

Sophie Hahn
Councilmember District 5

TIME CRITICAL AGENDA MATERIAL

Meeting Date: May 23, 2023 City Council Meeting

Item Description:

FY 24 Budget Referral: Study to support Housing Element commitment to increase housing and enhance economic vitality on all commercial corridors, with particular attention to the higher-resourced commercial avenues identified in Program 27 of the Housing Element, Solano Avenue, North Shattuck, and College Avenue.

Rationale:

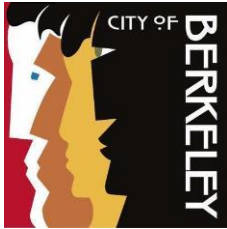
This item is a budget referral that was submitted to the City Council Agenda process in a timely manner (for the April 11, 2023 Council meeting), to be considered for the FY2024 Budget Process. The item was referred by the Agenda Committee directly to the Land Use, Housing, and Economic Development Committee, where it was heard on May 1, 2023.

The Committee passed the item with a Positive Recommendation to the City Council to approve the item with edits that are reflected in the updated version attached hereto. To be considered in a timely manner along with other Council budget referrals to the FY2024 process, this item is being submitted for consideration at the May 23 meeting of the City Council.

Time Critical Items. A Time Critical item is defined as a matter that is considered urgent by the sponsor and that has a deadline for action that is prior to the next meeting of the Council and for which a report prepared by the City Manager, Auditor, Mayor or Council Member is received by the City Clerk after established deadlines and is not included on the Agenda Committee's published agenda.

The author of the report shall bring any reports submitted as Time Critical to the meeting of the Agenda Committee. **Per BMC 2.06.060 (D), Time Critical items must be accompanied by complete reports and statements of financial implications.**

If the Agenda Committee finds the matter to meet the definition of Time Critical, the Agenda Committee may place the matter on the Agenda on either the Consent or Action Calendar



Councilmember Sophie Hahn
City of Berkeley, District 5

To: Honorable Mayor and Members of the City Council

From: Councilmember Sophie Hahn (Author); Councilmembers Kate Harrison and Terry Taplin (Co-Sponsors)

Subject: FY 24 Budget Referral: Study to support Housing Element commitment to increase housing and enhance economic vitality on all commercial corridors, with particular attention to the higher-resourced commercial avenues identified in Program 27 of the Housing Element, Solano Avenue, North Shattuck, and College Avenue.

RECOMMENDATION

Refer \$250,000 to the FY 2024 budget process to study and develop options for all commercial corridors, with particular attention to the higher-resourced commercial avenues identified in Program 27 of the Housing Element, Solano Avenue, North Shattuck, and College Avenue, including but not limited to changes to zoning, incentives/programs/financing mechanisms, and objective design standards to:

1. Increase housing opportunities for people of all incomes, with an emphasis on housing affordable to households at or below 120% of Area Median Income (AMI);
2. Provide preferences to households previously excluded from residential areas served by these commercial corridors via discriminatory deed restrictions and/or discriminatory lending practices;
3. Provide housing with amenities for seniors, households with children, individuals with disabilities, artists, and other populations with specialized housing needs;
4. Ensure recommendations for zoning and design standards consider unique characteristics of each commercial area, including lot sizes and depths, availability of rear-access to parcels, abutting/neighborhood residential zoning standards, and any other unique characteristics of each commercial district and its surroundings;
5. Enhance the viability and avoid displacement of locally-owned and neighborhood-serving commercial uses both during construction and over the long term, including but not limited to studying potential temporary relocation of businesses during construction, "right to return" for existing establishments, appropriately-sized commercial spaces for locally owned businesses, and the potential for new commercial spaces to be offered at lower rents as a community benefit. Examples of neighborhood serving commercial uses may change as retail trends develop, but could include: grocery/food stores, banks, dry

cleaning and shoe repair, hardware stores, wellness and hair salons, restaurants and cafes, fitness centers, and clothing and gift shops.

6. More generally, study potential ground floor uses to support locally-owned commerce, housing, and other potential uses, so long as they do not break necessary continuity of retail.

POLICY COMMITTEE RECOMMENDATION

On May 1, 2023, the Land Use, Housing, & Economic Development Committee adopted the following action: M/S/C (Robinson/Bartlett) to forward the item to Council with a positive recommendation that the City Council approve the item with the Author's updated subject line and recommendations as follows:

SUBJECT LINE

FY24 Budget Referral: Study to support Housing Element commitment to increase housing and enhance economic vitality on all commercial corridors, with particular attention to the higher-resourced commercial avenues identified in Program 27 of the Housing Element, Solano Avenue, North Shattuck, and College Avenue.

