



Office of the City Manager

ACTION CALENDAR

February 14, 2017

To: Honorable Mayor and Members of the City Council

From:  Dee Williams-Ridley, City Manager

Submitted by: Paul Buddenhagen, Director, Health, Housing and Community Services Department

Subject: Reserving Very Low-Income In Lieu Units for Households Holding Section 8 Vouchers and Shelter + Care Certificates; Amending BMC Section 22.20.065

RECOMMENDATION

Adopt first reading of an Ordinance amending Section 22.20.065.C.2. of the Berkeley Municipal Code to require that 40% of Very Low-Income units provided in lieu of payment of the affordable housing mitigation fee be reserved for holders of Section 8 vouchers and 40% of Very Low Income units be reserved for Shelter + Care certificates, and remove the previously-adopted time limit on the applicability of restricting units to Section 8 voucher holders.

FISCAL IMPACTS OF RECOMMENDATION

Additional administrative time to develop related administrative regulations, clarify them for developers and property managers, and monitor and enforce the additional requirements in perpetuity for affected developments.

CURRENT SITUATION AND ITS EFFECTS

Under BMC Section 22.20.065, which adopted an affordable housing mitigation fee (AHMF), a developer of new residential housing may either pay the AHMF or provide below market rate (BMR) units in lieu of doing so. As amended in July 2016, Section 22.20.065 requires that such "in lieu units" equal 20% of the total number of units in the project. Half of these BMR units must be reserved for Low-Income households, and half for Very Low-Income households.

BACKGROUND

At the July 12, 2016 Council meeting, the question was raised as to whether the Very Low-Income units could be reserved for holders of Section 8 vouchers, but staff was not prepared to answer the question at that time. Staff conducted further research and concluded that doing so would be permissible. On October 18, 2016, the Council amended the ordinance to require that 80% of Very Low income units in certain multifamily housing developments be reserved for Section 8 voucher holders. This requirement applied to projects receiving final approval under BMR Title 23 between

September 21, 2016 and September 19, 2019. Staff now recommends that 40% of the Very Low-Income units be reserved for Section 8 voucher holders, and 40% for Shelter + Care certificate holders, with the remaining units being available to other Very Low-Income households, and that no expiration date apply to these requirements. The attached proposed amendment so provides.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Berkeley's Shelter Plus Care participants continue to experience difficulty securing rental housing units in today's very competitive, high-cost housing market, similar to Section 8 voucher holders.

ALTERNATIVE ACTIONS CONSIDERED

Staff considered leaving the existing requirement in place, which requires reserving in lieu Very Low-Income units solely for Section 8 voucher holders.

CONTACT PERSON

Paul Buddenhagen, Director, Health, Housing and Community Services Dept. 981-5426

Attachments:

1: Ordinance

ORDINANCE NO. #,###-N.S

AMENDING BERKELEY MUNICIPAL CODE SECTION 22.20.065, SUBDIVISION C.2,
AFFORDABLE HOUSING MITIGATION FEE

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1. That Berkeley Municipal Code Section 22.20.065.C.2. is amended to read as follows:

2. An applicant for a Development project that is subject to the Fee may elect to avoid the Fee by providing, for the life of the project, a number of units equal to 20% of the market rate units in the project at rental rates affordable to Low-Income and Very Low-Income Households. Subject to administrative regulations promulgated pursuant to subdivision H, 40% of the Very Low-Income units in Development projects that have not obtained final approval under Title 23 as of September 20, 2016, shall be reserved for holders of Berkeley Housing Authority Section 8 vouchers and 40% shall be reserved for holders of City of Berkeley Shelter + Care certificates. Subject to administrative regulations promulgated pursuant to subdivision H, in Development projects that have not obtained final approval under Title 23 as of September 20, 2016, 80% of the Very Low-Income units provided under this Section shall be reserved for holders of Section 8 vouchers, if any, provided that this requirement shall terminate and be of no further force or effect as of September 19, 2019.

Section 2. Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

