



Sophie Hahn
Councilmember District 5

SUPPLEMENTAL AGENDA MATERIAL for Supplemental Packet 1

Meeting Date: April 23, 2019

Item Number: 32

Item Description: Missing Middle Housing Report

Submitted by: Councilmember Sophie Hahn

Additional friendly amendments to make the following changes (highlighted in green on the attached document):

- Clarification and elaboration of a number of background concepts
- Small edits and clarifications
- Adding more specificity about appropriate consulting firms to carry out the study.



Lori Droste
Councilmember, District 8

ACTION CALENDAR

March 26, 2019

To: Honorable Mayor and Members of the City Council

From: Councilmember Lori Droste, Councilmember Ben Bartlett, Councilmember Rigel Robinson, and Councilmember Rashi Kesarwani

Subject: Missing Middle *Housing* Report

RECOMMENDATION

Refer to the City Manager to ~~bring back to Council~~ prepare a report to the Council of examining methods, *including* potential revisions to the zoning code, ~~to~~ that may foster a broader range of housing types across Berkeley, particularly missing middle housing types (duplexes, triplexes/fourplexes, courtyard apartments, bungalow courts, townhouses, etc.), in areas with access to essential components of livability like parks, schools, employment, transit, and other services.

The report should examine how other cities that have prepared for and implemented these changes particularly Minneapolis, *Seattle*, Chicago, and Portland, did so, including mitigating potential side effects, particularly on displacement and increases in rental prices in the surrounding area and providing assistance to first time homebuyers so that the benefits of the additional housing are equitably distributed.

The report(s) should include, but is *(are)* not limited to; examining how other cities approached and recommending alternatives to:

1. Identifying where missing middle housing is *may be* optimal/could be permitted and the increase in density
2. Allowing the possibility of existing houses/footprints/zoning envelopes to be divided into up to 4 units, potentially scaling the floor area ratio (FAR) to increase as the number of units increase on site, creating homes that are more affordable,

saving and lightly modifying an older structure as part of internally dividing it into more than one unit³⁸

3. ~~Excluding very high fire severity zones as defined by Cal Fire and/or City of Berkeley. *Evaluating Berkeley's residential areas –including Berkeley hillsides– while also* unique geological features, such as hillsides and high fire severity zones, and considering fire and disaster preparedness service needs~~
4. Considering design elements *and* form-based zoning, which addresses the appropriate form, scale and massing of buildings as they relate to one another, as a potential strategy³⁹
5. Creating incentives to maintain family-friendly housing stock while adding more diversity and range of smaller units
6. Creating incentives for building more than one unit on larger than average lots
7. Providing suggestions to
 - a. protect existing housing stock, *particularly affordable and rent-controlled stock*
 - b. ~~protect~~ provide for Considering provision of tenant and vulnerable low-income *individuals* homeowner protections,
 - c. *control* demolition controls, and
 - d. *ensure* no net loss provisions, and
 - e. increase affordability *with* provisions that align with our land value recapture policy objectives ~~to maximize affordability in Berkeley.~~
8. Evaluating whether changes –or lack of changes– would
 - a. place particular *economic or gentrifying pressure on low-income neighborhoods with historic redlining*
 - b. *Contribute to further exclusion and/or exacerbate racial and economic segregation in Berkeley.*
9. Evaluating methods for promoting first time home ownership of these units (e.g. *Open Doors Initiative*) and/or providing assistance to first time homebuyers so that the benefits of the additional housing are equitably distributed
10. Incorporating green features *and evaluating environmental impacts of missing middle housing*
11. *Considering historic preservation efforts and preventing impacts to designated historic resources*
12. Examining how different cities effectuated these changes (e.g. changes to their General Plan, zoning changes, etc.), and
13. Evaluating the public process used in the course of considering these changes

³⁸ City of Portland, <https://www.portlandoregon.gov/bps/article/711691>.

³⁹ Form-Based Codes Institute at Smart Growth America, 1152 15th Street NW Ste. 450 Washington, DC 20005. <https://formbasedcodes.org/definition/>

~~Given the range of requests included in this referral, it is expected that responding to the referral will require a combination of field research, consultation with design professionals and other cities and agencies, and community outreach and engagement. Council requests that staff initiate this work as soon as possible.~~

CURRENT PROBLEM AND ITS EFFECTS

The nine-county Bay Area region is facing an extreme shortage of homes that are affordable for working families. The Metropolitan Transportation Commission illustrates the job-housing imbalance in a recently released a report showing that only one home is added for every 3.5 jobs created in the Bay Area region.⁴⁰ Governor Gavin Newsom has called for a “Marshall Plan for affordable housing” and has pledged to create millions of more homes in California to tackle the state’s affordability and homelessness crisis.

