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DIV. OF HOUSING
POLICY DEVELOPMENT HCD

Planning and Development Department

December 23, 2005

Ms. Cathy E. Creswell, Deputy Director
Department of Housing and Community Development
1800 Third Street, Suite 430
P.O. Box 952053
Sacramento, California 94252-2053

Dear Ms. Creswell:

The Annual Progress Report on Implementation of the Housing Element, pursuant to Government Code Section 65400 is attached. This report is herein submitted prior to the December 31, 2005 deadline to ensure that the City will meet the eligibility requirements for the Workforce Housing Incentive Grant Program.

The Berkeley City Council adopted the Housing Element on December 16, 2001. As part of this approval, the Council directed staff to revise the analytic appendices to conform to comments that were received from HCD. Following submittal of revisions to the Housing Element to HCD in May 2002, HCD requested additional information. Staff provided clarification as requested. This clarification was included in letters to HCD that were also attachments to Council Resolution No. 61,955 – N.S. approved on February 25, 2003, “Clarifying the Berkeley City Council’s Intent in Adopting its General Plan Housing Element in December 2001”.

On December 11, 2003, the Planning Commission considered the amendments per the Council resolution and directed staff to provide additional editing. On October 27, 2004, the Planning Commission approved amendments to the Housing Element with the proviso that the final numbers for the Housing Element appendix table showing housing production since 1999 were to be finalized and returned to the Commission before the package of amendments was sent to Council. On June 22, 2005, the Planning Commission reviewed the table and directed staff to forward the recommended changes to the City Council. On October 18, 2005, the City Council took action to approve the final amendments to the Housing Element in accordance with the 2003 resolution. A copy of Resolution No. 63,089-N.S., including the amended appendix as approved by the City Council is hereby transmitted to you.

Progress in meeting regional housing need

The attached table provides information on the total number of housing permits issued, affordability by income level, and comparison with the regional housing need allocation. The progress report that we submitted last year included information for calendar years 2001 – 2004 (through October 2004). This year’s table includes the previously submitted language as well as updated figures through December 2, 2005.

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Effectiveness of the Housing Element in attainment of the community's housing goals and objectives

Table 31 of the adopted Housing Element, "Summary of Implementation Program, 2001 – 2006" has been updated to provide a program-by-program status report. Columns have been added to describe actions taken to implement each program and to assess the effectiveness of the actions and outcomes.

Progress toward mitigating governmental constraints identified in the Housing Element

Steps taken by the City to mitigate governmental constraints are described in the attached document. The City continues to make progress to improve the planning process in Berkeley.

Please let us know if you have any questions about this report.

Sincerely,



Wendy Cosin
Deputy Planning Director

cc:

Dan Marks, Planning Director
Steven Barton, Director of Housing
Allan Gatzke, Principal Planner
Janet Homrighausen, Senior Planner
Tim Stroshane, Senior Planner

PROGRESS IN MEETING REGIONAL HOUSING NEED

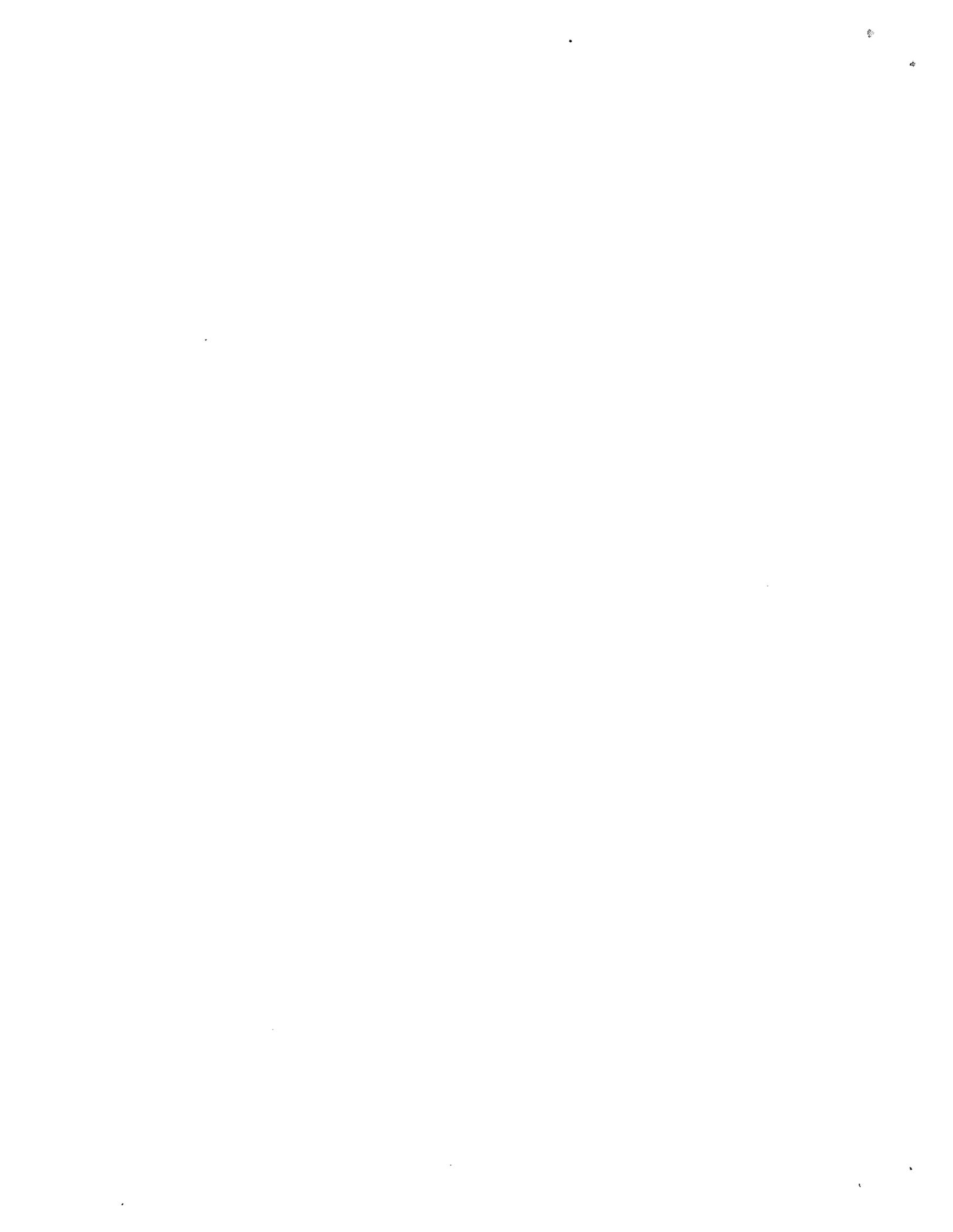
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Units Contributing to Regional Goal - Building Permits Issued During Calendar Year:	Total Units	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Reported in 2004 Progress Report					
2001	121	26	9	0	86
2002	39	2	0	2	35
2003	408	67	32	70	239
2004 (through October 2004)	134	36	0	7	91
Total	702	131	41	79	451
<i>Percent of Goal Achieved (not including UC Berkeley units)</i>	<i>55%</i>	<i>37%</i>	<i>27%</i>	<i>25%</i>	<i>99%</i>
Progress since 2004 Progress Report					
2004 (November – December)	199	3	36	1	159
2005 (January through Dec 2, 2005)	196	94	25	7	69
Total since 2004 Progress Report to HCD	395	97	61	8	228
Grand total since 2001					
	1097	228	102	87	679
Regional Fairshare Goal					
	1269	354	150	310	455
<i>Percent of Goal Achieved (not including UC Berkeley units)</i>	<i>86%</i>	<i>64%</i>	<i>68%</i>	<i>28%</i>	<i>149%</i>



**City of Berkeley Housing Element: Summary of Implementation Program, 2001-2006
2005 Progress Report**

Goals/Programs	Responsible Agency	Unit of Measure/ Potential Action	2006 Target	Actions Taken to Implement Program by December 2005	Assessment of Effectiveness of Actions/ Outcomes	
					Housing Affordability	
Rent Stabilization Ordinance	Berkeley Rent Board	Rental units regulated	19,000	Ongoing	Ordinance is highly effective at regulating rent ceilings on occupied rental units in Berkeley. As of August 2005, only 4,690 units have had zero vacancy registrations filed (25.5%) with average rents of \$723 per month, while another 12,645 units have had at least one vacancy registration since January 1, 1999 (67.6%). These latter units have average rents of \$1,205 per month.	
Section 8 Housing Assistance Program	BHA	Lease-up rate	95%	Ongoing	By June 2004, BHA's Section 8 lease-up rate was 97.0%, up from 79.1% in 2002. At the end of Calendar Year 2005, BHA's Section 8 lease-up rate was 95%, on a base of 60 fewer appropriated housing choice vouchers (1,781, down from 1,841, due to HUD block-granting).	
Family Self-Sufficiency	BHA	Families purchased homes	10	Ongoing	2 families purchased housing and another five participants graduated from FSS. During FY 2005, 1 Section 8 tenant was able to purchase a home through BHA's Section 8 homeownership program.	
Project-Based Section 8	BHA	Units supported with subsidy guarantees	NA	BHA amended its Administrative Plan during FY 2005 to address procedural and evaluation/selection criteria.	BHA approved allocation of 104 new project-based Section 8 Housing Choice Vouchers for 6 housing developments and rehabilitation applications, with an estimated value of approximately \$13 million over 10 years.	
Units At Risk of Conversion	Housing Department/ BHA	Net change in units at risk	0	Ongoing monitoring	Since 2001, no project-based Section 8 units or properties from the City's 2001 Housing Element Table 39 have converted, or provided required notice of intent to convert.	
Housing Trust Fund	Housing Department	Units affordably subsidized	350	Ongoing - two requests for proposal processes conducted in FY 2003 and FY 2005.	12 projects involving 465 new units have received funding reservations during these two rounds, and \$17 million has been reserved for new construction.	



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Housing Trust Fund and Inclusionary Ordinance	Housing Department	Review and amendment of housing cost/square footage guidelines	Completed	Amended April 16, 2002, Council Resolution No. 61,497-N.S.	New approach to rent and sale price calculations creates larger gradient between large (>1,000 square feet) and small units (<700 square feet) than older scheme. No change in income guidelines from 2004 to 2005 by HUD.
Inclusionary Housing Ordinance	Planning & Housing Depts.	Revisions to Ordinance	Year 2002-03	Condo pricing amendments adopted January 27, 2004; additional amendments getting under way in late 2005.	Developer interest in developing condominium projects significantly increased during 2004, and has continued into 2005. City of Berkeley intends to extend pricing formula for 12 months from February 2006 to permit coordination of amendments with policy results of a local joint commission effort addressing inclusionary and density bonus issues.
Condominium Conversion Ordinance	Planning & Housing Depts.	Net change in units converted to condominium ownership	0	In wake of <i>Tom</i> decision in San Francisco, Berkeley amended its condominium conversion ordinance to reduce the affordable housing impact fee and create a review process for new condominium conversion process.	Additional refinements to the condominium conversion ordinance are scheduled to be addressed in 2006.
Mortgage Credit Certificate Program	Alameda County Housing and Community Development	Certificates issued in Berkeley	50	Ongoing administration of the program by Alameda County.	3 new MCCs were issued to Berkeley first-time home buyers between January 2002 and June 2004, and 41 people were refinanced MCCs during same period, who had initially received MCCs in the 1990s. 6 RMCCs were issued to refinance their certificates during FY 2005.
Energy Conservation	Housing Department	Units weatherized	300	Community Energy Services Corporation contracts with the City to operate its Home Safety and Repair Program	CESS repaired a total of 388 units between July 2002 and June of 2004. In FY 2005, CESC repaired homes of an additional 181 very low- income and senior and disabled homeowner clients.

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Low-Income Public Housing	BHA	Lease-up rate	95%	14 new public housing tenants obtained leases from BHA between 2001 and June 2004. One additional new household obtained a lease from BHA in a public housing unit during FY 2005. Simultaneously, BHA continues major rehabilitation work on the Low-Income Public Housing units with benefit of a Section 108 loan. Completion of rehab work expected in February 2006.	
Housing Maintenance					
Single Family Rehabilitation Program (formerly Senior and Disabled Home Improvement Loan Program)	Housing Department	Units rehabilitated and improved	50	Ongoing program for seniors and disabled persons to obtain needed repairs and seismic retrofit of their homes.	Since 2002, SFRP has overseen rehabilitation and/or seismic retrofit of 17 units, benefiting 19 low-income individuals living in Berkeley.
Housing Code Enforcement	Housing Department	Units with outstanding violations resolved	1,750	Ongoing administration of housing code inspection services.	From the start of 2002 through June 2004, Berkeley's reactive housing code enforcement program saw 574 cases (units) opened on 427 properties. These investigations revealed 3,345 housing code violations during the period, and the City was able to resolve 2,675 of them. During FY 2005, another 196 cases were activated, with 1,140 violations revealed. Another 1,221 violations were resolved in that period. In FY 2006, year-to-date records show 70 new cases activated; 524 new violations were identified, and 490 other violations were resolved.
Rental Housing Safety Program	Housing Department	Units inspected for safety	10,000	In 2001, City placed RHSP on a self-certification basis: property owners now complete a checklist of housing quality measures whenever they take on a new tenant.	From start of 2002 through June 2004, Berkeley's proactive Rental Housing Safety Program (RHSP) opened up 1,480 cases on 108 properties, resulting in identification of 929 violations. Of these, 674 violations were cleared and resolved during the period. In FY 2005, 383 new RHSP cases, identifying 1,353 violations. 1,544 violations were resolved during the year. Year-to-Date in FY 2006: 191 new cases identifying 684 new violations. YTD 484 violations were resolved.

**City of Berkeley Housing Element: Summary of Implementation Program, 2001-2006
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SB 460 Lead-Safe Work Practices	Housing Department	Units subject to Housing staff supervision to ensure lead-safe work practices	50	The City discontinued its lead-based paint abatement program, but has continued to comply with HUD and state requirements to ensure that federally- and state-funded rehabilitation work is handled with respect to residents' and workers' protection from lead-based paint, dust, etc.	From 2002 to 2004, the City remediated 8 properties for lead-based paint by ensuring that painting contractors have applied lead-safe work practices using CDBG funds. During 2005, the City is currently working on 12 additional properties involving a total of 15 units.
Disaster Mitigation: Seismic Permit Fee Waiver	Planning & Housing Depts.	Single family units retrofitted	1,200	The program to waive BP fees for seismic retrofit projects ended 7/1/04. The City could not afford to continue to lose the revenue. Standards for retrofit are being developed.	Approximately \$675,000 in BP fees were waived between 1/02 and 7/04; over 1,000 housing units, mostly single-family dwellings, were retrofitted. It is anticipated that retrofit of SFDs will continue.
Disaster Mitigation: URM's	Planning & Housing Depts.	URM buildings retrofitted	Original URM building list & Orders issued and completed recorded with County;	Updated standards; Notice building list & Orders issued and completed recorded with County; warning placards provided; more than 1,000 contacts with owners, agents, etc. 10 citations issued; five new buildings added.	Inventory of Potentially Hazardous Buildings reduced from year 2000's 303 buildings to 70, half have applied for or obtained building permits. Buildings with 12 residential units remain, down from year 2000's 543 units.
Disaster Mitigation: Soft-Story Buildings	Planning & Housing Depts.	Soft-story building strategy	Completed	Assessment completed: 397 buildings with 5 or more residential units containing about 5,000 units identified; ballot measure for funds for assistance on retrofit prepared but failed; public outreach underway to continue to educate	In November 2005, Council passed an ordinance that within two years, owners of buildings containing 5 or more dwelling units with potentially, soft, weak or open front (SWOF) ground floors are required to provide an engineer's report to the city that analyzes the deficiencies and recommends a strengthening program to abate the weaknesses. In Berkeley, a sidewalk survey indicates that

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Permit Fee Waivers for Affordable Housing	Planning & Housing Depts.	Affordable units benefitting from permit fee waivers	150	Approximately \$675,000 in fees are currently deferred for five projects that include affordable housing.	Nearly \$400,000 in previously deferred fees for affordable housing projects were paid in FY 2005. The City minimizes permit fee waivers due to concern about loss of revenue; however, fee deferrals are an effective tool because they allow postponed payment until the project is completed and earning income.
Housing Trust Fund	Housing Department	New units constructed	304	Ongoing administration of the City's Housing Trust Fund providing funding to proposed housing developments in Berkeley.	Since FY 2002, 465 units in 12 projects have been approved for funding. Of these, three projects have been completed totaling 50 units (including 19 for disabled residents). Two projects involving 108 units have been acquired by non-profits for rehabilitation, which are in process. Four new buildings are under construction totaling 203 units (148 for senior housing, and 55 for families and artisans). 4 new units of family-oriented transitional housing were completed in this period as well.



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Housing Mitigation Fees from Non-residential development	Office of Econ Development collects funds - Housing Department allocates funds	Units constructed resulting from fees based on equivalent value	50	Ongoing collection of housing in-lieu fees on non-residential development under Ordinance No. 6179 and Resolution No. 56,912-N.S.	Since FY 2002, the City collected and allocated through its Housing Trust Fund \$706,078 in housing mitigation fee revenue and used these funds to assist with construction of 4 new buildings totaling 152 units.
Inclusionary Housing Ordinance/State Density Bonus	Planning & Housing Depts.	Restricted Units constructed	504	Ongoing administration of the City's Zoning Ordinance in the framework of State Density Bonus law, California Government Code Section 65915 et seq.	From January 2001 through December 2005, 26 projects (including ones utilizing the Inclusionary Ordinance and/or State Density Bonus law) were issued building permits for affordable units within mixed-income projects as follows: 330 VLI and LI units.
Inclusionary Housing Ordinance/State Density Bonus	Planning & Housing Depts.	Market Rate Units constructed	765	Ongoing administration of the City's Zoning Ordinance in the framework of State Density Bonus law, California Government Code Section 65915 et seq.	From January 2001 through December 2005, 26 projects (including ones utilizing the Inclusionary Ordinance and/or State Density Bonus law) were issued building permits for market-rate units within mixed-income projects as follows: 766 Moderate and Above Moderate income units.
Special Needs Housing					
Transitional Housing for Victims of Domestic Violence	Planning & Housing Depts.	Zoning revisions	Completed - no Zoning Ordinance amendments were adopted.	None.	None.
HIV/AIDS Housing	Housing Department	Renewal and expansion of clientele	25	Program discontinued - Program clients were transitioned to Section 8 Housing Choice Vouchers.	Section 8 Housing Choice Vouchers, provide them with permanent and deeper subsidies than they received from the HIV/AIDS Housing Assistance program.
Homelessness Prevention Program	Housing Department	Renewal and expansion of clientele	150	Ongoing administration of the HPP is contracted by the City to Eden Council for Hope and Opportunity, Inc. of Hayward.	During the fiscal year ended in June 2004, HPP provided information, referral, and cash assistance to 102 individuals and households to avoid eviction and potential homelessness. During FY 2005, another 119 low-income Berkeley residents were assisted as well.

