

Planning Commission Discussion

February 4, 2026

Agenda

I. Presentations

- **Small Business Anti-Displacement Strategies**
- Q&A
- **Objective Design Standards**
- Q&A

II. Public Comment

III. Commission Discussion

City Council 11/6

- Additional economic feasibility analysis to suggest strategies to protect small businesses
- Need for continued & expanded outreach
- Some support for 7 stories across the corridors

Planning Commission 9/17

- Prioritize active, pedestrian-oriented ground floors
- Protect small and legacy businesses
- Open to greater building heights when design quality is strong

Presentations

Presentation 1:

**Small Business Anti
Displacement Strategies**

Dena Belzer,
Strategic Economics,
Founder & President

Presentation 2:

**Ground Floor Objective
Design Standards**

Chris Sensenig,
Raimi & Associates,
Associate Principal



STRATEGIC
ECONOMICS

Berkeley Corridors Rezoning Small Business Anti-Displacement Strategies

City of Berkeley Planning Commission

2/4/2026

Presentation Overview

1. Study Methodology and Key Findings
2. Real Estate Trends and Proposed Rezoning Implications for Small Businesses
3. Potential Small Business Anti-Displacement Tools

Study Methodology and Key Findings

Study Methodology

Literature Review and Case Study Research

- Focus on California cities, including SF, Emeryville, and Long Beach.
- Cross-referenced with academic literature on small business anti-displacement

Data Analysis

- US Census Bureau's American Community Survey (2013 and 2023)
- California Department of Tax and Fee Administration
- CoStar and LoopNet

Interviews and Stakeholder Engagement

- Five local real estate brokers/investors/developers
- City of Berkeley Office of Economic Development
- Save Berkeley Shops Community Organization

Regional and State Policy Review

- Possible frameworks for implementing small business anti-displacement strategy

Summary of Key Findings

- There are fewer small businesses operating in Berkeley today than there were ten years ago
- Rezoning is unlikely to drive a spike in rents along the three corridors
- Any redevelopment along the corridors will be gradual and limited
- National retail trends, increasing operating costs, and changing consumer preferences are creating challenges that pose bigger threats to small businesses than the corridor rezoning
- Small businesses are likely to benefit from having more people living in the surrounding area
- The corridor neighborhoods have increasing shares of higher income households, which can be a positive change for small businesses
- The City has options to address challenges that small businesses could face as a result of the corridor rezoning

