



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

**Monday, March 2, 2026
10:00 AM**

Redwood Room – 2180 Milvia Street, 6th Floor, Berkeley, CA 94704

Committee Members:

Councilmembers Ben Bartlett, Igor Tregub, and Cecilia Lunaparra
Alternate: Councilmember Shoshana O’Keefe

This meeting will be conducted in a hybrid model with both in-person and virtual attendance. Attend this meeting remotely using [Zoom](#). To request to speak, use the “raise hand” function in Zoom. To join by phone: Dial **1-669-254-5252 or 1-833-568-8864 (Toll Free)** and enter **Meeting ID: 161 762 1373**. To provide public comment, Press *9 and wait to be recognized by the Chair. To submit a written communication for the Committee’s consideration and inclusion in the public record, email policycommittee@berkeleyca.gov. All Committee meetings are recorded.

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting, however, if you are feeling sick, please do not attend the meeting in person.

Pursuant to the City Council Rules of Procedure and State Law, the presiding officer may remove, or cause the removal of, an individual for disrupting the meeting. Prior to removing an individual, the presiding officer shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding officer may then remove the individual if they do not promptly cease their disruptive behavior. “Disrupting” means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, a failure to comply with reasonable and lawful regulations adopted by a legislative body, or engaging in behavior that constitutes use of force or a true threat of force.

California Government Code Section 84308 (Levine Act) Parties to a proceeding involving a license, permit, or other entitlement for use are required to disclose if they made contributions over \$500 within the prior 12 months to any City employee or officer. Parties and participants with a financial interest are prohibited from making more than \$500 in contributions to a decisionmaker for the 12 months after the final decision is rendered on the proceeding. The above contribution disclosures and restrictions do not apply when the proceeding is competitively bid, or involves a personnel or labor contract. For more information, see Government Code Section 84308.

AGENDA

Roll Call

Public Comment on Non-Agenda Matters

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - February 2, 2026

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.

2. **Referral to Establish a Citywide Local Density Bonus Program to Facilitate Lower-Cost Ownership Homes (Condominiums)**
From: Councilmember Kesarwani (Author), Councilmember Tregub (Co-Sponsor), Mayor Ishii (Co-Sponsor), Councilmember Blackaby (Co-Sponsor)
Referred: January 26, 2026
Due: June 15, 2026

Recommendation: Refer to the City Manager to develop a citywide local density bonus modelled after the state density bonus that would incentivize new condominium development by allowing condo projects to take advantage of the same densities, bonuses, waivers, and concessions available under state density bonus law. Under the local density bonus, however, condo projects would be able to pay the current in-lieu affordable housing fee to the City's Housing Trust Fund for all units, rather than create on-site for-sale below-market-rate condo units—a requirement under state density bonus law that renders larger-scale condo development infeasible.

The fiscal and policy goals of this proposed citywide local density bonus are to help stalled rental residential projects in our downtown reach feasibility as condo projects, which will provide affordable housing in-lieu fee revenue, property tax revenue, serve as an economic force multiplier for our downtown, and provide much-needed ownership opportunities for young families seeking a starter home and aging residents seeking to downsize. Further, the citywide local density bonus should apply to projects that have received a zoning permit since Jan. 1, 2024 or another retroactive date as appropriate to help jumpstart stalled rental development projects.

Financial Implications: See report

Contact: Rashi Kesarwani, Councilmember, District 1, (510) 981-7110

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.

Items for Future Agendas

- **Requests by Committee Members to add items to the next agenda**

Adjournment

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*Written communications addressed to the Land Use, Housing & Economic Development Committee and submitted to the City Clerk Department will be distributed to the Committee in advance of the meeting and retained as part of the official record.*

*This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953 and applicable Executive Orders as issued by the Governor that are currently in effect. Members of the City Council who are not members of the standing committee may attend a standing committee meeting even if it results in a quorum being present, provided that the non-members only act as observers and do not participate in the meeting. If only one member of the Council who is not a member of the committee is present for the meeting, the member may participate in the meeting because less than a quorum of the full Council is present. Any member of the public may attend this meeting. Questions regarding public participation may be addressed to the City Clerk Department (510) 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 [ada@berkeleyca.gov](mailto:ada@berkeleyca.gov), (510) 981-6418 (V), or (510) 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 meeting of the Standing Committee 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 February 26, 2026.