**City of Berkeley Housing Element: Summary of Implementation Program, 2001-2006
2005 Progress Report**

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Relocation Assistance	Housing Department	Ongoing relocation support to affected tenants of city-subsidized housing projects, fire damage, or environmental remediation problems.	75	Relocation information and referral activities are ongoing through web-based and staff-based efforts. Relocation services to tenants residing in projects to be rehabilitated and technical assistance to owners are provided.	Between 2002 and 2004, outreach and information to 15 tenants and owners facing displacement due to fire damage; 22 residents of Harrison House emergency shelter were temporarily relocated to allow UST remediation to occur; 1 tenant was displaced from a blighted property, and 52 tenants were temporarily relocated from a 60-unit building in west Berkeley undergoing rehabilitation. In FY 2005, The City responded to direct requests for assistance from 54 tenants and 11 landlords, and also coordinated temporary displacement of 91 tenants at Harriet Tubman Terrace for improvements made to each unit. Provided ongoing referrals and information to homeowners, tenants, and landlords.
Shelter Plus Care Program	Housing Department	Units assisting SPC clients	150	Ongoing administration of the Shelter Plus Care Program includes coordination of intake services by several service providers, case management, and maintenance of a stable of landlords willing to rent to formerly homeless, disabled individuals.	Currently serving 198 formerly homeless persons. City of Berkeley and Alameda County were awarded an additional 22 S+C units in December 2004, 11 of which would reside in Berkeley or Oakland. Population targeted includes single adults with serious mental illness and/or chronic history of substance abuse, and who are frequent users of emergency medical and psychiatric services. It is anticipated these units will help with implementation of the Mental Health Services Act here in northern Alameda County.
Updating of Berkeley Homeless Plan	Housing Department	Updating	Completed	Sponsoring agencies of the <i>Alameda County-wide Homeless and Special Needs Housing Plan</i> ("Multi-Plan") released the Multi-Plan in July 2005.	Plan is now being reviewed in Berkeley by commissions, and is scheduled to go before the City Council in February for endorsement on its overall policy direction.

**City of Berkeley Housing Element: Summary of Implementation Program, 2001-2006
2005 Progress Report**

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Mental Health Services Act Implementation Planning	Berkeley Mental Health Division/Housing Department	Planning	Completed	City of Berkeley staff from both departments participated in both Berkeley and Alameda County-wide planning efforts to implement MHSA provisions during FY 2004 and FY 2005.	City of Berkeley plan was completed and contains alternative funding scenarios depending on outcome of funding allocation negotiations under way with Alameda County and the California Department of Mental Health.
Homeless Management Information Systems	Housing Department	Full integration of HMIS into continuum of care operations	Operating During FYs 2004 and 2005, systems	Berkeley worked with community agencies to implement HMIS to further use of data-driven policy.	Together with Alameda County and City of Oakland, accomplishments include: identifying agency implementation teams; developing agency privacy notice; tailoring data elements to each individual agency's reporting requirements; creating agency dataflow charts, and a number of other agreements and consent forms needed to implement HMIS. Reports to be generated automatically during FY 2006.
Homeless Housing	Housing Department	TH Beds and supportive housing units constructed	50 beds and Housing Trust Fund loan to 125 units	Sankofa House, 4 units of transitional family housing, completed by early 2005 and placed into operation. City of Berkeley is changing policy direction, however, away from Harrison Street in west Berkeley, intended to serve 10 families.	Sankofa House, 4 units of transitional family housing, completed by early 2005 and placed into operation. City of Berkeley is changing policy direction, however, away from completing more transitional housing in favor of allocating resources and program effort to "housing first" approaches to serving the segments of the homeless that are most difficult to serve.
Relationship with the University of California and Other Public Institutions					
Southside Area Plan	Planning Department and UC Berkeley Physical & Environmental Planning Department	Plan adoption by both institutions	completed and adopted, implementation in progress	Draft Southside Plan available to public, and is entering CEQA review process.	Status unchanged since 2004 progress report; Draft EIR is in preparation.
Fair and Accessible Housing					

City of Berkeley Housing Element: Summary of Implementation Program, 2001-2006 2005 Progress Report

Goals/Programs	Responsible Agency	Unit of Measure/ Potential Action	2006 Target	Actions Taken to Implement Program by December 2005	Assessment of Effectiveness of Actions/ Outcomes
Opposition to New Housing Construction	Housing Department	Berkeley actively defends affordable housing developments that face litigation on pretense of CEQA review inadequacy. Currently, a project at 1698 University is in litigation over height and massing issues.		In <i>Bowman v. City of Berkeley</i> , the City won an appeal, successfully defending 2517 Sacramento, a proposed 40-unit senior housing development by Affordable Housing Associates, Inc. The court ruled that the proposed building was not too large and that no environmentally significant aesthetic effect would result from the project, and that other objections by neighbors to the project's approval also lacked merit. It is not known at this time when current litigation on 1698 University will be resolved.	
Update Analysis of Impediments	Housing Department	Updating	Completed	Analysis of Impediments was updated during Fiscal Year 2005 as part of new 5-year <i>Consolidated Plan for Housing and Community Development, 2005-2010</i> .	Berkeley continues to fund community service providers to address fair and accessible housing needs of low-income Berkeley residents.
Center for Independent Living	Housing Department	Properties with accessibility improvements completed	100	Berkeley continues to contract with the Center for Independent Living to operate the Residential Access for Disabled Persons Program (RADPP).	Between 2002 and June 2004, 40 units have been retrofitted with various interior or exterior improvements that increase accessibility of housing owned by low-income seniors and disabled individuals throughout Berkeley. In FY 2005, another 11 ramps and lifts for low-income and disabled Berkeley residents were completed.
Discrimination Complaints	Housing Rights, Inc./East Bay Community Law Center/ Housing Department	Complaints addressed	250	Berkeley funds Housing Rights, Inc. to investigate and address complaints of discrimination on race and other protected classes; Berkeley also funds the East Bay Community Law Center to provide low and no-cost legal services to East Bay low-income communities.	Between 2002 and June 2004, HRI has assisted 150 clients with fair housing complaints and discrimination investigations. In addition, HRI provides outreach through public service announcements, its web site (www.housingrights.org), and tabling at local festivals. HRI also conducts workshops to educate public and government workers about fair and accessible housing law and related issues. In FY 2005, HRI assisted 53 households

City of Berkeley Housing Element: Summary of Implementation Program, 2001-2006 2005 Progress Report

Goals/Programs	Responsible Agency	Unit of Measure/ Potential Action	2006 Target	Actions Taken to Implement Program by December 2005	Assessment of Effectiveness of Actions/ Outcomes
Affirmative Marketing of Vacant Subsidized Units	Housing Department	Marketing plans monitored	75	<p>especially in the areas of avoiding eviction, information and outreach, counseling, direct representation and case management, negotiation, and advocacy in court and administrative proceedings.</p> <p>Non-profit developers of special needs housing routinely market their units through special needs service providers. For-profit developers of inclusionary units work with the City to income-qualify households in advance of lease-up. For-profit developers are also referred to social service agencies and the City's Shelter Plus Care Program for new tenants.</p>	<p>with fair housing complaints. EBCLC assisted 94 clients between 2002 and June 2004 with free legal services and advocacy in the areas of housing, benefits, and HIV disease. In FY 2005, EBCLC reported serving 377 low-income Berkeley residents, 51 of which were served with CDBG funds and avoided eviction through favorable court outcomes from EBCLC intervention.</p> <p>This Unit of Measure should be lowered in the next Housing Element to reflect a more realistic number of properties. Berkeley experienced progress in affirmatively marketing new affordable housing units since adoption of the Housing Element in December 2001.</p> <p>Housing Trust Fund: Since 2002, 46 units are targeted to disabled individuals, 4 to homeless families as transitional housing, and 68 as senior housing. Of another 219 units in funding or permit review, 79 are targeted to senior housing. Developers submit a marketing plan upon execution of their development loan agreements for HTF funding.</p> <p>Inclusionary Ordinance: Since the end of 2002, 232 rental units were constructed in 4 large multi-family rental properties, of which a total of 50 units had restricted rents. (These figures vary from Tables 1-3 because the latter include single-family homes and other units in buildings that are beneath the City's 5-unit threshold for inclusionary units.) Developers of these properties fill at least half them with both Section 8 and Shelter Plus Care program tenants, which are monitored by the Berkeley Housing Authority and Shelter Plus Care staff.</p>

City of Berkeley Housing Element: Summary of Implementation Program, 2001-2006 2005 Progress Report

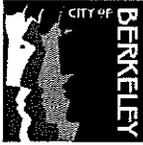
Goals/Programs	Responsible Agency	Unit of Measure/ Potential Action	2006 Target	Actions Taken to Implement Program by December 2005	Assessment of Effectiveness of Actions/ Outcomes
					City regulatory agreements and resale control documents require affirmative marketing and the City maintains a list of interested persons who are notified when new condominium units come up for sale. In addition, the City refers developers to agencies for qualified tenants, to the Home Buyer Assistance Center in Oakland for first-time home buyers and to the Berkeley Housing Authority's Section 8 First-Time Homebuyer's Program for potential buyers.
Regional Cooperation					
Regional Approach to Homelessness	Housing Department	Participation in County-wide forum	Continuing	See updating of Homeless Plan, above. Also, Berkeley annually collaborates with Oakland, Alameda County and the county-wide continuum of care council to rank proposals and coordinate submission of the County's Supportive Housing Program application.	Since 2002, these collaborative approaches have proved highly effective for Berkeley as well as other jurisdictions in Alameda County. Cumulative SHP funding from the U.S. Department of Urban Development since 2002 was \$12.8 million granted to Berkeley agencies, and to agencies who provided services and supportive housing to homeless people in the County, including Berkeley. In FY 2005, Berkeley agencies received another \$5.5 million in direct awards, and another \$2.45 million in indirect awards from SHP.
Regional Shelter Plus Care Activities	Housing Department	Participation in region-wide forum	Continuing	Berkeley S+C staff participate in regular ongoing regional meetings of other Shelter Plus Care Program Managers from throughout the Bay Area	The regional forum has effectively addressed common issues facing S+C programs, including Berkeley's, such as HUD's policies concerning grant program overleasing, management of waiting lists, and renewal applications.

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2005 Progress Report**

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Regional Housing Needs Allocation Process	Housing Department	Meeting RHIND unit targets	1,269	Ongoing administration of the City's Housing Trust Fund, Inclusionary Housing Ordinance, and state Density Bonus requirements providing funding and permit entitlements to proposed housing developments in Berkeley. City continues to monitor its own housing production.	See housing production figures above in Housing Production section of this report. Next Regional Housing Needs allocation process will commence in 2007, with eventual update of the City of Berkeley Housing Element due to State HCD in June 2009.
Public Participation in Housing Decisions					
Housing Advisory Commission	Housing Department	Commission administration		Continuing Housing Department staff continue administering monthly public meetings of the HAC.	The HAC is highly effective at providing recommendations to the City Council on Housing Trust Fund proposals, Community Development and Emergency Shelter grant proposals from community agencies, and in hearing building and housing code appeals.
Article XXXIV of California Constitution	Housing Department	Monitoring of Article 34 units		Continuing The City of Berkeley voters overwhelmingly approved Measure Z with 71.4 percent of the vote, adding 500 units of Article 34 authority to the City's capacity for financing development of new low-cost housing in Berkeley.	Since passage of Measure Z, approved new construction projects have reduced the City's remaining authority to 294 units. City is considering placing another ballot measure before Berkeley voters to seek additional Article 34 authority in November 2006.
Planning Commission	Planning and Development Department	Commission administration		Continuing Planning staff continue administering bi-monthly public meetings of the Planning Commission	The Planning Commission is highly effective at providing recommendations to the City Council on land use and housing policy, zoning ordinance revisions (such as the recent University Avenue Strategic Plan revisions), and subdivision applications.

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Berkeley Homeless Commission	Housing Department	Commission administration	Continuing	Housing Department staff continue administering monthly public meetings of the Homeless Commission.	The Homeless Commission is highly effective at providing recommendations to the City Council on homeless policy matters, homeless service provider funding proposals.
Consolidated Plan/CDBG Funding Process	Housing Department	Annual administration	Continuing	CAPERs submitted annually for PYs 2000 through 2004. Annual Action Plans completed annually for PYs 2001 through 2005. Housing Department completed a new 5-year Consolidated Plan during FY 2005 for Program Years 2005-2009.	CAPERs show that Berkeley works diligently to meet its ConPlan goals and objectives year-in and year-out. HUD issued a draft community assessment report praising the City's efforts in all areas of its community development programs.
Area Plan Processes	Planning & Housing Depts.	Review and implementation	Continuing	University Avenue Strategic Plan zoning ordinance revisions were adopted in July 2004 by the Planning Commission, and are under consideration by the City Council.	Planning staff believe the UASP ordinance revisions will have a small or net zero impact on the housing capacity of the zoning ordinance along University Avenue.
General Plan/Housing Element Update Process	Planning & Housing Depts.	Annual evaluation	Continuing	Amendments requested by State HCD clarifying language in the City's conditionally certified Housing Element adopted by City Council in October 2005.	The amendments are intended to enable State HCD to fully and unconditionally certify City of Berkeley's Housing Element as in compliance with state housing element law.



NOTICE OF PUBLIC MEETING
Project Area Committee
Aquatic Park Streetscape Connection Project
Thursday, January 12, 2006

The Redevelopment Agency's Project Area Committee (PAC) will host a Design Workshop on the Aquatic Park Connection Capital Project at their Thursday, January 12, 2006 meeting. The meeting will be held at the West Berkeley Senior Center, 1900 Sixth Street, Berkeley, CA, beginning at 7:00 p.m.

The Aquatic Park Connection is a streetscape project of the Berkeley Redevelopment Agency in the public right-of-way on Addison Street between Fourth Street and Bolivar Drive and on Fourth Street between Hearst and Addison Streets. Grading and reconstructing of curbs, gutters, sidewalks, drainage, and crosswalks will be proposed, as well as installation of landscaping, bollards, signage, trash cans and lighting.

FURTHER INFORMATION: Questions about the project should be directed to Wendy Cosin at (510) 981-7402 or wcosin@ci.berkeley.ca.us.

Progress Toward Mitigating Governmental Constraints 2005 Progress Report

Historic Context: Neighborhood Preservation Ordinance (NPO): The principal constraint on housing production was enacted by a vote of the Berkeley electorate as part of the Neighborhood Preservation Ordinance (NPO) in 1973. The provisions of the NPO have sunsetted, but the City's development regulations reflect in large part provisions instituted by the NPO. As such, the NPO set the course in the evolution of Berkeley's highly discretionary development review process. Some features that are fundamental include the requirement of use permits for most new residential construction (the NPO required a use permit for all new residential construction, but over the years provisions have been made for "by-right" approval in some circumstances, and installation of the non-detriment criterion.

One of Berkeley's core community values is a commitment to a full disclosure-oriented democratic political process. This core value extends to Berkeley's process for public review of land use entitlement applications. While such values are deeply held by Berkeleyans, they are also part of Americans' traditional political beliefs; Berkeleyans enacted them into their Zoning Ordinance through the NPO in the belief that local democracy is best served by a fully-informed citizenry, and that better decisions can be made by Berkeley's leaders when they are based on fully-disclosed information.

Programs that Mitigate the NPO: Since the NPO was enacted now over 30 years ago, City interventions into the Berkeley housing market have adapted to NPO administration as well as many other economic and historical constraints on local housing production. Key housing programs evaluated in the adopted Housing Element have origins dating back to the 1970s, especially the City's Rent Stabilization Ordinance. The NPO slowed production of new housing dramatically, and contributed to increased apartment rents in Berkeley. To address rising rents, Berkeley voters in 1980 passed a rent stabilization and eviction control regulatory system to protect rental housing affordability in Berkeley.

Berkeley was also not immune to larger economic and fiscal trends in the United States between the 1970s and the mid-1990s. Berkeley housing activists throughout this era were committed to producing affordable housing, passing citizen-approved measures to provide blanket authority from Berkeley voters for production of new affordable housing projects under Article XXXIV of the California Constitution.

The low-income housing inclusionary requirement of the NPO was revised in 1987 to become the City's inclusionary housing requirements embedded in the City's Zoning Ordinance.

In response to the crisis in housing finance precipitated by the collapse of the savings and loan industry in the late 1980s (which affected equally local jurisdictions with or without by-right regulatory frameworks for multi-family housing), the City of Berkeley created a Housing Trust Fund in 1990 and used local and federal funding sources for the purpose of acquiring and rehabilitating properties in return for receiving rental or price restrictions

from property owners. These affordability restrictions are typically for the life of the property. In addition, the City uses CDBG funding to provide administrative support to the four affordable housing developers most active in Berkeley.

In 1996, the City of Berkeley opened the doors to its first one-stop Permit Service Center (2120 Milvia Street). At this facility, residents and developers may come to view property files, consult with planning, engineering, fire code, and building inspection staff, and apply for and receive subdivision, fire, engineering, use, and building permits—all in one convenient location one block from the Berkeley BART station, a major AC Transit bus line hub, and structured parking. This facility has increased accessibility to all segments of the Berkeley public, and is disabled accessible.

As final evidence that these programs mitigate the affordability and production impacts of the Neighborhood Preservation Ordinance and its subsequent synthesis into the Berkeley Zoning Ordinance, Housing Element Tables 6 (page 28), 25 (page 59), and 27 (pages 73 *ff*) present Berkeley's record of housing production and permanent affordability. Since the late 1970s, Berkeley has produced over 1,600 subsidized and inclusionary (below-market-rate) housing units in approximately 25 years. This inventory reflects Berkeley's commitment to preserve its economic and social diversity through innovative housing production and affordability strategies.

Current Activities: In early 2003, the Mayor convened a task force to address development-permitting issues such as complicated zoning processes and the need for better communication with the public about development proposals. While these recommendations are not tied specifically to concerns about residential development, they address improving the development review process to make it more predictable for future residential projects. The Council prioritized 30 of the recommendations for implementation in the Planning and Development Department's current work plan. Progress has been made on the following tasks:

- Noticing and Information Dissemination – The Department posts large-scale notices for large projects, which include more information about the projects, as well concurrent notice of hearings for the Zoning Adjustments Board, the Design Review Committee, and Landmarks Preservation Commission as applicable.
- Pre-application Process – The Department has formalized the process for pre-application, including provision of public notice, review of conceptual designs at the Design Review Committee, and Zoning Adjustments Board review of massing early in the process.
- Operational Improvements – The Land Use Division has completed a number of operational and informational changes this year that provide better information and access to the City's processes. Public hearing notices for all boards and commissions have or are being standardized, web posting is underway, and a database for public web access to project information is in its final phases.



- Landmarks Preservation Ordinance – The City Council is currently considering revisions to the LPO. The amendments clarify the process for historic buildings and provide more assurance for applicants early in the process. The Council is considering provisions to the LPO that would require developers to provide more upfront application information about the history of a property so that the LPC could make decisions about potential landmarks much earlier in the process. In addition, the provisions being considered would require a determination of whether a property has some level of potential historic significance to be identified within the early phase of the application process. The draft provisions would then preclude any additional historic consideration later in the process. This is not the case with the LPO now. The City Council is currently considering these amendments.
- Clear and Consistent Documents – Following a workshop and public hearings, the Planning Commission approved zoning ordinance amendments to implement the University Avenue Specific Plan. The provisions adopted by Council provide more clarity on building envelopes and specificity for setbacks from adjacent lower density residential uses. It is anticipated that the provisions will reduce the length of processing time for projects along the corridor by reducing the impacts to adjacent neighborhoods. The City Council passed the ordinance to implement the Plan this year.
- Southside Plan – The City’s Planning Commission has drafted an area plan for the neighborhood south of the UC campus, the Draft Southside Plan. The draft plan includes recommendations for a new zoning district (R-SMU Residential Southside Mixed Use) near campus that includes significant increases in allowable lot coverage for projects that incorporate residential development, and potential to approve residential development with greatly reduced parking requirements, in order to offer “housing-friendly” zoning standards close to the UC campus. An EIR is currently being prepared, consideration by the Planning Commission is expected in early 2006, and consideration by the City Council is expected in late spring or early fall 2006.
- Expedited Permit Processing – The Planning and Development Department has created a process by which developers may choose to hire a planning consultant that works as an extension of the staff and is dedicated to the project. Currently there is a long backlog of applications that are assigned to relatively few planners. Those applications are considered in the order the City receives them. The current processing time for a use permit is nine to 12 months. The City keeps a list of prequalified consultants who have been trained in the City’s ordinances and processes. When the process is opted for by an applicant the City immediately assigns a consultant who begins work on the project, and only that project. This process has reduced use permit waiting times by as much as 75%.

