To: Honorable Mayor and Members of the City Council

From: Homeless Commission

Submitted by: Carole Marasovic, Chairperson, Homeless Commission

Subject: Expansion of Adeline Corridor Plan to Include Housing in Private Component for Extremely low-Income Persons

RECOMMENDATION
The Homeless Commission recommends that the City Council identify a means to expand housing within the private housing component of inclusionary housing to include a set-aside for extremely low-income persons. The Commission recommends that be done either through retaining a consultant to conduct a nexus study to include extremely low-income housing in inclusionary housing, as to the Adeline Corridor, or by staff internally conducting that study so that inclusionary housing, within the Adeline Corridor, can be expanded to include a set-aside for extremely low-income persons.

SUMMARY
The Adeline Corridor Plan is a major development plan undertaken by the City for South Berkeley. The project completion date is projected at 20 years. The current projection of new housing to be developed in the Adeline Corridor is 1,450 units. Of those 1,450 units, 600-900 units are expected to be developed as public affordable housing on the Ashby BART parking lot. The remaining one third to over one half is anticipated to be private housing development.

The Adeline Corridor Plan provides for at least 50% of housing as income-restricted housing and affordable to a range of low-income and highest needs households. In addition, the Adeline Corridor Plan includes in its objectives that it will continue to implement the 2018 strategic update to the Alameda County Everyone Home Plan and the 1000 Person Plan.

Current inclusionary requirements for private housing allow private developers more flexibility within existing affordability requirements. The inclusionary percentage is set so that 10% of the units are at 80% AMI or below (low-income) and the other 10% are at 50% AMI (very low income). Private developers cannot submit alternative housing plans that provide other affordability.
There is no current provision for extremely low-income households to have a set-aside in private housing within current City requirements. Doing so would require a new nexus study.

**FISCAL IMPACTS OF RECOMMENDATION**

There is a substantial cost to conducting a nexus study as the City generally retains a consultant to do so.

**CURRENT SITUATION AND ITS EFFECTS**

Berkeley has a serious affordable housing crisis. The most greatly impacted are at the lowest income levels which has produced a growing number of homeless persons. The 2017 Homeless Count for Berkeley generated a count of 972 people.

2019's Berkeley-specific count has not yet been released but Alameda County, as a whole, shows an increase of 43% in homelessness. It has been estimated that almost 2,000 people per year experience homelessness in Berkeley. There is no end in sight unless Berkeley plans ahead to provide for economic diversity in its housing.

**BACKGROUND**

On July 10, 2019, the Homeless Commission voted to recommend as follows:

**Action:** M/S/C Marasovic/ Kealoha-Blake that the Homeless Commission recommends that the City Council identify a means to expand housing within the private housing component of inclusionary housing to include a set-aside for extremely low-income persons. The Commission recommends that that be done either through retaining a consultant to conduct a nexus study to include a set-aside for extremely low-income housing in inclusionary housing, as to the Adeline Corridor, or by staff internally conducting that study so that inclusionary housing, within the Adeline Corridor, can be expanded to include a set-aside for extremely low-income persons.

**Vote:**  
Ayes: Hill, Mulligan, Marasovic, Hirpara, Kealoha-Blake.  
Noes: None.  
Abstain: None.  
Absent: Behm-Steinberg.

**ENVIRONMENTAL SUSTAINABILITY**

Environmental impacts are noted under the Adeline Corridor Plan.

**RATIONALE FOR RECOMMENDATION**

The growing number of homeless persons must be addressed. While a plan that has a 20 year completion date cannot possibly meet the requirements of the Alameda County Everyone Home Plan and the 1000 Person Plan requiring imminent housing, it can continue to define the community as economically diverse and progressively provide needed housing for all economic statuses.

The Adeline Corridor Plan's commitment to provide for income-restricted housing affordable to a range of low-income and highest needs households is an abstract
commitment without a set-aside for extremely low-income households. A set-aside for only public housing in the Ashby BART parking lot can potentially lead to low-income segregated housing while surrounding private housing is inaccessible to those persons in the extremely low-income category including not only the homeless but also the working poor and retired seniors some of whom may have become homeless or whom are in danger of becoming homeless.

Furthermore, the non-specificity of the income-restricted category in the plan allows it to exclude extremely low-income persons. Such non-specificity, lacking a set-aside for extremely low-income persons, could result in exclusion from even the public housing component. Set-asides for extremely low-income households in both public and private housing should be required.

Under the current nexus study, an expansion to require an extremely low-income set-aside cannot be done in the private component. If discretionary, it is unlikely that incentives will be successful at encouraging developers to provide housing for extremely low-income households. Thus, a new nexus study is required.

**ALTERNATIVE ACTIONS CONSIDERED**
Incentives to developers were considered but it was questionable that left to the discretion of the developer that they would be successful. The cost of a nexus study with one having been conducted four years ago was considered. However, with Berkeley now thriving in development more than ever previously and with the economic and time investment already placed towards the Adeline Corridor Plan, it seemed that the cost of a nexus study was merited.

**CITY MANAGER**
See Companion Report.

**CONTACT PERSON**
Peter Radu, Homeless Commission Secretary, HHCS, (510) 981-5435.