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, and are available upon request by contacting the City Clerk Department at (510) 981-6908 or policycommittee@berkeleyca.gov.

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

**Monday, February 2, 2026
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Redwood Room – 2180 Milvia Street, 6th Floor, Berkeley, CA 94704

Committee Members:

Councilmembers Ben Bartlett, Igor Tregub, and Cecilia Lunaparra

Alternate: Councilmember Shoshana O’Keefe

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MINUTES

Roll Call: 10:04 a.m.

Present: Tregub, Lunaparra, Bartlett

Election of Chairperson

Action: M/S/C (Tregub/Lunaparra) to elect Councilmember Bartlett as Chairperson.

Vote: All Ayes.

Public Comment on Non-Agenda Matters – 5 speakers.

Recess 10:16 a.m. – 10:20 a.m.

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - November 3, 2025

Action: M/S/C (Tregub/Lunaparra) to approve the November 3, 2025 minutes.

Vote: All Ayes.

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. **Project to Increase Telegraph and Claremont Housing (PITCH) Rezoning From: Councilmember Humbert (Author), Mayor Ishii (Author), Councilmember Bartlett (Author)**

Referred: January 12, 2026

Due: May 22, 2026 (*Expedited review requested by author.*)

Recommendation: Refer to the City Manager the Project to Increase Telegraph and Claremont Housing (PITCH) as a standalone rezoning effort to proactively and equitably increase housing stock in southeast Berkeley's high-resource areas. This project would seek to:

1. Rezone the Telegraph Avenue corridor south of Parker Street from the current C-C (Commercial-Corridor) district to the C-T (Telegraph Avenue Commercial) district (or similar), allowing for taller mixed-use housing development, with a goal of base zoning of 8 stories/85 feet.
2. Identify and upzone specific auto-oriented C-N (Neighborhood Commercial) parcels in the Claremont and Ashby area (near Domingo Avenue) from their current 2–3 story limits to 4–6 stories using existing or new zoning districts.
3. Allocate funding to begin required planning and California Environmental Quality Act (CEQA) review for the proposed zoning changes.

Financial Implications: See report

Contact: Mark Humbert, Councilmember, District 8, (510) 981-7180

Action: 5 speakers. (Bartlett/Tregub) to send the item to the City Council with a qualified positive recommendation with the following amendments: 1. Provide a more precise description of where the balance of the proposed funding would come from. 2. Look at a variety of density bonus scenarios for projections related to units and stories. 3. Clarify that the boundary runs from south of Parker Street to the Oakland border.

Vote: All Ayes.

Committee Action Items

3. **Referral to 4 x 4 Committee: Removing On-Site Manager Exemption Loophole for Certain Multi-Family Properties that are Adjacent and/or Share the Same From: Councilmember Tregub (Author), Councilmember Bartlett (Co-Sponsor), Councilmember Taplin (Co-Sponsor)**

Referred: May 5, 2025

Due Date: February 28, 2026

Recommendation: Refer to the 4 x 4 Committee of the Berkeley City Council and Rent Stabilization Board a proposal related to the removal of an on-site manager exemption loophole, which is currently used by certain Berkeley properties to circumvent California Code Regulation, Title 25, Paragraph 42, for certain multi-family properties that are adjacent and/or share the same common area. If the recommended regulation is enacted, it is the intent of the referral to apply it to subject properties in a prospective manner that ensures that the rights of sitting tenants continue to be fully protected (i.e., a fully occupied property will not be required to rent to an on-site manager until at least one unit becomes vacant in accordance to all applicable state and local laws governing good cause eviction protections). The referral further requests that the 4 x 4 Committee discuss and provide recommendations as to: any parameters that may limit the scope of this referral, including but not limited to situations in which one or more of the subject properties are owned by limited liability corporations (LLCs) and/or owners that own multiple other properties in Berkeley, California and/or beyond, with a total number of units or properties under ownership to be determined; any exemptions to the on-site manager requirement for certain circumstances, such as for hardship of the property owner and/or LLC and/or other circumstances in which the interest of justice may supersede the public interest of this requirement; the enforcement mechanism and enforcing jurisdiction (i.e., City of Berkeley or Berkeley Rent Stabilization Board, with compensation by the City of Berkeley) that the City of Berkeley should employ in furtherance of the recommended regulation; and any other provisions pertinent to the efficient, just, and fair administration of the recommended regulation.