In Berkeley, the median sale price of a home is \$1.2 million (as of December 2018)—an increase of 65% over the median sale price in December 2013 of \$727,000. Similarly, Berkeley’s median rent index is \$3,663/month—a 54% increase since December 2013.⁴¹ The escalating rents coincided with an increase of 17% in Berkeley’s homeless population as documented in the 2015 and 2017 point-in-time counts.⁴² These skyrocketing housing costs put extreme pressure on low-, moderate- and middle-income households, as they are forced to spend an increasing percentage share of their income on housing (leaving less for other necessities like food and medicine), live in overcrowded conditions, or endure super-commutes of 90 minutes or more in order to make ends meet.

Low-Income Households

Recently, low-income households experienced the greatest increases in rent as a portion of their monthly income. According to the Urban Displacement Project, households are considered to be “rent burdened” when more than a third of their income goes toward housing costs. In Alameda County, “Although rent burden increased across all income groups, it rose most substantially for low- and very low-income households. In both 2000 and 2015, extremely low-income renters were by far the most likely to experience severe rent burden, with nearly three quarters spending more than half their income on rent.”⁴³

⁴⁰ Metropolitan Transportation Commission, 2018. <http://www.vitalsigns.mtc.ca.gov/>

⁴¹ Berkeley Home Prices and Values, <https://www.zillow.com/berkeley-ca/home-values/>

⁴² Berkeley Homeless Point-in-Time Count and Survey Data, 2017. https://www.cityofberkeley.info/Clerk/City_Council/2017/07_Jul/Documents/2017-07-25_Item_53_2017_Berkeley_Homeless.aspx

⁴³ Zuk, M., & Chapple, K. (2015). Urban Displacement Project. http://www.urbandisplacement.org/sites/default/files/images/alameda_final.pdf

Although residents of Berkeley recently passed Measure O which will substantially increase funding for affordable housing, low-income units are increasingly expensive to create. Low-income housing units typically cost well over \$500,000 to create and the demand for this type of affordable/subsidized housing exceeds the supply.⁴⁴ In Berkeley, roughly 700 seniors applied for the 42 affordable/subsidized units at Harpers Crossings.⁴⁵ Without a substantial additional increase in funding for affordable housing, the vast majority of low-income individuals have to rely on the market.

Middle-Income Households

In the Bay Area, those earning middle incomes are facing similar challenges in finding affordable homes. The Pew Research Center classifies middle income households as those with “adults whose annual household income is two-thirds to double the national median.” In 2016, middle income households were those earning approximately \$45,000 to \$136,000 for a household of three.⁴⁶ However, in Berkeley, a similarly-sized family earning up to \$80,650 (80% Area Median Income) is considered low-income according to the U.S. Department of Housing and Urban Development.⁴⁷

In the Bay Area, a family currently has to earn \$200,000 annually to afford the principal, interest, taxes and insurance payments on a median-priced home in the Bay Area (assuming they can pay 20 percent of the median home price of nearly \$1,000,000 up front).⁴⁸ This means that many City of Berkeley employees couldn't afford to live where they work: a community health worker (making \$63,600) and a janitor (making \$58,300) wouldn't be able to afford a home. Neither would a fire captain (making \$142,000) with a stay at home spouse. Even a police officer (making \$122,600) and a groundskeeper (making \$69,300), or two librarians (making \$71,700) couldn't buy a house.⁴⁹

Berkeley Unified School District employees have recently been advocating for teacher housing. Unfortunately, the housing options for teachers are insufficient for the overwhelming need. According to a recent Berkeley Unified School District (BUSD)

⁴⁴ “The Cost of Building Housing” *The Turner Center* <https://turnercenter.berkeley.edu/construction-costs-series>

⁴⁵ Flood, Lucy. (1/18/2018). “Berkeley low-income seniors get a fresh start at Harper Crossing.” <https://www.berkeleyside.com/2018/01/18/berkeley-low-income-seniors-get-fresh-start-harper-crossing>

⁴⁶ Kochhar, Rakesh. “The American middle class is stable in size, but losing ground financially to upper-income families,” 9/16/2018, Pew Research Center. <http://www.pewresearch.org/fact-tank/2018/09/06/the-american-middle-class-is-stable-in-size-but-losing-ground-financially-to-upper-income-families/>

⁴⁷ Berkeley Housing Authority, HUD Income Guidelines, effective April 1, 2018. https://www.cityofberkeley.info/BHA/Home/Payment_Standards,_Income_Limits,_and_Utility_Allowance.aspx

⁴⁸ “The salary you must earn to buy a home in the 50 largest metros” (10/14/2018). HSH.com <https://www.hsh.com/finance/mortgage/salary-home-buying-25-cities.html#>

⁴⁹ City of Berkeley Human Resources, “Job Descriptions” <http://agency.governmentjobs.com/berkeley/default.cfm?action=agencyspecs&agencyID=1568>

survey, 69% of teachers or staff who rent believe that high housing costs will impact their ability to retain their BUSD positions.⁵⁰ Since individual K-12 teacher salaries average ~\$75,962,⁵¹ the majority of teachers are not classified as low-income (<\$62,750), according to Housing and Urban Development guidelines. As a result, many cannot qualify for affordable housing units.

Since middle income individuals and families can't qualify for affordable housing units and very few subsidies are available to help, most have to rely on non-governmental subsidized methods and the private market to live in the Bay Area.

