AGENDA

Roll Call

Public Comment on Non-Agenda Matters

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes for Approval – March 7, 2019

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker. Speakers are permitted to yield their time to one other speaker, however no one speaker shall have more than four minutes.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.
2. Analysis of Site Capacity for Housing Development at the West Berkeley Service Center, 1900 6th Street (*Item contains revised material.*)  
From: Mayor Arreguin and Councilmembers Kesarwani, Wengraf, and Bartlett  
Referred: January 7, 2019  
Due: May 27, 2019  
**Recommendation:** 1) Short-Term Referral to the City Manager to conduct an analysis of potential site capacity looking at site context and yield under three scenarios: existing zoning conditions in the MUR; a potential maximum height of six stories under the MUR zoning, and a potential maximum height of six stories and reclassification as C-W. Staff will present the findings of this analysis to the City Council as an Information Item.  
2) Direct the City Manager to return to City Council at the same meeting when the site capacity analysis is presented with an Action Item to: issue an RFI for the development of the West Berkeley Service Center site (formerly the West Berkeley Senior Center) into a senior housing and services project consistent with Age Friendly Berkeley recommendations, maximizing the number of affordable units; and refer to the Planning Commission potential modifications to the underlying MUR zoning for the West Berkeley Service Center site, 1900 6th Street.  
**Financial Implications:** Staff time  
Contact: Jesse Arreguin, Mayor, 981-7100
3. **Open Doors Initiative: First Time Homebuyer Program** *(Item contains revised material.)*
   
   **From:** Councilmembers Bartlett and Robinson, and Mayor Arreguin  
   **Referred:** February 11, 2019  
   **Due:** July 1, 2019  
   **Recommendation:** That the City Council direct the Planning Commission to design a regulatory mechanism (Open Doors Initiative) to incentivize the creation of affordable starter homes for Berkeley city employees and persons of moderate income. Also recommend that the City Council direct Housing and Economic Development to analyze the financial barriers to access for low-income homeowners, and to develop a financial program of low-interest loans tied to outreach and education to ensure low-income homeowners can participate and benefit from this program. The Open Doors Initiative is intended to provide assistance to homeowners in R1 and R1A zones to renovate their properties and become multi-family condominiums (the “Missing Middle”). To qualify for zoning approval, families must agree to deed restrictions which limit the sale of the newly-created condominiums to Employees of the City of Berkeley and/or first time moderate income first time home buyers. Increasing the supply of one bedroom and studio condominiums also allow community members, previously shut out of the middle class, the opportunity to own a home while simultaneously enabling older homeowners to downsize and efficiently utilize their equity. The deed restrictions provided a path to homeownership for moderate income persons; first responders to be on hand in the event of a crisis; and for workers to avoid long commutes by owning homes in the city they serve. The Open Doors initiative serves the policy goals of economic inclusion, community resilience, and environmental sustainability.  
   **Financial Implications:** To be determined by an impact study.  
   **Contact:** Ben Bartlett, Councilmember, District 3, 981-7130

4. **Refer to the City Manager and the Planning Commission to Modify BMC 22.20.065 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Fees for Rental Developments are Levied Based on a Project’s Gross Residential Floor Area and are Applied to all Projects Regardless of Size** *(Item contains revised materials.)*
   
   **From:** Councilmembers Robinson, Hahn, Mayor Arreguin and Councilmember Droste  
   **Referred:** February 11, 2019  
   **Due:** July 1, 2019  
   **Recommendation:** Refer to the City Manager and the Planning Commission to modify BMC 22.20.065 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Mitigation Fees for rental developments are levied on the basis of a project’s gross residential floor area (GRFA), rather than on its number of housing units, and so that all new rental housing developments will be subject to the fee.  
   **Financial Implications:** See report  
   **Contact:** Rigel Robinson, Councilmember, District 7, 981-7170
Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

Adjournment

This is a meeting of the Berkeley City Council Land Use, Housing & Economic Development Committee. Since a quorum of the Berkeley City Council may actually be present to discuss matters with the Council Land Use, Housing & Economic Development Committee, this meeting is being noticed as a special meeting of the Berkeley City Council as well as a Council Land Use, Housing & Economic Development Committee meeting.

Written communications addressed to the Land Use, Housing & Economic Development Committee and submitted to the City Clerk Department will be distributed to the Committee prior to the meeting.

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Mark Numainville, City Clerk, 981-6900.

COMMUNICATION ACCESS INFORMATION:
This meeting is being held in a wheelchair accessible location. To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at 981-6418 (V) or 981-6347 (TDD) at least three business days before the meeting date. Attendees at public meetings are reminded that other attendees may be sensitive to various scents, whether natural or manufactured, in products and materials. Please help the City respect these needs.

I hereby certify that the agenda for this special meeting of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City’s website, on March 14, 2019.

Mark Numainville, City Clerk

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA.
Roll Call: 10:32 a.m.

Present: Droste, Hahn, Arreguin

Public Comment on Non-Agenda Matters: 3 speakers.

Discussion and Approval of Committee Purposes, Procedures and Requirements

Action: M/S/C (Hahn/Droste) to adopt the Committee Purposes, Procedures and Requirements (less the preamble) as the procedure and requirements of the City’s policy committees.

Vote: All Ayes.

Minutes for Approval

Draft minutes for the Committee’s consideration and approval.

1. Minutes for Approval - February 21, 2019

Action: M/S/C (Hahn/Droste) to approve minutes as presented.

Vote: All Ayes.

Committee Action Items

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.
Committee Action Items

2. **Analysis of Site Capacity for Housing Development at the West Berkeley Service Center, 1900 6th Street** *(Item contains revised material.)*
   
   From: Mayor Arreguin and Councilmembers Kesarwani, Wengraf, and Bartlett
   
   Referred: January 7, 2019
   
   Due: May 27, 2019
   
   **Recommendation:**
   
   1) Short-Term Referral to the City Manager to conduct an analysis of potential site capacity looking at site context and yield under three scenarios: existing zoning conditions in the MUR; a potential maximum height of six stories under the MUR zoning, and a potential maximum height of six stories and reclassification as C-W. Staff will present the findings of this analysis to the City Council as an Information Item.
   
   2) Direct the City Manager to return to City Council at the same meeting when the site capacity analysis is presented with an Action Item to: issue an RFI for the development of the West Berkeley Service Center site (formerly the West Berkeley Senior Center) into a senior housing and services project consistent with Age Friendly Berkeley recommendations, maximizing the number of affordable units; and refer to the Planning Commission potential modifications to the underlying MUR zoning for the West Berkeley Service Center site, 1900 6th Street.
   
   **Financial Implications:** Staff time
   
   Contact: Jesse Arreguin, Mayor, 981-7100

   **Action:** 1 speaker. Questions asked and discussion held. Item continued to next meeting.
Committee Action Items

3. **Open Doors Initiative: First Time Homebuyer Program** *(Item contains revised material.)*
   
   From: Councilmembers Bartlett and Robinson, and Mayor Arreguin  
   Referred: February 11, 2019  
   Due: July 1, 2019  
   **Recommendation:** That the City Council direct the Planning Commission to design a regulatory mechanism (Open Doors Initiative) to incentivize the creation of affordable starter homes for Berkeley city employees and persons of moderate income. Also recommend that the City Council direct Housing and Economic Development to analyze the financial barriers to access for low-income homeowners, and to develop a financial program of low-interest loans tied to outreach and education to ensure low-income homeowners can participate and benefit from this program. The Open Doors Initiative is intended to provide assistance to homeowners in R1 and R1A zones to renovate their properties and become multi-family condominiums (the “Missing Middle”). To qualify for zoning approval, families must agree to deed restrictions which limit the sale of the newly-created condominiums to Employees of the City of Berkeley and/or first time moderate income first time home buyers.
   
   Increasing the supply of one bedroom and studio condominiums also allow community members, previously shut out of the middle class, the opportunity to own a home while simultaneously enabling older homeowners to downsize and efficiently utilize their equity. The deed restrictions provided a path to homeownership for moderate income persons; first responders to be on hand in the event of a crisis; and for workers to avoid long commutes by owning homes in the city they serve. The Open Doors initiative serves the policy goals of economic inclusion, community resilience, and environmental sustainability.
   
   **Financial Implications:** To be determined by an impact study.
   
   Contact: Ben Bartlett, Councilmember, District 3, 981-7130

   **Action:** 3 speakers. Item continued to next meeting.
Committee Action Items

4. Refer to the City Manager and the Planning Commission to Modify BMC 22.20.065 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Fees for Rental Developments are Levied Based on a Project’s Gross Residential Floor Area and are Applied to all Projects Regardless of Size (Item contains revised material.)

From: Councilmembers Robinson and Hahn, Mayor Arreguin, and Councilmember Droste
Referred: February 11, 2019
Due: July 1, 2019

Recommendation: Refer to the City Manager and the Planning Commission to modify BMC 22.20.065 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Mitigation Fees for rental developments are levied on the basis of a project’s gross residential floor area (GRFA), rather than on its number of housing units, and so that all new rental housing developments will be subject to the fee.

Financial Implications: See report
Contact: Rigel Robinson, Councilmember, District 7, 981-7170

Action: 3 speakers. Item continued to next meeting.

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

- None

Adjournment

Adjourned at 12:03 p.m.

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA.
To: Members of the City Council
From: Mayor Jesse Arreguin and Councilmembers Kesarwani, Wengraf, and Bartlett
Subject: RFP for Development of West Berkeley Service Center Site

**Analysis of Site Capacity for Housing Development at the West Berkeley Service Center, 1900 6th Street**

**RFI for Affordable Housing at the West Berkeley Senior Center Site**

**RECOMMENDATION**

1) **Short-Term Referral to the City Manager to conduct an analysis of potential site capacity looking at site context and yield under three scenarios:**

   - **Existing zoning conditions in the MUR**
   - **A potential maximum height of six stories under the MUR zoning**
   - **A potential maximum height of six stories and reclassification as C-W**

   Staff will present the findings of this analysis to the City Council as an Information Item.

2) **Direct the City Manager to return to City Council at the same meeting when the site capacity analysis is presented with an Action Item to:**

   Direct the City Manager to issue an RFP for the development of the West Berkeley Service Center site (formerly the West Berkeley Senior Center) into a senior housing and services project consistent with Age Friendly Berkeley recommendations, maximizing the number of affordable units; and

   Refer to the Planning Commission potential modifications to the underlying MUR zoning for the West Berkeley Service Center site, 1900 6th Street.

**BACKGROUND**

The population of Berkeley residents 65 years and older has steadily increased in recent years. In 2017, older adults were estimated to make up 13.5% of our community – an increase of approximately 2% from the 2010 Census (11.7%) and approximately 3% from the 2000 Census (10.2%). Recent projections from multiple sources, including
the Alameda County Plan for Older Adults, show that by 2030 one in five residents (20.5%) in Berkeley will be over 65, nearly doubling the current population. Advances in medicine and the spike of ‘baby boomers’ born after World War II have resulted in a late-twentieth century demographic phenomenon, popularly referred to as the ‘silver tsunami’, that cities across the country are similarly anticipating.

Based on surveys completed by AARP (2012) and the Age Friendly Berkeley Initiative (2018) we know that older adults increasingly prefer to age in their communities, which tells us we need a continuum of housing options for this growing population, in tandem with services. We also know that housing affordability and availability, along with transit access, are major areas of concern, especially for low-income respondents. In 2014, 23% of Berkeley residents 60 years and older were living under 200% of the Federal Poverty Level, according to the American Community Survey. As of July 2018, there were 738 dedicated affordable units for seniors, with a waitlist of 6-8 years. Amidst the current affordability crisis, low- and fixed-income seniors are struggling just to stay housed, let alone receive the care they require.

In an effort to respond to current and future needs, the Berkeley Age Friendly Continuum was formed out of conversations between residents and those providing and working in aging services across the city. The goal of this work is to strengthen Berkeley as a place to age, and ensure implementation of an integrated, person-centered, replicable, continuum of supports and services for older adults and those with disabilities as they navigate transitions of aging. This effort is now supported by the City of Berkeley, Kaiser, Sutter and AARP, and is heavily informed by the Age Friendly Cities and Communities effort led by the World Health Organization. Their three-year Action Plan will soon be released, focusing on how we can move forward aging standards, and ensure ours is a livable community where all generations thrive.

While the initial work of the Age Friendly Continuum has been focused on conducting a comprehensive needs assessment, setting priorities, articulating an organizational structure, and developing a 3-year plan, their longer term goal has always included piloting a senior housing and services facility that could be a model for the future of aging in place in Berkeley. One of the recommendations from their soon to be released Age Friendly Berkeley Action Plan under Housing and Economic Security, is to “develop a continuum of affordable, accessible housing options for older adults to age in their community regardless of their health or financial status”.

In April 2016, the City Council passed a referral to identify City owned properties that have the potential to be used for affordable housing sites. An information report with the referral response was presented in February 2017, with the West Berkeley Service Center (WBSC) identified as a potential site for future development. In May 2017, Council then passed a budget referral for a feasibility study for the construction of affordable senior housing, specifically mentioning the WBSC along with the North and South Berkeley Senior Centers. Located at 1900 6th Street, the WBSC is an
approximately 31,000 square foot parcel situated in a Mixed Used Residential (MUR) zone. Public transit accessibility is plentiful, with several high-frequency AC Transit routes and Amtrak located within half a mile. In addition, the 4th Street shopping corridor, and community health care facilities are nearby. The site is currently home to several tenants that provide a variety of services, including the City of Berkeley Aging Services, the Black Infant Health Program, Public Health Nurses and the Meals on Wheels program.

Initial plans were to keep the WBSC under the scope of the Measure T1 process. Measure T1, passed by Berkeley voters in 2016, is a $100 million bond for rebuilding and renovating the City’s aging infrastructure, including City owned facilities. Yet what this site needs is beyond an infrastructure upgrade, and its history as a hub for senior services presents an opportunity. West Berkeley has an extremely limited number of affordable housing units for seniors, despite being in a location that is easily accessible to various medical and aging services. And thanks to the passage of Measure O, a $135 million dollar housing bond, combined with other funding opportunities, it could now be possible to fund the development of a senior housing and services facility modeled after the work of Age Friendly Berkeley, that becomes the gold standard for aging in place in our community, and the region.

Such a development would be consistent with the West Berkeley Plan, which calls for the residential development of MUR zones to facilitate the activation of such blocks while also maintaining a high level of services for the diverse population of West Berkeley. Additionally, the Plan calls for the development of housing, which provides on-site supportive services, as an explicit goal.

A first step to this process would be to issue an RFP for a conceptual design for development of the WBSC, including the following criteria:

- Focuses on universally designed, affordable housing for older adults
- Incorporates the latest in technology and aging
- Functions both as services linked to housing and as a community hub of activity
- Reserves a portion of the units for assisted living and memory care
- Consistency with the recommendations of the Age Friendly Berkeley Initiative
- Maximize sustainability and energy efficiency

Any proposed development could have access to various forms of funding, including but not limited to Measure O (which explicitly mentions senior housing), new markets and low-income tax credits, local/regional/state funding such as U1, A1, and Prop 63/MHSA, along with private foundations.

**RATIONALE FOR RECOMMENDATION**

With Berkeley’s senior population expected to skyrocket over the next decade, steps must be made to accommodate appropriate increase housing and services. There is
currently a lack of senior housing in Northwest Berkeley, despite being in close proximity to various healthcare, shopping, and transit options. Affordable housing is particularly limited with wait lists for some senior housing projects between 6-8 years. There is also a need for a neighborhood hub for access to information and activities for older people in the area, along with meeting rooms and event space.

In 2017, Council voted to look into the feasibility of developing housing at Berkeley’s senior centers, as recommended by the community. There are limitations to providing services at the North and South Berkeley Senior Centers due to their current R-2A residential zoning, and housing options site constraints exist are limited at the North Center due to the proximity of the BART tunnel. The development of WBSC for senior housing and services is consistent with both zoning regulations and the West Berkeley Plan. Such a development is also consistent with the Age Friendly Continuum.

Developing the former West Berkeley Senior Center into senior housing and services would uphold and honor the legacy of elder advocates who championed the creation of the Center to serve the needs of the West Berkeley Community, and would be consistent with its long-standing use.

FINANCIAL IMPLICATIONS
Staff time.

ENVIRONMENTAL SUSTAINABILITY
Not applicable.

CONTACT PERSON
Mayor Jesse Arreguin 510-981-7100
Councilmember Rashi Kesarawni 510-981-7110
Councilmember Susan Wengraf 510-981-7160
Councilmember Ben Bartlett 510-981-7130

Attachments:
1. Age Friendly Initiative, HHCS Presentation, City Council Worksession on July 17, 2018
2. Referral Response: Analysis of City-Owned Property for Potential Housing Development, February 14, 2017
To: Members of the City Council  
From: Mayor Jesse Arreguín and Councilmembers Kesarwani, Wengraf, and Bartlett  
Subject: Analysis of Site Capacity for Housing Development at the West Berkeley Service Center, 1900 6th Street

RECOMMENDATION

1) Short-Term Referral to the City Manager to conduct an analysis of potential site capacity looking at site context and yield under three scenarios:

   • Existing zoning conditions in the MUR
   • A potential maximum height of six stories under the MUR zoning
   • A potential maximum height of six stories and reclassification as C-W

   Staff will present the findings of this analysis to the City Council as an Information Item.

