



Councilmember Ben Bartlett  
District 3

## REVISED AGENDA MATERIAL

**Meeting Date:** January 24, 2016

**Item Number:** 35

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

**Submitted by:** Councilmember Ben Bartlett

- Made edits and additions to the Recommendation. Edits and additions pasted below.
  3. Select a developer through a competitive bidding process.
  4. Obtain zoning approval and a building permit for a 4 story and approximately 100 unit building consisting of stackable modular units.
  5. Develop a plan for financing the Micro-Units. The actual construction costs of the building will be privately financed at no charge to the City. Upon completing construction, the building will be leased to the City for \$1,000 per unit per month.\*
    - a. Tenants of each Micro-Unit will be required to contribute a percentage of any income they receive through government assistance programs.
    - b. Select a housing non-profit to partner with. The housing non-profit partner will identify and apply for grants and other sources of funding which will go towards leasing the building.
    - c. The City will supplement any remaining cost of leasing the building.
    - d. The developer will be responsible for paying for the maintenance of the building’s exterior and major systems.
    - e. The housing non-profit partner will be responsible for managing and operating the building. The tenants will be required to work with the housing non-profit to maintain and operate the building.



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~~discuss implementing 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~~Micro-Unit buildings.
2. Amend the permitting and approvals process to facilitate the rapid creation of below market housing.
3. Select a developer through a competitive bidding process.
- ~~3-4.~~ Obtain zoning approval and a building permit for a 4 story and approximately 100 unit building consisting of stackable modular units.
- 4.5. Upon completing construction, allocate \$1,000 per unit per month from the budget to lease the building. Develop a plan for financing the Micro-Units. The actual construction costs of the building will be privately financed at no charge to the City. Upon completing construction, the building will be leased to the City for \$1,000 per unit per month.\*
  - a. Identify Tenants of each Micro-Unit will be required to contribute a percentage of any income they receive through government assistance programs.
  - b. Select a housing non-profit to partner with. The housing non-profit partner will identify and apply for grants and other sources of funding which will go towards leasing the building.
  - c. The City will supplement any remaining cost of leasing the building.
  - a-d. The developer will be responsible for paying for the maintenance of the building's exterior and major systems.
  - b-e. The housing non-profit partner will be responsible for managing and operating the building. The tenants will be required to work with the housing non-profit to maintain and operate the building.

- 5-6. \_\_\_\_\_ 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~~This item will allow the City of Berkeley ~~a proposal to~~ create/develop 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~~will privately finance the construction at no charge to the City. In return, the ~~City building will be leased to the City~~ will pay the developer for \$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.

---

<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)

### 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

Councilmember Ben Bartlett, 510-981-7130

Councilmember Linda Maio, 510-981-7110

Councilmember Lori Droste, 510-981-7180

\*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.