Financial Implications: See report

Contact: Igor Tregub, Councilmember, District 4, (510) 981-7140

Action: 2 speakers. M/S/C (Tregub/Lunaparra) to send the item to the City Council with a qualified positive recommendation with the following amendments: 1. Reflect in the recommendation that the item is a referral to the City Manager and the City Attorney. 2. Clarify that the Rent Board's administration of the program is unchanged from the existing arrangement. 3. Provide additional information regarding the budgetary implications and how many properties are affected.

Vote: Ayes – Tregub, Lunaparra; Noes – None; Abstain – None; Absent – Bartlett (recused).

Councilmember Bartlett exited the meeting for the consideration of Item 3 at 11:30 a.m. due to Brown Act participation rules. Councilmember Bartlett returned at 11:43 a.m. after the vote on Item 3.

Committee Action Items

4. Referral to Establish a Citywide Local Density Bonus Program to Facilitate Lower-Cost Ownership Homes (Condominiums)

From: Councilmember Kesarwani (Author), Councilmember Tregub (Co-Sponsor), Mayor Ishii (Co-Sponsor), Councilmember Blackaby (Co-Sponsor)

Referred: January 26, 2026

Due: June 15, 2026

Recommendation: Refer to the City Manager to develop a citywide local density bonus modelled after the state density bonus that would incentivize new condominium development by allowing condo projects to take advantage of the same densities, bonuses, waivers, and concessions available under state density bonus law. Under the local density bonus, however, condo projects would be able to pay the current in-lieu affordable housing fee to the City's Housing Trust Fund for all units, rather than create on-site for-sale below-market-rate condo units—a requirement under state density bonus law that renders larger-scale condo development infeasible.

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Financial Implications: See report.

Contact: Rashi Kesarwani, Councilmember, District 1, (510) 981-7110

Action: 12 speakers. No discussion held. Item continued to a future meeting.

5. Discussion Item: Strategies to Attract New Businesses to Berkeley

From: Councilmember Tregub (Author)

Contact: Igor Tregub, Councilmember, District 4, (510) 981-7140

Action: 2 speakers. Discussion held. The Committee concluded its consideration of this item.

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

Items for Future Agendas

- None

Adjournment

Action: M/S/C (Bartlett/Tregub) to adjourn the meeting.

Vote: All Ayes.

Adjourned at 11:56 a.m.

I hereby certify that the foregoing is a true and correct record of the Land Use, Housing & Economic Development Committee meeting held on February 2, 2026.

Rose Thomsen, Deputy City Clerk

Communications

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Rashi Kesarwani
Councilmember, District 1

CONSENT CALENDAR

February 10, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Councilmember Rashi Kesarwani (Author), Councilmember Igor Tregub, Mayor Adena Ishii, and Councilmember Brent Blackaby (Co-Sponsors)

SUBJECT: Referral to Establish a Citywide Local Density Bonus Program to Facilitate Lower-Cost Ownership Homes (Condominiums)

RECOMMENDATION

Refer to the City Manager to develop a citywide local density bonus modelled after the state density bonus that would incentivize new condominium development by allowing condo projects to take advantage of the same densities, bonuses, waivers, and concessions available under state density bonus law. Under the local density bonus, however, condo projects would be able to pay the current in-lieu affordable housing fee to the City's Housing Trust Fund for all units, rather than create on-site for-sale below-market-rate condo units—a requirement under state density bonus law that renders larger-scale condo development infeasible.

The fiscal and policy goals of this proposed citywide local density bonus are to help stalled rental residential projects in our downtown reach feasibility as condo projects, which will provide affordable housing in-lieu fee revenue, property tax revenue, serve as an economic force multiplier for our downtown, and provide much-needed ownership opportunities for young families seeking a starter home and aging residents seeking to downsize. Further, the citywide local density bonus should apply to projects that have received a zoning permit since Jan. 1, 2024 or another retroactive date as appropriate to help jumpstart stalled rental development projects.

CURRENT SITUATION AND ITS EFFECTS

At Least Nine Recent Rental Residential Development Projects Are Stalled in Berkeley's Downtown, Sometimes Creating Blight. Currently, there are at least nine rental residential development projects that have received a zoning permit, the initial step that allows a project to apply for a building permit, as shown in Exhibit 1.