2) Direct the City Manager to return to City Council at the same meeting when the site capacity analysis is presented with an Action Item to:

   Issue an RFI for the development of the West Berkeley Service Center site (formerly the West Berkeley Senior Center) into a senior housing and services project consistent with Age Friendly Berkeley recommendations, maximizing the number of affordable units; and

   Refer to the Planning Commission potential modifications to the underlying MUR zoning for the West Berkeley Service Center site, 1900 6th Street.

BACKGROUND

The population of Berkeley residents 65 years and older has steadily increased in recent years. In 2017, older adults were estimated to make up 13.5% of our community – an increase of approximately 2% from the 2010 Census (11.7%) and approximately 3% from the 2000 Census (10.2%). Recent projections from multiple sources, including the Alameda County Plan for Older Adults, show that by 2030 one in five residents (20.5%) in Berkeley will be over 65, nearly doubling the current population. Advances in medicine and the spike of ‘baby boomers’ born after World War II have resulted in a...
late-twentieth century demographic phenomenon, popularly referred to as the ‘silver tsunami’, that cities across the country are similarly anticipating.

Based on surveys completed by AARP (2012) and the Age Friendly Berkeley Initiative (2018) we know that older adults increasingly prefer to age in their communities, which tells us we need a continuum of housing options for this growing population, in tandem with services. We also know that housing affordability and availability, along with transit access, are major areas of concern, especially for low-income respondents. In 2014, 23% of Berkeley residents 60 years and older were living under 200% of the Federal Poverty Level, according to the American Community Survey. As of July 2018, there were 738 dedicated affordable units for seniors, with a waitlist of 6-8 years. Amidst the current affordability crisis, low- and fixed-income seniors are struggling just to stay housed, let alone receive the care they require.

In an effort to respond to current and future needs, the Berkeley Age Friendly Continuum was formed out of conversations between residents and those providing and working in aging services across the city. The goal of this work is to strengthen Berkeley as a place to age, and ensure implementation of an integrated, person-centered, replicable, continuum of supports and services for older adults and those with disabilities as they navigate transitions of aging. This effort is now supported by the City of Berkeley, Kaiser, Sutter and AARP, and is heavily informed by the Age Friendly Cities and Communities effort led by the World Health Organization. Their three-year Action Plan will soon be released, focusing on how we can move forward aging standards, and ensure ours is a livable community where all generations thrive.

While the initial work of the Age Friendly Continuum has been focused on conducting a comprehensive needs assessment, setting priorities, articulating an organizational structure, and developing a 3-year plan, their longer term goal has always included piloting a senior housing and services facility that could be a model for the future of aging in place in Berkeley. One of the recommendations from their soon to be released Age Friendly Berkeley Action Plan under Housing and Economic Security, is to “develop a continuum of affordable, accessible housing options for older adults to age in their community regardless of their health or financial status”.

In April 2016, the City Council passed a referral to identify City owned properties that have the potential to be used for affordable housing sites. An information report with the referral response was presented in February 2017, with the West Berkeley Service Center (WBSC) identified as a potential site for future development. In May 2017, Council then passed a budget referral for a feasibility study for the construction of affordable senior housing, specifically mentioning the WBSC along with the North and South Berkeley Senior Centers. Located at 1900 6th Street, the WBSC is an approximately 31,000 square foot parcel situated in a Mixed Used Residential (MUR) zone. Public transit accessibility is plentiful, with several high-frequency AC Transit routes and Amtrak located within half a mile. In addition, the 4th Street shopping
corridor, and community health care facilities are nearby. The site is currently home to several tenants that provide a variety of services, including the City of Berkeley Aging Services, the Black Infant Health Program, Public Health Nurses and the Meals on Wheels program.

Initial plans were to keep the WBSC under the scope of the Measure T1 process. Measure T1, passed by Berkeley voters in 2016, is a $100 million bond for rebuilding and renovating the City’s aging infrastructure, including City owned facilities. Yet what this site needs is beyond an infrastructure upgrade, and its history as a hub for senior services presents an opportunity. West Berkeley has an extremely limited number of affordable housing units for seniors, despite being in a location that is easily accessible to various medical and aging services. And thanks to the passage of Measure O, a $135 million dollar housing bond, combined with other funding opportunities, it could now be possible to fund the development of a senior housing and services facility modeled after the work of Age Friendly Berkeley, that becomes the gold standard for aging in place in our community, and the region.

Such a development would be consistent with the West Berkeley Plan, which calls for the residential development of MUR zones to facilitate the activation of such blocks while also maintaining a high level of services for the diverse population of West Berkeley. Additionally, the Plan calls for the development of housing, which provides on-site supportive services, as an explicit goal.

A first step to this process would be to issue an RFI for a conceptual design for development of the WBSC, including the following criteria:

- Focuses on universally designed, affordable housing for older adults
- Incorporates the latest in technology and aging
- Functions both as services linked to housing and as a community hub of activity
- Reserves a portion of the units for assisted living and memory care
- Consistency with the recommendations of the Age Friendly Berkeley Initiative
- Maximize sustainability and energy efficiency

Any proposed development could have access to various forms of funding, including but not limited to Measure O (which explicitly mentions senior housing), new markets and low-income tax credits, local/regional/state funding such as U1, A1, and Prop 63/MHSA, along with private foundations.

RATIONALE FOR RECOMMENDATION
With Berkeley’s senior population expected to skyrocket over the next decade, steps must be made to increase housing and services. There is currently a lack of senior housing in Northwest Berkeley, despite being in close proximity to various healthcare, shopping, and transit options. Affordable housing is particularly limited with wait lists for some senior housing projects between 6-8 years. There is also a need for a
neighborhood hub for access to information and activities for older people in the area, along with meeting rooms and event space.

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Developing the former West Berkeley Senior Center into senior housing and services would uphold and honor the legacy of elder advocates who championed the creation of the Center to serve the needs of the West Berkeley Community, and would be consistent with its long-standing use.

FINANCIAL IMPLICATIONS
Staff time.

ENVIRONMENTAL SUSTAINABILITY
Not applicable.

CONTACT PERSON
Mayor Jesse Arreguín 510-981-7100
Councilmember Rashi Kesarawni 510-981-7110
Councilmember Susan Wengraf 510-981-7160
Councilmember Ben Bartlett 510-981-7130

Attachments:
1. Age Friendly Initiative, HHCS Presentation, City Council Worksession on July 17, 2018
2. Referral Response: Analysis of City-Owned Property for Potential Housing Development, February 14, 2017
ACTION CALENDAR
January 22, 2019

To: Honorable Members of the City Council
From: Mayor Jesse Arreguín and Councilmembers Kesarwani, Wengraf, and Bartlett
Subject: RFP for Development of West Berkeley Service Center Site

RECOMMENDATION
Direct the City Manager to issue an RFP for the development of the West Berkeley Service Center site into a senior housing and services project consistent with Age Friendly Berkeley recommendations.

BACKGROUND
The population of Berkeley residents 65 years and older has steadily increased in recent years. In 2017, older adults were estimated to make up 13.5% of our community – an increase of approximately 2% from the 2010 Census (11.7%) and approximately 3% from the 2000 Census (10.2%). Recent projections from multiple sources, including the Alameda County Plan for Older Adults, show that by 2030 one in five residents (20.5%) in Berkeley will be over 65, nearly doubling the current population. Advances in medicine and the spike of ‘baby boomers’ born after World War II have resulted in a late-twentieth century demographic phenomenon, popularly referred to as the ‘silver tsunami’, that cities across the country are similarly anticipating.

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Cities and Communities effort led by the World Health Organization. Their three-year Action Plan will soon be released, focusing on how we can move forward aging standards, and ensure ours is a livable community where all generations thrive.

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Such a development would be consistent with the West Berkeley Plan, which calls for the residential development of MUR zones to facilitate the activation of such blocks while also maintaining a high level of services for the diverse population of West
Berkeley. Additionally, the Plan calls for the development of housing, which provides on-site supportive services, as an explicit goal.

A first step to this process would be to issue an RFP for a conceptual design for development of the WBSC, including the following criteria:

- Focuses on universally designed, affordable housing for older adults
- Incorporates the latest in technology and aging
- Functions both as services linked to housing and as a community hub of activity
- Reserves a portion of the units for assisted living and memory care
- Consistency with the recommendations of the Age Friendly Berkeley Initiative

Any proposed development could have access to various forms of funding, including but not limited to Measure O (which explicitly mentions senior housing), new markets and low-income tax credits, local/regional/state funding such as U1, A1, and Prop 63/MHSA, along with private foundations.

FINANCIAL IMPLICATIONS
Staff time.

ENVIRONMENTAL SUSTAINABILITY
Not applicable.

CONTACT PERSON
Mayor Jesse Arreguín 510-981-7100

Attachments:
1. Age Friendly Initiative, HHCS Presentation, City Council Worksession on July 17, 2018
2. Referral Response: Analysis of City-Owned Property for Potential Housing Development, February 14, 2017
Age Friendly Initiative

Presented by Tanya Bustamante
Department of Health, Housing & Community Services
July 17, 2018
Age Friendly City
Age Friendly Berkeley Initiative

**SHIFTING DEMOGRAPHICS**

**In 2010,** approximately 1 in 8 Berkeley residents were older adults.

**By 2030,** more than 1 in 5 Berkeley residents will be older adults.

**PARTNERS**
Older Adults in Berkeley


Informing the Berkeley Age Friendly Plan

PROCESS

• Community Survey:
  • Over 1,400 respondents (Berkeley adults age 50+)

• Informational Interviews:
  • 18 City staff from 9 Departments

PROFILE OF COMMUNITY RESPONDENTS

- 73% FEMALE
- 30% EARN BELOW 200% FPL
- 13%
Berkeley Rating Varies by Income

How Respondents Rate Berkeley as a Place to Age by Income Group

Those earning below $32k were more than twice as likely to rate Berkeley poorly when compared to top income earners.
Benefits and Challenges to Aging In Place in Berkeley

Reasons Berkeley is **Excellent/Good** Place to Age

Reasons Berkeley is **Not So Good/Poor** Place to Age
Transportation is a High Priority for Older Adults

Traffic Resources that are Very Important or Somewhat Important for Seniors

- Special transportation services
- Affordable public transp
- Public transp stops safe/well-lit
City of Berkeley Projects that Support an Age Friendly City for All

**HOUSING**
- Senior and disabled home loan programs
- Accessory Dwelling Unit (ADU) policies
- Housing safety program thru Planning Department

**OPEN SPACES**
- Older adult programs thru Parks & Rec Department
- “Crime Prevention through Environmental Design”
- Older adults engaged thru Measure T1

**TRANSPORT.**
- Master pedestrian plan in commercial areas
- City sidewalk assessment
- Mobility management and travel training for seniors
Recommended Actions

**TRANSPORTATION**
- Advance affordability, availability, and reliability of public transport
- Improve transportation infrastructure
- Extend educational programs on public transit options

**HOUSING**
- Promote universal design & accessible neighborhoods
- Support policy efforts that preserve units rented below market rates
- Collaborate to develop continuum of housing options

**OUTDOOR SPACES**
- Seek older adult input while developing the master pedestrian plan
- Improve park bathrooms and facilities
- Create safe routes to common destinations
Aging Services Division at a Glance

24.4 FTE STAFF

190 VOLUNTEERS

170 VULNERABLE SENIORS RECEIVE CASE MANAGEMENT

1,140 SENIOR CENTER CLASSES DELIVERED

120 SHOPPING EXCURSIONS ORGANIZED

50,000 MEALS SERVED AT OUR SENIOR CENTERS

13,400 TAXI RIDES

1,270 VAN RIDES

60,000 MEALS DELIVERED TO HOMEBOUND SENIORS
Questions?
Additional Slides
Older Adults in Berkeley

Age Distribution for Adults 50+

- 50-64: 53%
- 65-79: 35%
- 80+: 12%

Gender Distribution for Adults 50+

- Male
- Female
Community Survey Respondent Profile

- 73% Female
- 60% Earn $60K+ Annually
- 66% Post College Education
Transportation is a High Priority for Older Adults

Traffic Resources that are Very Important or Somewhat Important for Seniors

- Driver's ed/refresher courses
- Affordable public parking
- Safe public parking
- Audio/visual pedestrian crossings
- Enforced speed limits
- Special transp services for older adults, people w/ disabilities
- Affordable public transp
- Public transp stops safe/well-lit
Berkeley Rating Varies by Income

How Respondents Rate Berkeley as a Place to Age by Income Group

Those earning below $32k were more than twice as likely to rate Berkeley poorly when compared to top income earners.
Berkeley Population by Age and Gender

Older Adults in Berkeley

• Age distribution
  • 55-59  5.4%
  • 60-64  5.2%
  • 65-74  8.2%
  • 75-84  3.7%
  • 85+    1.8%

• Gender (65 and over)
  • Male  41.8%
  • Female 58.2%
Aging Services Division

• Staffing & Volunteers
  • 24 FTE staff
  • 175-200 volunteers throughout the year

• 2 Senior Centers
  • Daily classes, enrichment activities, shuttle transportation
    • 97 classes per month
    • 10-12 field and shopping trips per month
  • 200 lunchtime meals served each day (over 50,000 meals per year)
  • Paratransit services:
    • FY17: over 13,400 taxi rides & over 1,270 van rides

• Social Services Unit
  • Caseload of approximately 120

• Meals on Wheels
  • Approximately 60,000 meals delivered per year
City of Berkeley Projects that Support an Age Friendly City for All

**HOUSING**
- Senior and disabled home loan programs
- Accessory Dwelling Unit (ADU) policies
- Housing safety program thru Planning Department

**OPEN SPACES**
- Older adult programs thru Parks & Rec Department
- “Crime Prevention through Environmental Design”
- Older adults engaged thru Measure T1

**TRANS.**
- Master pedestrian plan in commercial areas
- City sidewalk assessment
- Mobility management and travel training for seniors
INFORMATION 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

Subject: Referral Response: Analysis of City-Owned Property for Potential for Housing Development

SUMMARY
On April 5, 2016 City Council requested an inventory of City-owned properties in order to evaluate their potential for affordable housing development. In the past, the City has sold (for example, for Oxford Plaza and Harper Crossing) and leased (in the case of William Byron Rumford Senior Plaza) City-owned property to support affordable housing.

The City owns 119 properties scattered throughout Berkeley. (In many cases, these properties are made up of multiple legal parcels.) Staff reviewed the inventory and assessed each site’s development potential, based on criteria prioritizing sites that are mostly likely to accommodate a multifamily rental project and most competitive for affordable housing funding. HHCS staff reviewed the sites’ zoning designation, square footage, current use, and whether or not properties were protected as parks or open space under Measure L, the Berkeley Public Parks and Open Space Preservation Ordinance. Six properties were identified citywide that met the basic criteria. One is the Berkeley Way parking lot, currently the subject of an agreement with BRIDGE Housing related to its development as affordable housing. The other five all had other significant challenges to development. All would require more review before taking any further action.

Staff did not review properties for the potential to sell. Oakland’s housing plan, Oakland at Home, recommended selling City-owned properties not suitable for affordable housing development and placing 30% of the proceeds in a housing trust fund.

CURRENT SITUATION AND ITS EFFECTS
This report responds to a referral that originally appeared on the April 5, 2016 Council agenda and was sponsored by Councilmember Wengraf.

For this project, HHCS staff started with a detailed list of City-owned parcels that had been compiled by the Public Works Department from multiple sources, and updated it with information from the Berkeley Municipal Code as well as internal records.
complete list is attached (see Attachment 3). It is the most comprehensive list that has been compiled to date.

**Initial Assessment: Selected Properties**

HHCS staff identified six properties that met basic criteria for housing development suitability and grouped them in three categories, based on the criteria briefly described above, and described in depth in the Background section of this report. The following describes the six properties which best met the criteria identified. None of these sites were identified as housing opportunity sites in the Housing Element, primarily because of existing City uses and zoning constraints. The City already has an agreement with BRIDGE Housing for the development of Berkeley Way, and the other five have significant challenges to development. These sites are also listed in Attachment 1.

**Group 1.** Two properties met all basic criteria. They are: 1) located within zones allowing multifamily development; 2) larger than 15,000 square feet; 3) not protected under Measure L; and 4) have no existing structures.

- **Berkeley Way Parking Lot (2012 Berkeley Way):**
  The City and BRIDGE Housing have a Disposition and Development Agreement for a project on this site that will incorporate affordable housing, permanent supportive housing, transitional housing, homeless services, and replacement public parking. On September 27, 2016, City Council awarded $835,897 in Housing Trust Funds to support additional predevelopment activities, including architectural work, environmental studies, and planning fees.