Governmental constraints were also eased by adoption of changes to the Accessory Dwelling Unit ordinance in July 2003. The new zoning standards allow Accessory Dwelling Units (ADUs) to be approved ministerially ("by-right") when ordinance criteria are met in seven residential zoning districts. The new regulations allow tandem parking for ADUs, which is not generally allowed, thus providing ADUs much greater flexibility for provision of parking than other projects.

The tables that accompany this report demonstrate that a substantial number of new housing units have successfully completed the zoning review process. As part of the City's on-going efforts to clarify implementation of density bonuses, update the Zoning Ordinance and improve the development review process, we continue to make progress toward mitigating governmental constraints.

RESOLUTION NO. 63,089-N.S.

ADOPTING THE AMENDMENTS TO THE GENERAL PLAN HOUSING ELEMENT
APPENDIX PER COUNCIL RESOLUTION NO. 61,955-N.S.

WHEREAS, the City of Berkeley is required to maintain an up-to-date General Plan for the physical development of the City; and

WHEREAS, the City of Berkeley adopted the current Housing Element of the General Plan on December 18, 2001; and

WHEREAS, the City Council, after additional consideration of the Housing Element by the State of California Housing and Community Development Department, adopted Resolution No. 61,955-N.S. specifying additional changes to be incorporated into the City's Housing Element Appendix; and

WHEREAS, the Planning Commission considered changes and held a public hearing on the Draft Housing Element Appendix amendments on October 27, 2004; and

WHEREAS, the Planning Commission recommended that the City Council adopt the amendments to the Housing Element Appendix on October 27, 2005 (with confirmation of the figures representing the City's housing production on June 22, 2005).

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley determines the amendments to the Housing Element appendix (Exhibit A) to be exempt from review under CEQA per CEQA guidelines section 15061(b)(3), and hereby adopts the amendments to the Housing Element Appendix as recommended by the Planning Commission (Exhibit A).

The foregoing Resolution was adopted by the Berkeley City Council on October 18, 2005 by the following vote:

Ayes: Councilmembers Anderson, Capitelli, Maio, Moore, Olds, Worthington, Wozniak and Mayor Bates.

Noes: Councilmember Spring.

Absent: None.

Attest: Sara T. Cox
Sara T. Cox, City Clerk

Tom Bates
Tom Bates, Mayor

Exhibit A Section 1 Planning Commission recommended Amendments to Pages 19-25
of the Housing Element Appendix Per Council Resolution No. 61,955-N.S

V. Housing Supply, Demand, and Need

A. Introduction

The objectives of the Housing Element call for:

- Housing affordability
- Maintenance of Existing Housing and Disaster Preparedness
- Expansion of the Housing Supply
- Special Needs Housing
- Relationship with the University of California and other Institutions
- Fair and Accessible Housing
- Regional Cooperation
- Public Participation
- Future Housing Element Revisions

These objectives are not easy to achieve. Over the past generation, physical stability of Berkeley's housing has been easier to achieve than social stability. Berkeley is a built-up city with anti-demolition, anti-conversion and landmark preservation regulations, which maintain its overall physical landscape. Berkeley's population size is stable, but its economic, demographic, and ethnic character is changing and under severe pressure from the Bay Area's recent economic boom, leading to a tight regional housing market and recent changes in City programs.

The affordability of rental housing was protected by rent stabilization during the 1980s, but recent rent increases in the 1990s have brought many rents to record-high Bay Area market levels of 2000. In addition, there is concern over the quality of maintenance and the growing ineffectiveness of housing subsidy programs as market rents rise. Single-family housing is generally well maintained, but few residents can afford current prices unless they already own. There is a wide gap between increasingly high-income neighborhoods of single family homes and lower income areas with substantial multi-family housing; the gap is likely to decrease, as lower income tenants are replaced by students and those that are better off.

The City has a better than average record in meeting its regional "fair share" responsibilities for construction of new low-income housing. Still, much more remains to be done to assist the homeless and very low-income people generally with finding safe, decent, and affordable housing.

Housing policy is made more complex by the need for cooperation between the City and other governments. During the 1980s the federal and state governments, which had superior tax bases, provided assistance to cities. During the early 1990s, with a severe recession cutting into the State budget and with a massive deficit constraining the Federal government, support gradually declined. Even in the midst of the most prolonged period of postwar national economic growth from 1991 to early 2001, state and federal government responsiveness in housing politics has changed only marginally – and redistributive economic policies have languished. Meanwhile, state legislation required deregulation of vacant rental housing units, allowing rents to go to market rates as tenants move. While the current Administration in

Sacramento is sympathetic to housing needs and programs, the electricity crisis of 2000-2001 may overtake state fiscal resources and limit future state investments in housing.

Berkeley is just one jurisdiction among about 100 cities and counties in the Bay Area. While Berkeley residents have laudable expectations of government involvement and performance, the willingness, or all too often, the unwillingness of many other cities and institutions in the region to provide their fair share of affordable housing makes it even more difficult for the region as a whole and Berkeley specifically to deal with housing problems.

The Regents of the University of California control the University's level of employment and the size of its student body, which in turn affect local housing demand, and the amount of housing the University provides for students, faculty and staff, which also affects local housing supply. While the University owns the largest single bloc of housing stock in Berkeley, it is exempt from local land use controls since it is a state agency. Moreover, UC housing policy statewide prohibits the University from subsidizing the housing it builds and operates.

The citizens of Berkeley must now face major issues. Does Berkeley want to preserve its economic diversity enough to take steps necessary to assist its low-income residents or will it allow the gradual displacement of low-income people to continue? If the City should assist and protect low-income tenants, what programs could be used to do so? How should Berkeley resolve conflicts between the desire for more affordable housing and concerns that increases in population or land use density will harm neighborhood character or destroy open space? How can the City decide on the location of facilities such as homeless shelters and housing for very poor people that its citizens agree are needed but which raise fears among immediate neighbors? What is the City really willing to do in order to maintain its diversity?

Goal 9 of the Berkeley Housing Element is to have a broad and wide-ranging public discussion of how to meet Berkeley's diverse housing needs and whether major changes in policies may be necessary to achieve our goals. The purpose of this Housing Element is to assist that public discussion.

1. State Requirements

State housing element law requires housing elements to contain an assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs. This section is organized to provide this assessment through analysis of:

- Population and employment trends, and household characteristics; and
- An inventory of land and underutilized sites having potential for new development;
- Potential or actual governmental constraints upon maintenance, improvement, or development of housing for all income levels (including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures, and including their streamlining or removal); and
- Potential or actual non-governmental constraints upon maintenance, improvement, or development of housing for all income levels, including availability of financing, land values, and construction costs.

Once the Berkeley City Council adopts this Housing Element as part of Berkeley's General Plan, the Housing Element is then forwarded to the California Department of Housing and Community Development (HCD). HCD is responsible for certifying that housing elements comply with state

requirements, thereby certifying that Berkeley's housing efforts are consistent with the state's housing goal.

2. Housing Affordability

Housing, and especially housing policy and affordability, has a language all its own. It is unfortunate but true that every level of government has its own definitions of "affordable housing." *Affordability* typically refers to the ability of any given household to pay for housing. There are typically two aspects to affordability: the ability to pay and the willingness to pay for housing. Clearly, the lower a household's income is, the less likely they will be willing to pay for housing at the expense of food, clothing, and other necessities. In other words, the *ability to pay* is reduced for households with low incomes than it is for households with more income. *Willingness to pay* suggests that the more income a household has, the more they would be willing to put toward housing with amenities beyond basic provision of shelter, indoor plumbing, electric power, and heat.

Typically, government housing programs take as a "reasonable" housing cost 30 percent of monthly gross household income (that is, income before taxes are withheld). As an example, if a household's gross monthly income is \$2,000, then by this criterion, the household can "afford" up to \$600 per month toward paying for housing.

When government seeks to provide "affordable housing" it must develop criteria for different levels of income that can be used to both identify households eligible for the housing provided, as well as to calculate the housing prices or rents to be charged to those households in the bargain. Housing programs thus index both qualifying household criteria and rent and price criteria to a region's *median household income*.¹ The U.S. Department of Housing and Urban Development (HUD), relying in part on income data from both the U.S. Census Bureau and the U.S. Bureau of Labor Statistics, produces annually a set of "income guidelines" that are employed by all other levels of government providing housing or housing assistance in the United States.

Affordable housing developments are housing projects that target households earning at or below the median income. They may be "moderate", "low", "very low", or "extremely low" income households. As shown in Table 1, the median household income in the Berkeley-Oakland area in 2003 was \$76,600 for a family of four.

Table 1
2003 Household Income Guidelines
from the U.S. Department of Housing and Urban Development
for the Berkeley-Oakland Primary Metropolitan Statistical Area

Income Level	NUMBER OF PERSONS IN FAMILY/HOUSEHOLD					
	1	2	3	4	5	6
30% of AMI	\$16,840	\$19,240	\$21,650	\$24,050	\$25,970	\$27,900
Very Low Income	\$28,040	\$32,040	\$36,050	\$40,050	\$43,250	\$46,460
Low Income	\$44,850	\$51,250	\$57,650	\$64,100	\$69,230	\$74,360
Median Income	\$53,600	\$61,300	\$68,900	\$76,600	\$82,700	\$88,900
Moderate Income	\$64,300	\$73,600	\$82,700	\$91,900	\$99,250	\$106,680

¹ The "median" household income is that income at which half of all households reporting income have more than the median, while the other half of all households have incomes lower than the median.

	Above Moderate Income		Moderate + \$ 1 and over			
Determination of Appropriate Rents and Sales Prices ¹						
Minimum square footage	None ²	400+	600+	700+	850+	1,000+
Household size for rent calculation ³	1	1.25	1.5	2	3	4

Source: U.S. Department of Housing and Urban Development, 2001; City of Berkeley Housing Department. "Low" income figures are capped at the 4-person level at the national median household income in 2001. For Berkeley housing programs or projects that do not involve federal funds, Berkeley's income guidelines employ a "low" income standard that is 80 percent of the area median income, or about \$57,300 for a family of four.

¹From City Council Resolution No. 61,497-N.S., adopted April 2002.

²Studios of less than 300 square feet are considered Single Room Occupancy (SRO) units for purposes of calculating rents.

³"Household size (persons)" does not determine the number of people who may occupy a unit.

Instead, it determines rent by multiplying applicable income guideline values by 30 percent and dividing by 12. Fractional household sizes signify that the applicable income guideline value is to be interpolated between 1 and 2 person household sizes.

- *Moderate income* means households that qualify to occupy a unit because their income is at or below 120 percent of the area median income (AMI).
- *Low-income* means households that qualify to occupy a unit because their income is at or below 80 percent of AMI.
- *Very low-income* means households that qualify to occupy a unit because their income is at or below 50 percent of AMI.
- *Extremely low-income* means households that qualify to occupy a unit because their income is at or below 30 percent of AMI.

For developers to evaluate project feasibility they must have predictable rents and sale prices. If rents and sale prices were tied only to household incomes there would be great uncertainties about project

feasibility and lenders would be unwilling to finance affordable housing developments.² Calculation of rents and sale prices is handled independently of qualifying households to occupy affordable housing units. Table 1 also provides standards used by the City of Berkeley for relating unit size to household size in order to establish the "affordable price" for each unit. This is done to ensure that unit size, and the usability it confers on its occupants, correlates to some degree with the rent or sales price charged to the occupants.

3. Types of Housing in Berkeley

Like its population, Berkeley's housing stock is itself diverse. There are 46,000 units including group quarters, including University of California-affiliated student housing with 10,640 beds. The 1990 census reported that housing units were 44 percent owner-occupied, and 56 percent tenant-occupied in 1990,

Table 2
Berkeley's Housing Stock by Building Type, 1990 and 2000

Units in Structure	1990 Number of Units	Percent of Total Units	2000 Number of Units	Percent of Total Units
1 unit	20,565	45.0%	21,854	46.6%
2 units	4,722	10.3%	3,920	8.4%
3-4 units	4,940	10.8%	5,378	11.5%
5-9 units	4,902	10.7%	4,934	10.5%
10-19 units	4,672	10.2%	4,614	9.8%
20+ units	5,326	11.6%	6,116	13.0%
Other	608	1.3%	59	0.1%
Total Units	45,735	100.0%	46,875	100.0%

Source: U.S. Census, 1990.

Note: These data are by structure and do not take into account cases where units in separate buildings are on one parcel of land.

reflecting a growth in owner-occupancy since 1970 (see Table 8, below). Single-family homes constitute 45 percent of all housing units, while another 21 percent are in small apartment buildings with two to four units and 33 percent are in larger apartment buildings (see Table 2). Just under half of all rental housing and most of the student housing is located in a U-shaped area within a few blocks of the UC campus. These proportions have not changed much in the last ten years except for the expansion of student housing, mentioned above. Table 2 also shows that most of the 1,140 unit gain in housing units between 1990 and 2000 in Berkeley came through 790 units built in structures with 20 or more units in them.

² This situation should not be confused with historical operation of the Section 8 Housing Assistance Program. In that program, the Housing Authority contracts with the landlord to pay the difference between what the tenant can afford (based on 30 percent of monthly gross household income) and what the landlord charges in rent. This subsidy model was modified so that the Housing Authority pays a payment standard tied to the size of the subsidized unit and the tenant pays the difference (which may exceed 30 percent of their monthly household income). This program is covered in the discussion of Berkeley Housing Programs, Section VI, below.

Significant increases in units also were achieved as two-unit structures were subdivided into 3-4 unit structures, or second units were incorporated into single-family units.

All new rental housing units constructed in Berkeley are exempt from the Rent Stabilization Ordinance.

In addition to more standard types of housing, there exists housing at the Golden Gate Fields racetrack site at the end of Gilman Street within Berkeley city limits. The first floors of these buildings house horses which are raced at the Golden Gate Fields track; the second floors of these buildings are rooms with beds in them where caretakers and jockeys for the horses sleep while on tour. There are 363 "tack rooms" where horses are bedded, groomed, saddled, and bridled. Golden Gate Fields estimates that no more than 350 people spend the night in these stable buildings during the 4½ month racing season, and only about 100 rooms are used all year round when the racetrack is used for horse and jockey training.³

4. Inventory of Subsidized and Inclusionary Housing in Berkeley

People often ask the City of Berkeley Housing Department, "How many subsidized housing units are there in Berkeley?" There is, unfortunately, more than one answer to this question, but it amounts to: "That depends on how you count them." That said, the short answer is, between 1,434 and 1,614 units, including both newly constructed and acquired and rehabilitated properties. The total inventory contains 1,794 housing units. Of these about 360 are actually market-rate units, and not included in the breakdowns contained in the inventory. The inventory in Table 3 summarizes three kinds of data about these developments:

- The Population Type served
- The Homeless Continuum of Care segment served and
- The Unit Size Mix within.

Cautions in Reading the Inventory Data: The inventory summarizes the City of Berkeley's cumulative effort in the last 25 years to create legally restricted affordable housing units using two principal means: inclusionary zoning (as well as other land use regulations in the City's Zoning Ordinance) and public sector funding through loans and grants.

These two strategies have somewhat different purposes. The land use regulation view of the inventory is concerned with units counted for purposes of complying with development standards and making findings of non-detriment concerning the populations that will live in the units. Consequently, some transitional developments are shown as containing only 1 unit of independent housing. From a zoning standpoint, the transitional housing is typically operated as a group home" in which up to six otherwise unrelated adults are permitted to live together in a group setting.

From the standpoint of receiving funding, however, the same development may be counted as having 15 single-room occupancy (SRO) units or "beds" depending on the internal design of the structure itself. This count reflects the funding source's interest in the capacity of the development to house people in need of transitional housing.

Finally, some units may provide housing for seniors and are simultaneously disabled-accessible. Thus, adding seniors plus disabled plus family/individual units will not sum to the total of all the below market rate (BMR) units. Instead, each category should be interpreted as a share of the overall inventory, not as additive to each other.

³Brad Caylor, stable superintendent. Golden Gate Fields, personal communication, 29 November 2000.

The fully itemized inventory is contained in Table 27, Attachment 2, pp. 73-77, below.

Table 3
Summary of the Berkeley Subsidized
and Inclusionary Housing Inventory
By Population Type, Continuum of Care Segment and
Unit Size Mix

Data Category	Units	Percent of BMR Total
Population Type		
Senior	642	45%
Disabled	146	10%
Family/Individual	593	41%
Continuum of Care Segment		
Transitional Housing	18	1%
Permanent Supported Housing	151	11%
Permanent Independent Housing	1,266	88%
Unit Size Mix		
SROs/Beds	188	12%
Studios	354	22%
1 Bedroom	667	41%
2 Bedroom	220	14%
3 Bedroom	126	8%
4 Bedroom	59	4%
Total Unit Size Mix	1,614	100%
Note: Unit Size Mix percents do not add to 100 percent due to effects of rounding.		

5. Substandard Residential Properties

The City of Berkeley has almost no properties or units that are considered substandard with respect to the state's uniform housing code, and consequently does not track data on substandard housing stock. All residential structures have potential usefulness in Berkeley's overall housing stock provided they can be maintained and improved. City policy encourages ongoing maintenance, and the City provides Housing Trust Fund and other loan funds for acquisition and rehabilitation of run-down or deteriorating properties. Moreover, if run-down or deteriorated properties were declared substandard, they can be demolished under state law. As a matter of policy, Berkeley works directly with owners of vacant and deteriorated property to resolve problems and return their properties to use as rental or ownership housing wherever feasible—and without resulting in the property's demolition.

From a land use perspective, the City has faced protracted battles with a small number of recalcitrant property owners whose properties flout some zoning and building code regulations, including a number of illegal dwelling units. The presence of these problem properties places the City in a position of trying to maintain the existence of housing in a tight market potentially at the cost of slower or more cautious enforcement of its own regulations.

As a percentage of the overall housing stock, very few Berkeley properties would be considered substandard. This is due to several factors, including a strong neighborhood ethic in Berkeley protecting neighborhood quality of life, and to the economic value of residential real property. As the value of property in Berkeley increased with the recent regional economic boom (approximately 1999-2000), property owners have strong incentives to maintain their properties to strengthen potential resale value on the market. Property maintenance may also increase the potential for comparative advantage among

Exhibit A Section 2 Planning Commission recommended Amendments to Pages 26-28 of the Housing Element Appendix Per Council Resolution No. 61,955-N.S

- ✓ To implement the housing element goals for housing.

