



Office of the Mayor

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APR 05 2016

OFFICE OF THE CITY CLERK
CITY OF BERKELEY

Housing Proposals

April 5, 2016

MESSAGE FROM THE MAYOR

Changes to tonight's agenda:

Remove items from Mayor's package:

17a.7: Allow By-Right Approval of Certain Housing Developments

17a.9: Establish Buffer Zones around Priority Development Areas

Housing Proposals

While I'm pleased at the public attention generated by my proposals to address our housing crisis, I'm concerned about the misunderstanding and misinformation I've seen in the past few days. I want Berkeley to remain a livable, walkable, thriving City with a racially and economically diverse population. Our City, however, is changing. Homeownership is unaffordable except for the very well-off, and rents continue to rise with no relief in sight.

We all agree we need to build more housing and we acknowledge that Berkeley can't grow beyond its borders. The key question is where do we put the new growth.

The apartments that are being built are required to provide 10% of the rentals for very low-income persons, and the balance can be whatever the market will bear. Alternatively, developers may pay \$28,000 per unit into the City Housing Trust Fund.

I personally prefer to see people living in mixed income housing, but the Housing Trust Fund can and has funded low income housing for the elderly and families -- housing that will remain affordable because it is owned and operated by non-profit developers.

The problem of affordable housing is a national and state problem, as well as a local one. The high cost of housing is the major cause of poverty in California. We don't live on an island -- we are part of the San Francisco Bay region and must work with our neighboring communities. So when Alameda County Supervisors consider a bond for more low-income housing in the county, we need to support that effort.

In addition, we need a Housing Action Plan for Berkeley and that is what I'm proposing. The City Council will consider numerous housing ideas and pass the most promising to the City Manager to organize into action steps. The ideas would then be discussed and fine-tuned at the Planning Commission or Housing Advisory Commission or both. The ideas would then return to the Council for further consideration. The process will insure public input and participation and end up hopefully with a widely supported plan.

To hopefully address low-income housing:

First of all, I want to encourage landlords to use the 300 unallocated Section-8 vouchers that are available. I propose to double the requirement for on-site low income housing from 10% to 20% and raise the mitigation fee builders must pay if they don't provide the on-site housing from \$28,000 to \$34,000 per unit. I support putting more money into our Housing Trust Fund to help leverage the building of low-income housing. The Fund is poised to receive \$10,500,000 when the Harold Way project goes forward. I also support an increase in the business license tax for landlords who have seen their rent controlled apartment rents sky-rocket up when they are re-rented on vacancy decontrol. It is estimated that would mean about \$4,000,000 a year in new revenue, which could be used by the Housing Trust Fund. I'm also proposing with Councilmember Wengraf that we enhance our senior centers by building senior housing on top of senior-focused services. In addition, the Council recently passed an ordinance that allows people to build small backyard houses where they can age-in-place or rent. Lastly, I propose building low-income artist housing and have been working with the Repertory Theatre and Shotgun Players to make that housing a reality.

To address the increased need for student housing:

I'm proposing increasing the possibility of locating student housing south of the campus to Dwight Way by raising the allowed height of residential buildings. I have been encouraging the University to build more student housing, and they now have two major projects underway.

To address work-force housing:

This is the most difficult of all. Moderate income people don't qualify for most subsidies, and currently, when housing is built, it is for a small percentage of low-income apartments and the rest for market rate. We need to address the root of the problem: housing supply. The California Legislative Analyst in a recent report said that building any housing is important to relieve the pressure on the housing market. During the 70s and 80s, Berkeley built almost no new housing, and the Bay Area is currently experiencing unprecedented growth. We cannot solve the housing problem by ourselves, but we can do our part. I'm proposing we bring our housing permit fees in line with our neighbors and concentrate on increasing housing on commercial corridors. I'm proposing buffer zones that will ensure sensitive transitions that step down to protect family homes and neighborhoods.

To address the problem of housing homeless people:

This year, the City's new Housing Crisis Resolution Center is ramping up to assist people in qualifying for benefits, such as SSI, to which they may be entitled. It will attempt to rapidly re-house people in Berkeley and Alameda County, although I greatly fear that we won't have enough housing and services to fill the need. We need to investigate the possibility of "tiny house" projects and work with our neighboring cities to provide a fair share of services or assist us in addressing this national problem.

I welcome responsible criticism, additional ideas and alternative proposals. I anticipate and look forward to modifications, additions, and changes to what I have suggested. I have already heard from people in opposition to a "by-right" approval process and "buffer zones." I understand their concerns, so I'm removing those ideas from my proposals.

I believe that having all possible housing solutions before the City Council will lead to a process by the City staff, the Planning Commission, and the Housing Advisory Commission that will enable the Council to enact a forward-looking, environmentally and socially sustainable housing action plan.