- **Elmwood Parking Lot (2642 Russell Street)**
  Five City-owned parcels could be merged to create a 27,000 square foot lot. The parcels currently form a narrow parking lot situated between a row of shops facing College Avenue, and a residential neighborhood composed primarily of 1-2 story single family homes and small multifamily buildings. This parking lot supports the Elmwood commercial area. At a minimum, this site would need to be rezoned to support multifamily housing development at a large enough scale to make affordable housing feasible.

While the square footage of the parcel initially seemed promising, several of the adjacent residential buildings are situated on the lot lines, and the businesses use the City’s property for trash pickup and delivery access. Setbacks would likely be required on one if not both sides. In addition, the lot’s irregular shape and proximity to existing commercial and residential uses would constrain its footprint and height to the point at which an affordable development may be infeasible, particularly with replacement parking for the commercial district. Combined, these limitations are likely to make affordable housing development infeasible at this time.
Group 2. Two additional properties are 1) located within zones allowing multifamily development; 2) larger than 15,000 square feet; and 3) not protected under Measure L; but they have active City uses. A third property, Center Street Garage, also met these criteria but was not considered because it is currently under construction.

- **West Berkeley Service Center (1900 Sixth Street).** The West Berkeley Service Center is located on a parcel that is 31,000 square feet, in an area that is a mix of commercial, industrial, and residential. Some of the parking spots are currently being used for City vehicles. The neighboring buildings are 1-2 stories tall, but 4-5 story buildings are located one block away along University Avenue. Though the existing zoning (MUR - Mixed Use Residential) permits multifamily development, changing the zoning could help maximize the site's development potential. Demolishing and replacing the service center, currently used for senior social services, the Black Infant Health Program, Public Health Nurses and the Meals on Wheels program, would add significantly to the cost of housing development at the site.

- **Telegraph-Channing Garage and Shops (2425 Channing Way)**
  This six-story parking garage also includes retail spaces on the ground floor. Built in the late 1960s, the garage provides parking for the stores and restaurants along Telegraph Avenue near the UC Berkeley campus. Conceivably, the site could be redeveloped to include replacement commercial spaces and parking with housing over it.

  However, since the structure is a key resource for local businesses, the costs of temporary commercial relocation during construction, and the costs of replacing parking and commercial spaces would make development very costly and could be infeasible in combination with affordable housing. In order to add new residential units, the replacement structure would likely need to be several stories taller than the current structure, which is already among the tallest buildings in the neighborhood. These issues present significant challenges to using the site for affordable housing in the foreseeable future.

Group 3. These properties are both larger than 15,000 square feet and vacant, but would require zoning changes before multifamily housing could be constructed and have constraints from Measure L. The North Bowling Green is protected from development under Measure L, and would require a vote of the people to change its designation and make it legal to develop. The Santa Fe Right of Way requires further analysis to determine Measure L’s applicability. Unlike other parcels protected under Measure L, both of these properties are fenced off from the public and not in active use.

- **North Bowling Green (1324 Allston Way)**
  Within the Corp Yard, along Allston Way, the North Bowling Green is a vacant lot of approximately 21,000 square feet that is not actively used by the City. The site
was used as a lawn bowling green starting in 1929, but has not been maintained as such since 2008. This site, along with the South Bowling Green and clubhouse, is leased to the Berkeley Lawn Bowling Club, though Parks is negotiating a new lease that will not include the North Bowling Green. The site contains elevated levels of pesticides and metals, and the contaminated soil would need to be excavated or encapsulated prior to active use or development, which does not rule out affordable housing development but would add to the cost. The entire Corp Yard site is within an R-2 zone, so the North Bowling Green would need to be split from the Corp Yard parcel and rezoned to allow for multifamily housing. The 150-unit Strawberry Creek Lodge (affordable senior housing) is located within a block of the vacant site, though the immediately adjacent residential units are single-family homes.

- **Santa Fe Right of Way**
  The City owns six vacant, non-contiguous parcels that were part of the right of way for the former Santa Fe Railroad. The lots cut through the middle of blocks at a diagonal, and are separated by several streets: Ward, Derby, Carleton, Parker and Blake. Collectively, the parcels comprise approximately 75,000 square feet of undeveloped land. The parcels are zoned R-1 and R-2, which do not permit multifamily construction. The neighborhood is primarily single family homes with a few 2-story multifamily buildings. Although it could be possible to combine these sites into a single scattered site project, it would be difficult to achieve the density required to make a scattered site project large enough to be competitive for tax credit and other affordable housing funding.

**BACKGROUND**

The initial data collection resulted in a list of 229 individual parcels, which was reduced to 119 after staff analysis. Several Berkeley Housing Authority and BUSD properties associated with Berkeley 75, former public housing, were removed from consideration, and adjacent parcels were combined into single entries to better assess their development potential. Staff then researched each property for specific data, including zoning and property square footage.

From the list of 119 parcels, some City-owned properties were excluded from further analysis because they were not available or clearly not suitable for development as housing. Sites not considered for future housing development included City offices at Center and Milvia, street segments, sidewalks, fire and police facilities, and sites leased to existing affordable housing projects.

The City owns approximately one acre of air rights to develop over the western parking lot at Ashby BART, which is zoned C-SA. The site was not included in this report because it is being analyzed as part of the Adeline Corridor planning process. The City does not own air rights at North Berkeley BART.
Methodology and Criteria
The remaining 92 properties were then ranked based on a set of criteria established to identify the sites with the greatest development potential (and fewest development barriers). The following criteria were used:

Zoning
Given the City of Berkeley’s general plan and municipal code, multi-family housing can only be built within certain zones\(^1\). Properties outside these zones were ranked lower since they would require zoning changes in order to be suitable for higher density development.

Size of parcel/ability to support 50+ units of housing
Staff prioritized sites that can accommodate 50+ units of housing for affordable housing development. In this analysis, we looked at sites of 15,000 square feet as having the greatest potential, and gave consideration to sites over 10,000 square feet. Sites smaller than this are unsuitable for affordable multifamily housing development because:

- Even with greatly reduced or donated land, affordable housing development requires public funding. There are limited funding sources for affordable housing, and most multifamily housing developers pursue Low Income Housing Tax Credits as a significant source. Tax credit funding is highly competitive, and non-tax credit projects can be difficult to finance. California intends to start incentivizing larger developments by awarding higher points to projects with 50 or more units. Staff estimated that sites under 15,000 square feet would not allow for the density required to meet the 50-unit minimum for a competitive project. Sites between 10,000 and 15,000 were included but ranked lower, as they could be combined for a scattered site project.
- The long length of time required for obtaining financing for Harper Crossing (41 units) and Grayson Street Apartments (23 units) are probably at least partially related to their small size. Smaller projects are generally less competitive for housing funds because of their higher per unit costs and, in the case of the Affordable Housing and Sustainable Communities program, due to their smaller impact on reducing greenhouse gas emissions.
- Similarly, Oakland’s housing plan recommended using sites that can accommodate 50+ units for affordable housing, and selling the others for revenue to support housing.
- One local affordable housing developer, when asked about minimum size, said “we’ve found that in higher-density areas (like Berkeley) sites should be at least 15,000 sq ft. We will look at smaller sites if there are special circumstances but as a rule of thumb it is hard to create a feasible multifamily rental project on a site

\(^1\) Zones that allow multifamily housing are R-3, R-4, R-5, C-1, C-N, C-E, C-NS, C-SA, C-T, C-SO, C-W, C-DMU, and MU-R
under that size.” Another emphasized the need to look at the development capacity, citing a project on 13,000 square foot plot with 62 one-bedrooms, feasible only because it has 6 stories (typically not possible in Berkeley).

**Parks and open spaces, restricted by Measure L**
In 1986, Berkeley residents passed Measure L, the Berkeley Public Parks and Open Space Preservation Ordinance, ensuring that all existing City open space would be preserved (not developed). Measure L requires a vote of the people to use or to develop a public open space or park for any purpose other than public parks or open space, unless a State of Emergency has been declared. In this context, the Homeless Shelter Crisis declared by City Council in 2016 does not qualify as a State of Emergency, and would not supersede Measure L. Staff consulted with Parks to confirm that 23 properties larger than 10,000 square feet are restricted under Measure L. Staff did not ask Parks to review the following properties in hillside zones due to topographical constraints on development: Grotto Rock Park, Indian Rock Park, Remillard Park, Cragmont Park, and Great Stone Face Park.

**Current Use**
Berkeley is largely built out, and most City-owned properties have buildings and active uses. Staff prioritized properties that do not have any structures, followed by properties that are active City facilities, and finally properties leased to non-City entities. Staff did not review the 21 leases noted in the property inventory, and did not assess the development potential of the sites once the leases expire, as that was beyond the scope of the current analysis.

**Properties Less Suitable for Development**
The remaining 113 properties were considered less suitable for development because they did not meet enough of the priority criteria. More than half of the remaining properties were eliminated because they fell below the threshold of 10,000 square feet (49 properties) or because they are actively used open space or parks and are protected under Measure L (22 properties, excluding the Santa Fe ROW). Other properties were eliminated because of their current use, including a number of City facilities on lots larger than 15,000 square feet. Attachment 2 includes a list of every City-owned property over 15,000 square feet in area.

**ENVIRONMENTAL SUSTAINABILITY**
Any site would require environmental analysis to assess its suitability for development, and identify contaminants or issues needing remediation.

**POSSIBLE FUTURE ACTION**
Staff will continue to work with BRIDGE Housing and the Berkeley Food and Housing Project on the redevelopment of the Berkeley Way Parking Lot. Staff plan to report back to City Council with a recommendation on the disposition of two former
Redevelopment Agency properties the City owns on 5th Street. Staff welcome any additional information that could further update the property information shown in Attachment 3.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION
Fiscal impacts of future action will depend on the course of action identified. Developing new affordable housing on City-owned land will require additional City funding contributions.

CONTACT PERSON
Jenny Wyant, Community Development Project Coordinator, HHCS, 510-981-5228

Attachments:
1. Selected Property List
2. City Properties Larger Than 15,000 SF
3. Inventory of City Properties
<table>
<thead>
<tr>
<th>Priority Group</th>
<th>Name (Address)</th>
<th>Zoning</th>
<th>Lot SF</th>
<th>Current Use</th>
<th>Image</th>
<th>Bldg SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Berkeley Way Parking Lot (2012 Berkeley Way)</td>
<td>C-DMU Buffer</td>
<td>40,945</td>
<td>Parking Lot</td>
<td><img src="attachment1" alt="Image" /></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Elmwood Parking Lot (2642 Russell, 5 parcels)</td>
<td>C-E</td>
<td>27,374</td>
<td>Parking Lot</td>
<td><img src="attachment1" alt="Image" /></td>
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<tr>
<td>2</td>
<td>Telegraph-Channing Garage and Shops (2425 Channing Way)</td>
<td>C-T</td>
<td>32,685</td>
<td>Parking Garage</td>
<td><img src="attachment1" alt="Image" /></td>
<td>189,867</td>
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<tr>
<td>2</td>
<td>West Berkeley Service Center (1900 Sixth St)</td>
<td>MUR</td>
<td>31,020</td>
<td>City Facility</td>
<td><img src="attachment1" alt="Image" /></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>North Bowling Green (portion of City Corp Yard, 1324 Allston)</td>
<td>R-2</td>
<td>21,000</td>
<td>City Facility</td>
<td><img src="attachment1" alt="Image" /></td>
<td>46,604</td>
</tr>
<tr>
<td>3</td>
<td>Santa Fe Right of Way (Ward, Derby, Carleton, and Blake, 6 parcels)</td>
<td>R-1/R-2</td>
<td>75,086</td>
<td>ROW</td>
<td><img src="attachment1" alt="Image" /></td>
<td></td>
</tr>
</tbody>
</table>
Attachment 2:
All City-Owned Properties Larger Than 15,000 SF

City Facilities
- Berkeley Fire Station Number 5 (2680 Shattuck Ave)
- Berkeley Fire Station Number 6 (999 Cedar St)
- Berkeley Fire Warehouse (1011 Folger Ave)
- Berkeley Police Department / Old City Hall (2100 / 2134 MLK Jr. Way)
- Berkeley Public Library – Central Branch (2090 Kittredge St)
- Berkeley Public Library-North Branch (1170 The Alameda)
- Berkeley Transfer Station (1201 Second St)
- City Corp Yard (1326 Allston Way)
- City Office Building (1947 Center St.)
- Civic Center Building (2180 Milvia St)
- Fire Department Station No.2 (2029 Berkeley Way)
- Firehouse Number 7 (3000 Shasta Ave)
- North Berkeley Senior Center (1901 Hearst Ave)
- North Bowling Green (part of City Corp Yard, 1324 Allston)
- South Berkeley Senior Center (2939 Ellis St)
- West Berkeley Service Center (1900 Sixth St)

Existing Affordable Housing
- Oceanview Garden Apartments (1816 Sixth St)
- University Avenue Cooperative Homes Apartments (Addison at Sacramento)
- William Byron Rumford Senior Plaza (3012 Sacramento St)

Leased Properties
- Berkeley Black Repertory Group Theater (3201 Adeline St)
- Berkeley Recycling Center (669 Gilman St)
- Nia House Learning Center (2234 Ninth St)
- Veterans Memorial Building (1931 Center St)
- Women’s Daytime Drop-In Center (2218 Acton St)

Parking Lots/Garages
- Center Street Garage (2025 Center St)
- Elmwood Parking Lot (2642 Russell)
- Oxford Plaza Parking Garage (2165 Kittredge)
- Telegraph-Channing Garage and Shops (2425 Channing Way)
Parks and Open Space

- Aquatic Park* (80 Bolivar Dr)
- Berkeley Way Mini Park (1294 Berkeley Way)
- Cedar Rose Park* (1300 Rose St)
- Codornices Park and Berkeley Rose Garden (1201 Euclid Ave)
- Community Garden (1308 Bancroft Way)
- Cragmont Rock Park (960 Regal Rd)
- Dorothy Bolte Park (540 Spruce St)
- George Florence Park (2121 Tenth St)
- Glendale- La Loma Park (1310 La Loma Ave)
- Great Stoneface park (1930 Thousand Oaks Blvd)
- Greg Brown Park (1907 Harmon St)
- Grotto Rock Park (879 Santa Barbara Rd)
- Grove Park (1730 Oregon St)
- Harrison Park (1100 Fourth St)
- Hillside Open Space on Euclid Ave
- Indian Rock Park (950 Indian Rock Ave)
- James Kenney Park* (1720 Eighth St)
- John Hinkel Park (41 Somerset Pl)
- Live Oak Park* (1301 Shattuck Ave)
- Marina*/Cesar Chavez Park (11 Spinnaker Way)
- MLK Jr. Civic Center Park (2151 Martin Luther King Jr Way)
- Ohlone Park (1701 Hearst Ave)
- Remillard Park (80 Poppy Ln)
- San Pablo Park (2800 Park St)
- Strawberry Creek Park (1260 Allston Way)
- Terrace View Park (1421 Queens Rd)
- Virginia-McGee Totland (1644 Virginia St)
- Willard Park (2730 Hillegass Ave)

*A portion of the property is leased to a local organization.