Families

Many families are fleeing the Bay Area due to the high cost of living. According to a recently released study by the Turner Center for Housing Innovation, the income and racial patterns out-migration and in-migration indicate that “the region risks backsliding on inclusion and diversity and displacing its economically vulnerable and minority residents to areas of more limited opportunity.”⁵² Rent for a two bedroom apartment in Berkeley costs approximately \$3,200/month⁵³ while the median child care cost in Alameda County is \$1,824 a month, an increase of 36% in the past four years.⁵⁴ Consequently, many families are paying well over \$60,000 for living and childcare expenses alone.

Homelessness

High housing costs also lead to California having among the highest rates of poverty in the nation at 19%.⁵⁵ Consequently, homelessness is on the rise throughout California. The Bay Area has one of the largest and least-sheltered homeless populations in North America.⁵⁶ The proliferation of homeless encampments—from select urban neighborhoods to locations across the region—is the most visible manifestation of the Bay Area’s extreme housing affordability crisis. According to the 2017 point-in-time

⁵⁰ **Berkeley Unified School District, “Recommendation for District-Owned Rental Housing for Employees”,**<https://documentcloud.adobe.com/link/track?uri=urn%3Aaaid%3Aascds%3AUS%3Adfd74865-9541-4ff8-b6a6-4dcbd30acdc3>

⁵¹ *Education Data Partnership, “Teacher Salaries”* <http://www.ed-data.org/district/Alameda/Berkeley-Unified>

⁵² Romem, Issa and Elizabeth Kneebone, 2018. “Disparity in Departure: Who Leaves the Bay Area and Where Do They Go?” <https://turnercenter.berkeley.edu/disparity-in-departure>

⁵³ Berkeley Rentals, <https://www.zillow.com/berkeley-ca/home-values/>

⁵⁴ D’Souza, Karen, 2/3/19. “You think Bay Area housing is expensive? Child care costs are rising, too.” <https://www.mercurynews.com/2019/02/03/you-think-bay-area-housing-is-expensive-childcare-costs-are-rising-too/amp/>

⁵⁵ The U.S. Census The Supplemental Poverty Measure adjusts thresholds based on cost of living indexes.

⁵⁶ SPUR: Ideas and Action for a Better City. “Homelessness in the Bay Area: Solving the problem of homelessness is arguably our region’s greatest challenge.” Molly Turner, Urbanist Article, October 23, 2017 <https://www.spur.org/publications/urbanist-article/2017-10-23/homelessness-bay-area>

count, Berkeley had approximately 972 individuals experiencing homelessness on any given night.⁵⁷ In order to *act in accordance with best practices research on alleviating homelessness and* help homeless individuals get housed, the City needs to create more homes.⁵⁸ Tighter housing markets are associated with higher rates of homelessness, indicating that the creation of additional housing for all income levels is key to mitigating the crisis.⁵⁹

While more housing availability region-wide could, over time, reduce pressures that lead to homelessness, in the short and medium term, newly created housing generally rents or sells at the top of the market unless specifically reserved for affordable below market rates. Recent and/or imminent IPOs in the tech industry will likely raise prices in the immediate future.

With added housing supply across the Bay Area and/or a regional economic downturn, rents and home purchasing costs are likely to peak and decrease somewhat. However, in the foreseeable future, absent an economic crash, market forces are unlikely to result in housing at rents or purchase prices affordable to households at or below 120% of AMI. Only reserved affordable and deeply affordable housing will be accessible to those households, or to rehouse individuals who are already experiencing homeless.

In 2015, the non-partisan California's Legislative Analyst Office published a report addressing the state's high housing costs. Their report revealed that growth control policies increased home prices by 3-5%.⁶⁰ In the 1,000 Person Plan to Address Homelessness, Berkeley's Health, Housing and Community Services staff also recommend that Council prioritizes "implementing changes to Berkeley's Land Use, Zoning, Development Review Requirements for new housing with an eye toward alleviating homelessness." In the short run, to produce housing that will immediately be affordable to rehouse the homeless and to house other very low, low and moderate income individuals, changes to Berkeley's "Land Use, Zoning, Development Review Requirements" should prioritize measures that support the creation or retention of reserved affordable or rent controlled housing.

⁵⁷ Berkeley Homeless Point-in-Time Count and Survey Data, 2017. https://www.cityofberkeley.info/Clerk/City_Council/2017/07_Jul/Documents/2017-07-25_Item_53_2017_Berkeley_Homeless.aspxn

⁵⁸ United States Interagency Council on Homelessness "The Evidence behind Approaches that Drive an End to Homelessness" December 2017, https://www.usich.gov/resources/uploads/asset_library/evidence-behind-approaches-that-end-homelessness.pdf

⁵⁹ *Homeless in America, Homeless in California*. John M. Quigley, Steven Raphael, and Eugene Smolensky. The Review of Economics and Statistics, February 2001, 83(1): 37–51 © 2001 by the President and Fellows of Harvard College and the Massachusetts Institute of Technology. https://urbanpolicy.berkeley.edu/pdf/qrs_restat01pb.pdf