Housing Production: 1980-1989

The City of Berkeley is one of the slower growing cities in the Bay Area. Between 1990 and 2000 Berkeley's population grew by just 19 people, according to the U.S. Census. Nonetheless, it has a good record in the production of new housing for lower income residents. The Association of Bay Area Governments (ABAG) is required by the State of California to determine new housing needs for all Bay Area cities. From January 1980 through December 1989 about 740 new units were added as well as the equivalent of 564 units (two beds = one unit) of student housing, for a total of 1,304. This was four-fifths of the 1,611 units ABAG set as Berkeley's 1980-1989 regional fair share. (Student housing is counted both because students are residents of the City and because student housing takes pressure off the local housing market and makes more housing available to others.) The 446 subsidized units built for low and very low income households and at least 282 unit equivalents of student housing occupied by low income students meet 96 percent of the City's low income housing goal. In addition, in 1989-90 a 760 bed student residence was completed and 320 units of privately developed housing and 16 units of subsidized housing received building permits.

ABAG Regional Housing Needs Determinations for Berkeley: 1988 - 1995

Between 1960 and 1990, dramatic changes took place in Berkeley housing. From 1960 to 1974, 7,164 units of new housing were built, mostly by tearing down single-family houses and replacing them with apartment buildings.⁴ Subsequent passage of the Neighborhood Preservation Ordinance (NPO) in 1973 caused private apartment construction in Berkeley to decline sharply. It took 15 years from 1975 to 1990 to build another 1,105 new rental units in Berkeley, the majority of them federally subsidized for low-income people.⁵ Between 1980 and 1990 Berkeley actually lost some 3,300 rental units, going from 27,821 to 24,512. Most were lost due to conversion to owner-occupied units.

ABAG last completed a regional housing needs allocation process in 1989 for the period 1988-1995. ABAG allocates new housing need to four income affordability categories. As Table 4 shows, Berkeley's 1989 income distribution (from the 1990 U.S. Census) has relatively more very low income households. ABAG took this into account when assigning Berkeley its share of regional housing supply needs. Since Berkeley was expected to continue to add employment faster than it adds housing, ABAG increased the City's 1988-1995 housing need determination by 826 units, enough to house half of the then-expected additional employees. The City was also asked by ABAG to produce 888 units to meet current needs and expected household growth, for a total of 1,714 units.

Table 5 summarizes Berkeley's performance toward ABAG's goals for units needed by 1995. The distribution (by affordability level) of units produced in Berkeley during this period is very similar to the distribution called for by ABAG, except that Berkeley underproduced low income units and overproduced moderate income units in comparison to ABAG's assigned shares. However, very low income and above

⁴Community Development Department, City of Berkeley, *Rent Control in the City of Berkeley, 1978 to 1994*, Final Background Report for Updating the City of Berkeley General Plan Housing Element, 1998, p. 11.

⁵*Ibid.*, p. 12.

moderate housing unit production were quite similar to ABAG's recommended shares for these affordability levels.

Table 4
Affordability Goals for New Units in Berkeley, 1988-95
1990 Income Distribution

Income Distribution/Area	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Bay Area	23%	16%	21%	40%
Alameda County	28%	7%	20%	35%
Berkeley	40%	18%	17%	25%
Berkeley Need Distribution assigned by ABAG	30%	17%	19%	34%
Berkeley's Needed Units	514	291	326	583

Source: ABAG, Housing Needs Determinations, 1989; 1990 U.S. Census.

Table 5
Summary of Berkeley's Performance
Toward ABAG Housing Needs Goals, 1988-95

Comparison	Total Units	Very Low Income	Low Income	Moderate Income	Above Moderate
ABAG Goal	1,714	514	291	326	583
Berkeley Net Units Added	924	265	118	249	292
Berkeley Needed Units Distribution	100%	28.7%	12.8%	26.9%	31.6%
Berkeley Share of ABAG Goal	53.9%	51.6%	40.5%	76.4%	50.1%

Source: City of Berkeley Housing Department; ABAG.

By 1995, after five years of statewide recession, Berkeley had produced about 54 percent of the units ABAG stated should be produced, including just over half of the very low income and above moderate units, and three-quarters of the moderate income units ABAG called for. It is worth noting that the pace of new housing construction increased substantially since 1995 as the Bay Area's economy rebounded.

Comparing Tables 5 and 6 shows that housing production was noticeably greater in the 1980s than in the 1990s. Most of the housing construction in the late 1980s in Berkeley was done by the University of

California, whereas in the late 1990s new construction largely occurred in the private market by both for-profit and non-profit developers. Non-profit housing development and the City's Inclusionary Housing Ordinance are responsible for most of the very low and low-income new units in Berkeley.

However, as the second half of Table 6 shows, there are a total of 1,018 new units in the construction pipeline between July 1, 1999 and January of 2003.⁶

Berkeley's Future Housing Needs

State housing law requires that regional housing needs for housing for a range of affordability levels be determined and incorporated into the housing elements of general plans of all California cities and counties.

ABAG's housing needs determination must be placed in an historical context for Berkeley. Between 1970 and 1990, Berkeley actually *lost 425 net housing units*. That is, demolition of units exceeded new construction by 425 units over that 20 year period. Since 1990, Berkeley has added nearly 570 net new units, which means that now Berkeley has about 145 net more units at the end of 1998 as it did in 1970. Averaged over that 28 year period, that amounts to a construction rate of 5 net new units per year.

⁶Letter of Weldon Rucker, City Manager of the City of Berkeley, to Cathy Creswell, Deputy Director, California Department of Housing and Community Development, January 31, 2003, p. 3.

Table 6
Summary of Berkeley Housing Construction by Affordability Level, 1990 to 2000; and "Pipeline" Projects

Year	Total Units	Very Low Income	Low Income	Moderate Income	Above Moderate
1990	17	0	13	15	-11
1991	-5	-18	62	22	-71
1992	108	35	29	20	24
1993	115	24	6	38	47
1994	24	1	2	11	10
1995	24	2	2	10	10
1996	64	35	2	11	16
1997	55	21	21	7	6
1998	166	37	17	63	49
1999	24	10	10	1	3
2000 (part)	74	40	4	12	13
Grand Total 90-99	666	187	168	210	96

Residential Projects in the Construction Pipeline of Berkeley, July 1, 1999 through January 2003

Project Status	Total	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Project Completed	106	26	11	46	23
Building Permit Issued	224	25	27	135	37
Submitted for Building Permit Review	206	39	30	108	29
Newly-Approved/Not Yet Submitted for BP Review	482	91	73	208	110
Total	1,018	181	141	497	199

Year 2000 Housing Developments in Construction Pipeline (10 units or more)

Project Address	Units
3132 Martin Luther King, Jr. Way	37
2136 Center Street	68
2101 Milvia Street	21
2700 San Pablo Avenue	40
2471 Shattuck Avenue	100
2119 University Avenue	44
1797 Shattuck Avenue	88
1719-25 University Avenue	29
Kittredge Street	176
2100 Shattuck Avenue	20
3222-24 Adeline Street	19
2161 Allston Way	60
Total New Units in the Construction "Pipeline"	682

Source: City of Berkeley Housing Department

Exhibit A Section 3 Planning Commission recommended Amendments to Pages 51-70 of the Housing Element Appendix Per Council Resolution No. 61,955-N.S

Housing discrimination hurts those who are already most vulnerable, (racial minorities, families with children, single parents and the physically and mentally disabled). There are legal protections for all of these groups, but continued education and enforcement is needed. Housing Rights Inc. investigated 65 complaints of discrimination in Berkeley in 1988. The City commissioned a testing program for racial discrimination. The test was conducted in the 1990-91 fiscal year. The study found that more favorable treatment was given to Caucasian applicants in 53 percent of the Berkeley rental units.

Additional information on housing discrimination may be found in Berkeley's 1996 *Analysis of Impediments to Fair Housing*. See also Goal 6, Fair and Accessible Housing, Section VI.

B. Factors Limiting Housing Supply in Berkeley

1. Non-Governmental Obstacles to Berkeley Housing Production

Non-governmental obstacles to housing development in Berkeley include physical, environmental, land and development cost constraints (including land values), and financial industry constraints on new housing construction.

a. Financial Industry Constraints

Private lenders in the 1980s used to provide construction financing for new residential development based on a loan to value (LTV) ratio of 80 percent (or more) of the appraised value of a proposed project. As the banking industry restructured from the destruction of the savings and loan industry in the late 1980s, federal regulations governing lenders were changed, and today lenders use more conservative loan to cost ratio. This change was made so that lenders would more carefully evaluate a project's costs, as opposed to appraised value (which can be inflated from speculative designs), and at substantially lower ratios. In 1994, local developers reported banks providing construction loans for only 50 to 65 percent of the value of the property.

While this practice limited lenders' risk, it greatly constrained the availability of financing for new housing construction. Furthermore, even if a loan is made on a project, some lenders may assume that condominium units will not sell immediately, and will be rented out instead. Furthermore, construction costs are higher in condominium projects than in rentals, since developers tend to provide more amenities. This means that project construction costs are more challenging to recover, something of which lenders take account.

With condominiums, the worst case scenario for construction lenders occurs if the best units are sold and the bank must repossess the remaining units with only partial ownership of the property. For this reason, many lenders will not lend in condominium projects until at least half of all units are sold, creating a problem for initial sales of units. One creative solution for this occurs if lenders insist on being the exclusive mortgage lender on a project, and then provide buyers with reduced down-payment requirements to help the developer sell units.

b. Land in Berkeley

Physical and Environmental Constraints. Physical and environmental constraints on housing development in Berkeley make difficult production of large quantities of housing, and production of

housing at prices or rents affordable to moderate and lower income residents. The largest amounts of vacant land (see Tables 21-1 and 21-2) are located in the Berkeley Hills where the Hayward Fault trace is located.⁷ The Fault trace's lands are characterized by very steep slopes and unstable soil conditions reflecting the heterogeneous geological conditions there. Development costs can be prohibitive on such sites.

The only other large undeveloped area of Berkeley is the waterfront area west of Interstate 80, which the City designates for open space and low-density waterfront-oriented commercial development. Housing development is not environmentally and economically feasible in this area due to a combination of environmental sensitivity, seismic and soil stability problems in an area composed mostly of ground and landfill materials. These conditions, along with a lack of existing infrastructure make development costs similarly prohibitive.

Toxic contamination is an additional environmental constraint on some sites. Berkeley has a long history of industrial activities as well as a number of former gas station sites. The City of Berkeley Toxics Management Division of the Planning and Development Department regulates the identification, clean-up and removal of toxic contamination from lands in Berkeley. Where contamination is found on sites proposed for new development, the Planning and Development Department applies standard application requirements (such as a Phase I environmental assessment) and permit mitigation conditions. The applicant is required to mitigate air quality, drainage, and groundwater transport conditions so that contamination is remediated or reduced to levels that are insignificant in proportion to the proposed use of the property.

Berkeley has policies, programs, and administrative systems in place to address environmental contamination and protection. These concerns are addressed in the development review process to inform the public and decision makers and mitigate project impacts. Table 6 and Table 27 suggest that, while toxic contamination issues are treated seriously in the development review process, the City's review of potential toxic contamination does not obstruct new housing approvals and production in Berkeley.

c. Seismic Hazard

The Loma Prieta earthquake, centered in the Santa Cruz Mountains, struck the Bay Area in October 1989. In October 1991, a grass fire above Tunnel Road in Oakland spread rapidly out of control, and over a two-day period consumed over 3,000 housing units, approximately 60 of which were located in southeast Berkeley in the Alvarado Road neighborhood. Of the units originally destroyed, about 40 properties have been rebuilt as housing. Then in January 1994, a major earthquake on a blind thrust fault in the San Fernando Valley of Los Angeles damaged or destroyed over 200,000 housing units. A year later, another severe earthquake in the region of Kobe, Japan, also caused severe damage to hundreds of thousands housing units in that area. In September 2000, a moderate earthquake shook Napa Valley northeast of Berkeley, causing minor damage, but reminding residents of shifting faults in the Bay Area.

⁷ Section V, Attachment 3 presents an inventory of vacant parcels and parking lot land in Berkeley. The inventory is accompanied by maps showing the location of vacant parcels and parking lots by market area of the city.

Table 21

Estimated Housing Impacts
Major Earthquake on the Entire Hayward Fault
Alameda County and Berkeley

Area	Red- Tagged Units	Multi-Family Yellow-Tagged Units	Total Uninhabitable Units	Total Shelter Population
Berkeley	8,885	4,488	13,372	8,530
Alameda County	53,074	29,489	82,563	60,001
Bay Area	92,515	56,815	149,330	109,212

Source: Association of Bay Area Governments.

Geologists warn repeatedly that high risk exists for a major earthquake in the San Francisco Bay Area, including the northern section of the Hayward Fault running through the Berkeley hills east of the University of California. The effects of a strong earthquake along any portion of the Hayward fault would devastate the area immediately around it because it is heavily urbanized. The Association of Bay Area Governments (ABAG) estimated in 1996 that nearly 82,000 dwelling units could become uninhabitable in Alameda County from a major earthquake on the Hayward fault, as shown above in Table 21. ABAG projected that of these, about 15 percent (or about 13,000) of the uninhabitable units would be located in Berkeley. ABAG further estimated that about 8,500 people would be homeless after the quake and need some kind of shelter in the area.⁸

Seismic constraints are not perceived in Berkeley to be a significant factor limiting the City's ability to produce housing to meet its regional fair share production target. Seismically vulnerable zones are mainly found in the Berkeley hills (through which the Hayward fault runs) and on lands vulnerable to liquefaction in West Berkeley. Residentially zoned lands in these areas either limit residential development to single-family development (as in the hills), or prohibit housing uses altogether (as in many sections of west Berkeley closest to the Bay). Most potential and actual residential development occurs along transit corridors and on vacant lots in less vulnerable residential neighborhoods.

Seismic constraints are not considered a significant cost factor as compared with other California locations, since the building code is promulgated statewide, and requires all builders to rely on the latest seismically resistant construction practices.

d. Lack of Available Land

⁸ Association of Bay Area Governments, *Shaken Awake! Estimates of Uninhabitable Dwelling Units and Peak Shelter Populations in Future Earthquakes Affecting the San Francisco Bay Region*, April 1996.

According to City land records, there are about 92 acres of vacant and surface parking lot land in Berkeley within zoning districts that allow residential land uses. While this may seem like a substantial inventory, most of this land is in the Hills Overlay Zoning District (more than two-thirds) which all but precludes development on relatively steep slopes. In addition, most of the hills neighborhoods are located on or adjacent to the Hayward Fault. The remaining one-third (about 24 acres) of vacant and potentially developable land is concentrated in the downtown area, central Berkeley, and south Berkeley, as shown in Table 22-1.

The majority of the vacant and underutilized land available for housing development is expensive to build housing on and is also available for non-residential uses, which may be more profitable. Currently the City uses a housing impact fee to ensure that non-residential development also increases housing supply. Funds from the fee accrue to the Housing Trust Fund. The City also has an inclusionary housing ordinance to ensure that new housing production increases the low-income housing supply.

One approach to housing growth is emerging in area plans and commercial district zoning revisions that encourage mixed commercial-residential projects and concentrate housing where it has easy access to public transit. In the North Shattuck and Telegraph Avenue districts and in South Berkeley the City encourages inclusion of residential uses in new commercial developments. Driving and car ownership is discouraged in the high-density Telegraph Avenue area because no parking will be provided for most new residential units in this area. The West Berkeley Plan includes live/work units, and the expansion of residential uses in this area also creates the potential for loss of manufacturing employment.

2. Governmental Obstacles to Berkeley Housing Production

The City of Berkeley faces severe constraints in its efforts to meet its housing goals. Federal funding is limited and the Bay Area has a serious shortage of housing, especially low cost housing, compared with the demand. Over the past decade Berkeley has done its fair share to provide emergency shelters and other services and facilities to assist the homeless and to build new low cost housing.

a. Inventory of Vacant and Underutilized Land

The City of Berkeley estimates that its Zoning Ordinance and land capacity yield a residential development potential of 7,244 units. Of this total, the City has 426 vacant and parking lot parcels with a development potential of approximately 2,463 units, and 107 underutilized parcels (e.g., with one-story buildings, or buildings that do not otherwise maximize development potential under the existing development standards of the City's Zoning Ordinance) with a potential for private redevelopment amounting to 4,781 units (see Tables 22-1 and 22-2).

From 1990-99, Berkeley added an average of about 67 housing units per year to its housing stock. At this average annual rate, it would take Berkeley 108 1/4 years to build out this housing potential.

In 2001, the Association of Bay Area Governments (ABAG) determined that Berkeley's regional fair share housing production target should be 1,269 housing units during the period July 1, 1999, through December 31, 2006. This production target could be met if the City of Berkeley can encourage production of an average of 169 housing units per year during that period. At this rate of housing production, Berkeley would build out this housing potential in about 43 years.

Feasibility and appropriateness of sites. Project feasibility is best analyzed on a project-by-project basis; the BHE is a policy and program-level document addressing development potential, housing maintenance, and affordability issues in a necessarily broad fashion. It

establishes housing policy for Berkeley at a broad level with some specific actions called for to ensure policies are acted upon. The BHE documents at Table 6 (p. 28) and Table 25 the City's recent housing project approvals which are expected to result in substantial numbers of new housing units. These properties are located in zoning districts shown in Tables 25 and 26, specifically C-1, C-2, C-W, and C-SA. Most of these projects involve redevelopment of underutilized sites previously occupied by one-story commercial or office buildings. This pattern demonstrates that developers are willing and able to build housing in these areas on sites that are similar to other undeveloped parcels on the inventory list.

Second, as to appropriateness of certain sites for residential or mixed-use development potential, all of the properties identified in the land inventory are potentially developable (or re-developable) as residential or mixed use properties and are included as *de facto* appropriate. The City does not know when development will occur because a property converts only when its owner is ready to develop or wishes to sell the property to a developer willing to intensify development on the site.

Incentives. The BHE identifies a number of strategies it employs to induce residential or mixed development. First and foremost is the exemption of new rental construction from Berkeley's rent control ordinance.⁹ The BHE at Tables 33 and 34 (page 130) indicates acute differences between rents on controlled rental units and market rents on vacancy-registered units in 2000. These data represent a key incentive for developers to construct new residential rental housing in Berkeley.

Another incentive is the state density bonus that provides 25 percent more units to a developer in return for the developer's commitment to establish permanent affordability and occupancy restrictions on a certain percentage of units. This is another significant incentive that the City relies upon to encourage housing construction. All else being equal, the City inclusionary housing ordinance¹⁰ diminishes the effect of the State density bonus as far as number of affordable units produced that are attributable to the State incentive. However, the local inclusionary requirement plus the State incentive actually work together to improve feasibility of projects that include affordable units. Additional detail on the interplay of the City's inclusionary housing ordinance and the state density bonus is provided on pages 65 and 66. A number of developers have invoked their right to use the state density bonus.¹¹ The City's Zoning Ordinance presently provides wide discretion to the Zoning Adjustments Board to modify residential and mixed-use projects in order to apply parking, open space, setback, and other development standards as incentives for development (pages 65 and 66). In addition, non-profit housing developers are induced to continue trying to produce housing in Berkeley by having the City provide them with grants from the Community Development Block Grant program to cover administrative costs of producing affordable housing in Berkeley. As the permit process discussion on pages 61 and 62 also show, Berkeley's school, infrastructure, and impact fees on new development are much lower than the Bay Area average for comparable fees. This is true for both single-family homes as well as multi-family residential buildings. In the

⁹ Berkeley Municipal Code Chapter 13.76.050.I.

¹⁰ Berkeley Municipal Code Chapter 23C.12, *et seq.*

¹¹ 2119 University Avenue (Panoramic Interests) and 2517 Sacramento Street (Affordable Housing Associates) are recent examples of both for-profit and nonprofit housing developers invoking the density bonus.

past, the City has also waived permit fees as part of its incentive structure for producing affordable housing.