Other

- Santa Fe Right of Way (approx. 1400 Carleton)
- Sidewalk and Road (Ashby between Harper and MLK Jr. Way)
- Roundabout (Parkside Dr)
- Sojourner Truth Court (former Santa Fe ROW)
- West St (between Lincoln and Delaware)
<table>
<thead>
<tr>
<th>Name (Address)</th>
<th>Zoning</th>
<th>Lot SF</th>
<th>Current Use</th>
<th>Notes</th>
<th>Image</th>
<th>APN</th>
<th>Bldg SF</th>
<th>Leased?</th>
<th>Tenant</th>
<th>End Lease Term</th>
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<tbody>
<tr>
<td>1631 5th Street</td>
<td>MUR</td>
<td>5,525</td>
<td>Other</td>
<td>Former RDA property. Vacant lot.</td>
<td><img src="" alt="Image" /></td>
<td>057 211701100</td>
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<tr>
<td>1654 5th Street</td>
<td>MUL/MUR</td>
<td>5,300</td>
<td>Other</td>
<td>Former RDA property. Vacant, single-family home.</td>
<td><img src="" alt="Image" /></td>
<td>057 211602300</td>
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<tr>
<td>1817-1819 Fourth Street</td>
<td>C-W</td>
<td>12,500</td>
<td>Other</td>
<td>2 parcels. Former RDA properties. Leased for retail.</td>
<td><img src="" alt="Image" /></td>
<td>057 209901400 057 209901500</td>
<td>10,070</td>
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<td>63rd Street Mini Park (1615 63rd St)</td>
<td>R-2A</td>
<td>8,100</td>
<td>Park</td>
<td></td>
<td><img src="" alt="Image" /></td>
<td>052 152201100</td>
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<td></td>
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<tr>
<td>Abandoned Rail ROW (3018 Ashby Ave)</td>
<td>MULI</td>
<td>11,450</td>
<td>ROW</td>
<td>2 parcels.</td>
<td><img src="" alt="Image" /></td>
<td>053 163300300 053 163300400</td>
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<tr>
<td>Abandoned Rail ROW (between Heinz and Ashby, at Ninth)</td>
<td>MULI/C-W</td>
<td>11,855</td>
<td>ROW</td>
<td>Potential extension of Emeryville Greenway?</td>
<td><img src="" alt="Image" /></td>
<td>053 165200300</td>
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<td>Abandoned Rail ROW (near 920 Flogr)</td>
<td>MULI</td>
<td>743</td>
<td>ROW</td>
<td>At Berkeley-Emeryville City Line along Greenway.</td>
<td><img src="" alt="Image" /></td>
<td>052 151201002</td>
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<td>Ann Chandler Public Health Center (880 University Ave)</td>
<td>C-W</td>
<td>14,700</td>
<td>City Facility</td>
<td></td>
<td><img src="" alt="Image" /></td>
<td>056 196600100</td>
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<tr>
<td>Aquatic Park (80 Bolivar Dr)</td>
<td>Along MM/ MU/ C-DMU Buffer/r. 2A/ No zoning available</td>
<td>739,878</td>
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<td>050 251300101</td>
<td>054 177100100</td>
<td>060 250700101</td>
<td>No</td>
<td>parking lot for Bay Area Outreach Recreation Program, Waterside Workshop</td>
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<td>BART ROW (Adeline at Alcatraz)</td>
<td>Zoning not found, in between C-SA/ R-1A</td>
<td>5,553</td>
<td>ROW</td>
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<td>BART ROW (Gilman to Neilson)</td>
<td>C-N/ R-1A/ R-2</td>
<td>7,350</td>
<td>Other</td>
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<td>Bateman Mall (3027 Colby St)</td>
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<td>052 157405906</td>
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<td>Becky Temko Tot Park (2424 Roosevelt Ave)</td>
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<td>Berkeley 75 (521 Alcatraz Ave, A,B,C,D)</td>
<td>R-3</td>
<td>7,150</td>
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<td><img src="image6.png" alt="" /></td>
<td>052 15200800</td>
<td>Yes</td>
<td>Berkeley 75 Housing Partners LP - c/o Related California</td>
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<td>Berkeley 75 (1605 Stuart St C)</td>
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<td><img src="image7.png" alt="" /></td>
<td>054 173001400</td>
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<td>Berkeley 75 (1812 A,B,C Fairview St)</td>
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<td><img src="image8.png" alt="" /></td>
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<td>Image</td>
<td>APN</td>
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<td>Tenant</td>
<td>End Lease Term</td>
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<td>Berkeley 75 (2231, 2231A, 2231B, 2235 Eighth St)</td>
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<td>Berkeley 75 (3016 Harper St A, B)</td>
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<td>Yes</td>
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<td>Berkeley Adult Day Health Center (1890 Alcatraz Ave)</td>
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<td>9,404</td>
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<td>562 152702401</td>
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<td>Berkeley Black Repertory Group Theater (3209 Adeline St)</td>
<td>C-SA</td>
<td>17,097</td>
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<td>Yes</td>
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<td>567 205100901</td>
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<td>561 257302600</td>
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<td>Leased?</td>
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<td>End Lease Term</td>
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<td>Berkeley Fire Station Number 5 (2680 Shattuck Ave)</td>
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<td>065 181900301</td>
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<td>059 231201200</td>
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<td>Berkeley Fire Station Number 7 (3000 Shasta Ave)</td>
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<td>From BMC, RealQuest Pro and City site indicate that EBMUD is owner of larger parcel, not City.</td>
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<td>063 316001305, 063 316003700</td>
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<td>Berkeley Fire Warehouse (1011 Folger Ave)</td>
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<td>053 163403000</td>
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<td>Berkeley Police Department / Old City Hall (2100 / 2134 MLK Jr. Way)</td>
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<td>144,488</td>
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<td>Building Opportunities for Self Sufficiency (BOSS) - McKinley House; County of Alameda; Berkeley Unified School District</td>
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<td>Berkeley Public Library - Central Branch (2090 Kittredge St)</td>
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<td>Berkeley Public Library (2031 Bancroft Way)</td>
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<td>Leased?</td>
<td>Tenant</td>
<td>End Lease Term</td>
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<td>Berkeley Public Library-North Branch (1170 The Alameda)</td>
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<td>Berkeley Public Library-South Branch (1901 Russell St)</td>
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<td>Berkeley Recycling Center (669 Gilman St)</td>
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<td>22,595</td>
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<td>Community Conservation Center Inc</td>
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<td>Berkeley Transfer Station (1201 Second St)</td>
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<td>Berkeley Way Mini Park (1294 Berkeley Way)</td>
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<td>Park</td>
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<td>BOSS: Harrison House/ Sankofa house (711 / 701 Harrison)</td>
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<td>Bldg SF</td>
<td>Leased?</td>
<td>Tenant</td>
<td>End Lease Term</td>
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<td>Cedar Rose Park (1300 Rose St)</td>
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<td>Yes, a portion</td>
<td>Ala Costa Center</td>
<td>No End Date</td>
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<td>Center Street Garage (2025 Center St)</td>
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<td>34,267</td>
<td>Parking</td>
<td>Garage</td>
<td><img src="image2.png" alt="Image" /></td>
<td>APN 057 202302003</td>
<td>175,500</td>
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<td>City Corp Yard (326 Allston Way)</td>
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<td>Facility</td>
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<td>APN 056 199301501</td>
<td>46,604</td>
<td>Yes</td>
<td>Berkeley Lawn Bowling</td>
<td>12/31/2014</td>
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<td>City of Berkeley Animal Shelter (3 Belvoir Dr)</td>
<td>C-W</td>
<td>8,874</td>
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<td>Yes</td>
<td>New Cingular Wireless</td>
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<td>City Office Building (1947 Center St)</td>
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<td>18,750</td>
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<td>Facility</td>
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<td>APN 057 202200600</td>
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<td>Civic Center Building (2180 Milvia St)</td>
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<td>APN 057 202100100</td>
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<td>Codornices Park and Berkeley Rose Garden (1201 Euclid Ave)</td>
<td>R-1H</td>
<td>470,240</td>
<td>Park</td>
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<td>Colby St. (between Ashby and Webster)</td>
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<td>BMC</td>
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**Inventory of City Properties**
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<th>Zoning</th>
<th>Lot SF</th>
<th>Current Use</th>
<th>Notes</th>
<th>Image</th>
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<th>Bldg SF</th>
<th>Leased?</th>
<th>Tenant</th>
<th>End Lease Term</th>
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<tbody>
<tr>
<td>Community Basketball Court</td>
<td>R-1</td>
<td>11,886</td>
<td>Open Space</td>
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<td>098 213903108</td>
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<td>Community Garden (1308 Bancroft Way)</td>
<td>R-2</td>
<td>38,526</td>
<td>Open Space</td>
<td>former rail ROW</td>
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<td>Contra Costa Rock Park (869 Contra Costa Ave)</td>
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<td>Cragmont Rock Park (960 Regal Rd)</td>
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<td>Dorothy Bolte Park (540 Spruce St)</td>
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<td>Elmwood Parking Lot (2642 Russell St)</td>
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<td>Leased?</td>
<td>Tenant</td>
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<td>Glendale-La Loma Park (1310 La Loma Ave)</td>
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<tr>
<td>Great Stone Face Park (1930 Thousand Oaks Blvd)</td>
<td>R-1H</td>
<td>30,471</td>
<td>Park</td>
<td></td>
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<td>062 292000100</td>
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<tr>
<td>Greg Brown Park (1907 Harmon St)</td>
<td>R-2A</td>
<td>20,046</td>
<td>Park</td>
<td>2 parcels</td>
<td></td>
<td>052 152902601 052 152901002</td>
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<td>Grizzly Peak Park (30 Whitaker Ave)</td>
<td>R-1H</td>
<td>10,692</td>
<td>Park</td>
<td>BMC</td>
<td></td>
<td>063 298304900</td>
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<td>Grotto Rock Park (879 Santa Barbara Rd)</td>
<td>R-1H</td>
<td>16,867</td>
<td>Park</td>
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<td></td>
<td>061 258204500</td>
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<td>Grove Park (1730 Oregon St)</td>
<td>R-2/R-2A</td>
<td>121,794</td>
<td>Park</td>
<td>3 parcels</td>
<td></td>
<td>053 167600101 053 167800101 053 167800102</td>
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<tr>
<td>Name (Address)</td>
<td>Zoning</td>
<td>Lot SF</td>
<td>Current Use</td>
<td>Notes</td>
<td>Image</td>
<td>APN</td>
<td>Bldg SF</td>
<td>Leased?</td>
<td>Tenant</td>
<td>End Lease Term</td>
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<tr>
<td>Harper Crossing (3132 MLK Jr. Way)</td>
<td>R-2A/C-3A</td>
<td>14,585</td>
<td>Other</td>
<td>Satellite Affordable Housing Associates development</td>
<td><img src="image1.png" alt="Image" /></td>
<td>052 155101302</td>
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<tr>
<td>Harrison Park (1100 Fourth St)</td>
<td>MULI</td>
<td>280,341</td>
<td>Park</td>
<td>4 parcels</td>
<td><img src="image2.png" alt="Image" /></td>
<td>060 238300102 060 238300200 060 238300300 060 238300400</td>
<td>9,644</td>
<td></td>
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<tr>
<td>Haskell-Mabel Mini Park (1255 Haskell St)</td>
<td>R-2A</td>
<td>2,658</td>
<td>Park</td>
<td></td>
<td><img src="image3.png" alt="Image" /></td>
<td>053 162600601</td>
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<tr>
<td>Hillside Open Space on Euclid Ave (near 660 Euclid Ave)</td>
<td>R-1H</td>
<td>21,041</td>
<td>Open Space</td>
<td>steep slope. Near 660 Euclid.</td>
<td><img src="image4.png" alt="Image" /></td>
<td>063 295601701</td>
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<tr>
<td>Indian Rock Park (950 Indian Rock Ave)</td>
<td>R-1H</td>
<td>39,714</td>
<td>Park</td>
<td>2 parcels</td>
<td><img src="image5.png" alt="Image" /></td>
<td>061 257802100 061 258401600</td>
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<td>James Kenney Park (1720 Eighth St)</td>
<td>R-1A</td>
<td>159,948</td>
<td>Leased</td>
<td></td>
<td><img src="image6.png" alt="Image" /></td>
<td>058 212200100</td>
<td></td>
<td>Yes, a portion</td>
<td>BAHIA</td>
<td>5/15/2012</td>
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<td>John Hinkel Park (41 Somerset Ave)</td>
<td>R-1H</td>
<td>180,127</td>
<td>Park</td>
<td>3 parcels</td>
<td><img src="image7.png" alt="Image" /></td>
<td>061 257900200 061 257900100 061 259803300</td>
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<tr>
<td>Live Oak Park (1301 Shattuck Ave)</td>
<td>R-2H/R-2AH</td>
<td>224,036</td>
<td>Leased</td>
<td></td>
<td><img src="image8.png" alt="Image" /></td>
<td>060 245503805 060 246601500</td>
<td></td>
<td>Yes</td>
<td>Theater First INC</td>
<td>1/31/2023</td>
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<tr>
<td>Name (Address)</td>
<td>Zoning</td>
<td>Lot SF</td>
<td>Current Use</td>
<td>Notes</td>
<td>Image</td>
<td>APN</td>
<td>Bldg SF</td>
<td>Leased?</td>
<td>Tenant</td>
<td>End Lease Term</td>
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<tr>
<td>Lower Codornices Path (at Sixth St)</td>
<td>MULI</td>
<td>2,900</td>
<td>Park</td>
<td></td>
<td></td>
<td>060 238501000</td>
<td></td>
<td></td>
<td>Berkeley yacht Club;</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Berkeley marine Center;</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Berkeley Company; High</td>
<td></td>
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<td></td>
<td></td>
<td>Nines Kites; Cal</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Sailing Club; Berkeley</td>
<td></td>
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<td></td>
<td></td>
<td>marine Center; Berkeley</td>
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<td></td>
<td></td>
<td>Company; Highline</td>
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<td></td>
<td>Kites; Cal Sailing</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Club; Cal adventures;</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Skates Restaurant;</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Highline Kites; Bait</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td>Shop—young Kim; Double</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Tree</td>
<td></td>
</tr>
<tr>
<td>Marina/Cesar Chavez Park (11 Spinnaker Way)</td>
<td>No Zoning available</td>
<td>191,060,069</td>
<td>Leased</td>
<td></td>
<td></td>
<td>060 254500100</td>
<td>2,529</td>
<td>Yes, a portion</td>
<td>Berkeley yacht Club; Berkeley marine Center; Berkeley marine Center; Berkeley Company; Highline Kites; Cal Sailing Club; Cal adventures; Skates Restaurant; Highline Kites; Bait Shop—young Kim; Doubletree</td>
<td>12/31/2058</td>
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<tr>
<td>Mental Health Adult Clinic (2640 MLK Jr Way)</td>
<td>R-2A</td>
<td>12,314</td>
<td>City Facility</td>
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<td>054 181100300</td>
<td>11,194</td>
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<tr>
<td>MLK Jr. Civic Center Park (2151 Martin Luther King Jr Way)</td>
<td>R-3/C-DMU Buffer</td>
<td>121,548</td>
<td>Park</td>
<td></td>
<td></td>
<td>057 202100200</td>
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<tr>
<td>Mortar Rock Park (901 Indian Rock Ave)</td>
<td>X? Next to R-1H</td>
<td>5,174</td>
<td>Park</td>
<td></td>
<td></td>
<td>061 258305100</td>
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<tr>
<td>Nia House Learning Center (2234 Ninth St)</td>
<td>R-1A</td>
<td>19,855</td>
<td>Leased</td>
<td></td>
<td></td>
<td>056 197000801</td>
<td>7,760</td>
<td>Yes</td>
<td>Nia House Learning</td>
<td>8/1/2053</td>
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<tr>
<td>North Berkeley Senior Center (1901 Hearst Ave)</td>
<td>R-2A</td>
<td>32,805</td>
<td>City Facility</td>
<td></td>
<td></td>
<td>057 205701202</td>
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</tr>
<tr>
<td>North Bowling Green (portion of City Corp Yard, 1324 Allston)</td>
<td>R-2</td>
<td>21,000</td>
<td>City Facility</td>
<td></td>
<td></td>
<td>056 199301501</td>
<td>46,604</td>
<td></td>
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<tr>
<td>Name (Address)</td>
<td>Zoning</td>
<td>Lot SF</td>
<td>Current Use</td>
<td>Notes</td>
<td>Image</td>
<td>APN</td>
<td>Bldg SF</td>
<td>Leased?</td>
<td>Tenant</td>
<td>End Lease Term</td>
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</tr>
<tr>
<td>Oak Park (35 Domingo Ave)</td>
<td>R-1H</td>
<td>9,894</td>
<td>Park</td>
<td></td>
<td><img src="" alt="Image" /></td>
<td>064 424200100</td>
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<tr>
<td>Oak Ridge Steps (between El Camino Real and Oak Ridge)</td>
<td>R-1H</td>
<td>1,408</td>
<td>ROW</td>
<td></td>
<td><img src="" alt="Image" /></td>
<td>064 424301400</td>
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<tr>
<td>Oceanview Garden Apartments (1816 Sixth St)</td>
<td>MUR</td>
<td>115,476</td>
<td>Other</td>
<td>Oceanview Garden Apartments. Former RDA property. 2 non-contiguous parcels.</td>
<td><img src="" alt="Image" /></td>
<td>057 209801202</td>
<td>058 211801007</td>
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<tr>
<td>Ohlone Park (1701 Hearst Ave)</td>
<td>R-2/ R-2A</td>
<td>300,981</td>
<td>Park</td>
<td>10 Parcels</td>
<td><img src="" alt="Image" /></td>
<td>057 206702801</td>
<td>057 206600601</td>
<td>057 206503100</td>
<td>057 206400702</td>
<td>057 205601501</td>
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<tr>
<td>Open Space (1100 Kains Ave)</td>
<td>R-2, adjacent to C-W</td>
<td>5,200</td>
<td>Other</td>
<td>Only the open space is in Berkeley. Buildings are in Albany.</td>
<td><img src="" alt="Image" /></td>
<td>060 241006200</td>
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<tr>
<td>Open Space (Santa Fe Ave at Albany border)</td>
<td>R-2</td>
<td>1,925</td>
<td>Open space</td>
<td>adjacent to BART ROW</td>
<td><img src="" alt="Image" /></td>
<td>060 240906902</td>
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<tr>
<td>Open Space on California (entrance to 1600 Addison condos)</td>
<td>R-2</td>
<td>3,322</td>
<td>Park</td>
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<td><img src="" alt="Image" /></td>
<td>056 205500300</td>
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<tr>
<td>Open Space (Hillcrest Rd)</td>
<td>R-1H</td>
<td>4,427</td>
<td>Other</td>
<td></td>
<td><img src="" alt="Image" /></td>
<td>064 424701600</td>
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<tr>
<td>Name (Address)</td>
<td>Zoning</td>
<td>Lot SF</td>
<td>Current Use</td>
<td>Notes</td>
<td>Image</td>
<td>APN</td>
<td>Bldg SF</td>
<td>Leased?</td>
<td>Tenant</td>
<td>End Lease Term</td>
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</tr>
<tr>
<td>(Sutter St at Eunice St)</td>
<td>R-1H</td>
<td>7,579</td>
<td>Open Space</td>
<td></td>
<td></td>
<td>061 256600600</td>
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<tr>
<td>(Tamalpais Rd)</td>
<td>R-1H</td>
<td>1,760</td>
<td>Open Space</td>
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<td></td>
<td>060 247303800</td>
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<tr>
<td>(Twain Ave near Sterling Ave)</td>
<td>R-1H</td>
<td>3,271</td>
<td>Open Space</td>
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<td></td>
<td>063 298400805</td>
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<tr>
<td>Oxford Plaza Parking Garage</td>
<td>C-DMU</td>
<td>46,633</td>
<td>Parking</td>
<td>2 parcels. City owns a portion of the site - parking garage. Parcel listed as 0 square feet.</td>
<td></td>
<td>057 2118000100 057 2119000100</td>
<td>46,302</td>
<td></td>
<td>Children's First Medical Group</td>
<td>No End Date</td>
</tr>
<tr>
<td>(2165 Kittredge)</td>
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<tr>
<td>Parking Lot</td>
<td>C-5A</td>
<td>5,831</td>
<td>Leased</td>
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<td>052 152801504</td>
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<td>- Yes</td>
<td>Children's First Medical Group</td>
<td>No End Date</td>
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<td>(Adeline and Alcatraz)</td>
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<tr>
<td>Presentation Park</td>
<td>R-2</td>
<td>2,493</td>
<td>Park</td>
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<td>056 200500200</td>
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<tr>
<td>(2299 California St)</td>
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<tr>
<td>Prince Street Mini Park</td>
<td>R-2A</td>
<td>6,750</td>
<td>Park</td>
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<td></td>
<td>053 160601000</td>
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<tr>
<td>(1631 Prince St)</td>
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<td>Remillard Park</td>
<td>R-1H</td>
<td>83,734</td>
<td>Park</td>
<td>3 parcels</td>
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<td>063 297601201 063 297601100 063 297601203</td>
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<tr>
<td>(30 Poppy Ln)</td>
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<tr>
<td>Name (Address)</td>
<td>Zoning</td>
<td>Lot SF</td>
<td>Current Use</td>
<td>Notes</td>
<td>Image</td>
<td>APN</td>
<td>Bldg SF</td>
<td>Leased?</td>
<td>Tenant</td>
<td>End Lease Term</td>
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<tr>
<td>Roundabout (Parkside Drive)</td>
<td>R-1H</td>
<td>16,767</td>
<td>Open Space</td>
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<td></td>
<td>064 424404200</td>
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<td>San Pablo Park (2800 Park st)</td>
<td>R-1</td>
<td>518,647</td>
<td>Park</td>
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<td>053 166500100</td>
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<td>Santa Fe Right of Way (approx. 1400 Carleton)</td>
<td>R-1/R-2</td>
<td>75,086</td>
<td>ROW 6 parcels</td>
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<td></td>
<td>054 179302700, 054 178303500, 054 17830360, 054 179402800, 054 179002800</td>
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<tr>
<td>Sidewalk and Road (Ashby between Harper and MLK Jr. Way)</td>
<td>R-2A/C-SA</td>
<td>16,500</td>
<td>Other</td>
<td></td>
<td></td>
<td>053 160100402</td>
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<td>Sidewalk (Le Conte Ave at La Loma Ave)</td>
<td>R-2AH</td>
<td>2,957</td>
<td>Other</td>
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<td>058 220400100</td>
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<tr>
<td>Small Parcel (Ashby Ave, between Harper and Ellis)</td>
<td>R-2A</td>
<td>222</td>
<td>Other</td>
<td></td>
<td></td>
<td>053 160200401</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>small plaza (Henry and Hearst)</td>
<td>R-2A</td>
<td>1,620</td>
<td>Other</td>
<td></td>
<td></td>
<td>057 205101602</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sojourner Truth Court (former Santa Fe ROW)</td>
<td>R-3/R-1/C-SA</td>
<td>36,110</td>
<td>ROW includes some open space</td>
<td></td>
<td></td>
<td>054 173702000</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Name (Address)</td>
<td>Zoning</td>
<td>Lot SF</td>
<td>Current Use</td>
<td>Notes</td>
<td>Image</td>
<td>APN</td>
<td>Bldg SF</td>
<td>Leased?</td>
<td>Tenant</td>
<td>End Lease Term</td>
</tr>
<tr>
<td>---------------</td>
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</tr>
<tr>
<td>South Berkeley Senior Center (2939 Ellis St)</td>
<td>R-2A</td>
<td>21,690</td>
<td>City Facility</td>
<td>3 parcels</td>
<td><img src="attachment" alt="Image" /></td>
<td>053 160302100 053 160302200 053 160302300</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Spiral gardens (2850 Sacramento St)</td>
<td>R-1/ C-5A</td>
<td>12,423</td>
<td>Leased</td>
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<td><img src="attachment" alt="Image" /></td>
<td>053 166903000</td>
<td>Yes</td>
<td>Spiral Gardens Community Garden</td>
<td>6/30/2008</td>
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<tr>
<td>Strawberry Creek Park (1260 Allston Way)</td>
<td>R-2/ R-2A</td>
<td>147,999</td>
<td>Park</td>
<td>3 parcels</td>
<td><img src="attachment" alt="Image" /></td>
<td>056 199000700 056 199100200 056 199000403</td>
<td></td>
<td></td>
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<tr>
<td>Telegraph-Channing Garage and Shops (2425 Channing Way)</td>
<td>C-T</td>
<td>32,685</td>
<td>Parking Garage</td>
<td>055 187900601 189,867</td>
<td><img src="attachment" alt="Image" /></td>
<td>055 187900601</td>
<td>189,867</td>
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<tr>
<td>Terrace View Park (1421 Queens Rd)</td>
<td>R-1H</td>
<td>39,724</td>
<td>Park</td>
<td></td>
<td><img src="attachment" alt="Image" /></td>
<td>060 248504601</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Tevin Street (north of Gilman)</td>
<td>R-1A</td>
<td>7,438</td>
<td>Other</td>
<td></td>
<td><img src="attachment" alt="Image" /></td>
<td>060 241701900</td>
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<tr>
<td>University Avenue Cooperative Homes Apartments (Addison at Sacramento)</td>
<td>R-4</td>
<td>50,842</td>
<td>Leased</td>
<td>Resources for Community Development affordable housing project</td>
<td><img src="attachment" alt="Image" /></td>
<td>056 199600401 056 199602401 056 199601000 056 199600600 056 199600900 056 199602200 056 199602800 056 199600300</td>
<td>Yes</td>
<td>UACH, LP</td>
<td>11/15/2080</td>
<td></td>
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<tr>
<td>Veterans Memorial Building (3931 Center St)</td>
<td>C-DMU Buffer</td>
<td>24,819</td>
<td>Leased</td>
<td></td>
<td><img src="attachment" alt="Image" /></td>
<td>057 202202000</td>
<td>33,254</td>
<td>Yes</td>
<td>Building Opportunities for Self-Sufficiency (BOSS); Dorothy Day House; Option Recovery Services; Berkeley Food and Housing Project; Berkeley place; American Legion Post 7; Disabled American Vets; The Ecology Center</td>
<td>Mo to mo</td>
</tr>
<tr>
<td>Name (Address)</td>
<td>Zoning</td>
<td>Lot SF</td>
<td>Current Use</td>
<td>Notes</td>
<td>Image</td>
<td>APN</td>
<td>Bldg SF</td>
<td>Leased?</td>
<td>Tenant</td>
<td>End Lease Term</td>
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</tr>
<tr>
<td>Virginia-McGee Totland (1644 Virginia St)</td>
<td>R-2</td>
<td>16,248</td>
<td>Park</td>
<td></td>
<td></td>
<td>058 215700100</td>
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<tr>
<td>West Berkeley Service Center (1900 Sixth St)</td>
<td>MUR</td>
<td>31,020</td>
<td>City Facility</td>
<td></td>
<td></td>
<td>057 209700201</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>West St. (between Lincoln and Delaware)</td>
<td>In between R-2/ R-1</td>
<td>33,048</td>
<td>Other</td>
<td>BMC. 3 parcels</td>
<td></td>
<td>058 213602400 058 213701800 058 213501900</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Willard Park (2730 Hillegass Ave)</td>
<td>R-2</td>
<td>111,000</td>
<td>Park</td>
<td></td>
<td></td>
<td>054 171102700</td>
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<tr>
<td>William B Rumford Senior Plaza (3012 Sacramento St)</td>
<td>C-SA</td>
<td>76,666</td>
<td>Leased</td>
<td>Resources for Community Development affordable housing project</td>
<td></td>
<td>053 161401800 47,424</td>
<td>South Berkeley Cnty Housing Dev Corp - William Byron Rumford Sr. Plaza (Resources for Community Development) 8/26/2070</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women’s Day Time Drop-in Center (2213 Byron St)</td>
<td>R-2</td>
<td>4,800</td>
<td>Leased</td>
<td></td>
<td></td>
<td>056 198403000 3,173</td>
<td>Yes Women’s Day Time Drop-in Center 12/24/2023</td>
<td></td>
<td></td>
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<tr>
<td>Women’s Daytime Drop-In Center (2218 Acton St)</td>
<td>R-2</td>
<td>21,085</td>
<td>Leased</td>
<td>Adjacent to City Corp Yard</td>
<td></td>
<td>056 199300600 594</td>
<td>Yes Women’s Daytime Drop In Center 2/18/2018</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
To: Honorable Mayor and Members of the City Council  
From: Councilmember Susan Wengraf  
Subject: Analyzing All City-Owned Properties for Potential for Housing Development  