⁶⁰ California's High Housing Costs, Causes and Consequences, Legislative Analyst Office, March 17, 2015. <https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

BACKGROUND

Missing Middle

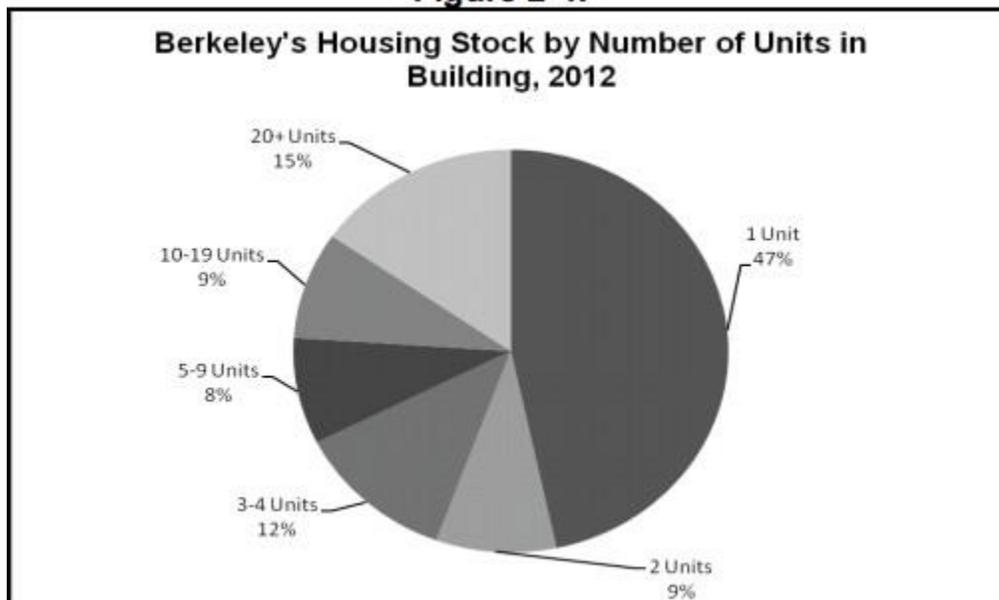
What is missing middle housing?

Missing middle housing is a term used to describe:

3. a range of clustered or multi-unit housing types compatible in scale with single family homes⁶¹ and/or
4. housing types naturally affordable to those earning between 80-120% of the area median income.

While this legislation aims to address the former, by definition and design, missing middle housing will always seeks to be less expensive than comparable single family homes in the same neighborhood, hopefully leading to greater accessibility to those earning median, middle, or lower incomes. Currently, the median price of a single family home in Berkeley is \$1.2 million dollars, which is out of reach for the majority of working people.⁶² Approximately half of Berkeley's housing stock consists of single family units⁶³ and more than half of Berkeley's residential land is zoned in ways that preclude most missing middle housing. As a result, today, in most cases, only wealthy households can afford to newly enter the housing market homes in Berkeley.

Figure 2-4:



Source: US Census, ACS 2008-2012 5-Year Estimate., Table B25024

⁶¹ Parolek, Dan. Opticos Design. <http://missingmiddlehousing.com/>

⁶² Berkeley Home Prices and Values, <https://www.zillow.com/berkeley-ca/home-values/>

⁶³ City of Berkeley 2015 -2023 Housing Element.

https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Commissions/Commission_for_Planning/2015-2023%20Berkeley%20Housing%20Element_FINAL.pdf

Missing middle housing includes duplexes, triplexes, courtyard apartments, bungalow courts, and multiplexes that often house people with a variety of incomes. These housing types generally have small- to medium-sized footprints and are often three stories or less, allowing them to blend into the existing neighborhood while still encouraging greater socioeconomic diversity. These types of homes exist in every district of Berkeley, having been built before they were banned in districts only allowing single family homes. Missing middle homes were severely limited in other districts by zoning changes initiated in 1973.

The current housing market has led to “barbell” housing delivery. That is, new units tend to high-priced (market rate or luxury) or highly subsidized (affordable). Consequently, the majority of the population can’t access new units because of the dearth of funding, scarcity of land, and high construction costs impose challenges on viability. One study found that individuals trying to create missing middle housing cannot compete financially with larger projects in areas zoned for higher density, noting “many smaller developers have difficulty obtaining the necessary resources (including the competitive funding) required to offset the high initial per-unit development costs, and larger developers with deeper pockets and more experience navigating complex regulatory systems will almost always opt to build projects that are large enough to achieve the bulk per-unit development rate.”⁶⁴ Additionally, *many types of missing middle housing is are not permitted in areas zoned R1 (previously single family only; now one main residence plus one Accessory Dwelling Unit (ADU)), R1A (limited two family), and R2 (restricted two family).* Other factors that may prevent the creation of missing middle housing include *onerous* lot coverage ratios and *excessive* setback and parking requirements.⁶⁵

History of Exclusionary Zoning, Racial and Economic Segregation and Current Zoning

Prior to the 1970s, a variety of missing middle housing was still being produced and made available to families throughout the Bay Area, particularly in Berkeley. Many triplexes, ~~etc~~ and similar building types exist in areas now zoned for single a primary family residential residence plus ADU (R-1), limited two- family residential (R-1A), and restricted two-family residential (R-2). These areas are now some of the most expensive parts of our city—especially on a per-unit basis.

