



Kate Harrison
Councilmember District 4

SUPPLEMENTAL AGENDA MATERIAL

Meeting Date: May 11, 2021

Item Number: 23

Item Description: Support for Roadmap Home 2030 Plan

Submitted by: Councilmember Kate Harrison

The attached revised document contains clarification in the recommendation and Background sections on not only the importance of supporting affordable housing but supporting affordable housing through multiple approaches.



Kate Harrison
Councilmember District 4

CONSENT CALENDAR
May 11, 2021

To: Honorable Mayor and Members of the City Council
From: Councilmember Harrison
Subject: Support for Roadmap Home 2030 Plan

RECOMMENDATION

Adopt a resolution affirming the importance of a multifaceted approach to addressing the housing crisis by endorsing the Roadmap Home 2030 plan and sending a letter to state lawmakers urging them to adopt the recommendations of the plan, particularly those providing that create and preserve affordable housing and ask for state funding to do so and protect tenants. The challenge of the existing housing crisis requires not only more paths forward, but also paths forward that center affordable housing.

BACKGROUND

California Housing

Berkeley, the Bay Area, and California as a whole, face a massive and multifaceted crisis of housing and equity. The crisis is the nexus of many issues that have left pernicious vestiges, or simply continued unabated for many decades. A non-exhaustive list includes:

- An increasing state median home price that far outpaces the national average. While California homes have historically been more expensive than the US average, the gap has widened significantly since the 1960s.¹ Now, the median US home price is \$274,000, while California's median home price is more than 2.5 times higher - over \$700,000.^{2 3}

¹ Levin, Matt, et al. "Californians: Here's why your housing costs are so high" Cal Matters. June 2020. <https://calmatters.org/explainers/housing-costs-high-california/#cf0f6910-97b1-11e9-a73d-7d043530edbb>

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

³ Kamin, Debra. "Median Home Price Sets New Record in California." NY Times. Nov 2020. <https://www.nytimes.com/2020/11/30/realestate/california-housing-market-price.html>

- A historical legacy of government-funded segregation and unequal home-ownership programs have created a racial wealth gap. Nationwide, Black families' median wealth is less than 15 percent that of white families with home ownership as a primary driver of this difference.⁴ In California, the household median net worth of Black and Latino families is respectively 21 and 13 percent of the household median net worth of white families.⁵
- Constraints on housing supply due to converging interests of local governments, environmentalists, building trade groups, anti-gentrification activists, and property owners.⁶
- Dwindling public funding for the creation of affordable housing. With the end of redevelopment agencies in 2012, California ended “the single largest source of non-federal money for affordable housing in the state” and has yet to replace the funding.⁷ Bond initiatives like Proposition 46 and Proposition 1C are only temporary sources that are running out. Over the last decade, federal funds have also shrunk.⁸
- The financialization of the housing market that consolidates ownership and leaves homes sitting empty. The 2008 housing crisis accelerated this trend and allowed large private equity firms to dramatically increase their holdings, “creating a new category of renter households living month-to-month at the whim of Wall Street bottom lines.”⁹
- Rising costs of labor and materials and slow adoption of innovation in the housing sphere needed to decrease consumer price. The cost of building a 100-unit affordable project in California in 2000 was \$265,000 per unit. That same per-unit cost increased to almost \$425,000 in 2016.¹⁰ The market forces that affect the costs of affordable housing also impact other types of housing. Comparatively, a 20-inch color TV cost \$1,195 dollars in 1985 (adjusted for inflation), but a similar size color TV could be less than \$150 today.¹¹
- A market that cannot provide housing at all levels of income at the rates of population growth. Even with the goals set by California Department of Housing and Community Development (HCD) in the last Regional Housing Needs Assessment (RHNA), units serving lower income people are not being built as often as market-rate units. A February 2019 report from Next 10 cites that, when considering all areas statewide,

⁴ Bhutta, Neil, et al. “Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances” Federal Reserve Bank. Sep 2020. <https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm>

⁵Hutchful, Esi. California Budget Center. Dec 2020. “The Racial Wealth Gap: What California Can Do About a Long-Standing Obstacle to Shared Prosperity.” <https://calbudgetcenter.org/resources/the-racial-wealth-gap-what-california-can-do-about-a-long-standing-obstacle-to-shared-prosperity/>

⁶ Levin, et al.