Real Estate Trends and Proposed Rezoning Implications for Small Businesses

Parcel Ownership Patterns Impact Redevelopment Potential, Regardless of Zoning

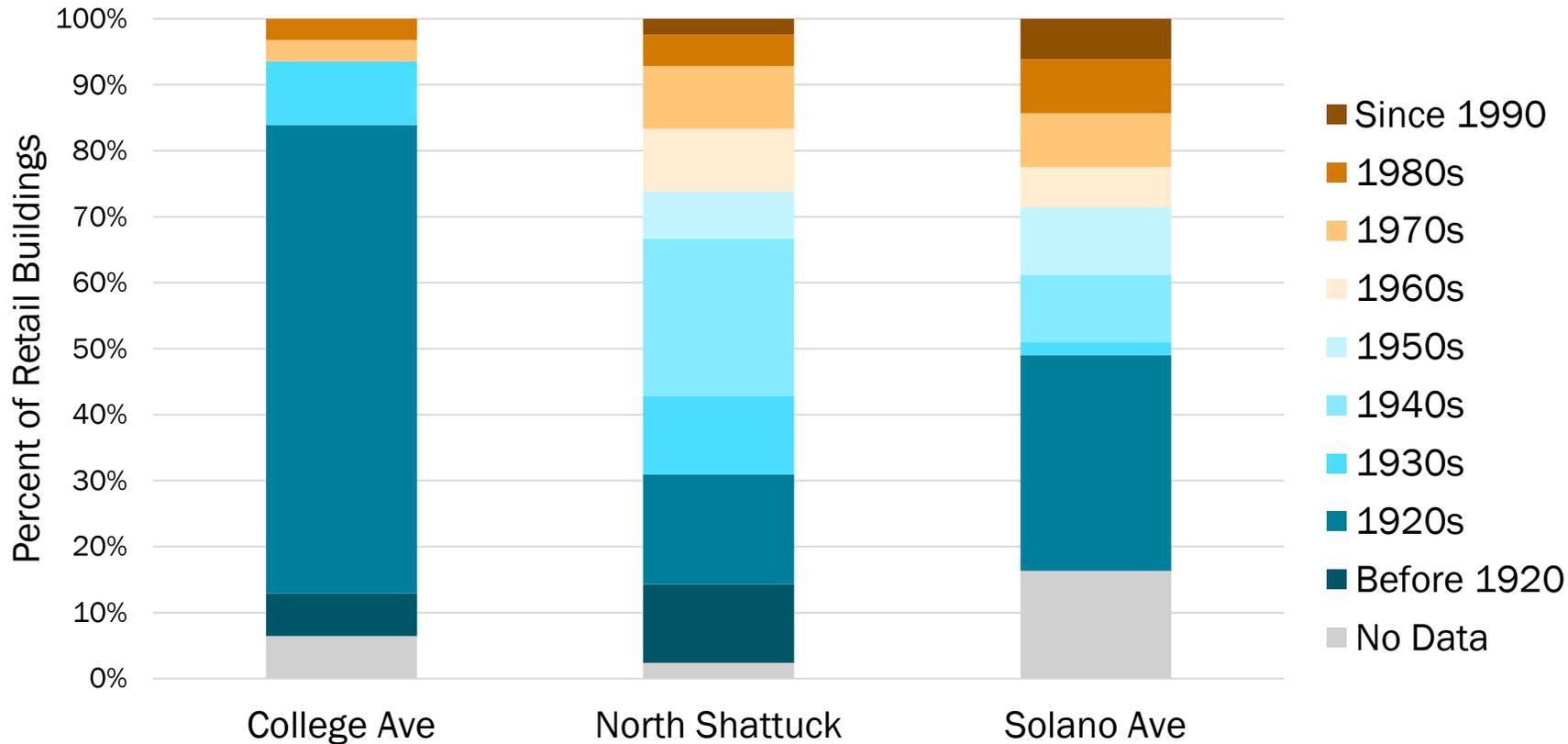
	Parcels with individual/family owner	Parcels with corporate owner Solano Avenue			Total Parcels
		Single parcel	2 contiguous parcels	3+ contiguous parcels	
College Avenue*	18	2	4	0	24
North Shattuck Avenue	49	10	2	1	62
Solano Avenue	48	10	3	1	62
Total	115	22	9	2	148

Sources: CoStar, 2025; Strategic Economics, 2026

Notes: College Avenue parcel counts include only parcels between Webster and Russell

Building Age, Which Impacts Retail Space Quality and Rents, Varies by Corridor

Decade Built of Retail Buildings, by Corridor



- College Avenue has a significantly higher share of buildings built in the 1920s and prior.
- North Shattuck and Solano Avenue have more varied building ages but still have very few buildings built since the 1980s.

Sources: CoStar, 2025; Strategic Economics, 2026

Retail Market Indicators in the Corridors Suggest Generally Strong Conditions, With Some Variation Among the Corridors

- Vacancy rates are relatively low for all three corridors
- Rents vary based on the quality and layout of the space, not the building age
- Property owners with older retail spaces appear to prefer to retain their existing tenants and not raise rents as the space might be hard to fill to due broader market conditions



There is No Evidence To Suggest That Landlords Will Automatically Increase Rents If Upzoning is Adopted

Retail rents on recently upzoned corridors do not indicate significant rent premiums following zoning changes

Rent Comparisons:

- The Elmwood: Retail rents average \$3.25 per square foot, per month
- Rockridge: Retail rents range \$3.25-\$4.00 per square foot, per month
- Telegraph Avenue: Retail rents range \$2.50-\$4.25 per square foot, per month