Until 1984, Martin Luther King Jr Way was known as Grove Street. For decades, Grove Street created a wall of segregation down the center of Berkeley. Asian-Americans and African-Americans could not live east of Grove Street due to race-restrictive covenants that barred them from purchasing or leasing property.⁶⁶ While many people are aware of

⁶⁴ The Montgomery Planning Dept., “The Missing Middle Housing Study,” September 2018. http://montgomeryplanning.org/wp-content/uploads/2018/09/MissingMiddleHousingStudy_9-2018.pdf

⁶⁵ Ibid.

⁶⁶ Wollenberg, *Berkeley, A City in History*, 2008.

this sordid piece of Berkeley history, less know about Mason-McDuffie Company's use of zoning laws and racially-restrictive property deeds and covenants to prevent people of color from living in east Berkeley.

Mason-McDuffie race-restrictive covenants state: "if prior to the first day of January 1930 any person of African or Mongolian descent shall be allowed to purchase or lease said property or any part thereof, then this conveyance shall be and become void..."⁶⁷ In 1916, McDuffie began lobbying for the exclusionary zoning ordinances in Berkeley to protect against the "disastrous effects of uncontrolled development"⁶⁸ and restrict Chinese laundromats and African American dance halls, particularly in the Elmwood and Claremont neighborhoods.⁶⁹

After *Buchanan v Wareley* in 1917, explicit racially restrictive zoning became illegal. However, consideration to maintaining the character of districts became paramount and Mason-McDuffie contracts still stipulated that property owners must be white.

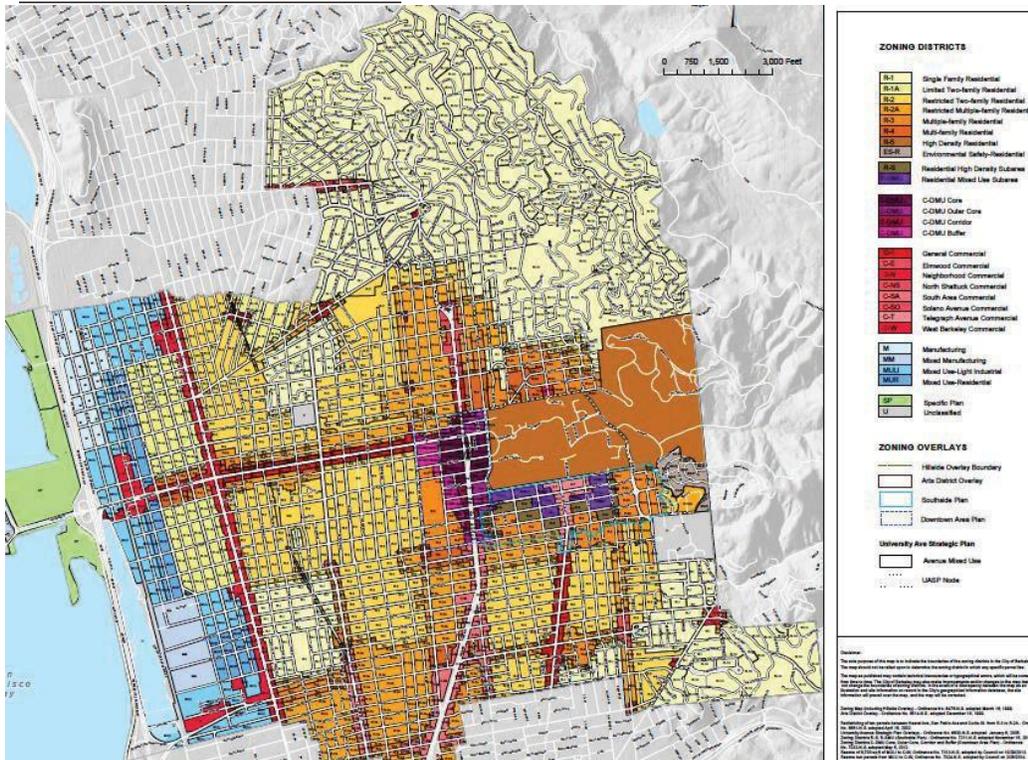
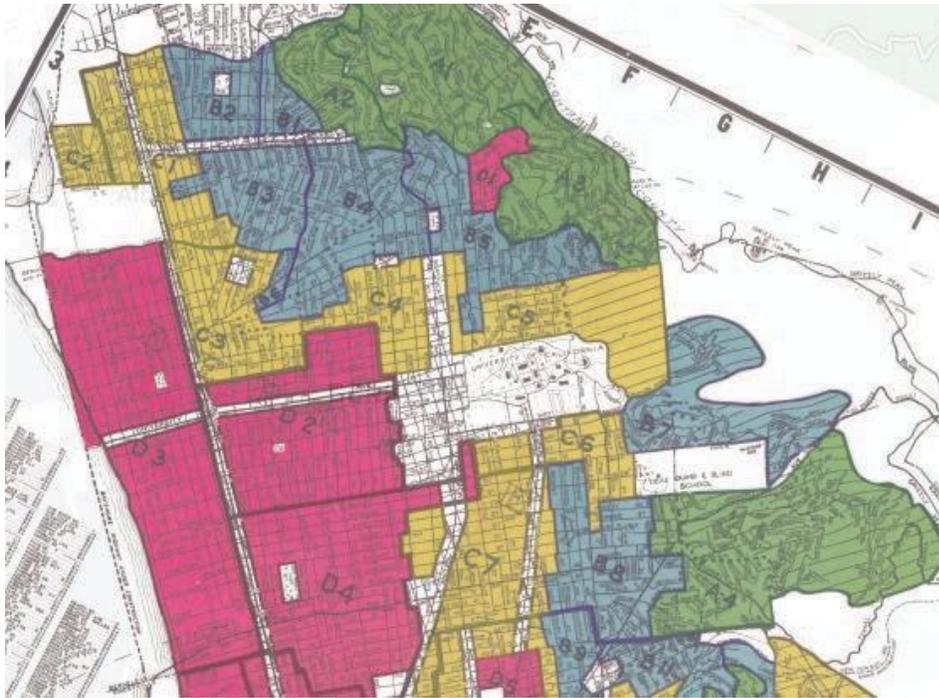
In 1933, the federal government created a Home Owners Loan Corporation (HOLC), which produced residential maps of neighborhoods to identify mortgage lending risks for real estate agents, lenders, etc. These maps were based on racial composition, quality of housing stock, access to amenities, etc. and were color coded to identify best (green), still desirable (blue), definitely declining (yellow), and hazardous (red) neighborhoods. These maps enabled discriminatory lending practices (later called 'redlining') and allowed lenders to enforce local segregation standards.⁷⁰

