

Office of the City Manager

REVISED AGENDA MATERIAL

Meeting Date: November 10, 2009

Item Number: 24

Item Description: Creation Of A Housing Mitigation Fee

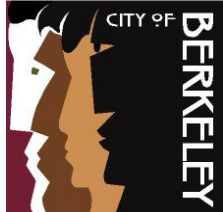
Addition of Councilmembers Maio and Moore as cosponsors.

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Berkeley City Council

CONSENT CALENDAR

November 10, 2009

To: Honorable Mayor and Members of the City Council

From: Councilmember Laurie Capitelli
Councilmember Jessie Arreguin
Councilmember Linda Maio
Councilmember Darryl Moore

Subject: Creation Of A Housing Mitigation Fee

RECOMMENDATION

Direct the City Manager to explore various alternatives for creating a Housing Mitigation Fee on new construction and report to Council on the options available for creating such a fee. These options are to be reported to Council by its' meeting of January 26, 2010.

FINANCIAL IMPLICATIONS

This program may result in an increase in revenue to the Housing Trust Fund.

BACKGROUND

The City of Berkeley has some of the most expensive housing stock in the Bay Area. The median price of a single family home in the City is \$627,000. Berkeley also has some of the highest rental rates in the East Bay with average rents affordable only to tenants with incomes well above the area median average. A recent court decision (Palmer v. City of Los Angeles) has essentially voided the city's inclusionary housing requirement on new residential rental construction. The result of such is that developers will not be required to include any affordable units in their developments. The City will lose a significant tool in its attempt to increase the inventory of affordable housing in our community. A Housing Mitigation Fee would provide direct revenue to the City's Housing Trust Fund which can be leveraged with State and Federal sources to increase the affordable housing stock in our community.

CONTACT PERSON

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