



Homeless Commission

ACTION CALENDAR

September 10, 2019

To: Honorable Mayor and Members of the City Council

From: Homeless Commission

Submitted by: Carole Marasovic, Chair, Homeless Commission

Subject: Conducting an Analysis of Increasing Inclusionary Housing over Affordable Housing Mitigation Fee

RECOMMENDATION

The Homeless Commission recommends that Council direct or refer to the City Manager, as Council sees fit, to conduct an analysis of the current inclusionary housing/affordable housing mitigation fee structure and return to Council with the benefits/detriments of the following options:

1. Requiring inclusionary housing over the affordable housing mitigation fee;
2. Requiring an increased number of inclusionary units when the inclusionary option is utilized;
3. Providing incentives to developers to elect the inclusionary unit option over the affordable housing mitigation fee option;
4. Identifying designated geographical boundaries or Council districts which would require only inclusionary housing in new developments and not permit the affordable housing mitigation fee in those geographical boundaries or Council districts; and
5. As to all options, strengthening the ordinance for inclusionary units so as to mitigate homelessness by insuring access to units for extremely low-income persons and persons experiencing homelessness.

The Homeless Commission recommends that an analysis include updated data on the number of developments initiated in the last three years showing the number of inclusionary units added and the amount of affordable housing mitigation fees paid and to the extent feasible, a ten year projection of the numbers of planned developments and an analysis of the potential number of inclusionary units or amount of affordable housing mitigation fees anticipated. An analysis of various options should also consider a sunset clause so that amendments to current law would require revisiting the impact of any changes.

SUMMARY

In order to address the economic housing crisis in Berkeley increasing the numbers of persons forced into homelessness, all housing options must be considered. The need for increased inclusionary housing is one of those options.

FISCAL IMPACT of RECOMMENDATION:

The analysis will reflect the financial considerations involved in each option. The cost of the growing homeless population is enormous to the City of Berkeley and its citizens. Decreasing homelessness by providing affordable housing to the persons most in need will, in the long term, increase the financial benefit to the City of Berkeley.

CURRENT SITUATION AND ITS EFFECTS

On April 10, 2019, the Homeless Commission voted to recommend to Council that Council direct the City Manager to conduct an analysis of the current inclusionary housing/affordable housing mitigation fee structure and return to Council with the benefits/detriments of the following options: 1. Requiring inclusionary housing over the affordable housing mitigation fee; 2. Requiring an increased number of inclusionary units when the inclusionary option is utilized; 3. Providing incentives to developers to elect the inclusionary unit option over the affordable housing mitigation fee option; 4. Identifying designated geographical boundaries or Council districts which would require only inclusionary housing in new developments and not permit the affordable housing mitigation fee in those geographical boundaries or Council districts; and 5. As to all options, strengthening the ordinance for inclusionary units so as to mitigate homelessness by insuring access to extremely-low income persons and persons experiencing homelessness.

The Homeless Commission recommends that an analysis include updated data on the number of developments initiated in the last three years showing the number of inclusionary units added and the amount of affordable housing mitigation fees paid and to the extent feasible, a ten year projection of the numbers of planned developments and an analysis of the potential number of inclusionary units or amount of affordable housing mitigation fees anticipated. An analysis of various options should also consider a sunset clause so that amendments to current law would require revisiting the impact of any changes.

Action: M/S/C Marasovic/Hill that the Homeless Commission recommends that Council direct or refer to the City Manager, as it sees fit, to conduct an analysis of the current inclusionary housing/affordable housing mitigation fee structure and return to Council with the benefits/detriments of the following options: 1. Requiring inclusionary housing over the affordable housing mitigation fee; 2. Requiring an increased number of inclusionary units when the inclusionary option is utilized; 3. Providing incentives to developers to elect the inclusionary unit option over the affordable housing mitigation fee option; 4. Identifying designated geographical boundaries or Council districts which would require only inclusionary housing in new developments and not permit the affordable housing mitigation fee in those geographical boundaries or Council districts; and 5. Strengthening the ordinance for inclusionary units to mitigate homelessness by ensuring access of units for extremely low-income persons.

The Homeless Commission recommends that an analysis include updated data on the number of developments initiated in the last three years showing the number of inclusionary units added and the amount of affordable housing mitigation fees paid. and to the extent feasible, a ten year projection of the numbers of planned developments and an analysis of the potential number of inclusionary units or amount of affordable housing mitigation fees anticipated. An analysis of various options should also consider a sunset clause so that amendments to current law would require revisiting the impact of any changes.

Vote: Ayes: Hill, Kealoha-Blake, Marasovic.

Noes: None. *Abstain:* None. *Leave of Absence:* Behm-Steinberg, Hirpara.

BACKGROUND

City housing staff has identified that almost 2,000 persons experience homelessness in Berkeley in recent years. There is a shortage of affordable housing in Berkeley that has resulted in increased numbers of persons facing an economic crisis leading to homelessness.

ENVIRONMENTAL SUSTAINABILITY

For those Berkeley residents who complain about unsheltered residents as aesthetically unappealing, there will be an increased environmentally pleasing presence with unsheltered persons currently experiencing homelessness now housed. For those unsheltered persons, there will be an increased quality of life with housing including a positive environmental impact.

RATIONALE FOR RECOMMENDATION

All options to create permanent housing must be explored with particular attention to extremely low-income and very low-income persons who are the most economically challenged in locating affordable housing in Berkeley. Berkeley's inclusionary housing ordinance, BMC 23C.12, and Berkeley's affordable housing mitigation fee ordinance, BMC 22.20.065, require reevaluation to increase the affordable housing supply as to those most economically challenged.

ALTERNATIVE ACTIONS CONSIDERED

The Homeless Commission discusses all options to decreasing the economic housing crisis. Reevaluation of the inclusionary housing ordinance is only a partial solution but all solutions must be considered to decrease the numbers of persons experiencing homelessness.

CITY MANAGER

See companion report

CONTACT PERSON

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