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E-Mail: rkesarwani@cityofberkeley.info

However, only five of these nine projects have received a building permit and none have broken ground due to unfavorable economic conditions. According to a May 2024 residential feasibility analysis for the City of Berkeley, most development prototypes cannot support the current cost of development in today's market.¹ The report states, "This is being driven by increased construction and financing costs that are outpacing projected rental revenue relative to the required rate of return developers must provide to finance a project."

Exhibit 1: Nine Recent Proposed Rental Residential Development Projects in Downtown Have Received a Zoning Permit, But Have Not Broken Ground

Address	Date Zoning Permit Was Received	Number of Proposed Units
2128 Oxford	Oct. 4, 2024	456
2190 Shattuck	April 28, 2023	325
2274 Shattuck	April 22, 2025	277
2015 Blake	Sept. 25, 2023	219
2100 Milvia	July 1, 2025	205
2065 Kittredge ¹	Feb. 22, 2023	189
2037 Durant	June 19, 2024	74
2138 Kittredge	Oct. 20, 2025	66
2210 Harold Way	Dec. 10, 2020	38
Total Number of Proposed Units Stalled		1,849

Source: City of Berkeley, <https://berkeley.buildingeye.com/building>

¹Note: Harold Way Development at 2065 Kittredge has broken ground but is currently stalled.

For the nine proposed projects listed above that received a zoning permit, five projects went on to receive a building permit (2210 Harold Way, 2065 Kittredge, 2190 Shattuck, 2128 Oxford, and 2138 Kittredge) but have not broken ground for various reasons. We note that another three projects not listed above (2113 Kittredge, 1998 Shattuck, and 2450 Shattuck) submitted a pre-application but never received a zoning permit. Some of these stalled projects are creating blighted conditions in our downtown:

- The 2128 Oxford Street stalled project has caused a once vibrant block of small businesses to remain shuttered, with boarded up storefronts and fencing for an extended period;
- 2065 Kittredge project is the site of an unsightly pit of dirt; and
- 2274 Shattuck is the site of the shuttered United Artists Theatres.

¹ Ernst, Margot, "Residential Feasibility Analysis and In-Lieu Fee Recommendations," City of Berkeley Worksession, May 21, 2024, <https://berkeleyca.gov/sites/default/files/documents/2025-02-25%20Item%2014%20Inclusionary%20Housing%20Ordinance.pdf>

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Over Last Five Years, No Largescale Condo Projects Utilizing the State Density Bonus Have Been Built in Berkeley. While many multiunit rental housing developments have recently been added to Berkeley's housing stock, that has not been the case with multiunit ownership developments. Nor have many rental units been converted to condominiums over the same period. In large part that can be attributed to affordable housing requirements compelling developers to either include below-market-rate housing on site, which costs would need to be offset by the construction of additional market rate units, or pay an in-lieu fee that until very recently was costly.² The City's condominium conversion fees are also high which likely impacts the numbers of units converted to ownership opportunities.³ Exhibit 2 shows the numbers of condominiums constructed and/or converted from rental units in Berkeley over the last five years.

Exhibit 2: Number of Condominium Units Constructed and Converted over the Last Five Years in Berkeley

Year	Project Addresses (New Construction Only)	Number of New Construction Units	Number of Converted Rental Units	Total Number of Condo Units
2020	1811 Sixty-Third St (3 units)	7	14	21
	1444 Fifth St (4 units)			
2021	1923 Ninth St (3 units)	6	3	9
	1516 Carleton St (3 units)			
2022	1157 Hearst Ave (4 units)	4	5	9
2023	1519 Fairview St (1 units)	4	10	14
	776 Page St (3 units)			
2024	2421 Ninth St (2 units)	4	2	6
	2323 Eighth St (2 units)			
2025	2403 San Pablo Ave (36 units)*	42	0	42
	805 Jones St (6 units)			
TOTAL		67	34	101

Source: Berkeley Planning Department

*Indicates a private development for the purpose of a group living/ownership situation.

Note: There are two developments (2025 Kala Bagai Way, constructing 48 units, and 3000 San Pablo Avenue constructing 78 units) that have put a condo map on their projects but are being advertised as rental units; they are using a density bonus for those developments though will not be providing ownership units.