⁷ Ibid.

⁸ Ibid.

⁹ Schneider, Benjamin. “How to Make a Housing Crisis” Bloomberg Citylab. Feb 2020.

<https://www.bloomberg.com/news/articles/2020-02-21/a-brief-history-of-california-s-housing-crisis>

¹⁰ Claros, Michelle. “The Cost of Building Housing Series.” Turner Center for Housing Innovation, UC Berkeley. Mar 2020. <https://turnercenter.berkeley.edu/research-and-policy/the-cost-of-building-housing-series/>

¹¹ <https://www.aarp.org/money/budgeting-saving/info-2020/1980s-vs-now.html>

nearly half of the target number of Above Moderate-income units had been permitted for construction but only 19 percent of moderate income, approximately 10 percent of low income, and 7 percent of very low income had been.¹² This imbalance is being worsened by current state policies. HCD has mandated that units to be built in the upcoming RHNA cycle consist of approximately 60 percent units for people and families of Moderate and Above Moderate-income levels, with only approximately 40 percent to serve Low, Very Low, or Extremely Low-income levels.¹³

- A hobbled tenant movement; State laws from the 1980s and 1990s “severely limited rent control and expanded landlord’s power to evict tenants.”¹⁴
- The loss of existing affordable housing stock as it is removed from the market. This consists of housing that is demolished and rebuilt into more expensive housing, income-restricted units that become market-rate units after their affordability period expires, or units that are affordable but lack formal protections and become unaffordable through rent increases. A California Housing Partnership report from 2019 estimated that a five-county Bay Area region had lost 2,128 subsidized homes since 1997 and that 5,128 homes representing 5 percent of the region’s existing affordable housing stock were at risk of becoming unaffordable.¹⁵
- Wage stagnation. Since the early 1970s national worker productivity has grown dramatically but hourly compensation has stagnated.¹⁶ The share of income for housing that California workers must pay has steadily increased. According to the PPIC, California renters pay 44 percent above the nationwide median but the median household income is only 22 percent higher than the nationwide median.¹⁷

The effects of high home prices and rising rents are visible on the streets of Berkeley and the Bay Area. From 2017 to 2019, the number of Californians experiencing homelessness increased in every large urban county except San Diego. Alameda County witnessed a two-year increase of more than 40 percent.¹⁸ The effects are also obscured or invisible in many ways as these numbers do not capture the number of people living together in cramped quarters or who move in with family. In 2018, the national level of overcrowding - a percentage of housing units

¹² Perry, F. Noel, et al. “Missing the Mark: Examining the Shortcomings of California’s Housing Goals” Feb 2019. <https://www.next10.org/publications/housing-goals>

¹³ Letter to ABAG from HCD, “RE: Final Regional Housing Need Determination.” Dated June 9, 2020. [https://www.hcd.ca.gov/community-development/housing-element/docs/abagrhna-final060920\(r\).pdf](https://www.hcd.ca.gov/community-development/housing-element/docs/abagrhna-final060920(r).pdf)

¹⁴ Schneider, Benjamin. “How to Make a Housing Crisis”

¹⁵ “California’s Affordable Rental Homes At-Risk.” California Housing Partnership. Feb 2019. https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2019/02/2019-State-Risk-Assessment_Final.pdf

¹⁶ Mishel, Lawrence, et al. “Wage Stagnation in Nine Charts.” Economic Policy Institute. Jan 2015. <https://www.epi.org/publication/charting-wage-stagnation/>

¹⁷ Johnson, Hans, et al. “California’s housing challenges have widespread effects.” Public Policy Institute of California. Jan 2020. <https://www.ppic.org/wp-content/uploads/californias-future-housing-january-2020.pdf>

