



Kate Harrison
Councilmember District 4

SUPPLEMENTAL AGENDA MATERIAL

Meeting Date: November 28, 2017

Item Number: 26

Item Description: Ministerial Approval of Zoning-Compliant Affordable Housing

Submitted by: Councilmembers Kate Harrison and Sophie Hahn

Additions submitted as friendly amendments to clarify the many barriers addressed by the package of State Legislature housing bills passed in 2017. We are referring to staff to evaluate the impact of these housing related bills on the City's zoning and permitting process and ways to expedite that process.



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Councilmember District 4

ACTION CALENDAR
November 28, 2017

To: Honorable Mayor and Members of the City Council
From: Councilmembers Lori Droste and Ben Bartlett
Subject: Ministerial Approval of Zoning-Compliant Affordable Housing

RECOMMENDATION

Refer to the City Manager to analyze changes to state housing provisions in the 2017 California Legislative Session for their impact on the City's practices for planning and approving affordable housing, and recommend possible amendments-changes, if any, to the zoning ordinance or permitting process to ensure compliance with state law and allow ministerial-support expedited approval of zoning-compliant affordable housing with design review conducted by staff, consistent with these new laws. "Affordable housing" should be defined as a project receiving Affordable Housing Trust Fund Money, providing housing affordable to households at below 60% Area Median Income, such as that provided by one of the region's nonprofit affordable housing developers (SAHA, Bridge, RCD, etc.).

FINANCIAL IMPLICATIONS

Staff time and the potential costs associated with any necessary consultants.

BACKGROUND

It is incumbent on the City to make it~~If Council approves this recommendation, it will be easier and faster to create-build~~ affordable housing in Berkeley. ~~since the project review process can take significant time.~~ The project review process imposes a significant burden on applicants, both in terms of time taken and financial cost, and is a major barrier to the construction of affordable housing. Like most cities across California, Berkeley struggles to create enough below market rate units. In particular, the City has not produced its fair share of the goals set by the Association of Bay Area Government's Regional Housing Needs Allocation (RHNA) for below market units. This is borne out by the results of the Bi-Annual Housing Pipeline Report, which is also before this Council. It shows that while the City has already met over 90% of its Above Market Rate Housing need as set forth in the City's by the Association of Bay Area Governments in our Regional Housing Needs Allocation (RHNA) goals, it is falling behind in terms of Below Market Rate Units. The City of Berkeley needs to make it much easier to create those units.

A package of 15 housing related bills that passed in the 2017 Session of the State Legislature may have significant impact on the City's process for planning and

approving housing projects. A summary analysis by the independent legal firm Goldfarb and Lipman, Attorneys (Attachment 1) indicates that the package may, among other impacts, shorten the timeline for project approval to 90 days, require that all development standards be objective, create a process for zoning by right for some developments, change the standard of evidence for rejecting a proposed development, eliminate parking requirements for affordable developments, and increase the City's housing development reporting requirement to the State.

These new State laws could result in a massive shift to what is required of the City in the sphere of housing planning and development. This item asks the City Manager to analyze these changes to determine their precise impact on the city of Berkeley and, based on the findings of such an analysis, make recommendations to the Council of possible changes to the City's affordable housing approval process to 1) ensure compliance with new State requirements and 2) reduce administrative barriers to the construction of Below Market Rate Housing.

According to the nonpartisan Legislative Analyst's Office, "researchers have linked additional review time to higher housing costs. A study of jurisdictions in the Bay Area found that each layer of independent review was associated with a 4% increase in a jurisdiction's home prices ([California's High Housing Costs: Causes and Consequences, 2015](#))." Excessive regulation also lowers the elasticity of new housing supply by increasing delays in the permit process (Paciorek, 2013). UC Berkeley Professor Enrico Moretti also has [written extensively](#) about how burdensome land use regulations contribute to high housing costs and worsening environmental conditions. Rising rents are the [main culprit](#) in the Bay Area's exploding homeless population. Reducing barriers to construction can have large effects on homelessness ([PPIC, 2001](#)).

ENVIRONMENTAL SUSTAINABILITY

This recommendation is consistent with Berkeley's environmental sustainability goals. Transportation emissions are the predominant source of California's greenhouse gas emissions. By building affordable housing in areas well-served by transit, the City of Berkeley can positively impact the environment by reducing commute times and disincentivizing urban sprawl.

CONTACT PERSON

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