² Berkeley's Inclusionary Housing Ordinance In-Lieu Fee was amended February 2025: [https://berkeleyca.gov/sites/default/files/documents/2025-02-25%20Item%2014%20Inclusionary%20Housing%20Ordinance.pdf#:~:text=SUMMARY%20The%20proposed%20updates%20to%20Berkeley's%20Inclusionary,development%20\(2%E2%80%9319%20units\)%2C%20which%20face%20market%20constraints](https://berkeleyca.gov/sites/default/files/documents/2025-02-25%20Item%2014%20Inclusionary%20Housing%20Ordinance.pdf#:~:text=SUMMARY%20The%20proposed%20updates%20to%20Berkeley's%20Inclusionary,development%20(2%E2%80%9319%20units)%2C%20which%20face%20market%20constraints).

³ City of Berkeley Planning and Development Residential Condominium Conversion Packet: https://berkeleyca.gov/sites/default/files/documents/Condo%20Packet%2007-01-2022_Posted%20Online.pdf

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A Local Density Bonus Would Alter the Financial Feasibility of Larger-Scale Condominium Development, Allowing Stalled Rental Projects to Move Forward as Condominium Projects. Establishing a local density bonus for stalled rental residential projects that received a zoning permit since Jan. 1, 2024 could enable these projects to move forward as condo projects. A local density bonus can provide the benefits of the state density bonus (in terms of densities, bonuses, concessions, and waivers) that helps projects reach economic feasibility, while also providing the option to pay the in-lieu affordable housing fee for *all* condo units on site. These funds can then be used to fund 100 percent below-market-rate affordable housing elsewhere in Berkeley, such as at the Ashby East Parking Lot that is now owned by the City. The requirement under the state density bonus to provide below-market-rate units on site for condo developments currently renders these types of projects infeasible, as the for-sale price for below-market-rate condos is too low to be absorbed by the project's market-rate units. Costs for purchasing a condo unit can be considerable as they include mortgage loan payments, homeowner's insurance payments, property taxes and assessments, homeowner's association fees, utilities allowances, insurance premiums, etc., making ownership units much more costly to subsidize than rental units.⁴ A local density bonus exclusively for condo projects could allow some of the stalled rental projects to convert to condo developments, providing the City with affordable housing in-lieu fee revenue that it cannot otherwise realize for stalled rental projects under current economic conditions.

Creating a Local Density Bonus to Jumpstart Stalled Residential Development Provides Fiscal Benefits to City and Economic Development in Downtown. By developing a citywide local density bonus, the City of Berkeley can help to ensure that some of the stalled rental projects can move forward as condo projects, providing significant fiscal benefits to the City. The City would realize affordable housing in-lieu fee revenue to fund 100 percent affordable housing as well as property tax revenue to support baseline City services. Further, new condominiums will bring new residents to our downtown who will patronize downtown small businesses, restaurants, and arts venues—acting as an economic force multiplier.

Condo Development in Downtown Offers Starter Homeownership Opportunities for Young Families and Downsizing Opportunities for Empty Nesters That's Walkable to Amenities and Public Transit. The City's median home price of \$1.3 to \$1.5 million remains out of reach for all but the wealthiest families. This is an issue of public concern because our community must be able to provide long-term viable home options for the families of middle-class workers who serve our community, including police officers, firefighters, teachers, and health care workers. For aging empty nesters

⁴ Meyers|Nave 2024 California Developers' Toolkit: Density Bonus Law, Housing Laws, & Strategies for Success, p. 4: <https://www.meyersnave.com/wp-content/uploads/2024.10-California-Developers-Toolkit-Density-Bonus-Law.pdf>

living in larger homes in the hills, there are virtually no opportunities to remain in the community and downsize to a smaller home that is walkable to amenities like grocery stores and public transit. A local density bonus for stalled rental projects seeking to convert to condo projects addresses the need to create smaller and more affordable ownership units for those seeking more affordable homeownership opportunities than a single-family home.