⁶⁷ Claremont Park Company Indenture, 1910

⁶⁸ Lory, Maya Tulip. "A History of Racial Segregation, 1878–1960." *The Concord Review*, 2013. <http://www.schoolinfosystem.org/pdf/2014/06/04SegregationinCA24-2.pdf>

⁶⁹ Weiss, M. A. (1986). Urban Land Developers and the Origins of Zoning Laws: The Case of Berkeley. *Berkeley Planning Journal*, 3(1). Retrieved from <https://escholarship.org/uc/item/26b8d8zh>

⁷⁰ NCRC Opening Doors to Economic Opportunity, "HOLC "REDLINING" MAPS: The persistent structure of segregation and economic inequality." Bruce Mitchell and Juan Franco. https://ncrc.org/wp-content/uploads/dlm_uploads/2018/02/NCRC-Research-HOLC-10.pdf



The images above compare a HOLC-era (Thomas Bros Map) map of Berkeley with a current zoning map. Neighborhoods identified as "best" in green on the HOLC-era map typically remain zoned as single family residential areas today. Red 'hazardous' neighborhoods in the first map are now largely zoned as manufacturing, mixed use, light industrial, or limited two family residential.⁷¹

Most cities still retain the vestiges of exclusionary zoning practices. By restricting desirable many areas to single-family homes-Low and Low Medium Density housing (and banning restricting potentially less expensive housing options, such as duplexes, tri-/four-plexes, courtyard apartments, bungalow courts, and townhouses), the current zoning map dictates that only wealthier families will be able to live or rent in Berkeley. Today, with the median sale price at \$1.2 million, this de-facto form of economic segregation is even more pronounced.

According to the data mapped by the Urban Displacement Project, most of the low-income tracts in Berkeley are at-risk or have ongoing displacement and gentrification. Higher-income tracts in Berkeley are classified as 'at-risk of exclusion', currently feature 'ongoing exclusion', or are at stages of 'advanced exclusion'. Degrees of exclusion are measured by a combination of data: the loss of low-income households over time, presence of high income households, being considered in a 'hot housing market,' and migration patterns. The Urban Displacement Project's findings indicate that exclusion is more prevalent than gentrification in the Bay Area, meaning that low and middle income people are leaving higher priced districts and being replaced by higher income individuals more quickly than higher income people are moving into lower priced districts where they replace ("displace") lower or middle income individuals.⁷²

While Berkeley has created policies and designated funding to prevent gentrification and displacement, policies that focus on preventing exclusion have lagged.