With these incentives in place, the City has over 1,000 approved units in the construction pipeline seeking permanent financing and heading toward development—nearly 50 percent of the City’s share of regional housing need with five years remaining in the planning horizon for the BHE (as of December 2001, date of Housing Element adoption).

Market and regulatory conditions were different for the bulk of the 20-year period from 1980 to 2000 than they will be in the next five years. For example, the City’s rent control system regulated vacant units for 15 years (1980-95), though the rent control ordinance clearly and continuously exempted new rental housing construction from rent control over that period. Nevertheless, the absence of uncontrolled vacant rental units may have made it difficult for developers to assess long-term potential market rents on new units. That problem was eliminated by the state legislature when it passed vacancy deregulation, because all vacant units can claim market rents and therefore information now exists on unregulated housing market conditions in Berkeley. This enables developers to evaluate project feasibility more easily, obtain financing, and produce more new housing.

In addition, the Federal Reserve System, in the spring of 2000, reduced the federal cost of funds to banks and financial institutions providing funds for real estate development. Consequently, even though the U.S. economy is at this writing (2001) believed to be in a shallow recession, it is likely that pent-up demand for Bay Area housing, including affordable housing, coupled with reduced financing costs to developers may mean that Berkeley may be able to sustain an annual average production rate that exceeds its historical average in the previous decade, despite adverse economic times. That same pent-up demand may also sustain upward pressure on rents and sales in Berkeley as well. Should these conditions hold, Berkeley’s ability to meet its regional fair share housing targets turns on whether Berkeley leaders and neighborhoods are willing to encourage or permit production of new housing, including affordable housing.

Table 22-1
Summary of Zoning Capacity for Residential Construction on
Vacant and Parking Lot Land by Market Area, City of Berkeley

Market Area/ Zoning District	Parcels	Square Feet	Acres	Percent of Total	Average Lot Square Footage	Assumed Average Dwelling Unit Density	Estimated Zoning Capacity (du)
1 (Hills, North and South)							
R-1	4	32,183	0.74	1.1%	8,046	5	4
R-1H	313	2,899,565	66.56	98.2%	9,264	5	333
R-2A	1	5,400	0.12	0.2%	5,400	9	1
R-2AH	1	5,893	0.14	0.2%	5,893	9	1
R-2H	1	9,463	0.22	0.3%	9,463	9	2
Subtotal 1	320	2,952,504	67.78	100.0%	9,227	5.03	341
2 (Flatland Areas)							
C-1	1	9,375	0.22	9.0%	9,375	100	22
C-W	5	48,142	1.11	46.0%	9,628	150	166
R-1A	1	9,084	0.21	8.7%	9,084	5	1

Table 22-1
Summary of Zoning Capacity for Residential Construction on
Vacant and Parking Lot Land by Market Area, City of Berkeley

Market Area/ Zoning District	Parcels	Square Feet	Acres	Percent of Total	Average Lot Square Footage	Assumed Average Dwelling Unit Density	Estimated Zoning Capacity (du)
R-2	6	38,062	0.87	36.4%	6,344	9	8
Subtotal 2	13	104,663	2.40	100.0%	8,051	81.66	196
3 (Downtown, and Southside Areas)							
C-1	1	19,340	0.44	2.2%	19,340	100	44
C-2	2	26,431	0.61	0.7%	13,216	200	121
C-N	1	8,590	0.20	0.2%	8,590	50	10
C-SA	1	9,350	0.21	0.2%	9,350	150	32
C-T	1	8,800	0.20	0.2%	8,800	100	20
ES-R	13	126,067	2.89	3.1%	9,697	0	-
R-1	2	18,552	0.43	0.5%	9,276	5	2
R-1H	7	58,812	1.35	1.5%	8,402	5	7
R-2	4	23,727	0.54	0.6%	5,932	9	5
R-2A	4	28,124	0.65	0.7%	7,031	9	6
R-2H	1	6,000	0.14	0.1%	6,000	9	1
R-4	8	90,875	2.09	2.3%	11,359	150	313
R-4H	1	10,125	0.23	0.3%	10,125	150	35
Subtotal 3	46	434,793	9.98	10.9%	9,452	59.77	597
4 (West Berkeley)							
C-W	7	158,450	3.64	4.0%	22,636	150	546
MUR	8	84,659	1.94	2.1%	10,582	100	194
R-1A	2	11,400	0.26	0.3%	5,700	5	1
R-3	1	8,712	0.20	0.2%	8,712	100	20
Subtotal 4	18	263,221	6.04	6.6%	14,623	125.98	761
5 (South Berkeley)							
C-SA	8	116,260	2.67	2.9%	14,533	150	400
C-W	3	30,852	0.71	0.8%	10,284	150	106
R-1	1	5,320	0.12	0.1%	5,320	5	1
R-2	1	5,520	0.13	0.1%	5,520	9	1
R-2A	15	77,703	1.78	1.9%	5,180	9	16
R-4	1	12,755	0.29	0.3%	12,755	150	44
Subtotal 5	29	248,410	5.70	6.2%	8,566	99.66	568
Grand Total	426	4,003,591	91.91	100.0%	9,398	26.80	2,463

Source: City of Berkeley Information Technology and Housing Departments.

Table 22-2
Summary of Redevelopable Parcels (>=7,000 SF) by Zoning District
City of Berkeley

Zoning District	Parcels	Square Feet	Acres	Percent of Total	Average Lot Square Footage	Assumed	
						Dwelling Unit Density	Estimated Zoning Capacity (du)
R-4	1	9,750	0.22	0.6%	9,750	150	34
C-1	17	202,740	4.65	13.3%	11,926	100	465
C-2	8	101,704	2.33	6.7%	12,713	200	467
C-NS	2	53,532	1.23	3.5%	26,766	50	61
C-SA	25	424,279	9.74	27.8%	16,971	150	1,461
C SO	7	55,260	1.27	3.6%	7,894	100	127
C-T	13	156,256	3.59	10.2%	12,020	100	359
C-W	34	524,710	12.05	34.3%	15,433	150	1,807
Redevelopable Total	107	1,528,231	35.08	100.0%	14,283	136	4,781
Grand Total*	533	5,531,822	126.99		10,379	57	7,244

Source: Information Technology, Planning and Development, and Housing Departments.

*Includes vacant, parking lot, and redevelopable lands in Berkeley.

Because Berkeley is built out, housing construction on redevelopable sites is necessary for continued housing production. The City identified the number of properties that were redevelopable, as opposed to vacant or parking lot sites, at the time proposed projects received their use permit approvals (July 1, 1999 to January 2003). The City found that 93 of the 133 sites, or 70%, were redevelopable, as shown in Table 22-3 below.

Table 22-3
Vacant, Parking Lot, and Redevelopable Parcels
in Berkeley's Construction Pipeline
(July 1, 1999 to January 2003)

Project Status	Vacant or Parking Lot Sites	Redevelopable Sites
Project Completed	4	13
Building Permit Issued	11	9
Submitted for Building Permit Review	0	4
Newly Approved/Not Yet Submitted for BP Review	25	67

Table 22-3
Vacant, Parking Lot, and Redevelopable Parcels
in Berkeley's Construction Pipeline
(July 1, 1999 to January 2003)

Project Status	Vacant or Parking Lot Sites	Redevelopable Sites
Total	40	93

Source: City of Berkeley Planning and Development Department.

Table 23
Road, Water, and Sewer Infrastructure in Berkeley
Draft Berkeley General Plan Environmental Impact Report Impacts and Mitigation Measures

<u>Environmental Impacts</u>	Level of Significance without Mitigation	<u>Mitigation Measures</u>	Level of Significance with Mitigation
<p>Transportation: Year 2005: Relative to existing conditions, the Draft General Plan would produce significant impacts on five (5) Berkeley streets (10 street segments) in the year 2005, including sections of Gilman Street, Martin Luther King, Jr. Way, Ashby Avenue, and Dwight Way.</p>	Potentially significant	<p>The City shall monitor potentially affected roadways and when, or if, those roadways reach Level of Service E or worse, the City shall prepare an action plan to improve the LOS through trip reduction, signal modifications, and other means consistent with the objectives of the objectives and policies of the <i>Berkeley Draft General Plan</i>.</p>	Significant, unavoidable
<p>Policies encouraging increased commercial development and residential population in Downtown areas, as well as higher-density housing and commercial development in commercial and mixed-use districts, and along transit corridors, and additional University housing, could significantly degrade the City's streets</p>	Less than significant	None required.	Less than significant
<p>Policies encouraging increased</p>	Less than	None required. City sewer collection	Less than

Table 23
Road, Water, and Sewer Infrastructure in Berkeley
Draft Berkeley General Plan Environmental Impact Report Impacts and Mitigation Measures

<u>Environmental Impacts</u>	<u>Level of Significance without Mitigation</u>	<u>Mitigation Measures</u>	<u>Level of Significance with Mitigation</u>
commercial development and residential population in Downtown areas, as well as higher-density housing and commercial development in commercial and mixed-use districts, and along transit corridors, and additional University housing, would require treatment, storage, and disposal of additional wastewater	significant	systems will be adequate through the General Plan's planning horizon, and EBMUD's treatment and disposal capacity will be adequate to serve Berkeley's increased treatment and disposal needs.	significant
Policies encouraging increased commercial development and residential population in Downtown areas, as well as higher-density housing and commercial development in commercial and mixed-use districts, and along transit corridors, and additional University housing, could create demand for water beyond the planned EBMUD water supply	Potentially significant	According to provisions of State legislation (SB 2095), the City of Berkeley shall adopt a recycled water ordinance upon notification by EBMUD of the availability of recycled water to serve new development in the City.	Less than significant

Source: *Berkeley General Plan Environmental Impact Reports*, February and June 2001..

There are two ways in which parcels may be too small to accommodate new housing development. On one hand, they may be too small with respect to the minimum lot size prescribed in that parcel's specific zoning. On the other hand, parcels may be too small to support the economics of housing development. The City's analysis of its land capacity (see below) employs an economic definition of minimum size for its multi-family zoning districts (R-3 through R-5), and a regulatory definition (i.e., a minimum lot size of 5,000 square feet) in single family residential zones (R-1 through R-2) as bases for determining how much potential new housing development could be accommodated over time under the framework of the City's present Zoning Ordinance, and zoning districts.

Developers inform City staff that parcels of less than 7,000 square feet are too small to accommodate new housing development in multi-family districts. In preparing the land capacity analysis requested by State HCD, however, they have been eliminated from analysis, leaving only vacant and parking lot parcels 7,000 square feet or larger are included as potential sites for new multi-unit housing construction. There are 426 potential vacant or parking lot sites left in Berkeley on which new housing could be built. There are over 100 potentially redevelopable sites as well, as indicated in Table 22-2. The City's land inventory limits residential parcels deemed as potentially developable to parcels of 7,000 square feet or more.

b. Infrastructure Issues

The *General Plan Environmental Impact Report* finds the following impacts and mitigations relating to road, water, and sewer infrastructure issues in the table on the next page. No specific parcels in the City's land capacity inventory are constrained by infrastructure limitations. All Berkeley parcels where housing opportunities are possible can be served by the City's water, sewer, and road systems. To the extent that infrastructure must be enlarged or repaired as a result of new residential construction, the City requires developers to pay costs directly associated with improving infrastructure. As collection systems already exist in Berkeley, only adequately-sized sewer hook-ups are needed to serve new residential units.

Table 23 above summarizes road, water, and sewer infrastructure impacts of the proposed draft General Plan, as analyzed in the Plan's environmental impact report. Between 2001 and the end of 2006, the Berkeley Public Works Department anticipates there will be sufficient sewer capacity for residential construction needs.¹² The City operates a sewer collection, while its sewage treatment is handled by East Bay Municipal Utilities District (EBMUD), which, in turn, also has sufficient capacity to handle sewage treatment requirements from residential development through 2006.¹³

¹² Lorin Jensen, civil engineer, City of Berkeley Public Works Department, personal communication, 23 October 2001.

¹³ *City of Berkeley Draft General Plan Environmental Impact Report*, prepared by LSA Associates, Inc. February 2001, Impact INF-2, p. 149, and *City of Berkeley Draft General Plan Final Environmental Impact Report*, prepared by LSA Associates, Inc., June 2001, EBMUD letter (A-5) and response to comments. Over a 20-year period, the City projects that no sewer sub-basins will exceed an increase of 20 percent in wastewater flows. Increases range from 16 to 19 percent over this period. Consequently, over the period ending in 2006 (as specified in the Regional Housing Needs Determination process) the City of Berkeley's residential construction will exceed neither its sewer collection capacity, nor EBMUD's sewage treatment capacity.

Table 24
Actual Densities of New and Rehabilitated Housing Developments
in the City of Berkeley 1992-2000

Address	Project/Developer	Lot Size	Units	Zoning	Residential Density
1801 University Avenue	University Lofts	12,500	29	C-1	101.1
1392 University Avenue	Acton Courtyard	22,000	71	C-1	140.6
2615 Telegraph Avenue	L. Capitelli	9,571	18	C-1	81.9
1627 University Avenue	Renaissance Villas	17,094	34	C-1	86.6
1849 Shattuck Avenue	Shattuck Ave. Lofts	6,160	24	C-1	169.7
C-1 Zoning Average					116.0
1910 Oxford Street	The Berkeleyan	10,600	56	C-2	230.1
2116 Allston Way	Gaia	14,850	91	C-2	266.9
2161 Allston Way	Nevo	12,000	60	C-2	217.8
2101 Milvia Street	Artech Building	6,661	21	C-2	137.3
2070 University Avenue	Nevo	12,579	48	C-2	166.2
C-2 Zoning Average					203.7
1385 Shattuck Avenue	Rosso/Fornoff	16,146	36	C-NS(H)	97.1
2425 Shattuck Avenue	Shattuck Senior Homes	6,026	27	C-SA	195.2
2401 Shattuck Avenue	Manville Apartments	21,597	120	C-SA	242.0
3222 Adeline Street	RCD	12,758	19	C-SA	64.9
3250 Sacramento Street	RCD/LifeLong Medical	18,200	40	C-SA	95.7
C-SA Zoning Average					149.5
2029 Channing Way	GLM Partners	9,620	20	R-4	90.6
Crossroads Village					
1970 San Pablo Avenue	MHA	5,500	26	C-W	205.9
Grand Average Density, represented Berkeley zoning districts					152.3

Source: City of Berkeley Planning and Development, and Housing departments. Residential density is expressed in units per net acre (land not including streets and sidewalks).

c. Actually-Approved Residential Densities in Berkeley

The actual densities of approved projects are given in Table 24.. Most new residential development requires a discretionary use permit. The City of Berkeley Zoning Ordinance relies on development standards that govern yard and setback, height, and bulk on every property. In five districts (ES-R, R-1, R-1A, R-2, R-2A) there are maximum density standards. When project approval is subject to the Zoning Adjustment Board's discretion, projects are frequently reduced in size from what developers originally propose. (This is often true of development proposals regardless of jurisdiction, even where per acre density standards are found in local residential zoning.)

The City needs to produce housing in sufficient numbers to accommodate Berkeley's regional fair share housing for low and moderate income households.

These developments presented in Table 24 are a significant share of low and moderate income units that were produced toward the City's last regional fair target for 1995. Robust development activity will be needed for the City to have a reasonable chance at meeting its regional fair share targets for low and moderate income housing by December 2006. (Information on housing production is found in Table 6)

d. Development Costs in Berkeley

Land Values. At least four factors affect whether land is available for housing development.

- if it is for sale at a price that will allow a profitable development,
- if it is clear of environmental problems,
- if a market exists at prices a developer can profitably build for, and
- if the process of obtaining permission to build is not too onerous.

Many developers in Berkeley feel they pay too much for land. Table 25 shows some recent transactions for vacant land and some redeveloped, underbuilt parcels. This overpayment is due, according to one local realtor in 1994, to land owners' memory of particular high land values in Berkeley. One developer told staff in 1994 that land owners on commercial streets expect to get the highest price that a national chain will pay for land and will generally hold on to the land if they cannot get that much. When land owners expect the higher values paid by major commercial tenants, this makes housing construction more difficult in commercially zoned areas, such as downtown Berkeley.

The highest land values in Table 25 were paid for vacant land sites in the downtown area (including the Shattuck and University corridors), with the exception of 1627 University Avenue. Outside of downtown, land values range from \$20 to \$46 per square foot in recent transactions, whereas downtown sites may be priced at \$50 to \$126 per square foot.

Property Address	Sale Price	Price per Square Foot	Date of Sale
2517 Sacramento Street	\$882,000	\$28	December 2000
2575 San Pablo Avenue	\$350,000	\$46	June 2001
2451 Shattuck Avenue	\$825,000	\$92	November 2000
1797 Shattuck Avenue	\$2,425,000	\$126	November 2000
2700 San Pablo Avenue	\$420,000	\$25	October 1999
1392 University Avenue	\$700,000	\$32	1999, appraised
2161 Allston Way	\$825,000	\$69	February 1998
1175 University Avenue	\$926,500	\$25	November 1997
2501 Sacramento Street	\$225,000	\$19	October 1997
2050 Center Street	\$775,000	\$40	April 1997
1627 University Avenue	\$260,000	\$50	December 1996
1801 University Avenue	\$400,000	\$33	October 1996

Source: Alameda County Assessor's Office.

Construction and other costs. The City's 1990 Housing Element noted that construction costs ranged between \$58 to \$75 per square foot for residential construction. Data collected from 1997 and 1998 indicate that these costs had risen to approximately \$80 to \$100 per square foot ("hard costs"). Indirect, or soft, costs ranged from \$38 to \$46 per square foot for the same period.

Affordable housing projects in Berkeley have been hampered by a shortage of skilled labor due to the booming economy. Construction costs rise as labor costs have risen in response to the construction boom occurring throughout the Bay Area and other urban centers of California. With the onset of a construction labor shortage in 1999, Berkeley construction costs rose to a range of \$125 to \$135 per square foot of wood-frame construction, including fees and soft costs.

e. Permit Processes

Use Permits. A 2,000 square foot single family home that meets all zoning requirements would pay approximately \$1,539, as compared with \$1,100 in 1990, a 40 percent increase in this fee, but a minor factor in overall housing development costs in Berkeley.

Building Permits. Berkeley uses the Uniform Building Code without amendments. It also has a deadbolt lock ordinance, and a window bar release ordinance for all rental housing. These ordinances constitute a minimal added cost to housing operations and development, while providing significant resident safety benefits.

It takes an average of 6 to 8 weeks to process building permits for a new house and 8 to 10 weeks for an apartment building. A typical new 2,000 square foot house in 2000 with construction costs of \$95 per square foot would pay estimated plan check and building, electrical, plumbing, and mechanical inspection fees of \$5,461, as compared with \$3,546 in 1990, nearly a 54 percent increase.

For a 500 square foot apartment unit at a construction cost of \$100 per square foot, a similar estimated building permits charge would amount to \$1,906, as compared with \$1,307 in 1990, a nearly 46 percent increase, but again a minor factor in overall housing development costs.

Processing times to secure discretionary land use entitlement permits (including use permits) for medium to large-scale residential development projects can range from 9 months to one and a half years, due largely to the Zoning Adjustment Board's power to exercise its discretion over the various zoning parameters affecting project applications. The costs of holding land just for securing a use permit, thus, can be significant in Berkeley.

Table 26 reproduces survey results on residential development permit fee costs for Berkeley in comparison with the average permit fee costs of various California sub-regions. The survey was completed and published in 1999 by the California Department of Housing and Community Development.