Parcel Size and Construction Costs Limit the Type of Development That Will be Viable in the Commercial Corridors

- Buildings above eight stories are unlikely to be financially feasible due to construction costs relative to revenue yields
- Building over eight stories results in a significant jump in construction costs, due to a shift in construction type
- Developers recognize that anything taller than eight stories would seem out of place along these corridors

Potential Small Business Anti- Displacement Tools

Policy Interventions Considered, but Determined Infeasible for Implementation

Policy Intervention	Description	Feasibility Constraint
Commercial Rent Control	Imposes limits on commercial rent increases.	Prohibited by state law
Commercial Deed Restrictions	Commercial rent rates are restricted in the property's deed for a set duration.	Prohibited by state law
Density Bonus	An increase to the allowable height or density of a building, in exchange for features such as affordability or reduced commercial rents.	Added density does not provide financial incentives to developers, based on feasible building types and state density bonus laws

Construction-Phase Disruption For Businesses Adjacent to Construction

Issues and Considerations:

Construction of new buildings could impact businesses in adjacent or nearby buildings by impacting traffic patterns, lessening pedestrian activity, blocking business entrances, or producing additional noise.

Mitigation Tools:

- "Open for Business" Campaign: Building on City's existing small business marketing to promote businesses in and near
- Partial or full forgiveness of gross receipts taxes accrued during the construction phase
- Partial or full rebate on the City's portion of sales taxes accrued during the construction phase
- Business interruption fund to make up for lost revenues

Direct Displacement From Redevelopment

Issues and Considerations:

Business located in buildings slated for demolition and redevelopment would need to relocate or close.

Buildings can be planned for redevelopment, but existing businesses can continue to operate for extended periods, depending on development timing.

Mitigation Tools:

- Early notification of redevelopment, allowing business owners time to explore other location options
- Lease renewal mediation services
- Legal assistance in reviewing leases and negotiating with landlords
- Waive relocation permitting fees
- Funding for relocation assistance
- Empty storefront penalties

Changes in Neighborhood Character From Adding Higher Density Buildings to Historic Retail Districts

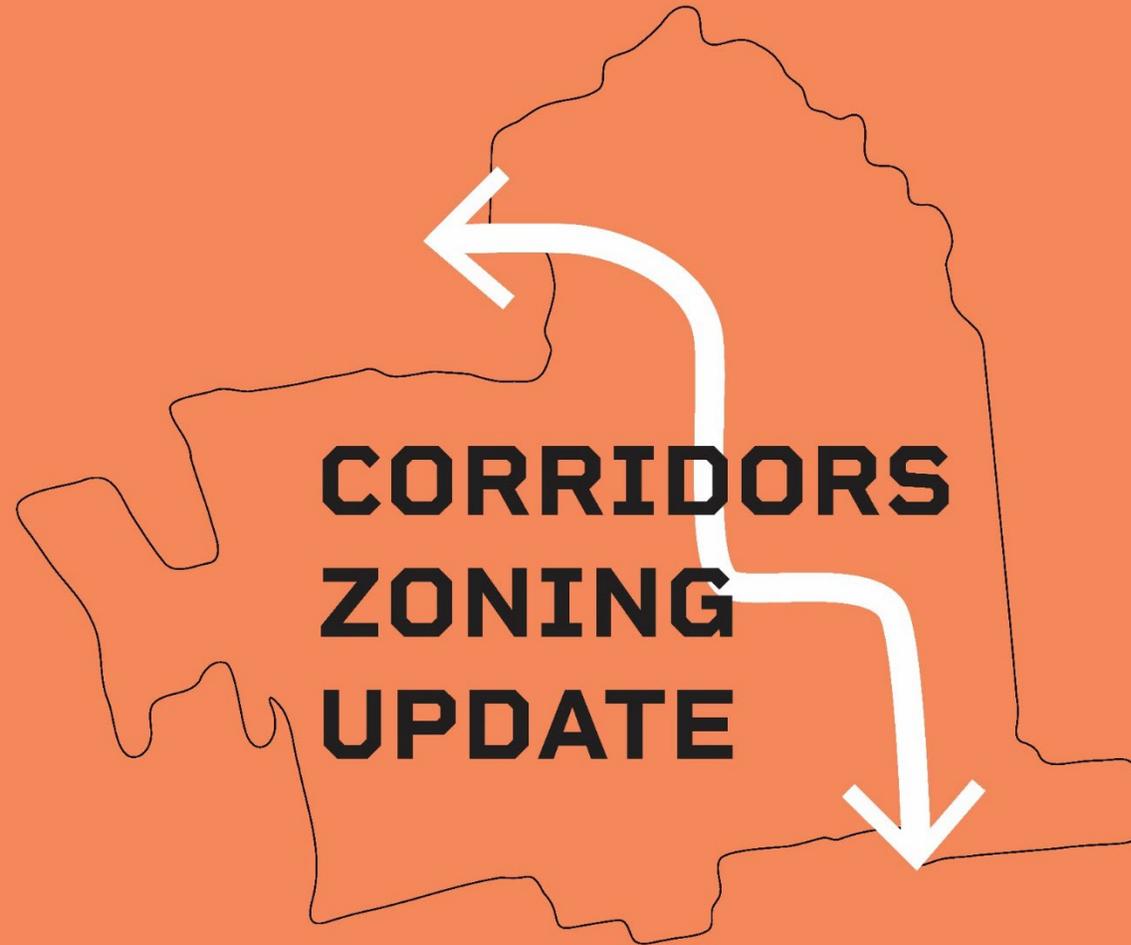
Issues and Considerations:

Potential for redevelopment to affect the physical character of the corridors in ways that do not benefit small businesses.

This could occur if new retail space is poorly located, lacks good visibility or easy access, is poorly configured to optimize retail operations, or if key infrastructure is lacking.

Mitigation Tools:

- Ground floor design standards focused on promoting pedestrian activity and functional shopfront spaces
- Infrastructure improvements to promote transportation connectivity and pedestrian activity
- Façade improvement program



**GROUND FLOOR
OBJECTIVE DESIGN STANDARDS**

February 4, 2026

Presentation Agenda

- I. Preferred Zoning Alternative**
- II. Ground Floor Frontage**
- III. Retail Tenant Spaces**
- IV. Sidewalk Activation**
- V. Human-Scaled Storefront Design**
- VI. Residential Ground Floor Design**

I. Preferred Alternative

City Council Feedback

- Allow **7 stories**
- Keep **all corridors the same**

Preferred Alternative

Maximum Building Height Analysis

 Maximize Mid-rise Construction Type

Existing Zoning*		7-Story Base Zoning	50% Incentivized Affordable Housing	100% Incentivized Affordable Housing
C-NS 3 stories* 35 ft	C-SO, C-NS, C-E Proposed Base Zoning	Pay in-lieu fee or 15% VLI + \$	5 stories 58 ft	4 stories 48 ft
50% Bonus 4-6 stories		7 stories 78 ft		
100% Bonus 7-8 stories	With 50% Density Bonus	9-11 stories	15% Very Low Income + in-lieu fee	6 stories
C-SO/C-E 2 stories* 28 ft			7-8 stories	
50% Bonus 3-4 stories	With 100% Density Bonus	14-15 stories	9-10 stories	30% Affordable 15% Very Low Income + 15% Mod Income
100% Bonus 4-5 stories				7-8 stories

