



Councilmember Ben Bartlett  
District 3

CONSENT CALENDAR  
January 24, 2017

To: Honorable Mayor and Members of the City Council

From: Councilmember Ben Bartlett & Councilmember Linda Maio & Councilmember Lori Droste

Subject: Referral to City Manager: “Step Up Housing” Initiative - Micro-Units to House Homeless and Very Low-Income People

RECOMMENDATION

Refer to the City Manager to take the following actions through the Ad Hoc Committee on Homeless Solutions:

1. Identify parcels of City owned land for citing assisted-living modular micro unit buildings.
2. Amend the permitting and approvals process to facilitate the rapid creation of below market housing.
3. Obtain zoning approval and a building permit for a 4 story and approximately 100 unit building consisting of stackable modular units.
4. Upon completing construction, allocate \$1,000 per unit per month from the budget to lease the building. The actual construction costs of the building will be privately financed at no charge to the City.
5. Identify a housing non-profit to be responsible for managing and operating the building.
6. Establish criteria for selecting individuals and determining eligibility. These need-based criteria will take into account seniors, disabled people, and Berkeley natives who have become homeless.

FINANCIAL IMPLICATIONS

Minimal costs and staff time.

BACKGROUND

Our City is experiencing a homelessness and housing affordability crisis. City staff estimates that there are between 900 and 1200 homeless people living in Berkeley. In response to growing homelessness both locally and regionally, the City Council voted unanimously on December 13, 2016 to establish an Emergency Operation Center and focus City resources toward improving conditions for the homeless population. To that end, the City has doubled the number of shelter beds, expanded access to warming centers, and opened a 60 day consecutive emergency shelter containing 45 beds.

However, many of our homeless neighbors remain unsheltered. Additionally, as a result of high housing costs, numerous very low-income members of the Berkeley community are at risk of homelessness.

Conventionally built buildings cost the City an average of \$429,400<sup>1</sup> per unit. This high price results from expensive land costs, high construction costs, and costs associated with a slow and complex permitting system. A Bay Area developer has offered the City of Berkeley a proposal to create approximately 100 units of housing for homeless and very low-income people at a reduced cost. Land costs will be mitigated through constructing the building above a City-owned parking lot. Construction costs will be mitigated because the developer has agreed to privately finance the construction at no charge to the City. In return, the City will pay the developer \$1000 per unit per month to lease the building. Additionally, this item will empower the City Manager and the Ad Hoc Committee on Homeless Solutions to speed up the permit and approvals process, which will mitigate costs and quickly bring relief to our very low-income and homeless neighbors.

Conventionally built supportive housing takes one to two years to complete the approvals and permitting process, then at least eighteen months to build. Micro-units can be fabricated in four weeks, which can run concurrent with the permitting process. On-site installation then takes four to eight months. Within nine to twelve months of City approval, the building can be complete. As a result, approximately 100 of the most vulnerable members of our community will be housed.

#### ENVIRONMENTAL SUSTAINABILITY

This item will result in a positive environmental impact on the community. Increasing local access to low-income housing reduces automobile dependence and tailpipe emissions.

#### CONTACT PERSON

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\*Wheelchair accessible units are 50% larger and will cost \$1,400 +/- per unit. The City of Berkeley will provide as many/few of the larger units as required.

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<sup>1</sup> City of Berkeley Affordable Housing Nexus Study  
[http://www.cityofberkeley.info/Clerk/City\\_Council/2015/07\\_Jul/City\\_Council\\_\\_07-14-2015\\_-\\_Special\\_Meeting\\_Agenda.aspx](http://www.cityofberkeley.info/Clerk/City_Council/2015/07_Jul/City_Council__07-14-2015_-_Special_Meeting_Agenda.aspx)