to apprenticeship and health insurance plans, resulting in a shrinking supply of labor. This has constrained the construction industry's ability to expand in response to the rising construction needs of California and its many cities.

Thus, it is in the City of Berkeley's economic interest as a land use regulator to support a pipeline of skilled workers to accomplish the construction objectives and policies of

the Berkeley General Plan. More specifically, the policy will promote the following Plan's goals:

- 1) Ensure that Berkeley has an adequate supply of decent housing, living wage jobs, and businesses providing basic goods and services.
- 2) New housing should be developed to expand housing opportunities in Berkeley to meet the needs of all income groups.

To increase the prospects for successful implementation and build-out goals of the Plan, it is advised that the City adopt the aforementioned local construction workforce development policy.

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, AND LAWS

Over 96 percent of the nearly 21,000 apprentices from the greater San Francisco Bay Area who were active or completed their state-approved programs between 2013 and 2018 were affiliated with joint apprenticeship programs.

OUTREACH OVERVIEW AND RESULTS

Counsel and recommendations were received from the Building and Construction Trades Council of Alameda County.

RATIONALE FOR RECOMMENDATION

The City of Berkeley, along with numerous neighboring cities, school districts, special districts and the state of California plans to increase production of housing, commercial buildings, and/or public facilities. Shortages of skilled construction workers, however, will likely prevent many cities from achieving these goals. Thus, it is vital for the City to enact this policy in order to increase the construction labor supply to adequate levels for Berkeley's goals.

IMPLEMENTATION, ADMINISTRATION AND ENFORCEMENT

The Planning Commission will create the policy on local construction workforce development which will be enforced by the City.

FISCAL IMPACTS OF RECOMMENDATION

Costs associated with administering the prequalification compliance documentation.

ENVIRONMENTAL SUSTAINABILITY No negative impact.

OUTCOMES AND EVALUATION

It is expected that the City Council will refer to the Planning Commission to create a policy requiring contractors to utilize apprentices from state-approved, joint labor-management training programs, and to offer employees employer-paid health insurance plans.

CONTACT PERSON

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James Chang

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Susan Wengraf
Councilmember District 6

CONSENT CALENDAR
April 23, 2019

To: Honorable Mayor and Members of the City Council
 From: Councilmembers Wengraf, Harrison, Hahn, and Mayor Arreguin
 Subject: Referral to City Manager to Return to Council with an Amnesty Program for Legalizing Unpermitted Dwelling Units

RECOMMENDATION

That the City of Berkeley create and launch an Amnesty Program to incentivize the legalization of unpermitted dwelling units in order to improve the health/safety and preserve and possibly increase the supply of units available. A set of simple and clearly defined standards and a well-defined path for meeting those standards should be established in order to achieve the greatest success.

FINANCIAL IMPLICATIONS

Staff time in Planning, Building and Safety, and Legal Departments

BACKGROUND

Berkeley currently has an inventory of thousands of unpermitted dwelling units that are either being rented illegally or are being kept off the market. Building inspectors are required, under current regulations, to tell owners that these illegally constructed units must be demolished when it is discovered that they were built without permits.

While legal construction should always be the goal, many of the existing unpermitted structures in Berkeley are being put to beneficial use and have existed in the community for years. As long as safety and habitability can be ensured, the continued use of these units is in the public interest, especially given the crisis of available housing and very high housing costs.

Realizing that the state-wide housing crisis has created extraordinary circumstances, and that it is critical to preserve the current housing stock, many California cities have already enacted amnesty programs to address this issue. For example, San Francisco, City of Alameda, Daly City, County of San Mateo, County of Santa Cruz, Los Angeles, West Hollywood all have programs in place that incentivize the legalization of illegally constructed units.

ENVIRONMENTAL SUSTAINABILITY

Preserving dwelling units, rather than demolishing them is consistent with our Climate Action Goals

Referral to City Manager to Return to Council with an Amnesty Program for
Legalizing Unpermitted Dwelling Units

CONSENT CALENDAR
April 23, 2019

CONTACT PERSON

Councilmember Wengraf

Council District 6

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Office of the Mayor

CONSENT CALENDAR

April 30, 2019

To: Honorable Mayor and Members of the City Council

From: Mayor Jesse Arreguín

Subject: Prioritizing Affordable Housing for Homeless

RECOMMENDATION

Refer to the Housing Advisory Commission to develop an ordinance to set aside 20% of affordable housing units for individuals experiencing homelessness, with preference given to BUSD students.

BACKGROUND

An estimated 1,000 individuals experience homelessness in Berkeley in any given day, not including people who couch surf or live in vehicles. Over the course of a year, it is estimated up to 2,000 people will experience homelessness in Berkeley. The homeless population has been growing by approximately 10% every two years. In a meeting of the 2x2 Committee (Council + School Board) in October 2017, it was reported that 291 students experience some form of homelessness, ranging from temporary housing with other families (231 students) to completely unsheltered (8).

In April 2017, the City Council voted to have staff develop the 1,000 Person Plan to create a plan to house 1,000 homeless residents by 2028. In the referral response to the 1,000 Person Plan, staff conclude that “the single largest “missing piece” in Berkeley’s efforts to end homelessness is permanently subsidized, affordable housing.” One of the four strategic goals proposed in the response is the need to accelerate the creation of affordable housing, with a focus on alleviating homelessness.

All homeless services providers in Alameda County must adhere to the Housing First policy. Major programs in Berkeley, such as the Hub and STAIR Center, prioritize Housing First by working to achieve permanent housing for the highest-needs clients. While following a Housing First model is essential in the task of ending homelessness, it is meaningless if there is no means of providing the housing. The high cost of housing, even with an extreme level of subsidies, means being able to maintain rent payments is unattainable for many. The average rent of a 2 bedroom unit in Berkeley is three times as much as in Salt Lake City, which is often cited as an ideal example for Housing First policies. The reality is as long as there is a lack of affordable housing in Berkeley and the Bay Area, the challenges of homelessness will continue.

RATIONALE FOR RECOMMENDATION

Prioritizing housing for the homeless is an important step in addressing the homeless crisis. Reducing and ultimately eliminating homelessness of BUSD students is crucial in creating an environment that is conducive for learning.

FINANCIAL IMPLICATIONS

Staff Time

ENVIRONMENTAL SUSTAINABILITY

Not applicable.

CONTACT PERSON

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