This comparative table reports that Berkeley's per unit fees on housing development are relatively low when compared with the average per unit fees of jurisdictions throughout northern California. The major reason for Berkeley's relatively low fees on housing development in the survey is that the City charges no school impact fees as other jurisdictions do. The Berkeley electorate has instead chosen to tax themselves in order to provide additional revenues for school-related capital expenditures and maintenance. (This burden falls on property owners.)

The survey referred to in Table 26 addresses only permit fees. Another development cost, aside from permit fees, is the added holding costs caused by Berkeley's discretionary zoning adjustments process.¹⁴ For larger residential projects the discretionary process can increase planning fee costs because of added review time logged by project planners in shepherding applications through the process to their resolution by the Zoning Adjustments Board. Staff time is accounted for on an hourly basis for billing purposes to project applicants. Consequently, the \$3,548 reported in the state HCD survey results above may extend to \$15,000 in planning fees for the project applicant depending on how long the zoning adjustment process takes on the application.

Table 26
Comparison of Berkeley Housing Development Fees with East Bay
and Other California Regions 1990

¹⁴ "Holding costs" here refers to costs developers incur for holding a property in their control while they seek permit approvals. These costs are prior to receiving any income from possessing the property. These costs can include property tax payments, interest on interim loans, option payments to a current owner who has entered into a sales agreement with the developer, and other costs that accrue over time.

Single Family Infill House and 45-unit Apartment Sample Projects

Area/Region	Per Unit Fees						Total Fees	Fees Per Valuation
	Per Unit Valuation	Planning Fees	Plan & Bldg Check Fees	Infrastructure and Impact Fees				
				Total School Fees	Other Fees			
Single Family Infill House								
Berkeley	\$ 236,500	\$ 2,983	\$ 8,224	\$ 5,040	\$ -	\$ 7,790	\$ 18,997	0.08
East Bay Average	\$ 251,797	\$ 532	\$ 4,075	\$ 26,703	\$ 5,806	\$ 20,897	\$ 31,310	0.12
Bay Area Average	\$ 244,296	\$ 837	\$ 5,296	\$ 20,946	\$ 5,191	\$ 15,755	\$ 27,079	0.11
North State Average	\$ 174,690	\$ 112	\$ 2,366	\$ 11,387	\$ 4,825	\$ 6,562	\$ 13,865	0.08
45-unit Apartment								
Berkeley	\$ 94,000	\$ 397	\$ 3,548	\$ 2,800	\$ -	\$ 4,300	\$ 8,245	0.09
East Bay Average	\$ 86,405	\$ 193	\$ 2,295	\$ 22,769	\$ 3,421	\$ 19,348	\$ 25,257	0.29
Bay Area Average	\$ 89,968	\$ 889	\$ 2,304	\$ 15,712	\$ 2,354	\$ 13,358	\$ 18,905	0.21
North State Average	\$ 60,986	\$ 125	\$ 1,356	\$ 7,245	\$ 2,144	\$ 5,101	\$ 8,726	0.14

Source: California Department of Housing and Community Development, "Pay to Plan: Residential Development Fees in California Cities and Counties," 1999.

In addition, the City has a sewer connection (buy-in) fee for all projects in non-residential zoning districts, and which includes all mixed-use (including residential) developments. This fee is not included in the 1999 state HCD permit fee study. This fee is levied at \$125 per "drainage fixture unit" such as sinks, bathtubs, showers, water fountains, toilets, and other fixtures that connect ultimately to Berkeley's sanitary sewer. For the above sample, 45-unit project, assuming about 12 drainage fixture units per dwelling unit, the total sewer connection fee would total \$67,500, or about \$1,500 in sewer connection fees per unit. For a single-family home, the sewer connection fee would be about \$2,750, assuming 22 drainage fixture units.

Design Review. Any exterior changes in a non-residential zoning district are subject to design review by the Design Review Committee or staff level design review. Committee members are appointed by the Board of Adjustments, the Landmarks Preservation Commission and the Civic Arts Commission. Any residential development in a commercial area is subject to design review. This process may delay or add costs to some residential projects. It has an important role in reducing neighborhood concerns over multi-family and mixed-use development and thus can also help speed up the development review process.

Landmarks Preservation Ordinance

Since 1974, Berkeley has had an active Landmarks Preservation Commission (LPC), which oversees implementation of the Landmarks Preservation Ordinance (LPO). The LPC is

empowered to designate buildings as landmarks or structures of merit, subject to appeal to the City Council. The LPO gives the LPC authority to make landmark, structure of merit, and historic district designations. (See the General Plan Urban Design and Preservation Element, p. UD-5 through UD-7.) Proposals for designation can be initiated by private application or petition, by the LPC itself, or by the City Council, Planning Commission, or Civic Arts Commission. The LPC also reviews permit applications for alteration, construction, or demolition of landmarks, structures of merit, and structures in historic districts.

City staff works diligently to educate both the LPC and the City Council about the appropriate criteria for designation of historic resources, which are part of the Landmarks Preservation Ordinance (BMC §3.24.110), and are referenced in the General Plan Urban Design and Preservation Element. In addition, the California Environmental Quality Act requires careful evaluation of the impacts of proposed projects on historic resources, whether designated or not.

Berkeley has policies, programs, and administrative systems in place to address historic resource protection. These concerns are addressed in the development review process to inform decision makers and the public, and to mitigate impacts on these resources. Table 6 and Table 27 suggest strongly that, while historic resource issues are treated seriously in the development review process, they do not obstruct new housing approvals and production in Berkeley.

f. Zoning Regulations

Berkeley's Zoning Ordinance provides for a diverse array of potential physical types of housing, from single-family hillside properties to dense downtown-oriented apartment buildings to specific types of care and treatment facilities.

Attachment 2 of Section V summarizes development standards contained in the City of Berkeley Zoning Ordinance. All new residential development in Berkeley which is subject to a use permit at the discretion of the Zoning Adjustment Board (ZAB), requires a finding that the proposed development will not be detrimental to the "health, safety, peace, morals, comfort or general welfare of persons residing or working in the area or neighborhood of such proposed use or be detrimental to property and improvements of the adjacent properties, the surrounding area or neighborhood or to the general welfare of the City." (Zoning Ordinance, Section 23B.32.040)

The Berkeley Zoning Ordinance relies on a number of methods to regulate residential housing construction:

- Development standards, including height, yards, side yards, open space requirements, bulk, and maximum lot coverage, for both primary and accessory units on legal lots;
- Parking requirements;
- Findings and zoning district purposes that may either tend to reduce housing construction or mitigate impacts on new housing construction; and
- Inclusionary housing and
- Density bonus requirements.

As noted above, the City of Berkeley Zoning Ordinance does not rely on per-acre density standards in all its zoning districts. Berkeley identifies minimum lot size in single and two-family housing districts, then

uses yard, side, setback, height, bulk, parking and open space requirements to generate potential building envelopes. This approach is then used as the basis for the eventual size and shape of a proposed development based on the “detriment” standard in the Zoning Ordinance.

The fact that most housing developments is subject to a use permit and to the ZAB’s discretion means that such proposals are often scrutinized for their impacts on the surrounding neighborhood. On one hand, this serves to protect neighborhoods from inappropriately designed and built projects, consistent with City policies aiming to protect neighborhood quality. On the other hand, it can also mean unexpected and potentially burdensome costs may be imposed on housing developers not already familiar with City permit processing practices. In rare cases this can result in a project not being developed, and new housing units foregone.

Still, this approach to project evaluation at the use permit stage has resulted in substantially robust residential densities on Berkeley properties in diverse locations throughout the city, as illustrated in Table 24, above.

Land Use Conflicts and Costs of Delay. Land use conflicts are a significant factor in permit approval and rezoning processes, as well as when City financing of residential development is sought by the developer. Projects are often scaled down by the Zoning Adjustments Board (ZAB) before receiving approval, , but it is unknown how many units have been foregone The effect on the City’s ability to meet its regional fair share of housing construction is not known.

It is difficult to isolate costs of delay attributable to land use conflicts over proposed residential development in Berkeley. This is because projects have been delayed for a number of other important reasons during economic boom times having to do with an overall construction labor shortage in the Bay Area, as well as rising materials costs.

The use permit process is probably the most important governmental obstacle to new housing development in Berkeley. For a developer to invest time, energy, and money to make development proposals that could require a year or more before approval is a risky proposition. Berkeley is the only city in California requiring a use permit for most residential development rather than having areas where specified densities can be built as of right. The Zoning Adjustment Board’s efforts to mediate between developers and neighbors take time and the appeals process allows opponents of development to create lengthy delays through appeals of land use, landmark, or other decisions..

The costs of delay can be high. If a developer buys land outright there are interest costs, and if an option to purchase is used instead, there can be option costs to hold the land. As changes are made to project design, there are architect’s design fees, which increase with each revision. Once a project is finally built, the market may have changed from when the development was originally proposed. For example, a developer whose condominium units come on to the market may face higher interest rates for buyers than a year previous.

As noted above, different provisions of Berkeley’s Zoning Ordinance may encourage or discourage new housing construction. When the Zoning Ordinance was substantially amended in the 1970s after voter passage of Berkeley’s Neighborhood Preservation Ordinance, a number of key changes were made that increased the power of neighborhoods to limit new development in their midst.

- All proposed residential development required a use permit and a public hearing.
- New residential use permits could be approved only if the Zoning Adjustments Board can find that the proposed project would not cause be detrimental to the neighborhood in which it would be built, or to the general welfare of the city.

These requirements made it more challenging to construct new housing in Berkeley in comparison to other California communities. Berkeley's land use element of the General Plan also has goals that call for preserving neighborhood character. They give great weight to *present* residents' perceptions of neighborhood quality and welfare. Moreover, while neighborhood residents doubtless know from direct experience the conditions existing in their midst, the Berkeley Zoning Ordinance positions these experiences high in the deliberations of Zoning Adjustment decision makers.

The desires of neighbors, however, can conflict with other General Plan goals and policies established by the Berkeley City Council to build more housing. So it is less a question of residents' views versus the City's General Plan, than of residents according greater power to certain General Plan policies over others. The effect on affordable housing production is somewhat reduced by Government Code Section 65589.5 which places clear limitations on local governments' ability to disapprove affordable housing proposals.

One of the residential zones, R-5, High Density Residential, is only zoned on University of California lands of the UC Berkeley campus and hillside where the Lawrence Berkeley National Laboratory is located. This residential zone has no force of law on these lands because the University of California as a state agency is exempt under California law from local zoning regulations.

In the commercial zones, residential land use is allowed, and most commercial zones rely on R-3 development standards—with the exceptions of C-2, Central Commercial, and C-SA, South Area Commercial, which rely on R-4 development standards. In addition, the West Berkeley Commercial zone, C-W, relies on neither R-3 nor R-4 standards, instead relying on standards developed in the City's West Berkeley Area Plan.

Open space and parking requirements can further reduce the amount of buildable space allowed on a property. In the residential zones of Berkeley, the Zoning Ordinance requires between 1 parking space per unit up to 1 parking space per 1,200 sq. ft. of gross floor area. See Attachment 2 for a summary of development standards. Reductions from the regular applicable standard can be approved by the ZAB for projects with senior residents, projects near transit, and projects where variance findings can be made (Separate criteria apply to Accessory Dwelling Units, which are approved by right if they meet applicable criteria.)

The Zoning Ordinance requires from 400 square feet of open space per unit (R-1 through R-2A Districts) to 100 square feet per unit (R-5 District) .. Historically, Berkeley has had relatively little public park and open space, and as land values have increased, acquisition of new parks becomes even more difficult.

Another potential impact addressed by the Zoning Ordinance in some commercial zones is traffic. Except for Zone C-2 (Central Commercial), Berkeley's commercial zones require that projects may only be approved if they can demonstrate they do not increase traffic or parking problems significantly. The Ordinance strives also to mitigate these impacts by requiring transit-oriented design and operational features that reduce parking demand onsite and in the neighborhood of the project. One developer, Panoramic Interests, has pioneered use of hydraulic lifts to stack cars in parking structures beneath their developments, enabling their projects to meet City parking requirements and contain parking demand of its new housing largely onsite.

Uncertainty of Berkeley's Zoning Standards. In its review of the Berkeley Housing Element, the State of California Housing and Community Development Department asked the City to address the uncertainty of Berkeley's Zoning Ordinance development standards, although the Berkeley Housing Element found (and HCD confirmed, in a letter to the City dated August 1, 2002) that the Zoning Ordinance regulatory system produces residential development at significant densities and quantities.

It is true that the Zoning Ordinance's development standards "do not provide a clear minimum or maximum density in terms of units per acre", but as Table 24 shows, it is clear that density standards are not needed to produce housing of sufficient density and quality to be financially feasible and attractive to developers. The fact that "the appropriateness of the development standards is uncertain" is as true today as it was 10 years ago when some projects in Table 24 were initiated; therefore other factors exogenous to the Berkeley Zoning ordinance, such as availability of financing for multi-family residential development, take on larger importance in whether actual housing development as such is uncertain in Berkeley.

California Government Code Section 65589.5 actually reduces a great deal of uncertainty in housing developments. It establishes that modification (by local zoning boards) of affordable housing development proposals cannot render projects infeasible. This places floor under the minimum number of units below which Berkeley's zoning administration cannot go. Berkeley complies with this law in all of its affordable housing use permit decisions. The City of Berkeley has requested from State HCD information on whether HCD is tracking compliance by local jurisdictions with this important law.

Inclusionary ordinance, parking, open space, and setback requirements as housing development constraints. Inclusionary requirements and parking, open space, and setback requirements have different effects on housing developments as regulatory constraints. Inclusionary requirements obligate developers to commit to restricting rents or resale prices on some units in a new development to affordable levels. However, since the costs of constructing an inclusionary unit and a market-rate unit—assuming they are identical in the most important features of their designs—are more or less the same, to maintain project profitability the price of market-rate units must be raised by the owner to cover foregone revenue from price-restricted inclusionary units. (This is sometimes referred to as "cross-subsidization" of restricted units by market-rate units.) In effect, tenants in market-rate rental units subsidize the rents of tenants occupying restricted or "inclusionary" units. If rents allowed on restricted units are too low relative to cross-subsidies available from the market rate units, the housing project will not be profitable, and the inclusionary requirement will appear to be a governmental constraint on housing production.

However, inclusionary requirements are not inherently a constraint on housing production, and certainly are not in Berkeley's experience. At different times, market conditions make inclusionary housing production feasible. In times when market rents and housing property values are rising, as they were in 1999 through early 2001, market conditions enable owners of inclusionary rental properties to manage those cross-subsidies and still maintain profitability.

Concern over inclusionary housing requirements rises, in contrast, when growth of market rents slows down or declines. In such conditions, the cross-subsidy can impede project feasibility. But Berkeley's inclusionary housing requirements can push developers to invoke their right to seek a density bonus for their project under California law.¹⁵ By doing so, they can receive more market rent revenue to offset cross-subsidy effects of restricted-rent units. The effect of the density bonus may then be to take a marginal to infeasible project and make it more profitable. Receiving a density bonus can thus make a project easier to finance as well, and make the project's construction more certain.

For the most part, then, the City of Berkeley and a number of different developers working in Berkeley have not found the City's inclusionary housing requirements to be a constraint on housing development in Berkeley that precludes developing housing here (see Objective 3, Expansion of Housing Supply, , d. Inclusionary Housing Ordinance, and State Density Bonus page 180.'). Since 1990, as the Housing Element Appendix reports, over 250 new units were built, including some 59 new inclusionary rental and condominium units.

¹⁵ The California Density Bonus law may be viewed at California Government Code Section 65915, *et seq.*

Parking, open space, and setback requirements in the Zoning Ordinance have effects more similar to each other than to inclusionary housing requirements. These requirements more directly affect the size and usefulness (hence its marketability) of housing in Berkeley. As noted above, residential parking requirements vary by zone and size of the project.

Similarly, open space and setback requirements (including minimum yard dimensions) can be used to reduce building sizes, or make infeasible altogether construction of an accessory building. As noted above, the standard open space requirement for even multi-family (R-3) residential zones is 200 square feet per unit.

An additional incentive the City of Berkeley may use is the waiving of permit fees. Currently, the City follows Berkeley Municipal Code (BMC) Chapter 19.62. This ordinance allows the City Manager to waive permit fees for affordable housing developments, and individual waivers are subject to City Council review and approval. The City is considering recommending that the City Council repeal of BMC Chapter 19.62 in favor of including permit fee waivers as a potential incentive within the overall framework of the City's implementation of the state Density Bonus.

The larger issue here, however, remains the Berkeley Zoning Ordinance's continuing reliance on a finding of non-detriment that lacks better definition of what constitutes "detriment." The City Council will be considering ways to encourage provision of more affordable housing, and staff will examine this issue more closely. Council has already referred to staff the assignment to prioritize processing of affordable housing developments in Berkeley. Recent Legal research indicates that California Government Code Section 65589.5 will constrain the Zoning Adjustment Board's discretion in determining detriment when making findings for residential use permits. This finding will be communicated to all City commissions addressing housing development issues in Berkeley.

New Housing Development – Infill Sites. Since Berkeley is a nearly built-out city, the draft City of Berkeley General Plan and Berkeley's housing developers use a wide variety of strategies for encouraging and accommodating new housing development. These approaches include:

- Mixed use residential zoning in West Berkeley
- Private redevelopment or recycling
- Land recycling of parking lots

Of the 17 properties listed on Table 24 above (arranged by zoning and actual densities), seven (7) were privately redeveloped sites that entailed demolition of a smaller pre-existing structure so that new housing development could be accommodated. Three of the sites were former vacant lots and three sites were once gas stations that have subsequently been environmentally remediated in preparation for eventual re-use as housing or mixed land (often with ground-floor commercial units).

Development Requirements for Second Units. Second units are subject to similar regulatory requirements as primary residential units in residential zoning districts, including:

- Minimum usable open space requirement
- Off-street parking requirement of one parking space per dwelling unit, and
- Similar height, yard and setback requirements as with primary residential units.

Accessory Dwelling Units. The City will encourage and facilitate addition of accessory dwelling units on properties with single-family homes in conformance with existing zoning regulations (most recently amended in August 2003) except in areas that are vulnerable to natural disasters (see Policy H-17 of the Housing Element). Accessory Dwelling Units meeting certain criteria are approved "by right" (no hearing process or discretionary approval are required)

Avenues Plan. An additional local governmental obstacle during the 1990s was the inclusionary ownership requirements of the Avenues Plan section of the City's Inclusionary Housing Ordinance, which expired in 2000¹⁶

The complexity of the Avenues Plan has in practice apparently been a governmental obstacle to housing construction since its adoption in 1996: Sale prices of inclusionary units under the Avenues Plan alternated between prices set at levels affordable at 80 percent and 100 percent of area median income. No new condominium projects, and no inclusionary condominium units, were constructed within the boundaries of the Avenues Plan, even as development of new rental housing units has proceeded briskly in the late 1990s. The Avenues Plan component of the Inclusionary Housing Ordinance contained a July 1, 2000, sunset date. The Berkeley City Council allowed the Plan to sunset in June 2000.

Emergency Shelters and Transitional Housing. Areas along Berkeley's major commercial arterial streets and transit corridors have zoning that would allow both transitional housing and emergency shelter developments with conditional use permits.

The City of Berkeley prefers not to identify potentially adequate sites for emergency shelters and transitional housing. The City sees shelters and transitional housing in the context of the continuum of care model diffused by HUD and which the City used in its local continuum of care plan, adopted by the Berkeley City Council on September 22, 1998. Berkeley currently operates nearly 200 shelter beds for homeless people. This represents nearly 25 percent of the total shelter beds in Alameda County as a whole. Since Berkeley provides more than its regional share of shelter beds, the City does not prioritize its efforts in the direction of providing additional sites for emergency shelters.