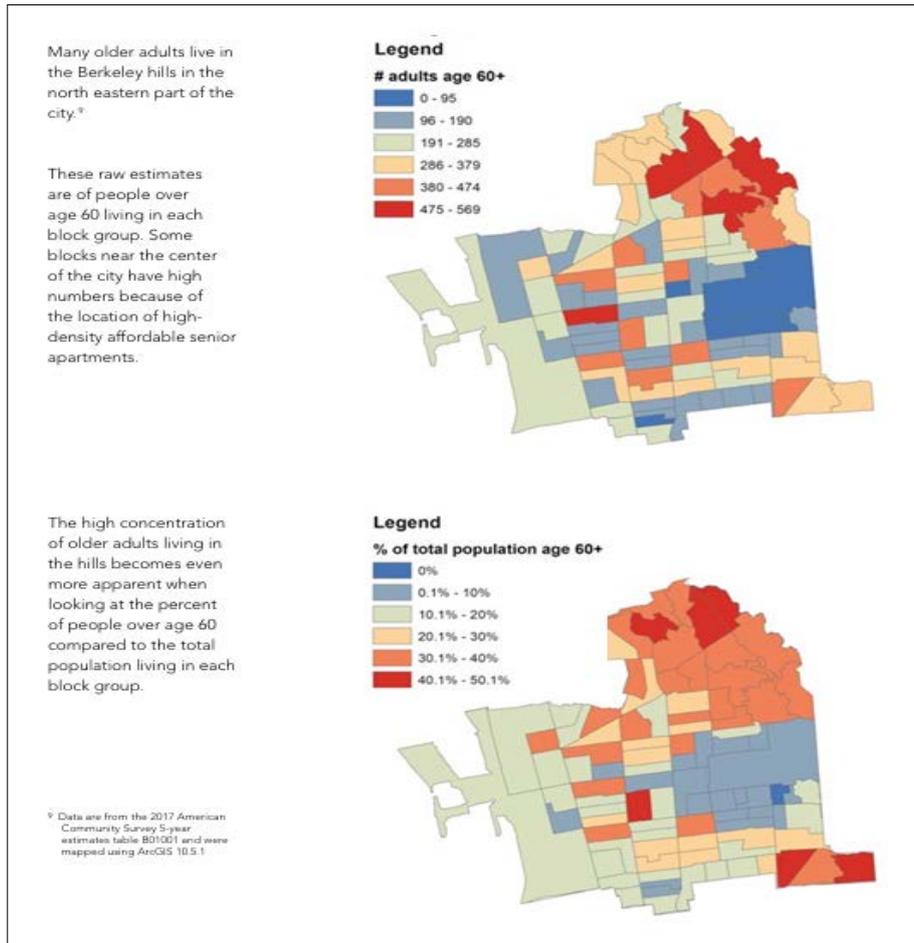
BACKGROUND

The State Density Bonus Is a Powerful Tool to Help Residential Development Reach Feasibility. The state density bonus law allows developers to build more housing units than normally permitted by local zoning standards in exchange for including affordable deed-restricted units on site. Depending on the number of below-market-rate units and the affordability level, developers can increase the project's density. For example, providing 20 percent of units at a very low-income level allows a developer to utilize a 50 percent density bonus. The goal of the state density bonus law is to incentivize the creation of affordable housing by helping a project reach economic feasibility. For each project that utilize a density bonus, local jurisdictions are required to provide up to four concessions to achieve an "identifiable and actual cost reduction" per State Government Code Section 65915(k) as well as an unlimited number of waivers as long as the developer can prove that the project cannot be built without them.

Berkeley Has a Significant Aging Population of Homeowners. Slightly over a quarter of all Berkeley residents are 55 and older.⁵ A high concentration of these older residents live in the Berkeley Hills, as shown in Exhibit 2 below. For aging residents wishing to remain in the community and downsize to a home they can own that is walkable to amenities and public transit, there are few options. Some new senior housing has been developed in recent years, such as Jordan Court for low-income seniors (corner of Oxford and Cedar), The Ivy at Berkeley assisted living and memory care home (corner of Dwight and Milvia), and Elegance Berkeley assisted living (corner of San Pablo Avenue and Addison). However, given the City's significant aging population, more ownership opportunities are needed for seniors seeking to downsize and relocate to a walkable neighborhood as they age.