RECOMMENDATION  
Request that the City Manager explore the opportunity for the City of Berkeley to build housing on city-owned property: conduct an inventory of city owned properties and return to City Council as soon as possible with an evaluation and analysis of those properties that are appropriate for the development of affordable housing.  

BACKGROUND  
Across the state of California, urban centers are experiencing a crisis in housing availability at all levels of affordability. The crisis is very severe in the Bay Area. Lack of funds and subsidies from the state and federal government has exacerbated the obstacles to developing housing at all levels of affordability. In addition, the scarcity and the high cost of land in the Bay Area and in Berkeley, specifically, is an enormous barrier to producing affordable housing. Berkeley needs to optimize its limited resources now and look to partner with housing developers to build housing on city-owned land.  

The City of Berkeley has a unique opportunity. The two senior centers, "North", on MLK and Hearst, and "South" on Ellis and Ashby and the Service Center on 6th Street are all in need of significant renovation. Now is the time to evaluate these properties to determine if it is feasible to create a mixed-use, housing/community center on these sites prior to spending millions of dollars on the current structures.  

All City owned properties should be explored and evaluated for their potential as sites for housing development.  

In addition, the Berkeley Unified School District owns property that has the potential to be developed as housing. The City of Berkeley should work closely with the BUSD to encourage them to move forward with their own analysis of potential housing sites that are currently under-utilized.
This severe housing crisis calls for all publicly owned land to be evaluated and considered.

FINANCIAL IMPLICATIONS: Staff time

CONTACT: Councilmember Susan Wengraf  Council District 6  510-981-7160
To: Honorable Mayor and Member of the City Council

From: Councilmembers Susan Wengraf, Kate Harrison, Linda Maio and Ben Bartlett

Subject: Budget Referral: Feasibility Study for the Construction of Affordable Senior Housing

RECOMMENDATION:
Refer to the budget referral process a feasibility study that evaluates the financial requirements and analyzes the site/context yield of the construction of affordable housing for seniors on the sites of North Berkeley Senior Center, West Berkeley Service Center and South Berkeley Senior Center.

FINANCIAL IMPLICATIONS:
$100,000

BACKGROUND:
The demographic for people over 65 is increasing in Berkeley. By 2030, the population of residents over 65 will be more than 26,000. The number one concern expressed by seniors is their ability to be able to stay housed in Berkeley, as they get older.

Berkeley has an opportunity to provide affordable senior housing by building over the senior or service centers. Since the city owns the land, a public/private partnership for the construction and management is an excellent possibility.

As the city moves forward with planning the expenditures from Measure T1, we should be sure that resources used on improving our current facilities do not pre-empt the possibility of future development at these three sites.

ENVIRONMENTAL SUSTAINABILITY
No adverse effect on the environment.

CONTACT PERSON
Councilmember Susan Wengraf Council District 6 510-981-7160
To: Honorable Mayor and Members of the City Council  
From: Councilmembers Ben Bartlett and Rigel Robinson, and Mayor Jesse Arreguín  
Subject: Open Doors Initiative: First Time Homebuyer Program

Short Term Referral to Planning Commission

RECOMMENDATION

That the City Council direct the Planning Commission to design a regulatory mechanism (Open Doors Initiative) to incentivize the creation of affordable starter homes for Berkeley city employees and persons of moderate income. **Also recommend that the City Council direct Housing and Economic Development to analyze the financial barriers to access for low-income homeowners, and to develop a financial program of low-interest loans tied to outreach and education to ensure low-income homeowners can participate and benefit from this program.** The Open Doors Initiative is intended to provide assistance to homeowners in R1 and R1A zones to renovate their properties and become multi-family condominiums (the “Missing Middle”). To qualify for zoning approval, families must agree to deed restrictions which limit the sale of the newly-created condominiums to Employees of the City of Berkeley and/or first time moderate income first time home buyers—the ‘Missing-Middle’.

Increasing the supply of one bedroom and studio condominiums also allow community members, previously shut out of the middle class, the opportunity to own a home while simultaneously enabling older homeowners to downsize and efficiently utilize their equity. The deed restrictions provide a path to homeownership for moderate income persons; first responders to be on hand in the event of a crisis; and for workers to avoid long commutes by owning homes in the city they serve.

The Open Doors Initiative serves the policy goals of economic inclusion, community resilience, and environmental sustainability.

CURRENT SITUATION

Ever-Increasing Housing Costs Have Drastically Reduced First-Time Home Buyers

Housing ownership is a human right. The Open Doors Initiative is meant to increase home ownership opportunities for first-time home buyers among the ‘missing-middle’ (people earning 80-120% AMI) who are increasingly shut out of the market.

Housing is now prohibitively expensive. [California ranks 49th in homes per capita and an abysmal 49th in home ownership rates.](https://www.nytimes.com/2017/04/21/realestate/first-time-home-buyers-statistics.html) Likewise, the nation has seen a steep decline of first-time home buyers. In 2010, first-time buyers purchased roughly half of the homes sold nationally; in 2016, only 35% went to first-time buyers.

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While the number of first-time home buyers has steadily decreased, the cost of homes has simultaneously increased. Zillow reports that the median home value in Berkeley is $1,231,400 and predicts that Berkeley home values will rise 5.9% within the next year. In comparison, the median home value in the United States is $222,800 - just 18% of the median home value in Berkeley.

Many would-be home buyers are finding that they cannot afford to do so. In fact, a recent Credit Sesame survey of more than 1,000 renters found that roughly half of renters only rent a home because they can't afford to own.

Low-income homeowners face challenges affording and maintaining their homes
In Berkeley, many long-time homeowners were able to purchase their homes when values were much lower. Even though redlining and discrimination by financial institutions greatly limited access to capital for African Americans in particular, many were still able to become homeowners in South and West Berkeley.

BACKGROUND

The Need for Starter Homes

The Open Doors Initiative proposes to increase the number of starter homes, such as condominiums. It envisions residential homeowners dividing their properties into condominiums in Berkeley. Homeowners are granted increased density, with administrative approval, and other fiscal incentives -- provided the homeowner meets certain affordability restrictions and sells to city employees, and first-time homebuyers of moderate income.

Previous generations leveraged the rising housing market to utilize the equity of “starter” homes to allow them to purchase larger homes. This process also gave young families experience of maintaining homes and building community. Today this fundamental act has become more difficult, as the supply of starter homes have drastically dwindled.

Bloomberg reports that starter home inventory has hit its lowest level since Trulia began keeping track in 2012. The supply of starter homes is declining at 17% year-over-year, nearly twice as fast as all homes, and over 3 times faster than larger homes. In July 2017, only 450,000 homes listed below $200,000 remained in the market, which was about 120,000 fewer than in July 2015 (See id.)