With transitional housing, however, Berkeley has only about 75 transitional housing beds. The City's continuum of care plan prioritized transitional housing for additional development and the Housing Advisory Commission also prioritized Housing Trust Fund resources for development of transitional housing in support of the continuum of care plan. Unfortunately, only a few transitional units have been proposed and funded with this strategy. Developers have been cautious because of neighborhood resistance about developing proposals for transitional housing projects.

In this context, the City believes to identify specific potential sites for transitional housing would be counterproductive to implementing the Berkeley Homeless Continuum of Care Plan and the Housing Element. While there is a clear need for more transitional housing to assist people with returning to a housed existence from one on the street and to redevelop their living skills in transitional settings, identification of sites in advance of actual proposals will not facilitate this effort. Instead, the City intends to continue setting transitional housing as a priority type of housing for funding through its Housing Trust Fund, as originally called for in its 1998 homeless continuum of care plan.

Evaluation of the City's Zoning Ordinance as a Constraint to Housing Development. On balance, the regulatory strategies contained in the City of Berkeley Zoning Ordinance could provide greater certainty of producing additional housing by making some kinds of housing development possible as a matter of right, such as for infill single-family units in some residential zoning districts. Another important means for achieving greater certainty of producing more housing will be to provide greater definition to the findings of what constitutes "detriment" admissible to the review of residential development use permit applications. A further means for increasing certainty will be for the City to comply more closely with California Government Code Section 65589.5, which limits the grounds on which use permits for housing developments may be disapproved.

¹⁶Chapter 23C.12.080.E, City of Berkeley Zoning Ordinance.

Nonetheless, Berkeley has demonstrated that it is able to produce new housing in significant numbers even within this regulatory framework. Table 24, above, indicates that despite substantial opportunities for public intervention in the zoning process, Berkeley still produces new market-rate and affordable housing at significant densities. Our Inclusionary Housing Requirements (Section 23C.12 of the Zoning Ordinance) allows negotiated reductions in unit quality and size in cases where the inclusionary unit's cost of construction exceeds the developer's return from it. In addition, inclusionary requirements also encourage developers to use Section 8 vouchers (and thereby house very low income tenants with incomes at or below 50 percent of the area median income). Section 8 exception rents for Berkeley are close to market levels, and are significantly higher than inclusionary rents calculated at 81 percent of the area median income.

For Berkeley's future, an important question, however, is whether market conditions will make it possible for cross-subsidization to occur without harming project profitability. In Berkeley's experience, this has been most challenging when housing construction projects complete construction near the bottom of economic downturns, as occurred about 1992-1993. Projects planned at such times face market rents that are relatively stagnant and long lease-up periods; since upward growth of market rents is at best uncertain during project planning, the prospect of using a project's market rents to cross-subsidize inclusionary restricted units is perceived as onerous.

State Density Bonus law, however, provides developers with options such as 25 percent more market rate units; and additional incentives including parking, open space, or other valuable regulatory reductions that can increase the size of a new building with residential units in it. The City of Berkeley Planning and Development Department is completing procedures for implementation of the state Density Bonus law in the context of the City of Berkeley Zoning Ordinance. Use of the Density Bonus can help to mitigate the effects of cross-subsidization in new housing production.

Neighborhood Preservation Ordinance (NPO). The principal constraint on housing production was enacted by a vote of the Berkeley electorate as part of the Neighborhood Preservation Ordinance (NPO) in 1973. The provisions of the NPO have sunsetted, but the city's development regulations reflect in large part provisions instituted by the NPO. As such, the NPO set the course in the evolution of Berkeley's highly discretionary development review process. Some features that are fundamental include the requirement of use permits for most new residential construction (the NPO required a Use Permit for all new Residential construction, but over the years provisions have been made for "by-right" approval in some circumstances)¹⁷, and the installation of the non-detriment criterion.¹⁸

One of Berkeley's core community values is a commitment to a full disclosure-oriented democratic political process. This core value extends to Berkeley's process for public review of land use entitlement applications. While such values are deeply held by Berkeleyans, they are also part of Americans' traditional political beliefs; Berkeleyans enacted them into their Zoning Ordinance through the NPO in the belief that local democracy is best served by a fully-informed citizenry, and that better decisions can be made by Berkeley's leaders when they are based on fully-disclosed information.

Programs that Mitigate the NPO. Since the NPO was enacted now nearly 30 years ago, City interventions into the Berkeley housing market have adapted to NPO administration as well as many other economic and historical constraints on local housing production. Key housing programs evaluated in the present BHE have origins dating back to the 1970s, especially the City's Rent Stabilization Ordinance.

¹⁷ Neighborhood Preservation Ordinance, Ordinance No. 4641-N.S., effective April 17, 1973, Section 4(a).

¹⁸ *Ibid.*, Section 4(b)(2).

The NPO slowed production of new housing dramatically, and contributed to increased apartment rents in Berkeley. To address rising rents, Berkeley voters in 1980 passed a rent stabilization and eviction control regulatory system to protect rental housing affordability in Berkeley.

Berkeley was also not immune to larger economic and fiscal trends in the United States between the 1970s and the mid-1990s.¹⁹ Berkeley housing activists throughout this era were committed to producing affordable housing, passing citizen-approved measures to provide blanket authority from Berkeley voters for production of new affordable housing projects under Article XXXIV of the California Constitution.

The low-income housing inclusionary requirement of the NPO was revised in 1987 to become the City's inclusionary housing requirements, which are part of the City's Zoning Ordinance.

In response to the crisis in housing finance precipitated by the collapse of the savings and loan industry in the late 1980s (which affected equally local jurisdictions with or without by-right regulatory frameworks for multi-family housing), the City of Berkeley created a Housing Trust Fund in 1990 and used local and federal funding sources for the purpose of acquiring and rehabilitating properties in return for receiving rental or price restrictions from property owners. These affordability restrictions are typically for the life of the property. In addition, the City uses CDBG funding to provide administrative support to the four affordable housing developers most active in Berkeley.

In 1996, the City of Berkeley opened the doors to its first one-stop Permit Service Center (2120 Milvia Street). At this facility, residents and developers may come to view property files, consult with planning, engineering, fire code, and building inspection staff, and apply for and receive subdivision, fire, engineering, use, and building permits—all in one convenient location one block from the Berkeley BART station, a major AC Transit bus line hub, and structured parking. This facility has increased accessibility to all segments of the Berkeley public, and is disabled accessible.

As final evidence that these programs mitigate the affordability and production impacts of the Neighborhood Preservation Ordinance and the subsequent incorporation of its elements into the Berkeley Zoning Ordinance, Tables 6 (page 28), 25 (page 59), and 27 (pages 73 ff) present Berkeley's record of housing production and permanent affordability. Since the late 1970s, Berkeley has produced over 1,600 subsidized and inclusionary (below-market-rate) housing units in approximately 25 years. This inventory reflects Berkeley's commitment to preserve its economic and social diversity through innovative housing production and affordability strategies.

Are Berkeley Housing Programs Excessive Governmental Constraints on Housing Production? The Housing Element contains an agenda on page 124 from which Berkeley will address governmental constraints on new housing development in its approval processes. This agenda was set by the City Council in July 2001 and is being addressed by staff and citizen advisory commissions, as requested by Council. For example, City staff brought these proposals, as well as others, before the Housing Advisory Commission and the Planning Commission during 2002.²⁰

²⁰ Memorandum from Steve Barton, Director of Housing, to Housing Advisory Commission, "City Council Referral Concerning Priority Processing of Affordable Housing Proposals and the Housing Trust Fund Guidelines," February 7, 2002; and Carol D. Barrett, Director of Planning and Development, to Planning Commission, "Council Referral on Priority Processing of Low-Income Housing Projects," September 11, 2002.

In these and other ways, the Housing Element describes how the City of Berkeley has developed housing programs to mitigate the effects of having a Zoning Ordinance that provides local decision-makers with broad discretion in modifying and approving projects and requires all new residential units to be subject to a public hearing and a use permit. For a city of 100,000-plus residents, the City of Berkeley is extraordinarily active in its local housing market, in large part because it has such a strong democratic ethos, which includes a commitment to careful and fully-disclosed public review of new development.

The City of Berkeley therefore finds that its housing programs adequately address and mitigate the governmental constraints of its Zoning Ordinance on housing production, and that it is not appropriate to remove the constraints in a manner that risks interfering with the City's ability to facilitate public participation in housing and land use decisions, produce and preserve affordable housing, and protect neighborhoods in Berkeley, all of which are goals and core values of the Berkeley General Plan.

g. Constraints Affecting University of California-owned Sites

The University of California's department of Housing and Dining Services, which provides UC-owned housing, is required by state law to be self-supporting and operate without state funding. Therefore, in order for UC to build more student housing, Housing and Dining Services must be able to ensure that the housing will be fully used and in demand for the 30 years that it will take to pay off its permanent loan. Just like a private developer, the University must ensure that the project can pay for itself before undertaking the project.

As noted earlier, the University of California is the largest single housing producer within the City. At present, since University housing is required to pay for itself, the University of California funds construction of new student housing by spreading the costs among all residents of University-owned student housing. This keeps the cost down for residents of the new housing, but raises it for students in University housing generally. The effects of a major building program on the affordability of student housing are unknown, but either State subsidies for new student housing or expanded support for student financial aid may soon be needed.

Several University-owned vacant lots in the Southside neighborhood are currently used as parking lots. (Parking is discussed at length in the Southside Plan's Transportation and Parking element.) Under a new policy recently established by the University of California (UC) administration, new UC developments proposed for parking lot sites must either retain the on-site parking or compensate the parking system for the loss of parking spaces. The rate of compensation is based on the replacement costs of structured parking, which in 1999 was established by the University to be \$20,000 per parking space.

The University of California's parking policy identified here is an obstacle to the production of new housing for students by the University. It gives excessive weight to the presence of cars in the Southside neighborhood over the pedestrian accessibility of having students live close to campus.

h. Federal and State Funding and Policy Changes

Availability of funding for affordable housing continues to be a large impediment to the expansion of affordable housing supply in Berkeley.

While the state of California adopted a housing budget in 2000 containing over \$600 million in funds for affordable and special needs housing programs, these funds represent a small down payment on a long-deferred role for the state in providing affordable housing throughout California. There is now broad

concern that most, if not all, of these funds will be lost from the state budget because the state has been forced to spend enormous sums buying electric power (2001-2002).

At the federal level, the ongoing threat of conversion of long-standing Section 8 subsidized private rental housing properties is mitigated only to the extent that the U.S. Congress continues to provide sufficient funds to maintain annual U.S. Department of Housing and Urban Development renewals of subsidies. The effect of these threats is discussed further in Section VI.

Provision of affordable housing in Berkeley has also been hampered by passage of the Costa-Hawkins Act in 1995. This act pre-empts to the state legislature the power to regulate vacant rental units in California. The effects of this legislation are discussed further in Section VI.

C. Consistency Between the Housing Element and Other General Plan Elements

To be a meaningful guide to city policy, consistency between the Housing Element and the rest of the General Plan is essential. The General Plan puts forward seven goals:

- Goal #1: Preserve Berkeley's unique character and quality of life.
- Goal #2: Ensure that Berkeley has an adequate supply of decent housing, living-wage jobs, and businesses providing basic goods and services.. Goal #3: Protect local and regional environmental quality.
- Goal #4: Maximize and improve citizen participation in municipal decision-making Goal #5: Create A Sustainable Berkeley
- Goal #6: Make Berkeley a disaster-resistant community that can survive, recover from, and thrive after a disaster.
- Goal #7: Maintain Berkeley's infrastructure, including streets, sidewalks, buildings, and facilities; storm drains and sanitary sewers; and open space, parks, pathways, and recreation facilities.

Exhibit A Section 4 Planning Commission recommended Amendments to Pages 204-210 of the Housing Element Appendix Per Council Resolution No. 61,955-N.S

disabled community. This Commission takes an active and direct interest in housing activities in Berkeley.

Accomplishments

In 1996, the last year for which data are available, there were 16 affordable units of disabled accessible independent permanent housing that had been assisted by the City's Housing Trust Fund, and another 82 affordable units were found to be disabled adaptable.

Compliance with SB 520. The City of Berkeley adopted its BHE on December 18, 2001. State HCD indicates to the City that SB 520 applies immediately only to those jurisdictions which adopt their housing elements after January 1, 2002. State HCD staff further indicate that Berkeley should prepare to comply with SB 520 during the planning horizon of its housing element. The City interprets this to mean that it should complete an analysis that addresses all of the implementation issues contained in state HCD's technical assistance memorandum of June 17, 2002.²¹

Given the expansive definition of disability used in SB 520 it is clear that the City has done a considerable amount of work in this area already. Beginning in 1996, the City surveyed homeless people and developed a background report on homelessness in Berkeley. This report identified a significant need for transitional and permanent supportive housing. Since 1995, the City has operated a Shelter Plus Care Program of its own that has provided housing with matching support services to formerly homeless, disabled individuals. Since 1996, the City has in place an HIV/AIDS Housing Assistance Program that provides ongoing shallow housing assistance to low-income people with HIV/AIDS. These and other related programs are detailed in the BHE's assessment of special housing needs in the Berkeley community and its evaluation of special needs housing programs.

In addition, the Berkeley City Council adopted Berkeley Municipal Code (BMC) Section 23B.52 to address the need for reasonable accommodations in Berkeley Zoning Ordinance.²² This section makes available an alternative set of findings that the Zoning Adjustments Board shall apply when a use permit application for housing accommodations is submitted, and the existing or

²¹ Memorandum to Planning Directors and Interested Parties from Cathy Creswell, Deputy Director, Division of Housing Policy Development, California Department of Housing and Community Development, "Housing Element Legislation Effective January 1, 2002," June 17, 2002.

²² Adopted December 18, 2001, by the Berkeley City Council.

proposed residents are disabled. BMC 23B.52's findings, in place of non-detriment or variance findings that would have to be made under ordinary circumstances, include:

- Need for the requested modification, including identification of alternatives that may provide equivalent benefits;
- Physical attributes of and any proposed changes to the subject property and structures;
- Whether the requested modification would impose an undue financial or administrative burden on the City;
- Whether the requested modification would constitute a fundamental alteration of the City's zoning or subdivision program;
- Whether the requested accommodation would result in a concentration of uses otherwise not allowed in a residential neighborhood to the substantial detriment of the residential character of that neighborhood; and
- Any other factor that may have a bearing on the request.

The City believes that its various housing programs, combined with BMC Section 23B.52, significantly mitigate governmental obstacles to production of disabled accessible housing. The City intends, however, to propose a work program for a public process to plan systematically for identifying constraints on disabled-accessible housing (including a program for reducing or mitigating those constraints), assessing the disabled-accessibility of the existing housing stock, and developing recommendations for increasing disabled accessible housing for consideration by the Berkeley City Council as part of the General Plan's annual review process. This process would need to involve the Planning Commission, the Homeless Commission, Commissions on Disability and Aging, and the Housing Advisory Commission at a minimum.

Looking Ahead

The City should undertake and maintain an accurate count of Housing Trust Fund and Inclusionary units that are disabled accessible and adaptable. The City should also undertake creation of a database of accessible units in Berkeley.

Center for Independent Living. CIL's data indicate that the annual incomes of their disabled clientele averages \$8,000 or less. With such low incomes and facing greater scarcity of suitable housing than the mainstream population, disabled tenants and prospective home buyers face the lack of housing as both a housing emergency and a threat to their personal independence.

The City of Berkeley funds the Center for Independent Living (CIL) to operate the agency's Housing/Residential Access Project. This project provides intense housing search assistance, advocacy, housing rights information, housing discrimination counseling, and outreach services to help disabled people find affordable accessible housing. CIL also offers clients services to make housing accessible by building residential wheelchair ramps and providing accessible interior modification and retrofitting services.

CIL's Housing/Residential Access Project also collaborates annually with Christmas in April – a volunteer-based organization coordinating volunteer teams in rehabilitation and maintenance of housing and community facilities in the East Bay – in the construction of three disabled access ramps. Through such collaboration, the total cost of each ramp was reduced by 50 percent, and construction was expedited through team labor.

A 1999 profile of CIL's clientele indicates that:

- 51 percent are African-American, 43 percent are White, and 4 percent are Latino.
- 51 percent are female, 49 percent male.
- 99 percent had incomes at or below 50 percent of AMI.
- 15 percent are elderly (62 years of age or older).

Accomplishments

Table 65 shows that CIL has completed 26 new ramps in the last two fiscal years and 84 interior modifications during the same period. CIL has built 146 ramps in Berkeley since 1983, an average of about 9 ramps per year.

In addition, CIL staff and interns completed a guide, partially funded by the City of Berkeley, on "How to Assess Accessible Housing in Your Community."²³

²³Kate Toran, Gerald Baptiste, Matt Wangeman, and James Billy, *How to Assess Accessible Housing in Your Community*, presented at the National Council on Independent Living Conference, 1999.

Table 65

**Accessibility Improvements in Berkeley, 1998-2000
through the Center for Independent Living, Inc.**

Fiscal Year	Service Completions	
	Ramps	Interior Modifications
1997-98	11	26
1998-99	8	30
1999-2000	9	28

Source: City of Berkeley Housing Department. "NA" means "not available."

Looking Ahead

The City of Berkeley anticipates continued funding to CIL for its housing services benefitting low-income disabled Berkeley residents.

1999 Accessible Housing Conference. On May 1, 1999, the City of Berkeley hosted its first Accessible Housing Conference at the West Berkeley Senior Center. The conference was sponsored by the City of Berkeley, the Berkeley Commission on Disability and Housing Advisory Commission, the University of California at Berkeley schools of public health and city planning, CIL, Housing Rights, Inc., and the World Institute on Disability.

The conference sought to develop a plan of action to address housing problems facing people with disabilities in Berkeley. Acknowledging that housing is a basic component of independent living, the conference made clear there is a shortage of accessible housing in Berkeley. The Commission on Disability and its Housing Subcommittee – working with the Disability Compliance Program (in the City's Public Works Department) and the Housing Department – have begun studying the accessible housing shortage and considering remedies to the problem.

Goal 7. Regional Cooperation

It is the City's policy to promote regional cooperation on housing and related issues to achieve planning goals.

Developing a Regional Approach to Homelessness. In 1994, the Berkeley City Council approved a recommendation to use a regional approach to address homelessness.²⁴ County-wide, Oakland, and Berkeley homeless continuum of care planning processes undertaken from 1995 through 1998 represent an opportunity to implement the Berkeley City Council's 1994 wish to address homeless issues regionally as well as locally. Using this approach, City staff and Berkeley-based service and housing providers participated in the development and implementation of homeless continuum of care plans addressing homeless services and housing needs throughout Alameda County, Oakland, and in Berkeley.

These planning efforts also resulted in creation of a regional body, the Alameda County-wide Homeless Continuum of Care Council. This council is a non-governmental forum that advises local jurisdictions and service providers on homeless issues throughout Alameda County. The council also strives to coordinate services and housing provision among its provider-members, continuum of care work program and funding priorities, and actively works on the development of standards of service and management information systems to improve service performance and outcomes measures about homeless people using services here.

As part of the ongoing Continuum of Care Council process, City staff retain leadership roles with the Council's Executive, Standards of Service, and Management Information Systems Committees.