⁵ State of Public Health in Berkeley Summary Report, Information Report presented at the June 24, 2025 City Council meeting: <https://berkeleyca.gov/sites/default/files/documents/2025-06-24%20Item%2030%20State%20of%20Public%20Health%20in%20Berkeley%20Summary%20Report.pdf>

Exhibit 2: Aging Berkeley Residents Are Concentrated In Berkeley Hills



Source: Age-Friendly Berkeley Action Plan, 2018, : <https://berkeleyca.gov/sites/default/files/2022-01/Age-Friendly-Berkeley-Action-Plan.pdf>

Condo Affordable Housing In-Lieu Fee Has Been Lowered To Be Equal to Rental Affordable Housing Fee, With Potential to Encourage New Condo Development. Historically, the affordable housing in-lieu fee for condo developments has been much higher than the fee imposed on rental projects; it was calculated as 62.5 percent of the difference between the market price for each unit and the below-market-rate price for each inclusionary unit.⁶ In January 2023, the Berkeley City Council modified the affordable housing in-lieu fee to be applied on a square-foot basis, and to be applied equally to rental and ownership units.⁷ Effective

⁶ Klein, Jordan and Warhuus, Lisa. "Citywide Affordable Housing Requirements," Jan. 17, 2023, <https://berkeleyca.gov/sites/default/files/documents/2023-01-17%20Item%2021%20Citywide%20Affordable%20Housing%20Requirements.pdf>

⁷ Klein, Jordan and Warhuus, Lisa. "Citywide Affordable Housing Requirements," Jan. 17, 2023, <https://berkeleyca.gov/sites/default/files/documents/2023-01-17%20Item%2021%20Citywide%20Affordable%20Housing%20Requirements.pdf>

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July 1, 2025, the current in lieu fee is \$62.83 per square foot, with all projects receiving a discount on the first 5,000 square feet.⁸

Oakland, San Francisco, and Hayward Have Implemented a Local Density Bonus To Further Policy Goals. Neighboring jurisdictions have adopted their own local density programs going beyond state requirements to further their own specific policy goals. In Oakland, the Zoning Incentive Program allows additional density beyond what is allowed by the Downtown Oakland Specific Plan Base Zoning in exchange for a variety of community benefits, on-site affordable housing and with the option of paying in-lieu fees.⁹ San Francisco's local density program, HOME-SF,¹⁰ allows more height than the state's density bonus in exchange for 20 to 30 percent of the units being affordable to low and moderate-income families, with 40 percent of the total units being two-bedrooms or larger, in an effort to provide more family-friendly housing. The City of Hayward allows an additional density bonus, incentives, and concessions for housing targeted to special populations, such as large families (3+ bedrooms), projects including universal design features for people with disabilities, seniors, college students, and foster youth to name several examples.¹¹ While this item is somewhat novel in allowing condominium projects to pay an in-lieu fee into our Housing Trust Fund only and not build affordable units on site, these other examples illustrate the flexibility that a local density bonus can provide to address local concerns.

FISCAL IMPACT

The fiscal impacts of this referral would be staff time to draft municipal code updates and implement the referral. The overall fiscal benefits to the City could be notable if we are able to incentivize stalled rental projects to move forward as condo developments.

ENVIRONMENTAL SUSTAINABILITY

Implementing a local density bonus for condo development will help create more infill housing in closer proximity to public transit. Studies show that infill development is an effective strategy for reducing greenhouse gas emissions by reducing vehicle miles traveled when compared to homes created in outlying undeveloped areas.

⁸ Affordable Housing Requirements for Developers, City of Berkeley, <https://berkeleyca.gov/construction-development/permits-design-parameters/design-parameters/affordable-housing#:~:text=Effective%20July%201%2C%202025%2C%20the%20rental%20or,from%20the%20Residential%20Unit%20Floor%20Area%20calculation>

⁹ Hausrath Economics Group Memorandum: Comparative Analysis of Housing Outcomes: Downtown Oakland Specific Plan Zoning Incentive Program and California Density Bonus Law, March 10, 2023: <https://www.oaklandca.gov/files/assets/city/v/1/public-meetings/zoning-update-committee/2023/b-comparing-zip-and-sdb-housing-outcomes.pdf>

¹⁰ San Francisco Planning Department: HOME-SF: <https://sfplanning.org/home-sf>

¹¹ City of Hayward, Hayward Density Bonus User Guide, June 2025: <https://www.hayward-ca.gov/sites/default/files/documents/City-of-Hayward-Density-Bonus-User-Guide-2506.pdf>

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