Berkeley is now presented with an historic opportunity to impact the housing crisis by increasing its availability of starter homes. Currently, “[o]ver a third, or 35 percent, of millennials say ‘the down payment’ is their biggest obstacle to buying a home.”

With the Open Doors Initiative, houses that once cost upwards of $1,000,000 and require a 20% down payment of $200,000 (and often being sold for cash outright) will now be incentivized to become individual starter homes with drastically reduced costs – four condominiums created from the above converted home would

2 https://www.zillow.com/berkeley-ca/home-values/
3 https://www.zillow.com/home-values/
4 https://www.gobankingrates.com/investing/real-estate/reasons-women-struggling-buy-home/
5 https://optimise-design.com/bring-back-starter-home/
7 https://www.realtor.com/research/housingshortage_starterhomes/
ideally each cost approximately $250,000 with a 20% down payment of only $50,000. Such a change would turn homeownership into an achievable goal for many people, including young families.

"Americans 65 to 74 are now the country’s fastest-growing age group. According to a 2014 AARP survey, 88 percent of older Americans want to remain in place as they age."9 Open Doors Initiative encourages seniors in Berkeley who own large homes to downsize, earn money and while saving their assets.

In summary, we believe that increasing starter homes, will increase accessibility to homeownership for under-represented communities, artists, younger people, first responders, and teachers. This will, in turn:

a. Reduce the wealth gap between older, predominately white homeowners and underrepresented communities;
b. Increase diversity of Berkeley neighborhoods;
c. Support Resiliency and Sustainability by reducing commute times for First Responders and City Employees;
d. Provide financial benefit to senior homeowners

High Home Prices Place Homeownership Out of Reach for a Majority of City Workers and Berkeley Residence

Berkeley salaries10 are competitive in the region, but still fall below the threshold required to compete in the current housing market.

<table>
<thead>
<tr>
<th>Table 2-20: Average Annual Salary by Job Type, Oakland, Fremont, Hayward Metro Area, 1st Quarter 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job Title</strong></td>
</tr>
<tr>
<td>Health Care</td>
</tr>
<tr>
<td>Physicians and Surgeons, All Other</td>
</tr>
<tr>
<td>Registered Nurses</td>
</tr>
<tr>
<td>Physician Assistants</td>
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<tr>
<td>Pharmacy Technicians</td>
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<tr>
<td>Healthcare Support Workers, All Other</td>
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<tr>
<td>Home Health Aides</td>
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<tr>
<td>Higher Education</td>
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<tr>
<td>Engineering Teachers, Postsecondary</td>
</tr>
<tr>
<td>History Teachers, Postsecondary</td>
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<tr>
<td>Social Science Research Assistants</td>
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<tr>
<td>Graduate Teaching Assistants</td>
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<tr>
<td>Local Government</td>
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<tr>
<td>Urban and Regional Planners</td>
</tr>
<tr>
<td>Fire Fighters</td>
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<tr>
<td>Parking Enforcement Workers</td>
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<tr>
<td>Other Office</td>
</tr>
<tr>
<td>Receptionists and Information Clerks</td>
</tr>
<tr>
<td>Office and Administrative Support Workers, All Other</td>
</tr>
<tr>
<td>Retail and Service</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
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<tr>
<td>Dishwashers</td>
</tr>
<tr>
<td>Retail Salespersons</td>
</tr>
<tr>
<td><strong>Source:</strong> CA Employment Development Department, Occupational Employment Statistics (OES) Survey Results</td>
</tr>
</tbody>
</table>

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9. [https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e](https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e)

10. [https://www.cityofberkeley.info/uploadedFiles/Human_Resources/Level_3 - General/SalaryListNONBENEFITED.pdf](https://www.cityofberkeley.info/uploadedFiles/Human_Resources/Level_3 - General/SalaryListNONBENEFITED.pdf)

Accommodating City Workers Will Benefit Minority Groups, Who Are Disproportionately Unable to Purchase Homes.

To accommodate workers like teachers and first responders in Berkeley, federal housing rules allow us to set aside workforce housing through a deed restriction. For example, in Colorado, the Peak One Neighborhood, Frisco Town Council, and Summit County Combined Housing Authority has adopted a deed restriction limited sales to municipal workers or work in the County. A workforce deed restriction, accompanied by a change in zoning, can ensure that new homes with deed restricted units are only made available to people who have a history of employment in Berkeley/Alameda County and/or meet certain income requirements. Not only would this deed restriction ensure that units are never sold or rented to anyone who earns income outside of the Berkeley/Alameda County, but also it would protect Berkeley’s long-term local workers by stabilizing the housing supply for residents. Because Berkeley city workers are disproportionately minorities, accommodating city workers with deed restrictions will benefit Berkeley minorities.

To successfully increase accessibility for these different communities, we have to change the underlying zoning in order to allow developers to convert single-family homes into duplexes, fourplexes, and other forms of housing that could house multiple groups of people. Currently, these types of housing are not allowed to be built.

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13 https://peakoneneighborhood.com/pdf/Peak_One_Income_Deed_Limitation.pdf
15 https://peakoneneighborhood.com/community/locals-price-deed-restriction/
in the R1 and in a few R2 districts as a result of zoning issues. Thus, we need to address zoning conditions in order to increase accessibility to homeownership for our constituents.

Wealth Gaps Have Resulted from Homeownership Inequalities

The impact of rising housing costs has manifested itself in glaring wealth disparities between homeowners and renters. Roughly half (51.2%) of the total wealth accumulated by the typical American homeowner is derived from the value of their primary residence\(^\text{16}\). Owning a home can drastically improve one’s net worth. “Since 2013, the average homeowner has seen their net worth rise from $201,600 to $231,400. Renters have watched theirs fall from $5,600 to $5,000.”\(^\text{17}\)

Due to the increase in housing costs and the resulting inaccessibility to homeownership for many people, fewer people are able to accrue wealth by purchasing a home. These wealth disparities are most prevalent in underrepresented communities. For instance, a significant wealth gap has appeared between white and non-white households. “Recent data from the Survey of Income and Program Participation (2014) shows that black households hold less than seven cents on the dollar compared to white households.”\(^\text{18}\)

“The Institute for Policy Studies recent report The Road to Zero Wealth: How the Racial Divide is Hollowing Out the America’s Middle Class (RZW) showed that between 1983 and 2013, the wealth of the median black household declined 75 percent (from $6,800 to $1,700), and the median Latino household declined 50 percent (from $4,000 to $2,000). At the same time, wealth for the median white household increased 14 percent from $102,000 to $116,800.”\(^\text{19}\)

This gap shows no sign of slowing, but rather is projected to increase in the coming years. “In fact, by 2020 […] black and Latino households are projected to lose even more wealth: 18 percent for the former, 12 percent for the latter. After those declines, the median white household will own 86 times more wealth than its black counterpart, and 68 times more wealth than its Latino one.” (See id.)

Another wealth disparity that has grown more extreme is between the younger and older generation. “Older people have always had more net worth than younger people, of course, but never like this. Thirty years ago, families headed by someone over 62 had eight times the median wealth of families headed by someone under 40. By 2013, older families had 15 times the wealth of younger families.”\(^\text{20}\)

Because homeownership increases one’s ability to expand one’s net worth, it is the surest on-ramp to addressing these grotesque wealth disparities.

Displacement as a Result of High Home Costs

Historically, Berkeley’s redlining policies denied people of color access to its best neighborhoods. Today, though these policies have long been gone, the residual effect of those policies combined with the housing crisis has had the effect of reinforcing similar divides. “The difference between the large homes and winding roads of the predominantly white neighborhoods of the Hills and the Claremont neighborhood, and the modest, mixed-

\(^{16}\) https://www.zillow.com/research/black-hispanic-home-wealth-16753/

\(^{17}\) https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e


\(^{20}\) https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e
use character of racially diverse South and West Berkeley is indicative of the city’s racial and class-based divisions.\textsuperscript{21}

Housing costs in the United States have condemned many to a life of poverty, especially African Americans and Hispanics. “Though the number of Americans living in poverty has increased by 41 percent since 2000, the number of "high-poverty census tracts" has increased even faster. By now, 51 percent of blacks and 44 percent of Hispanics live in these areas of concentrated poverty, compared to just 17 percent of whites. According to numerous studies, children who grow up in areas of concentrated poverty are disadvantaged on nearly every measure, from school quality to violence to social mobility.”\textsuperscript{22}

The ever-increasing cost of housing has also forced teachers and first responders to live long distances from their workplaces. For example, San Francisco has seen a teacher shortage, because housing is so costly that the average teacher can only afford 7% of the homes on the market.\textsuperscript{23} In addition, despite earning more than $100,000 in San Francisco and San Jose, first responders can afford just 2.4% and 6.6% of currently listed homes, respectively.\textsuperscript{24} In the event of a fire or massive tragedy, we need first responders to be able to live in Berkeley.

A closer look at the makeup of first-time buyers reveals a disturbingly large gap between white and non-white purchasers. The breakdown is as follows: 79% were white, 9% Hispanic, 8% Asian Pacific Islander, 7% African American, and 3% other.\textsuperscript{25}

This racial divide is not just present in first-time buyers. Zillow reports that “[i]n 1900, the gap in the homeownership rate between black and white households was 27.6 percentage points. It’s now 30.3 percentage points.”\textsuperscript{26} Additionally, according to the same report, “the difference between white and Hispanic homeownership rates has more than tripled”, from 7.9 percentage points in 1900 to 25.7 percentage points in 2016. (See id.) “It’s the widest gap among whites, blacks, Hispanics and Asians.” (See id.)

It is likely that the racial and gender wage gaps present in the United States have directly affected homeownership rates. When getting approved for a mortgage, a borrower’s income is an important factor when lenders assess his or her reliability, which puts borrowers with less income at a severe disadvantage.

In 2016, Pew Research found that African American men earned 73% of what white men earned, and Hispanic men earned approximately 69\%\textsuperscript{27}. White women earn approximately 82% of white men, Asian women earn 87%, African American women earn 65%, and Hispanic women earned only 58%. (See id.)

The New York Times’s study of first-time buyers reflects the effect of the gender wage gap; while the median home price for a single male was $157,000, the median price for a single female was $146,300\textsuperscript{28}.

\textsuperscript{22} https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27cf1e4b056b2263c621e
\textsuperscript{24} https://www.trulia.com/research/affordable-housing-occupation-2018/
\textsuperscript{25} The percentage exceeds 100% because participants could choose more than one ethnicity.
\textsuperscript{26} https://www.nytimes.com/2017/04/21/realestate/first-time-home-buyers-statistics.html
\textsuperscript{27} https://www.zillow.com/research/homeownership-gap-widens-19384/
\textsuperscript{28} http://www.pewresearch.org/fact-tank/2016/07/01/racial-gender-wage-gaps-persist-in-u-s-despite-some-progress/
\textsuperscript{29} https://www.nytimes.com/2017/04/21/realestate/first-time-home-buyers-statistics.html
Another group adversely affected by the rising housing costs is young people, who are increasingly unable to afford homes. "Though every age bracket contains significant inequalities, Americans over 65 are the only cohort with higher homeownership rates now than in 1987. Homeownership for every other age group has fallen significantly."^29

Many young people continue to be hindered by their student loans, preventing them from purchasing a home. “Paying college loans is a big burden for homebuyers. It’s harder to save for a down payment and can make qualifying for a mortgage more difficult. It can also delay a purchase as people pay down their debt.”^30

A recent study has also revealed that people in the LGBTQ+ community face unique challenges when buying a home. In April 2018, a survey by Freddie Mac among 2,313 LGBT community members (aged 22 to 72) living in the United States found that “49 percent of LGBT households are likely to own a home - considerably lower than the current national rate (64.3 percent).”^31 The study showed that when deciding where to live, LGBT renters cited price, safety and a LGBT-friendly location as the most important factors. (See id.)

Berkeley prides itself on accepting people from all walks of life. However, unless a conscious effort is made to increase accessibility of homeownership, underrepresented communities will continue to be denied access to the same benefits enjoyed by current, often very wealthy, homeowners. "Homeownership has become an indispensable part of being a full participant in American society," National Urban League President and CEO Marc H. Morial said. “An erosion of homeownership rates among African Americans represents not only a devastating financial loss but a barrier to full participation in the American dream.”^32

Funding

In addition to private lenders and federal and state homeownership programs, potential funding sources include Measure A1 Homeowner Development Funds and Qualified Opportunity Zones.

In 2016, Alameda County passed Measure A1, which issued $580 million in bonds to acquire and improve real property to help poor and middle-class people buy homes.^33 The Open Doors Initiative proposes to use these A1 Homeowner Development Funds for low income first-time home buyers.

Additionally, the Initiative proposes to explore the use of Qualified Opportunity Zone funds to aid in financing^34 construction costs^35. Qualified Opportunity Zone funds were established in the Tax Cuts and Jobs Act of 2017 with the purpose of improving Qualified Opportunity Zones.^36 Investors with capital gains can defer taxes on those gains if they invest within Qualified Opportunity Zones.^37

^29 https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e
^33 https://ballotpedia.org/Alameda_County,_California_Affordable_Housing_Bond_Issue,_Measure_A1_(November_2016)
^34 www.verbhouse.com
^35 www.divvyhomes.com
^36 https://www.wellsfargo.com/the-private-bank/insights/planning/wpu-qualified-opportunity-zones/
^37 https://www.wealthmanagement.com/high-net-worth/what-are-qualified-opportunity-zones
These Qualified Opportunity Zone funds should be used towards the construction costs related to the creation of starter homes. This will ease the financial burden of seniors seeking to downsize their homes and promote the construction of new starter homes in Berkeley.

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, LAWS

Currently Berkeley has a number of units zoned as R1 and R1A, Single Family Residential. The Open Doors Initiative will allow homeowners in an R1 and R1A zone to apply for administrative approval to convert their single family home into a multi-family unit, provided they meet affordability restrictions and agree to sell to moderate income persons and/or city workers including, first responders, firefighters, and other public employees.

The Open Doors Initiative will also require deed restrictions in units that are converted from R1 and R1A to multi-family condos to sell to city workers that meet income requirements, ensuring that the “Missing Middle” of income earners with the city of Berkeley have access to home ownership.

Low-income Homeowners Face Challenges Affording and Maintaining Their Homes
In Berkeley, many long-time homeowners were able to purchase their homes when values were much lower. Even though redlining and discrimination by financial institutions greatly limited access to capital for African Americans in particular, many were still able to become homeowners in South and West Berkeley.

The Open Doors Initiative would benefit these homeowners by providing a means financial stability. However, in order to realize these benefits, homeowners would be required to make substantial home improvements. The current cost in Berkeley for home improvements is $400-500 per square foot.

Such prices will likely require the homeowner to receive commercial home improvement loans. This is problematic because, many homeowners of color still face barriers and discrimination in accessing commercial home improvement loans.

This practice of discrimination by lenders can result in homes falling into disrepair. Coupled with aggressive code enforcement has led to some community members losing their homes to receivership and the courts.

For these reasons, the Open Doors Initiative will include not only regulatory changes, but financial and informational programs to ensure low-income homeowners are able to participate and benefit from this program. The Open Doors Initiative helps low-income homeowners realize some of the equity locked up in their home, invest in maintenance and improvements, and provide affordable homeownership opportunities for others in the community. Thus, the program meets the city's goals of stabilizing communities that are facing displacement while adding to the affordable homeownership stock.

ACTIONS/ALTERNATIVES CONSIDERED

That the City Council adopt The Open Doors Initiative to assist the creation of affordable starter homes and empower city employees and first-time home buyers. The Open Doors Initiative will allow homeowners in R1 and R1A zones to apply to renovate their properties to become multi-family condominiums, while providing incentives for doing so. To qualify for zoning approval, families must agree to deed restrictions which prohibit them from selling the newly-created condominiums to anyone who is not an employee with the city of Berkeley or does not meet income requirements. These deed restrictions are meant to provide a path to home ownership for persons within the missing middle and workers with the city of Berkeley who could otherwise not afford to own a home in the city they serve.
RATIONALE FOR RECOMMENDATION

As noted above, the homeownership has become increasingly more difficult. By financially incentivizing R1 homeowners to convert to multi-family condominiums, the city of Berkeley will offer a path to older homeowners seeking to downsize to leverage their equity while providing Berkeley city workers with a supply of affordable condominiums. Over time, as the housing market rises, Berkeley city workers and moderate income persons who own these condominiums will be able to leverage the equity themselves when taking out loans, or sell the condominiums to other Berkeley city workers and moderate income persons.

IMPLEMENTATION, ADMINISTRATION AND ENFORCEMENT
To be determined.

FISCAL IMPACTS OF RECOMMENDATION
To be determined by an impact study.

ENVIRONMENTAL SUSTAINABILITY
Duplexing single family homes promotes environmentally sounded infill housing development. In addition, the Open Doors Initiative does not require the creation of additional parking spaces.

OUTCOMES AND EVALUATION
To be determined.