Regional Shelter Plus Care Activities. In addition to adopting and implementing a regional approach to county-wide homeless issues, the City also helped found and organize a collaboration among Bay Area Shelter Plus Care Program coordinators. Through this entity, common and unique problems for Shelter Plus Care programs throughout the Bay Area can be identified, legislative initiatives analyzed, and coordination of program activities arranged.

Regional Housing Needs Allocation Process. The 1999 City of Berkeley General Plan Housing Element will need to be amended as shortly after it is adopted by the City Council. This is because the Association of Bay Area Governments (ABAG) will be completing a new round of regional housing needs allocations for the Bay Area (and including Berkeley). State law requires that Berkeley incorporate the regional housing needs found by ABAG for Berkeley, and describe how Berkeley intends to meet the goals ABAG sets out for new housing construction for each affordability level.

Goal 8. Public Participation in Housing Decisions

It is the City's policy that Berkeley should improve the role of neighborhood residents and community organizations in the planning process, including planning for housing conservation and development and developing plans which integrate the special needs of diverse neighborhoods and groups.

²⁴Memorandum from Weldon Rucker, Acting City Manager, to the Berkeley City Council, "Status Update and Recommendations Relative to Regional Approaches and Initiatives to Address Homelessness," September 20, 1994.

Berkeley's citizenry is actively and regularly engaged with the City on housing policy and development issues. Berkeley's system of 40 citizen advisory commissions facilitates citizen activism and access to decision-makers.

Article XXXIV of the California Constitution. The California Constitution (Article XXXIV, or Article 34 herein) requires that:

"No low rent housing project shall hereafter be developed, constructed, or acquired in any manner by any state public body until, a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the same, voting upon such issue, approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election. "

In 1977 and 1981, Berkeley voters passed ordinances that approve the development, construction, or acquisition of 200 and 300 units respectively, of low-income housing pursuant to Article 34 of the California Constitution.²⁵ These measures created 500 units-worth of authority to construct new or rehabilitate existing affordable permanent housing in Berkeley, and has enabled the City to implement many of its housing policies since that time. As of August 31, 1999, the remaining Article 34 authority for additional publicly-assisted affordable housing units is 156.

Over the years, Berkeley residents have repeated their support for affordable housing development here. In 1989, a survey of Berkeley households found that city-wide:

- 82 percent felt that Berkeley should provide housing for low income people;

Then, in 1997, City Manager James Keene commissioned a survey of Berkeley residents concerning the City's priorities and services. This survey found that:

- 54 percent ranked it a top priority to find ways to create more affordable housing in Berkeley;

City of Berkeley voters overwhelmingly approved Measure Z with 71.4 percent of the vote. This approval added 500 units of authority to the City's capacity for financing development of new low-income housing in Berkeley under Article 34.

Accomplishments

Berkeley's city government is characterized in part by a strong commitment to citizen input into City Council decisions. The City accomplishes this task by having created over 40 citizen advisory commissions dealing with a wide variety of issues. Four key commissions provide direct communication between the City and its low-income citizens: the Housing Advisory Commission, the Berkeley Homeless Commission, the Berkeley Rent Stabilization Board, and the Human Welfare and Community Action Commission. The draft Housing Element was presented to each of these bodies during its preparation and release for public review. As part of staff presentations, copies of the draft Housing Element were provided to commissioners.

Circulation and Discussion of the Housing Element
Before Citizen Advisory Commissions in Berkeley

²⁵These ordinances are cited as Ordinance No. 4978-N.S. and Ordinance No. 5328-N.S.

Citizen Advisory Commission	Dates draft Housing Element presented and discussed
Housing Advisory Commission	April 6, 2000; June 1, 2000; February 1, 2001; March 1, 2001
Berkeley Homeless Commission	November 10, 1999; December 8, 1999; January 10, 2001; July 11, 2001.
Berkeley Rent Stabilization Board	January 18, 2001; December 1999
Human Welfare and Community Action Commission	February 16, 2000

Members of the Housing Advisory Commission and the Homeless Commission are appointed by each of the nine City Council members. All nine members of the Rent Board are elected at large by Berkeley voters. Six of 15 members of the Human Welfare and Community Action Commission are elected from low-income neighborhoods in Berkeley.

Public participation in Berkeley concerning housing decisions is high and the public takes an active interest in housing issues. Preparation of the Housing Element occurred in this atmosphere and reflects continuous, well-notified, and widespread citizen expression and knowledge of Berkeley housing issues. Citizen requests for housing and demographic data were often addressed by providing the citizen with a copy of the draft Housing Element. Community agencies needing local housing and demographic data for grant proposals to the City (including for the City's Community Development Block Grant Program) and private funders were also provided with copies of the draft Housing Element.

In addition, copies of the draft Housing Element were constantly available for pick-up at the Housing Department and the Planning Department of the City of Berkeley at no charge to encourage easy pick-up for public review.

State housing element law lacks criteria on what constitutes a "diligent effort" to achieve public participation of all economic segments of the community regarding the Housing Element. The level of ongoing citizen participation in housing decisions is high, and staff made good faith efforts to place the Housing Element before citizen advisory commissions representing low-income constituencies with clear jurisdiction in housing matters. Staff also took steps to ensure easy and wide distribution of draft Housing Element documents throughout the public review process from late 1999 through its adoption in December 2001. Circulation of and public participation in development of the draft Housing Element was adequate and diligent. The City is in compliance with state housing element law on this matter.

Since 1990, there have been many opportunities by which neighborhood concerns are voiced and addressed in the course of establishing City housing policies and making decisions about housing development and funding.

Housing Advisory Commission. Meetings of the Housing Advisory Commission are regularly noticed in locations mandated by the California Government Code Sections 54650-54962 (the Brown Act). The Housing Advisory Commission also serves as the relocation appeals body for purposes of hearing appeals on building and housing code enforcement issues involving relocation of tenants for repair work.

Community Development Block Grant/Community Services/General Fund/Emergency Shelter Grant Processes. Each year, the City of Berkeley receives entitlement funds from CDBG, CSBG, and the federal Emergency Shelter Grant (ESG) programs, and contributes an average of \$1.6 million in local General Funds for community action agencies in poorer neighborhoods of Berkeley. Upon receiving and collating proposals, an intensive public hearings process is organized before the Housing Advisory (for CDBG and ESG) and Human Welfare and Community Action commissions (for Community Services and General Fund programs). At these hearings, agencies and the public are provided opportunities to provide input on the quality and quantity of services, community impacts, and other issues relevant to

funding proposals. These two commissions provide budget recommendations to the City Council in April of each year.

Consolidated Plan for Housing and Community Development, and the Berkeley Housing Authority Administrative Plan. These plans are required by the U.S. Department of Housing and Urban Development (HUD) for establishing accountability of the City of Berkeley's programs for continued funding from HUD for the Community Development Block Grant Program and BHA's tenant-based and project-based housing assistance, as well as its public housing units. Each plan must be the subject of public hearings so that the public may provide input on the operations of these programs.

Berkeley Housing Authority Resident Council. The Berkeley Housing Authority has established an elected Resident Council for tenants in public housing and the BHA Board also appoints tenants in the Section 8 program to join them in serving on a Resident Advisory Board that comments on BHA plans affecting both public housing and use of Section 8 housing vouchers.

Housing Trust Fund Public Notice Process. When affordable housing developers propose new projects, it is City policy to encourage developers to conduct outreach efforts in neighborhoods directly affected by their proposals. When these developers seek loan funds from the City's Housing Trust Fund, a public hearing is held before the Housing Advisory Commission and the City provides public notice of the hearing within a 300-foot radius from the property as a courtesy to neighbors. This practice is the same as that established for public notice to neighbors about pending use permit decisions by the Zoning Adjustments Board.

Area Plan Processes. Since 1990, the City of Berkeley has adopted several area plans (Downtown, West Berkeley, South Berkeley, University Avenue, and South Shattuck) which contain residential land use and development policies. Each of these planning processes incorporated hundreds of hours of meetings in the affected areas.

General Plan Update. In 1994 and 1995, the City's Planning Department undertook numerous community workshops, public meetings, and a community survey assessment as part of the City's effort to update the General Plan. Approximately 250 people attended these meetings and participated in the survey assessment at that time. Results from those meetings are being incorporated into the current General Plan.

In early 1999, staff of the Planning and Development Department advised the City Council that the City's general plan must be updated and initiated preparation of a staff draft General Plan and Housing Element. Staff also initiated a public review process that included the following steps aimed to include the public:

- Extensive notification (newspaper, mail, and email) to all neighborhoods and neighborhood groups in Berkeley.
- General Plan meetings held in South and West Berkeley.

- Key stakeholders notified to attend the roundtable discussion on Housing Element.
- Special discussions held with the Independent Task Force on Homelessness (recently renamed the Berkeley Homeless Commission), the Housing Advisory Commission, and the Rent Board.

Beginning in February 1999, City staff began preparation of the City's response to Regional Housing Needs Determination projections provided by the Association of Bay Area Governments (ABAG). Staff brought a

detailed analysis of these projections before both the Housing Advisory Commission and the Independent Task Force on Homelessness for discussion. The Housing Advisory Commission provided staff with input into a draft letter for the City Manager to provide as a response to ABAG.

ABAG subsequently revised its projections of regional housing needs, and Berkeley provided ABAG with an updated response, with input again from the Housing Advisory Commission in August 1999.

Between November 1999 and June 2000, the Planning Commission began a series of seven "round table" public discussions to discuss each chapter of the Plan, including the Housing Element. Since each of the round table discussions focused on particular elements of the Plan, appropriate Boards and Commissions were invited to participate in the discussions. As a result, the Commission held joint public meetings on the General Plan with the Transportation Commission, the Parks and Recreation Commission, the Housing Advisory Commission, the Rent Board, Landmarks Preservation Commission, Community Environmental Advisory Commission, the Disaster Council and Fire Safety Commission, the Zoning Adjustments Board, and the Design Review Committee. In addition, the Disability Commission, the Seismic Technical Advisory Group, and the Waterfront Commission submitted written comments and sent representatives to the round table discussions covering chapters of the Plan that were relevant to the those commissions. The need for more affordable housing – creatively designed and constructed in Berkeley – was consistently voiced in public comments on the Planning Commission General Plan.

For each of the roundtable public discussions, the Planning Commission worked with other appropriate Commissions and Boards, including the Housing Advisory Commission, to identify the five to ten most important questions regarding each chapter of the Plan. The questions were designed to focus the public discussion and comments on the policy issues that would be most difficult for the Commission and the community to resolve in the Planning Commission Draft General Plan. In addition to the questions, the Planning Commission published a fact sheet with the most up to date information available on the key policy issues, including housing issues, that would be the subject of extensive public discussion. A round table discussion format at a February 2000 meeting at Trinity United Methodist Church near downtown Berkeley allowed a "give and take" between speakers and commissioners enabled the Commission to facilitate the discussion in a way that would focus on possible solutions and allow a more in-depth discussion of the most difficult issues.

In addition, a General Plan public workshop was held in May 2000 to discuss land use and housing policy interrelationships at the South Berkeley Senior Center.

About 75 to 100 citizens attended each of the roundtable discussions, including the Housing discussion meeting. In addition, the Commission received from 50 to 300 pages of written public comment in response to the questions and the issues raised at each workshop. In addition the public comment at the round table discussions, the City's first "On-line Action Forum" which focused on the Draft General Plan also informed the Planning Commission. The Internet public forum provided an opportunity for the public to debate General Plan policy on-line from the convenience and comfort of their homes. All of the material generated by the on-line discussions was then presented to the Planning Commission to help inform their deliberations and final decisions on the Plan.

In July 2000, after completing its roundtable discussion series and considering thousands of pages of written material, the Planning Commission began a second series of Planning Commission meetings at which the full Commission reviewed preliminary drafts of a Planning Commission Draft General Plan prepared by the Planning Commission subcommittee. At these meetings, the subcommittee presented their revised chapters, described how the chapter differed from either the staff Draft General Plan or the 1977 Master Plan, and described how some of the major issues discussed at the roundtable discussions were resolved in the Plan. During the review of each chapter, the Commissioners discussed and revised many of the policies in the

preliminary drafts and identified a number of policies that would require additional public discussion before any final Planning Commission decision. These "Text Box" policies were highlighted for the public in the Draft Plan in text boxes that often included alternative policy language for further public discussion.

Environmental Review: In October 2000, the Planning Commission completed its discussions and released the First Planning Commission Draft General Plan for public review and environmental review.

The Planning Commission Draft plan was extensively evaluated for potential environmental impacts. The original notice of preparation was sent out to the public on October 17, 2000 and a public scoping session was held on November 8, 2000. The Housing Advisory Commission reviewed the Draft Housing Element on December 7, 2000, and January 4, 2001, at which time its members provided staff with detailed comments on housing policies in the General Plan to be conveyed to the Planning Commission.

On February 14, 2001, a Draft Environmental Impact Report (EIR) evaluating the environmental effects of the Draft Plan was released for a 60-day public review period. During the 60-day period the Planning Commission held an additional three public hearings on the Draft General Plan and the Draft EIR. After the close of the review period, the City Council then extended the public comment period for an additional 21 days. After considering the letters submitted in response to the Draft EIR, a Final EIR was released in June which included written responses to all of the comment regarding the adequacy of the EIR that were received either in writing or at the three public hearings. (The Final EIR, which includes the Draft EIR was distributed to the City Council in the September 13, 2001 Council packet.)

After release of the First Planning Commission Draft Plan in October 2000 and concurrent with the environmental review of the Draft Plan, the Planning Commission held a series of public hearings and devoted much of seven commission meetings to public comment and Commission deliberation of key policies in the First Planning Commission Draft Plan. In addition, the Commission received several hundred additional letters and emails regarding key policies in the Plan. After reviewing the public comment, the Planning Commission devoted most of eight Planning Commission meetings to the creation of a list of amendments for each chapter of the Plan. The "Amendment Lists" responded to public comments on the Planning Commission Draft plan by identifying how specific sections, policies, actions, or maps in the Plan would be modified. As the Commission completed the list for each element of the Plan, the Amendment List was posted on the City's website and made available for public review. During this period, the Commission devoted extensive commission meeting time for additional public comment and discussion of the most controversial policies and difficult issues in the Plan.

The Planning Commission voted unanimously to accept Amendments to the Housing Element of its Draft General Plan in April 2001, except for amendments addressing rent control and housing finance policies, which were passed by a majority of planning commissioners. Subsequently the Planning Commission forwarded the entire draft General Plan to the Berkeley City Council for its review and eventual approval.

Homeless Planning. As noted above, homeless issues generate intense interest in the Berkeley community. City staff organized a six-month schedule of meetings in 1998 with 14 different interested commissions, five meetings with homeless people at shelters, drop-in centers and transitional housing sites, and three open community meetings, engaging nearly 300 people on homeless service and housing policy issues. The resulting Homeless Continuum of Care Plan includes among its implementation tasks that continuum of care housing and support services funding decisions be subject to recommendations of the Housing Advisory Commission, the Human Welfare and Community Action Commission, and the Independent Task Force on Homelessness. Additional initiatives in the Plan are to be referred to other commissions for input, including the Commission on Aging, the Commission on Disabilities,³ and the Commission on the Status of Women.

Measure P, The Proposed Building Heights Initiative. A citizen initiative proposing to regulate building heights more strictly qualified for and was placed on the Berkeley ballot by the City Council for the November 2002 election but was defeated at the polls. The proposed initiative would have reduced height limits in several commercial and residential zoning districts, prohibited granting of variances for height increases beyond height limits in the Zoning Ordinance, and would have limited density bonus height increases to a maximum of 10 feet. Its provisions were to stay in effect for 10 years or earlier if the City Council adopted by a two-thirds majority written findings that its provisions would be inconsistent with an area plan's height requirements. Staff analysis of the proposed initiative indicated that the Zoning Ordinance's residential unit production capacity would have decreased between 43 and 66 percent. The measure was defeated by a margin of 79.7 percent to 20.3 percent.

Looking Ahead

The City anticipates that during the term of this Housing Element, Berkeley residents will continue to remain involved and engaged in a variety of planning issues identified in this Housing Element as well as in the General Plan as a whole. In addition, BHA will create elected Residential Advisory Councils for tenants in public housing and in the Section 8 program to advise both BHA management and the BHA Board.

Exhibit A Section 5 Planning Commission recommended Amendments to Table 6, Page 28 of the Housing

Table 6
Summary of Berkeley Housing Construction by Affordability Level, 1990 – 2000; and “Pipeline” Projects

Year	Total Units	Very Low Income	Low Income	Moderate Income	Above Moderate
1990	17	0	13	15	-11
1991	-5	-18	62	22	-71
1992	108	35	29	20	24
1993	115	24	6	38	47
1994	24	1	2	11	10
1995	24	2	2	10	10
1996	64	35	2	11	16
1997	55	21	21	7	6
1998	166	37	17	63	49
1999	24	10	10	1	3
2000 (part)	74	40	4	12	13
Grand Total 90-99	666	187	168	210	96

Year 2000 Housing Developments in the Construction Pipeline (10 units or more)

Project Address	Units
3132 Martin Luther King, Jr. Way	37
2136 Center Street	68
2101 Milvia Street	21
2700 San Pablo Avenue	40
2471 Shattuck Avenue	100
2119 University Avenue	44
1797 Shattuck Avenue	88
1719-25 University Avenue	29
Kittredge Street	176
2100 Shattuck Avenue	20
3222-24 Adeline Street	19
2161 Allston Way	60
Total New Units in the Construction “Pipeline”	682

Source: City of Berkeley Housing Department 2,000.

Table 6A						
Total Housing production within Berkeley						
70% of Reporting Period Complete²⁶ – July 1, 1999 through April 4, 2005						
	Total Units²⁷	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Group Living Accommodation²⁸
City of Berkeley Residential Projects						
Use Permit approved/No building Permit	531	120	69	15	327	0
Building Permits Under Review	116	30	11	8	67	0
Active/completed Building Permits	887	137	73	83	594	102
Subtotal	1534	287	153	106	988	102
UC Berkeley Residential Projects²⁹	262	73	31	64	94	662
TOTAL	1796	360	184	170	1082	764

²⁶ The reporting period is July 1, 1999 through December 31, 2006

²⁷ The total dwelling units does not include Group Living Accommodations.

²⁸ Group Living Accommodations (GLA) are subject to other HCD classifications and goals. ABAG and the US Census include dormitories in the GLA category.

²⁹ UC Berkeley Residential Projects include apartments as well as Group Living Accommodations. UC housing production is provided for the reader's information. Per ABAG, source agency of the Regional Fairshare allocation, UC housing units are not counted toward meeting the Regional Fairshare numbers because the UC units are not units in the general market, available to any citizen at a given income level. UCB does not categorize apartments by income level. Planning Staff will propose that the methodology for counting units contributing to the Fairshare allocation be amended during the next reporting period.

Table 6B
Total Regional Fairshare Housing Production and Percent of Goal Achieved 70% of
Reporting Period Complete – July 1, 1999 through April 4, 2005

	Total Units	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Units Contributing to Regional Goal³⁰					
City of Berkeley Units	887	137	73	83	594
Total	887	137	73	83	594
Annualized Production	159	25	13	15	106
Regional Fairshare Goal	1269	354	150	310	455
Percent of Goal Achieved	70%	39%	49%	27%	131%

Income Definition Key:

Very Low Income: 0 to 50% of the Area Median Income
 Low Income: greater than 50% and less than 80% of the Area Median Income
 Moderate Income: greater than 80% and less than 120% of the Area Median Income
 Above Median Income: 120% or more of the Area Median Income

³⁰ Only units with an approved building permit (active or complete) contribute to the total number Regional Fairshare units, per HCD.

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