¹⁸ Ibid.

with more than one resident per room -- was 3.4 percent, but California's was 8.8 percent.¹⁹ In rental units, California's rate was 13.4 percent, making it more than twice the national rate and the highest in the nation.²⁰

Roadmap Home 2030

Because this crisis is the result of decades of layered policies at many levels of government, simple solutions will neither capture the complexities nor address the scope of this crisis in any lasting way. An ameliorative, piecemeal approach runs the risk of leaving root causes unaddressed or creating new, unintended issues. Effective solutions will need to be comprehensive, cooperative efforts between many levels of government.

Released in March 2021, Roadmap Home 2030 is an example of a rigorous approach that acknowledges the complexity of the housing crisis and provides many actionable policies that, when employed together, can substantially improve the state of housing in Berkeley and the state of California in the next ten years. It is a joint venture between founders Housing California and the California Housing Partnership, along with their partner, the California Budget and Policy Center.

The plan has four overarching goals: to create affordable housing, protect low-income renters, end homelessness, and ensure racial equity. It establishes five "core areas" where system reforms and structural changes are necessary: to invest in our values, promote fairness, protect people, reimagine growth, and create efficiency and accountability. In these core areas, the plan then lists a total of 57 policy solutions to implement.²¹

Berkeley's Role

Roadmap Home 2030 is targeted towards statewide and federal action but local governments can enact many of these ideas on their own, while supporting statewide adoption of similar measures. The Berkeley City Council has already taken such action on some of the items identified in the Roadmap Home 2030 report. For example, the recent resolution on ending exclusionary zoning is recommendation C1 in Roadmap Home 2030.

The proposed Tenants Opportunity to Purchase Act, also known as TOPA, includes a provision for guaranteeing tenants the right of first offer on the rental properties in which they live. Roadmap Home 2030 supports this in recommendation A7. The recommendation of allowing by-right development of housing on low-income housing element sites if at least 50 percent of the homes are affordable (C4) is similar to another recently proposed item on the Berkeley City Council.

However, other aspects of the Road Home schema have not been adequately addressed. Implementation of all of these pieces needs to happen in a synchronized way to avoid

¹⁹ Ibid.

²⁰ Ibid.

²¹ Full list is Attachment 3

unintended consequences. For example, TOPA will be most effective if the strongest possible protections against demolition and financialization of the housing market are enacted.

The list of recommendations is long and a full list is included as an appendix to this item. Many of the Roadmap Home 2030 recommendations center around the State properly funding local governments to take action or reimbursing them for actions taken. Roadmap Home 2030 advocates for:

- Provide local governments with flexible ongoing funding for a range of homelessness solutions (A1)
- Reimbursing local governments 50 percent of the fee waivers or reductions they give to affordable housing developments (C6)
- Funding nonprofits and local governments to purchase existing homes for affordable resale (A12)
- Give local government the funding they need to create and preserve affordable housing (A5)

Other recommendations would have direct ramifications for Berkeley and its residents:

- Empower voters to support building affordable homes locally by setting the threshold for passage of housing ballot measures at 55 percent (A6)
- Give local jurisdictions greater flexibility to design rent stabilization policies that are successful in protecting renters and can be tailored to local conditions by repealing or reforming Costa-Hawkins (D2)
- Provide emergency eviction protections and assistance to renters by creating a standing Renter and small Landlord Resiliency Emergency Program that launches upon declaration of a crisis (D5)
- Limit tenant displacement and luxury conversion of low-rent housing when properties are removed from the rental market by reforming or repealing the Ellis Act (D6)
- Repeal Article 34 of the California Constitution which requires a majority of voters to approve publicly financed affordable housing (D7)
- Reform the legal eviction process to provide tenants with more time and more protections to resolve landlord-tenant disputes and prevent evictions (D8)
- Build local capacity for homelessness planning, improve local governance, and create more accountability (E8)

Other recommendations align with Berkeley's progressive values and some are even patterned after local Berkeley laws:

- Provide comprehensive community investment in low-income communities of color by evolving and expanding the Transformative Climate Communities (TCC) Program (A13)

- Shift savings from planned and future state prison closures to support formerly incarcerated individuals (A8)
- Expand statewide protections for renters from unfair evictions and unaffordable rent increases by strengthening the state rent cap and just cause eviction law (D1)
- Remove inequitable barriers that block access to rental housing in the private market, particularly for people of color and low-income renters, by requiring landlords to follow inclusive and non-discriminatory practices when screening and accepting tenants, similar to Berkeley's prohibition on discrimination against those with Section 8 vouchers (D4)
- Prioritize access to affordable housing and homeownership programs for residents of low-income communities (E7)

Supporting-Endorsing the aspects of RoadMap Home 2030 that create and preserve affordable housing and ask for state funding to do so will add Berkeley's voice to support these policy ideas at the state level. These are policies that would also help create and preserve affordable housing, reimagine growth, protect tenants, and benefit the residents of Berkeley by alleviating the tensions of the complicated California housing crisis through a comprehensive package of reforms. To date, Berkeley's approach has focused on one potential pathway, if done correctly, to creating affordability; zoning reform. The challenge of the existing housing crisis requires not only more paths forward, but also paths forward that center affordable housing.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental impacts associated with this action.

FISCAL IMPACTS OF RECOMMENDATION

None.

CONTACT PERSON

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Attachments:

- 1: Resolution
- 2: Letter
- 3: Roadmap 2030 Summary

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

RESOLUTION IN SUPPORT OF ROADMAP HOME 2030 AND ITS POLICY SOLUTIONS TO
COMPREHENSIVELY ADDRESS THE HOUSING CRISIS

WHEREAS, Berkeley, the Bay Area, and California as a whole, face a massive and multifaceted crisis of housing and equity; and,

WHEREAS, as this crisis is the result of decades of layered policies at many levels of government, simple solutions will neither capture the complexities of small aspects nor will they address the scope of this crisis in any lasting way and therefore an ameliorative, piecemeal approach runs the risk of leaving root causes unaddressed or creating new, unintended issues; and,

WHEREAS, effective solutions to the housing crisis will need to be comprehensive, cooperative efforts between many levels of government; and,

WHEREAS, RoadMap Home 2030 lays out a comprehensive list of policy solutions to the state's housing crisis that emphatically supports creating affordable homes, protecting low-income renters, ending homelessness, and ensuring racial equity; and,

WHEREAS, implementing the policy solutions in RoadMap Home 2030 would help California to invest in our values, promote fairness, protect people, reimagine growth, and create efficiency and accountability; and,

WHEREAS, RoadMap Home 2030 includes policy solutions spearheaded by the City of Berkeley and recommends that they be adopted at the state level; and,

WHEREAS, the voters of the City of Berkeley have supported local efforts that align with many goals found in RoadMap Home 2030, including funding affordable housing through bonds, passing measures on rent stabilization and eviction protections, and moving funding from policing and carceral functions to housing and social services; and,

WHEREAS, the City Council of Berkeley has supported and passed some policies that overlap with the policies of RoadMap 2030, including ending exclusionary and racially discriminatory zoning; and,

WHEREAS, state and federal funding streams for affordable housing and local governments have been significantly reduced in recent years and state-level policies prevent Berkeley from protecting tenants; and

WHEREAS, RoadMap Home 2030 calls on the state to support local governments both with policy changes and financial support to bolster the endeavors of local governments and nonprofits to help ensure that good, affordable housing is built and preserved in Berkeley, tenants are protected, and discriminatory barriers are removed;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Berkeley proclaims its support for Roadmap Home 2030 and its comprehensive approach to addressing the housing crisis,

BE IT FURTHER AND FINALLY RESOLVED that the Clerk will send copies of this Resolution and the letters included to Senator Nancy Skinner, Assemblymember Buffy Wicks, and Governor Gavin Newsom. [B](#)