CONTACT PERSON
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James Chang jchang@cityofberkeley.info
Katie Ly katiely22@berkeley.edu
Matthew Napoli napolimathew@gmail.com

Attachment:
1) City of Berkeley Employee Salaries:
   https://www.cityofberkeley.info/uploadedFiles/Human_Resources/Level_3_General/SalaryListNONBENEFITED.pdf
To: Honorable Mayor and Members of the City Council
From: Councilmembers Ben Bartlett and Rigel Robinson, and Mayor Jesse Arreguin
Subject: Open Doors Initiative

Short Term Referral to Planning Commission

RECOMMENDATION

That the City Council direct the Planning Commission to design a regulatory mechanism (Open Doors Initiative) to incentivize the creation of affordable starter homes for Berkeley city employees and persons of moderate income. The Open Doors Initiative is intended to provide assistance to homeowners in R1 and R1A zones to renovate their properties and become multi-family condominiums. To qualify for zoning approval, families must agree to deed restrictions which limit the sale of the newly-created condominiums to Employees of the City of Berkeley and/or first time moderate income first time home buyers -- the ‘Missing Middle’.

Increasing the supply of one bedroom and studio condominiums also allow community members, previously shut out of the middle class, the opportunity to own a home while simultaneously enabling older homeowners to downsize and efficiently utilize their equity. The deed restrictions provide a path to homeownership for moderate income persons; first responders to be on hand in the event of a crisis; and for workers to avoid long commutes by owning homes in the city they serve.

The Open Doors Initiative serves the policy goals of economic inclusion, community resilience, and environmental sustainability.

CURRENT SITUATION

Ever-Increasing Housing Costs Have Drastically Reduced First-Time Home Buyers

Housing ownership is a human right. The Open Doors Initiative is meant to increase home ownership opportunities for first-time home buyers among the ‘missing middle’ (people earning 80-120% AMI) who are increasingly shut out of the market.

Housing is now prohibitively expensive. The nation has seen a steep decline of first-time home buyers. In 2010, first-time buyers purchased roughly half of the homes sold nationally; in 2016, only 35% went to first-time buyers1.

While the number of first-time home buyers has steadily decreased, the cost of homes has simultaneously increased. Zillow reports that the median home value in Berkeley is $1,231,400 and predicts that Berkeley home values will rise 5.9% within the next year.\(^2\) In comparison, the median home value in the United States is $222,800\(^3\) - just 18% of the median home value in Berkeley.

Many would-be home buyers are finding that they cannot afford to do so. In fact, a recent Credit Sesame survey of more than 1,000 renters found that roughly half of renters only rent a home because they can't afford to own.\(^4\)

**BACKGROUND**

**The Need for Starter Homes**

The Open Doors Initiative proposes to increase the number of starter homes, such as condominiums. It envisions residential homeowners dividing their properties into condominiums in Berkeley. Homeowners are granted increased density, with administrative approval, and other fiscal incentives -- provided the homeowner meets certain affordability restrictions and sells to city employees, and first-time homebuyers of moderate income.

Previous generations leveraged the rising housing market to utilize the equity of “starter” homes to allow them to purchase larger homes. This process also gave young families experience of maintaining homes and building community. Today this fundamental act has become more difficult, as the supply of starter homes have drastically dwindled\(^5\).

Bloomberg reports that starter home inventory has hit its lowest level since Trulia began keeping track in 2012\(^6\). The supply of starter homes is declining at 17% year-over-year, nearly twice as fast as all homes, and over 3 times faster than larger homes\(^7\). In July 2017, only 450,000 homes listed below $200,000 remained in the market, which was about 120,000 fewer than in July 2015 (See id.)

Berkeley is now presented with an historic opportunity to impact the housing crisis by increasing its availability of starter homes. Currently, “[o]ver a third, or 35 percent, of millennials say ‘the down payment’ is their biggest obstacle to buying a home.”\(^8\)

With the Open Doors Initiative, houses that once cost upwards of $1,000,000 and require a 20% down payment of $200,000 (and often being sold for cash outright) will now be incentivized to

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\(^2\) [https://www.zillow.com/berkeley-ca/home-values/](https://www.zillow.com/berkeley-ca/home-values/)

\(^3\) [https://www.zillow.com/home-values/](https://www.zillow.com/home-values/)

\(^4\) [https://www.gobankingrates.com/investing/real-estate/reasons-women-struggling-buy-home/](https://www.gobankingrates.com/investing/real-estate/reasons-women-struggling-buy-home/)

\(^5\) [https://optimise-design.com/bring-back-starter-home/](https://optimise-design.com/bring-back-starter-home/)


\(^7\) [https://www.realtor.com/research/housingshortage_starterhomes/](https://www.realtor.com/research/housingshortage_starterhomes/)

become individual starter homes with drastically reduced costs – four condominiums created from the above converted home would ideally each cost approximately $250,000 with a 20% down payment of only $50,000. Such a change would turn homeownership into an achievable goal for many people, including young families.

“Americans 65 to 74 are now the country’s fastest-growing age group. According to a 2014 AARP survey, 88 percent of older Americans want to remain in place as they age.”9 Open Doors Initiative encourages seniors in Berkeley who own large homes to downsize, earn money and while saving their assets.

In summary, we believe that increasing starter homes, will increase accessibility to homeownership for under-represented communities, artists, younger people, first responders, and teachers. This will, in turn:

a. Reduce the wealth gap between older, predominately white homeowners and underrepresented communities;
b. Increase diversity of Berkeley neighborhoods;
c. Support Resiliency and Sustainability by reducing commute times for First Responders and City Employees;
d. Provide financial benefit to senior homeowners

Accommodating City Workers Will Benefit Minority Groups, Who Are Disproportionately Unable to Purchase Homes.

To accommodate workers like teachers and first responders in Berkeley, federal housing rules allow us to set aside workforce housing through a deed restriction. A workforce deed restriction, accompanied by a change in zoning, can ensure that new homes with deed restricted units are only made available to people who have a history of employment in Berkeley/Alameda County and/or meet certain income requirements. Not only would this deed restriction ensure that units are never sold or rented to anyone who earns income outside of the Berkeley/Alameda County, but also it would protect Berkeley’s long-term local workers by stabilizing the housing supply for residents. Because Berkeley city workers are disproportionately minorities, accommodating city workers with deed restrictions will benefit Berkeley minorities.

To successfully increase accessibility for these different communities, we have to change the underlying zoning in order to allow developers to convert single-family homes into duplexes, fourplexes, and other forms of housing that could house multiple groups of people. Currently, these types of housing are not allowed to be built in the R1 and in a few R2 districts as a result of zoning issues. Thus, we need to address zoning conditions in order to increase accessibility to homeownership for our constituents.

Wealth Gaps Have Resulted from Homeownership Inequalities

9 https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e
The impact of rising housing costs has manifested itself in glaring wealth disparities between homeowners and renters. Roughly half (51.2%) of the total wealth accumulated by the typical American homeowner is derived from the value of their primary residence. Owning a home can drastically improve one’s net worth. “Since 2013, the average homeowner has seen their net worth rise from $201,600 to $231,400. Renters have watched theirs fall from $5,600 to $5,000.”

Due to the increase in housing costs and the resulting inaccessibility to homeownership for many people, fewer people are able to accrue wealth by purchasing a home. These wealth disparities are most prevalent in underrepresented communities. For instance, a significant wealth gap has appeared between white and non-white households. “Recent data from the Survey of Income and Program Participation (2014) shows that black households hold less than seven cents on the dollar compared to white households.”

“The Institute for Policy Studies recent report The Road to Zero Wealth: How the Racial Divide is Hollowing Out the America’s Middle Class (RZW) showed that between 1983 and 2013, the wealth of the median black household declined 75 percent (from $6,800 to $1,700), and the median Latino household declined 50 percent (from $4,000 to $2,000). At the same time, wealth for the median white household increased 14 percent from $102,000 to $116,800.”

This gap shows no sign of slowing, but rather is projected to increase in the coming years. “In fact, by 2020 […] black and Latino households are projected to lose even more wealth: 18 percent for the former, 12 percent for the latter. After those declines, the median white household will own 86 times more wealth than its black counterpart, and 68 times more wealth than its Latino one.”

Another wealth disparity that has grown more extreme is between the younger and older generation. “Older people have always had more net worth than younger people, of course, but never like this. Thirty years ago, families headed by someone over 62 had eight times the median wealth of families headed by someone under 40. By 2013, older families had 15 times the wealth of younger families.”

Because homeownership increases one’s ability to expand one’s net worth, it is the surest on-ramp to addressing these grotesque wealth disparities.

Displacement as a Result of High Home Costs

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10 https://www.zillow.com/research/black-hispanic-home-wealth-16753/
11 https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e
14 https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e
Historically, Berkeley’s redlining policies denied people of color access to its best neighborhoods. Today, though these policies have long been gone, the residual effect of those policies combined with the housing crisis has had the effect of reinforcing similar divides. “The difference between the large homes and winding roads of the predominantly white neighborhoods of the Hills and the Claremont neighborhood, and the modest, mixed-use character of racially diverse South and West Berkeley is indicative of the city’s racial and class-based divisions.”

Housing costs in the United States have condemned many to a life of poverty, especially African Americans and Hispanics. “Though the number of Americans living in poverty has increased by 41 percent since 2000, the number of “high-poverty census tracts” has increased even faster. By now, 51 percent of blacks and 44 percent of Hispanics live in these areas of concentrated poverty, compared to just 17 percent of whites. According to numerous studies, children who grow up in areas of concentrated poverty are disadvantaged on nearly every measure, from school quality to violence to social mobility.”

The ever-increasing cost of housing has also forced teachers and first responders to live long distances from their workplaces. For example, San Francisco has seen a teacher shortage, because housing is so costly that the average teacher can only afford .7% of the homes on the market. In addition, despite earning more than $100,000 in San Francisco and San Jose, first responders can afford just 2.4% and 6.6% of currently listed homes, respectively. In the event of a fire or massive tragedy, we need first responders to be able to live in Berkeley.

A closer look at the makeup of first-time buyers reveals a disturbingly large gap between white and non-white purchasers. The breakdown is as follows: 79% were white, 9% Hispanic, 8% Asian Pacific Islander, 7% African American, and 3% other.

This racial divide is not just present in first-time buyers. Zillow reports that “[i]n 1900, the gap in the homeownership rate between black and white households was 27.6 percentage points. It’s now 30.3 percentage points.” Additionally, according to the same report, “the difference between white and Hispanic homeownership rates has more than tripled”, from 7.9 percentage points in 1900 to 25.7 percentage points in 2016. (See id.) “It’s the widest gap among whites, blacks, Hispanics and Asians.” (See id.)

It is likely that the racial and gender wage gaps present in the United States have directly affected homeownership rates. When getting approved for a mortgage, a borrower’s income is an

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16 https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e
19 The percentage exceeds 100% because participants could choose more than one ethnicity.
21 https://www.zillow.com/research/homeownership-gap-widens-19384/
important factor when lenders assess his or her reliability, which puts borrowers with less income at a severe disadvantage.

In 2016, Pew Research found that African American men earned 73% of what white men earned, and Hispanic men earned approximately 69%.21 White women earn approximately 82% of white men, Asian women earn 87%, African American women earn 65%, and Hispanic women earned only 58%. (See id.)

The New York Times’s study of first-time buyers reflects the effect of the gender wage gap; while the median home price for a single male was $157,000, the median price for a single female was $146,300.22

Another group adversely affected by the rising housing costs is young people, who are increasingly unable to afford homes. “Though every age bracket contains significant inequalities, Americans over 65 are the only cohort with higher homeownership rates now than in 1987. Homeownership for every other age group has fallen significantly”23

Many young people continue to be hindered by their student loans, preventing them from purchasing a home. “Paying college loans is a big burden for homebuyers. It’s harder to save for a down payment and can make qualifying for a mortgage more difficult. It can also delay a purchase as people pay down their debt.”24

A recent study has also revealed that people in the LGBTQ+ community face unique challenges when buying a home. In April 2018, a survey by Freddie Mac among 2,313 LGBT community members (aged 22 to 72) living in the United States found that “49 percent of LGBT households are likely to own a home - considerably lower than the current national rate (64.3 percent).”25 The study showed that when deciding where to live, LGBT renters cited price, safety and a LGBT-friendly location as the most important factors. (See id.)

Berkeley prides itself on accepting people from all walks of life. However, unless a conscious effort is made to increase accessibility of homeownership, underrepresented communities will continue to be denied access to the same benefits enjoyed by current, often very wealthy, homeowners. "Homeownership has become an indispensable part of being a full participant in American society," National Urban League President and CEO Marc H. Morial said. “An erosion of homeownership rates among African Americans represents not only a devastating financial loss but a barrier to full participation in the American dream.”26

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23 https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e
Funding

In addition to private lenders and federal and state homeownership programs, potential funding sources include Measure A1 Homeowner Development Funds and Qualified Opportunity Zones.

In 2016, Alameda County passed Measure A1, which issued $580 million in bonds to acquire and improve real property to help poor and middle-class people buy homes. The Open Doors Initiative proposes to use these A1 Homeowner Development Funds for low income first-time home buyers.

Additionally, the Initiative proposes to explore the use of Qualified Opportunity Zone funds to aid in financing construction costs. Qualified Opportunity Zone funds were established in the Tax Cuts and Jobs Act of 2017 with the purpose of improving Qualified Opportunity Zones. Investors with capital gains can defer taxes on those gains if they invest within Qualified Opportunity Zones.

These Qualified Opportunity Zone funds should be used towards the construction costs related to the creation of starter homes. This will ease the financial burden of seniors seeking to downsize their homes and promote the construction of new starter homes in Berkeley.

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, LAWS

Currently Berkeley has a number of units zoned as R1 and R1A, Single Family Residential. The Open Doors Initiative will allow homeowners in an R1 and R1A zone to apply for administrative approval to convert their single family home into a multi-family unit, provided they meet affordability restrictions and agree to sell to moderate income persons and/or city workers including, first responders, firefighters, and other public employees.

The Open Doors Initiative will also require deed restrictions in units that are converted from R1 and R1A to multi-family condos to sell to city workers that meet income requirements, ensuring that the “Missing Middle” of income earners with the city of Berkeley have access to home ownership.

ACTIONS/ALTERNATIVES CONSIDERED

That the City Council adopt The Open Doors Initiative to assist the creation of affordable starter homes and empower city employees and first-time home buyers. The Open Doors Initiative will allow homeowners in R1 and R1A zones to apply to renovate their properties to become multi-family condominiums, while providing incentives for doing so. To qualify for zoning approval, families must agree to deed restrictions which prohibit them from selling the newly-created

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27 [https://ballotpedia.org/Alameda_County,_California,_Affordable_Housing_Bond_Issue,_Measure_A1_(November_2016)](https://ballotpedia.org/Alameda_County,_California,_Affordable_Housing_Bond_Issue,_Measure_A1_(November_2016))
condominiums to anyone who is not an employee with the city of Berkeley or does not meet income requirements. These deed restrictions are meant to provide a path to home ownership for persons within the missing middle and workers with the city of Berkeley who could otherwise not afford to own a home in the city they serve.

**RATIONALE FOR RECOMMENDATION**

As noted above, the homeownership has become increasingly more difficult. By financially incentivizing R1 homeowners to convert to multi-family condominiums, the city of Berkeley will offer a path to older homeowners seeking to downsize to leverage their equity while providing Berkeley city workers with a supply of affordable condominiums. Over time, as the housing market rises, Berkeley city workers and moderate income persons who own these condominiums will be able to leverage the equity themselves when taking out loans, or sell the condominiums to other Berkeley city workers and moderate income persons.

**IMPLEMENTATION, ADMINISTRATION AND ENFORCEMENT**

To be determined.

**FISCAL IMPACTS OF RECOMMENDATION**

To be determined by an impact study.

**ENVIRONMENTAL SUSTAINABILITY**

Duplexing single family homes promotes environmentally sounded infill housing development. In addition, the Open Doors Initiative does not require the creation of additional parking spaces.

**OUTCOMES AND EVALUATION**

To be determined.

**CONTACT PERSON**

Councilmember Ben Bartlett: 510-981-7130  
Matthew Napoli: napoli.matthew@gmail.com
To: Honorable Mayor and Members of the City Council

From: Councilmembers Rigel Robinson, Sophie Hahn, Mayor Jesse Arreguin, and Councilmember Lori Droste

Subject: Refer to the City Manager and the Planning Commission to Modify BMC 22.20.065 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Fees for Rental Developments are Levied Based on a Project’s Gross Residential Floor Area and are Applied to all Projects Regardless of Size.

RECOMMENDATION
Refer to the City Manager and the Planning Commission to modify BMC 22.20.065 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Mitigation Fees for rental developments are levied on the basis of a project’s gross residential floor area (GRFA), rather than on its number of housing units, and so that all new rental housing developments will be subject to the fee.