*University of California-Berkeley Professor Karen Chapple, anti-displacement expert and director of the Urban Displacement Project, stated that "the Urban Displacement Project has established a direct connection between the neighborhood designations by the Home Owners Loan Corporation (HOLC), and 75% of today's exclusionary areas in the East Bay...Thus, this historic legacy, compounded by Berkeley's early exclusionary zoning practices, continues to shape housing opportunity and perpetuate inequities today."*⁷³

Historic Redlining

Redlining was a practice (still mirrored today, in some respects) whereby certain neighborhoods or areas were designated as being high-risk for investment. These high-risk designations were literally marked on maps using red coloring or lines, hence "redlining." The designations were typically applied to areas with large non-white and/or

⁷¹ Robert K. Nelson, LaDale Winling, Richard Marciano, Nathan Connolly, et al., "Mapping Inequality," American Panorama, ed. Robert K. Nelson and Edward L. Ayers,

<https://dsl.richmond.edu/panorama/redlining/#loc=10/37.8201/-122.4399&opacity=0.8&sort=17&city=oakland-ca&advview=full>

⁷² Zuk, M., & Chapple, K. (2015). Urban Displacement Project. <http://www.urbandisplacement.org/map/sf>

⁷³ *Karen Chapple's February 25, 2019 letter to Berkeley City Council in support of this proposal. See Attachments.*

economically disadvantaged populations, and resulted in people who lived in or wanted to move to these areas being denied loans, or only being provided loans on much worse terms than their counterparts who could access non-redlined areas, due to their ethnicity or higher economic status.

Because redlining practices were contemporaneous with segregationist race-restricted deeds that largely locked minorities out of non-redlined neighborhoods, most non-white households were effectively forced to live in areas where buying and/or improving residential property was extremely difficult. Consequently, low-income and minority families were often locked out of homeownership, and all the opportunities for stability and wealth-building that entails. Therefore redlining tended to reinforce the economic stagnation of the areas to which it was applied, further depressing property values and leading to disinvestment. Although redlining is no longer formally practiced in the fashion it was historically, its effects continued to be felt in wealth disparities, educational opportunity gaps, and other impacts.

One way in which the practice of redlining continues to be felt is through the continuation of exclusionary zoning. By ensuring that only those wealthy enough to afford a single family home with a relative large plot of land could live in certain areas, exclusionary zoning worked hand in hand with redlining to keep low-income families out of desirable neighborhoods with good schools and better economic opportunity. Cities, including Berkeley, adopted zoning that effectively prohibited multi-family homes in the same areas that relied on race restrictive deeds to keep out non-whites, meaning that other areas, including redlined areas, were more likely to continue allowing multi-family buildings. Luckily, Berkeley's early adoption of "integration" of schools in 1968, the many subsequent efforts to equitably distribute educational opportunity through the city's neighborhoods, and equalizing the quality of education offered across all schools in the district, has resulted in high quality schools distributed throughout Berkeley's geography. While significant and unacceptable disparities in educational outcomes exist across racial and economic lines, geography no longer dictates the quality of schools accessible to those who live in different parts of town.

Ironically, because these patterns of multi-family zoning versus exclusionary zoning have persisted, many areas that were historically redlined are now appealing areas for new housing development precisely because they have continued to allow multi-family homes. Any area which sees its potential housing capacity increase will become more appealing for new housing development. When these changes are made in historically redlined areas where lower-income and minority households tend to be more concentrated, it is especially important to ensure those policies do not result in involuntary displacement or the loss of rent-controlled or naturally other affordable housing units.

TENANT AND ANTI-DISPLACEMENT STRATEGIES

The types of zoning modifications that may result from the requested report could, as discussed above, significantly increase Berkeley's housing stock ~~with units that are more affordable to low- and middle-income residents.~~ However, ~~s~~Staff's report should consider possible side effects and ways that policy can be crafted to prevent and mitigate negative externalities which could affect tenants and low- and moderate income homeowners. Steps must be taken to address the possibility that altering, demolishing, remodeling, or moving existing structures ~~doesn't might~~ result in the widespread displacement of Berkeley tenants or loss of rent-controlled units. Staff should consider what measures are might be required needed in conjunction with ~~these zoning potential~~ General Plan and zoning changes that would allow up to four units in areas currently designated Low and Low Middle density (e.g. strengthening the demolition ordinance, tenant protections or assistance, no net loss requirements or prohibiting owners from applying if housing was occupied by tenants five years preceding *the* date of application).

ALTERNATIVE ACTIONS CONSIDERED

We considered an urgency ordinance but after consultation with City of Berkeley staff, we are recommending a report to explore the possibility of ~~on~~ fostering a wider variety of housing types in areas currently designated Low and Medium Low Density by the General Plan, potential zoning changes to inform ~~future policy decisions, as opposed to immediate zoning revisions.~~ the General Plan update and any new zoning which may flow therefrom.