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1. *Increase housing opportunities for people of all incomes, with an emphasis on housing affordable to households at or below 120% of Area Median Income (AMI);*
2. *Provide preferences to households previously excluded from residential areas served by these commercial corridors via discriminatory deed restrictions and/or discriminatory lending practices;*
3. *Provide housing with amenities for seniors, households with children, individuals with disabilities, artists, and other populations with specialized housing needs;*
4. *Ensure recommendations for zoning and design standards consider unique characteristics of each commercial area, including lot sizes and depths, availability of rear-access to parcels, abutting/neighborhood residential zoning standards, and any other unique characteristics of each commercial district and its surroundings;*
5. *Enhance the viability and avoid displacement of locally-owned and neighborhood-serving commercial uses both during construction and over the long term, including but not limited to studying potential temporary relocation of businesses during construction, "right to return" for existing establishments, appropriately-sized commercial spaces for locally owned businesses, and the potential for new commercial spaces to be offered at lower rents as a community benefit. Examples of neighborhood serving commercial uses may change as retail trends develop, but could include: grocery/food stores, banks, dry cleaning and shoe repair, hardware stores, wellness and hair salons, restaurants and cafes, fitness centers, and clothing and gift shops.*

6. *More generally, study potential ground floor uses to support locally-owned commerce, housing, and other potential uses, so long as they do not break necessary continuity of retail.*

Vote: All Ayes.

FINANCIAL IMPLICATIONS

\$250,000 from the City's General Fund

CURRENT SITUATION AND ITS EFFECTS

Program 27 of Berkeley's approved 2023 Housing Element identifies transportation and commercial corridors as priority development areas. This program specifically identifies Solano Avenue, North Shattuck and College Avenue commercial districts as areas for increased housing.

As Part of the Land Use, Safety, and Environmental Justice Element Update, the City of Berkeley has committed to:

"update zoning map and development standards to accommodate housing capacity and growth on transit and commercial corridors, particularly in the highest resource and higher income neighborhoods pursuant to the Affirmatively Furthering Fair Housing requirement.

These updates will increase allowed densities and/or development capacity with the goal of achieving consistency among all transit and commercial corridors, especially between formerly red-lined areas and higher-resource areas of Solano Avenue, north Shattuck Avenue, and College Avenue."¹

Funds are required to study opportunities to increase housing capacity on Solano Avenue, North Shattuck and College Avenue. This study and options developed, including potential programs, changes to zoning, and other measures as outlined in the Recommendation or further developed through study should be presented to the City Council prior to referring any zoning changes to the Planning Commission.

The goal of the study is to enhance housing opportunities in higher resourced neighborhoods, increase access for formerly excluded communities, and ensure opportunities for vibrant, locally-owned, neighborhood-serving commercial uses along the corridors to continue and/or expand.

BACKGROUND

The Housing Element Update will serve as the City of Berkeley's housing plan for the next eight years (2023-2031). It is an important opportunity for Berkeley's residents and community

¹ https://berkeleyca.gov/sites/default/files/documents/Berkeley_2023-2031%20Housing%20Element_02-17-2023v2_0.pdf

members to come together to assess housing needs, identify policy and resource priorities, and find solutions to implement a wide range of housing choices. The plan contains goals, policies, and programs that will guide the City's decision-making around the development and rehabilitation of housing.

The Housing Element serves as a comprehensive document for everyone in the Berkeley community. Racial and social equity, and protections for vulnerable and historically impacted communities, are key factors in this update to the City's housing plan.

The Housing Element is mandated by State law to be updated every eight years and certified by California's Department of Housing and Community Development (HCD). Each jurisdiction in California receives a target number of homes to plan for called the Regional Housing Needs Allocation, or RHNA. On December 16, 2021, Association of Bay Area Governments (ABAG) Executive Board conducted a public hearing and adopted the Final RHNA Plan. The total Regional Housing Needs Determination (RHND) for the Bay Area in the 2023-2031 period is 441,176 units. Berkeley's RHNA for the 2023-2031 period is 8,934 residential units.²

Beyond the requirements outlined in the Housing element itself, it is overdue for additional housing – particularly affordable housing – to be constructed along these key, higher resourced corridors to advance our City's commitment to equity. As many other neighborhoods are already doing their fair share to provide additional housing, it is time for us to ensure additional affordable housing is constructed in higher resource neighborhoods as well.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Housing near transit can reduce greenhouse gas impacts and local commerce reduces the need to travel for everyday needs.

CONTACT PERSON

Councilmember Sophie Hahn, (510) 981-7150

² <https://berkeleyca.gov/construction-development/land-use-development/general-plan-and-area-plans/housing-element-update>