BACKGROUND
Currently, all new residential development of five units or more must either pay an Affordable Housing Mitigation Fee to the City’s Affordable Housing Trust Fund, set aside 20% of a project’s units as below market rate housing, or some combination of the two. For rental developments, the fee is currently calculated based on the number of residential units in the project according to the following formula:

\[ \text{Fee} = \frac{A}{20} \times \left( \frac{B+C}{A} \right) \times (A \times \text{Fee}) \]

Where:
A = Total number of units in the project
B = Number of Very-Low Income Units provided in the project.
C = Number of Low-Income Units provided in the project.

By calculating Affordable Housing Mitigation Fees on a per-unit basis, current law incentivizes developers to build fewer units. In the past, developers have replaced standard layouts (studio, one-bedroom, and two-bedroom units) with dorm-style layouts (up to eight beds per unit). This increases the density of each unit but reduces the overall number of units, allowing applicants to pay significantly smaller fees without providing any additional housing.
Another way for developers to reduce their contribution to the Affordable Housing Trust Fund is to build larger, more expensive units, rather than smaller, more affordable units. This perverse incentive is clearly in opposition to the City’s affordable housing goals.

Calculating the fee on the basis of gross residential floor area (GRFA) eliminates those two loopholes. Developers would no longer be able to reduce their contribution to the Affordable Housing Trust Fund by manipulating floor layouts. In addition, by eliminating the financial penalty for building more units, developers would be incentivized to propose denser projects, which is directly in line with the City’s housing goals.

Such a change was recently enacted in San Francisco, taking effect January 1st of this year. The language from San Francisco’s website (https://sf-planning.org/inclusionary-affordable-housing-program) describing the process they undertook to arrive at their new model is attached. Staff should consider their research, methodology, and conclusions when drafting their response.

By adopting a fee based on GRFA residential floor area, it also becomes feasible to apply the fee to smaller developments. Under the City’s current framework, the per-unit fee creates the danger of making smaller projects infeasible. This is part of the reason why small developments, defined as projects with four or fewer units, are largely exempt under current law. A fee based on GRFA tracks more accurately to the size of the project, and is thus less likely to provide an undue burden to smaller developments.

To further ensure small developments are not discouraged, it may be necessary to impose a smaller fee on them. In San Francisco, projects with fewer than 25 units face a 20% inclusionary requirement while those with 25 or more units face a 30% requirement. This amounts to a 1/3rd fee reduction for small projects. Staff should consider what level of discount is necessary to not unduly burden projects of four or fewer units.

Finally, it may be necessary to give special dispensation to some types of projects. By their nature, ADUs and JrADUs are currently exempt from the Inclusionary Housing Requirement and thus the in lieu fees. Lifting the exemption for small projects would make them subject to affordable housing fees for the first time. City policy has been to encourage the construction of small scale infill development such as ADUs. Staff should consider whether ADUs, JrADUs, or other special classes of small projects should be fully or partially exempted from the fee, even with a discount to small projects.

FINANCIAL IMPLICATIONS
Potential revenues increases to the Affordable Housing Trust Fund from larger structures facing higher fees; potential revenue decreases from smaller units facing lower fees. Analysis must be conducted to determine the overall effect of these countervailing forces. Multiple fee levels should be assessed, including those that result in net zero changes in Affordable Housing Trust Fund revenues and those that
increase revenues. Potential revenue increase by applying the fee to developments of 4 or fewer units which were previously exempt.

ENVIRONMENTAL SUSTAINABILITY
Increasing the affordability and density of housing near public transit has the potential to substantially reduce greenhouse gas emissions in line with the City’s environmental goals. Potential revenue increases to the Affordable Housing Trust Fund could permit greater expenditures on housing affordability near transit.

CONTACT PERSON
Councilmember Rigel Robinson, (510) 981-7170

Attachments:
1: San Francisco’s Amendments (https://sf-planning.org/inclusionary-affordable-housing-program)
2019 Affordable Housing Fee Update

Effective January 1, 2019, residential development projects that comply by paying the Affordable Housing Fee will be subject to the following fee based on the Gross Floor Area of residential use, rather than the number of dwelling units. The fee will be applied to the applicable percentage of the project, as set forth in Section 415.5 of the Planning Code:

Affordable Housing Fee: $199.50 per square foot of Gross Floor Area of residential use, applied to the applicable percentage of the project:

- Small Projects (fewer than 25 dwelling units): 20% of the project’s Gross Floor Area of residential use
- Large Projects (25 or more units), Rental: 30% of the project’s Gross Floor Area of residential use
- Large Projects (25 or more units), Ownership: 33% of the project’s Gross Floor Area of residential use

Note: The impact fee register in place at the time of payment shall be applied. However, a project for which a Site Permit has been issued prior to January 1, 2019 shall remain subject to the fee method and amount set forth in the impact fee register in place as of December 31, 2018. Additionally, projects with an Environmental Evaluation Application that was accepted prior to January 1, 2013 pursuant to Planning Code Section 415.3(b) shall also remain subject to the fee method and amount set forth in the impact fee register in place as of December 31, 2018. The impact fee register may be found here.

This change is pursuant to amendments to Section 415.5 that were adopted by the Board of Supervisors in July, 2017 (Board File No. 161351). Specifically, the Code requires that the Fee reflect MOHCD’s actual cost to subsidize the construction of affordable housing units over the past three years, and directed the Controller to develop a new methodology for calculating, indexing, and applying the Fee, in consultation with the Inclusionary Housing Technical Advisory Committee (TAC). In May, 2018 the Controller and TAC determined that the Fee should be applied on a per gross square foot basis to ensure that MOHCD’s cost to construct the required amount of off-site affordable housing is appropriately and equitably captured from all projects, regardless of the size and number of units distributed within the project. The Controller directed MOHCD, in consultation with the Planning Department, to convert MOHCD’s per unit cost to a per-square-foot fee, based on the average residential Gross Floor Area of projects that have paid the Fee in the past three years. The Fee amount indicated above has been calculated accordingly.

Pursuant to Section 415.5 and the specific direction of the Controller and TAC, MOHCD shall update the amount of the Affordable Housing Fee each year on January 1, using the MOHCD average cost to construct an affordable unit in projects that were financed in the previous three years and the Planning Department’s average residential Gross Floor Area of projects that have elected to pay the Fee and have been entitled in the same time period. Each year this analysis will be updated to include new projects from the most recent year, and drop older projects that no longer fall into the three year period of analysis. The updated Fee amount will be included in the Citywide Impact Fee Register that is posted December 1 and effective on January 1.
CONSENT CALENDAR
February 26, 2019

To: Honorable Mayor and Members of the City Council
From: Councilmembers Rigel Robinson and Sophie Hahn

Subject: Refer to the City Manager and the Planning Commission to Modify BMC 22.20.085 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Fees for Rental Developments are Levied Based on a Project’s Gross Residential Floor Area, and are Applied to all Projects Regardless of Size.

RECOMMENDATION
Refer to the City Manager and the Planning Commission to modify BMC 22.20.085 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Mitigation Fees for rental developments are levied based on the project’s gross residential floor area (GRFA), rather than on its number of housing units, and so that all new rental housing developments will be subject to the fee.

BACKGROUND
Currently, all new residential development of five units or more must either pay an Affordable Housing Mitigation Fee to the City’s Affordable Housing Trust Fund, set aside 20% of a project’s units as below market rate housing, or some combination of the two. For rental developments, the fee is currently calculated based on the number of residential units in the project according to the following formula:

\[ \text{Fee} = \left( \frac{B+C}{A} \times 20\% \right) \times (A \times \text{Fee}) \]

Where:

- \( A \) = Total number of units in the project
- \( B \) = Number of Very-Low Income Units provided in the project.
- \( C \) = Number of Low-Income Units provided in the project.

By calculating Affordable Housing Mitigation Fees on a per-unit basis, current law incentivizes developers to build fewer units. In the past, developers have replaced standard layouts (studio, one-bedroom, and two-bedroom units) with dorm-style layouts (up to eight beds per unit). This increases the density of each unit but reduces the overall number of units, allowing applicants to pay significantly smaller fees without providing any additional housing.
Another way for developers to reduce their contribution to the Affordable Housing Trust Fund is to build larger, more expensive units, rather than smaller, more affordable units. This perverse incentive is clearly in opposition to the City’s affordable housing goals.

Calculating the fee on the basis of gross residential floor area (GRFA) eliminates those two loopholes. Developers would no longer be able to reduce their contribution to the Affordable Housing Trust Fund by manipulating floor layouts. In addition, by eliminating the financial penalty for building more units, developers would be incentivized to propose denser projects, which is directly in line with the City’s housing goals.

Such a change was recently enacted in San Francisco, taking effect January 1st of this year. The language from San Francisco’s website (https://sf-planning.org/inclusionary-affordable-housing-program) describing the process they undertook to arrive at their new model is attached. Staff should consider their research, methodology, and conclusions when drafting their response.

By adopting a fee based on GRFA residential floor area, it also becomes feasible to apply the fee to smaller developments. Under the City’s current framework, the per-unit fee creates the danger of making smaller projects infeasible. This is part of the reason why small developments, defined as projects with four or fewer units, are largely exempt under current law. A fee based on GRFA tracks more accurately to the size of the project, and is thus less likely to provide an undue burden to smaller developments.

To further ensure small developments are not discouraged, it may be necessary to impose a smaller fee on them. In San Francisco, projects with fewer than 25 units face a 20% inclusionary requirement while those with 25 or more units face a 30% requirement. This amounts to a 1/3rd fee reduction for small projects. Staff should consider what level of discount is necessary to not unduly burden projects of four or fewer units.

Finally, it may be necessary to give special dispensation to some types of projects. By their nature, ADUs and JrADUs are currently exempt from the Inclusionary Housing Requirement and thus the in lieu fees. Lifting the exemption for small projects would make them subject to affordable housing fees for the first time. City policy has been to encourage the construction of small scale infill development such as ADUs. Staff should consider whether ADUs, JrADUs, or other special classes of small projects should be fully or partially exempted from the fee, even with a discount to small projects.

FINANCIAL IMPLICATIONS
Potential revenues increases to the Affordable Housing Trust Fund from larger structures facing higher fees; potential revenue decreases from smaller units facing lower fees, Analysis must be conducted to determine the overall effect of these countervailing forces. Multiple fee levels should be assessed, including those that results in net zero changes in Affordable Housing Trust Fund revenues and those that
increase revenues. Potential revenue increase by applying the fee to developments of 4 or fewer units which were previously exempt.

ENVIRONMENTAL SUSTAINABILITY
Increasing the affordability and density of housing near public transit has the potential to substantially reduce greenhouse gas emissions in line with the City’s environmental goals. Potential revenue increases to the Affordable Housing Trust Fund could permit greater expenditures on housing affordability near transit.

CONTACT PERSON
Councilmember Rigel Robinson, (510) 981-7170

Attachments:
1: San Francisco’s Amendments (https://sf-planning.org/inclusionary-affordable-housing-program)
Attachment 1: San Francisco's Amendments

**2019 Affordable Housing Fee Update**

Effective January 1, 2019, residential development projects that comply by paying the Affordable Housing Fee will be subject to the following fee based on the Gross Floor Area of residential use, rather than the number of dwelling units. The fee will be applied to the applicable percentage of the project, as set forth in Section 415.5 of the Planning Code:

**Affordable Housing Fee**: $199.50 per square foot of Gross Floor Area of residential use, applied to the applicable percentage of the project:

- **Small Projects** (fewer than 25 dwelling units): 20% of the project’s Gross Floor Area of residential use
- **Large Projects** (25 or more units), **Rental**: 30% of the project’s Gross Floor Area of residential use
- **Large Projects** (25 or more units), **Ownership**: 33% of the project’s Gross Floor Area of residential use

**Note**: The impact fee register in place at the time of payment shall be applied. However, a project for which a Site Permit has been issued prior to January 1, 2019 shall remain subject to the fee method and amount set forth in the impact fee register in place as of December 31, 2018. Additionally, projects with an Environmental Evaluation Application that was accepted prior to January 1, 2013 pursuant to Planning Code Section 415.3(b) shall also remain subject to the fee method and amount set forth in the impact fee register in place as of December 31, 2018. The impact fee register may be found here.

This change is pursuant to amendments to Section 415.5 that were adopted by the Board of Supervisors in July, 2017 (Board File No. 161351). Specifically, the Code requires that the Fee reflect MOHCD's actual cost to subsidize the construction of affordable housing units over the past three years, and directed the Controller to develop a new methodology for calculating, indexing, and applying the Fee, in consultation with the Inclusionary Housing Technical Advisory Committee (TAC). In May, 2018 the Controller and TAC determined that the Fee should be applied on a per gross square foot basis to ensure that MOHCD's cost to construct the required amount of off-sale affordable housing is appropriately and equitably captured from all projects, regardless of the size and number of units distributed within the project. The Controller directed MOHCD, in consultation with the Planning Department, to convert MOHCD's per unit cost to a per-square-foot fee, based on the average residential Gross Floor Area of projects that have paid the Fee in the past three years. The Fee amount indicated above has been calculated accordingly.

Pursuant to Section 415.5 and the specific direction of the Controller and TAC, MOHCD shall update the amount of the Affordable Housing Fee each year on January 1, using the MOHCD average cost to construct an affordable unit in projects that were financed in the previous three years and the Planning Department's average residential Gross Floor Area of projects that have elected to pay the Fee and have been entitled in the same time period. Each year this analysis will be updated to include new projects from the most recent year, and drop older projects that no longer fall into the three year period of analysis. The updated Fee amount will be included in the Citywide Impact Fee Register that is posted December 1 and effective on January 1.
To: Honorable Mayor and Members of the City Council

From: Councilmembers Rigel Robinson and Sophie Hahn

Subject: Refer to the City Manager and the Planning Commission to Modify BMC 22.20.065 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Fees for Rental Developments are Levied Based on a Project’s Gross Residential Floor Area.

RECOMMENDATION
Refer to the City Manager and the Planning Commission to modify BMC 22.20.065 (the Affordable Housing Mitigation Fee Act) such that Affordable Housing Mitigation Fees for rental developments are levied on the basis of a project’s gross residential floor area, rather than on its number of housing units.

BACKGROUND
Currently, all new residential development of five units or more must either pay an Affordable Housing Mitigation Fee to the City’s Affordable Housing Trust Fund, set aside 20% of a project’s units as below market rate housing, or some combination of the two. For rental developments, the fee is currently calculated based on the number of residential units in the project according to the following formula:

\[ A \times \text{Fee} - \frac{(B+C)}{(A \times 20\%) \times (A \times \text{Fee})} \]

Where:

A = Total number of units in the project  
B = Number of Very-Low Income Units provided in the project.  
C = Number of Low-Income Units provided in the project.

By calculating Affordable Housing Mitigation Fees on a per-unit basis, current law incentivizes developers to build fewer units. In the past, developers have replaced standard layouts (studio, one-bedroom, and two-bedroom units) with dorm-style layouts (up to eight beds per unit). This increases the density of each unit but reduces the overall number of units, allowing applicants to pay significantly smaller fees without providing any additional housing.

Another way for developers to reduce their contribution to the Affordable Housing Trust Fund is to build larger, more expensive units, rather than smaller, more affordable units. This perverse incentive is clearly in opposition to the City’s affordable housing goals.
Calculating the fee on the basis of gross residential floor area eliminates those two loopholes. Developers would no longer be able to reduce their contribution to the Affordable Housing Trust Fund by manipulating floor layouts. In addition, by eliminating the financial penalty for building more units, developers would be incentivized to propose denser projects, which is directly in line with the City’s housing goals.

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Potential revenues increases to the Affordable Housing Trust Fund from larger structures facing higher fees; potential revenue decreases from smaller units facing lower fees. Analysis must be conducted to determine the overall effect of these countervailing forces. Multiple fee levels should be assessed, including those that result in net zero changes in Affordable Housing Trust Fund revenues and those that increase revenues.

**ENVIRONMENTAL SUSTAINABILITY**
Increasing the affordability and density of housing near public transit has the potential to substantially reduce greenhouse gas emissions in line with the City’s environmental goals. Potential revenue increases to the Affordable Housing Trust Fund could permit greater expenditures on housing affordability near transit.

**CONTACT PERSON**
Councilmember Rigel Robinson, (510) 981-7170

Attachments:
1: San Francisco’s Amendments (https://sf-planning.org/inclusionary-affordable-housing-program)
2019 Affordable Housing Fee Update

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Pursuant to Section 415.5 and the specific direction of the Controller and TAC, MOHCD shall update the amount of the Affordable Housing Fee each year on January 1, using the MOHCD average cost to construct an affordable unit in projects that were financed in the previous three years and the Planning Department’s average residential Gross Floor Area of projects that have elected to pay the Fee and have been entitled in the same time period. Each year this analysis will be updated to include new projects from the most recent year, and drop older projects that no longer fall into the three year period of analysis. The updated Fee amount will be included in the Citywide Impact Fee Register that is posted December 1 and effective on January 1.