IMPLEMENTATION, ADMINISTRATION, AND ENFORCEMENT

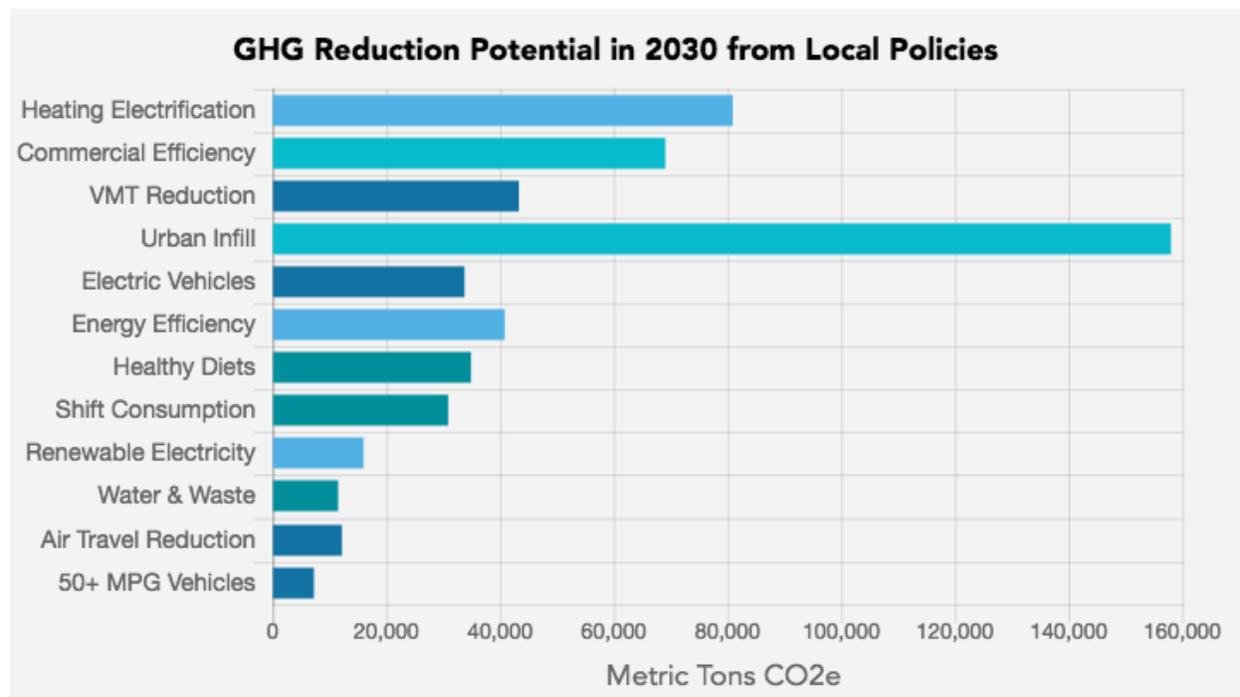
Any report exploring land use or other changes that fall beyond what is contemplated by the existing General Plan should be produced in a credible and impartial manner. The changes to be explored by this report, if adopted after a General Plan revision, could affect almost 50% of the city's residentially zoned parcels. To ensure the report is accepted by policy makers and the public as a useful tool for the General Plan revision process, it should be undertaken by a consulting firm with no preconceived bias or record of advocacy in favor of or against the "Missing Middle" concept. ~~Not applicable as this item requests an analytical report.~~

FINANCIAL IMPLICATIONS

Staffing or consulting costs to analyze zoning code and produce the report. *Costs for consultants to provide a missing middle scan or an in-depth analysis range from \$25,000-\$65,000.* ~~Staff should consider adding components of this Council referral to the city's density standard study in order to accelerate the referral response, as long as it doesn't displace or delay the density standard project.~~

ENVIRONMENTAL SUSTAINABILITY

Berkeley declared a climate emergency in 2018. Among other concerns, wildfires and sea level rise are constant ecological threats to our community. The City of Berkeley needs to act urgently to address this imminent danger. Last year, climate researchers in Berkeley quantified local and state opportunities to reduce greenhouse gases from a “comprehensive consumption-based perspective.”⁷⁴ The most impactful local policy to potentially reduce greenhouse gas consumption by 2030 is urban infill. In short, Berkeley can meaningfully address climate change if we allow the production of more homes near job centers and transit.



[Berkeley's General Plan discusses the need to consider sea level rise, earthquakes, landslides, fire and other potential natural hazards when considering changes to the General Plan/Land Use. While some of these considerations are likely to be addressed in the report, these considerations will be taken fully into account through the General Plan update.](#)

CONTACT PERSON(S):

Lori Droste, 510-981-7180

⁷⁴ “Carbon Footprint Planning: Quantifying Local and State Mitigation Opportunities for 700 California Cities.” Christopher M. Jones, Stephen M. Wheeler, and Daniel M. Kammen. *Urban Planning* (ISSN: 2183-7635) 2018, Volume 3, Issue 2. <https://rael.berkeley.edu/wp-content/uploads/2018/04/Jones-Wheeler-Kammen-700-California-Cities-Carbon-Footprint-2018.pdf>

ATTACHMENTS/*LINKS*:

Minneapolis Plan:

https://minneapolis2040.com/media/1428/pdf_minneapolis2040_with_appendices.pdf

Seattle' Plan:

<http://www.seattle.gov/Documents/Departments/SeattlePlanningCommission/SPCNeighborhoodsForAllFINAL121318digital.pdf>