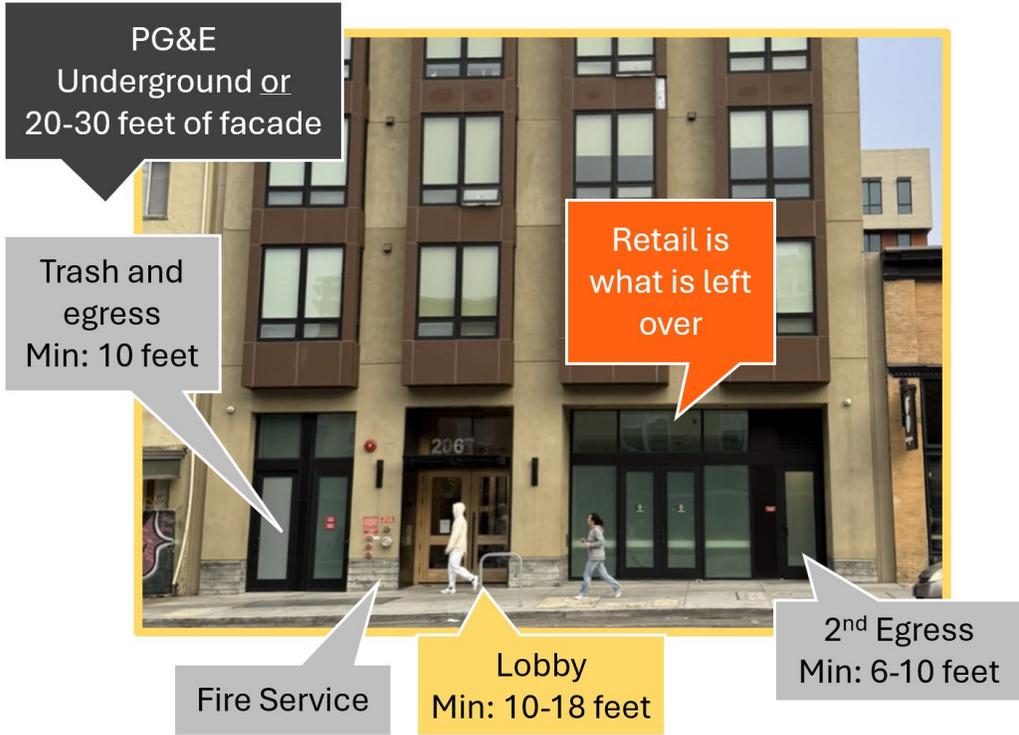
* Existing zoning for high residential FAR per floor, proposed zoning will close this loophole that allows high bonus

II. Ground Floor Frontage

Why?

- Ground floors of mixed-use buildings will **need to accommodate residential accessory spaces**, such as residential lobbies, egress, trash, and utilities.
- This could **impact the retail character and disrupt the continuity of retail ground floor frontages** in these corridors.

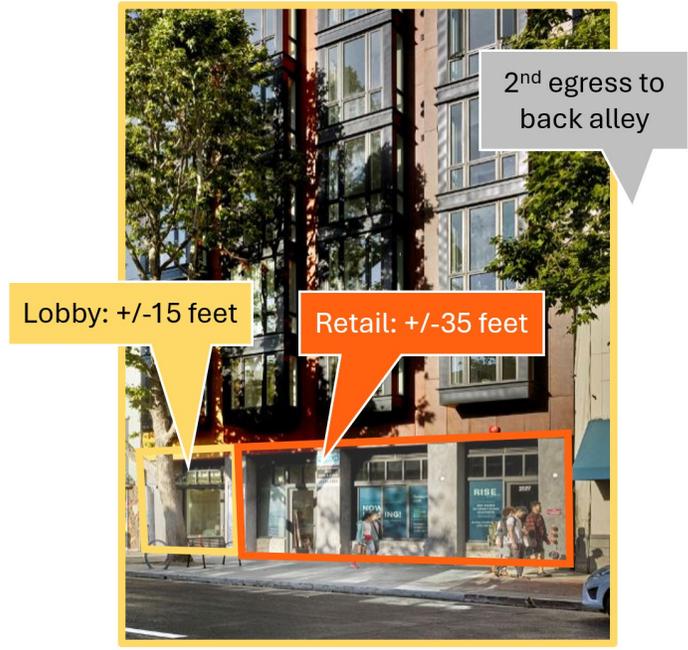
Ground Floor Frontage



2067 University Avenue,
Berkeley, CA

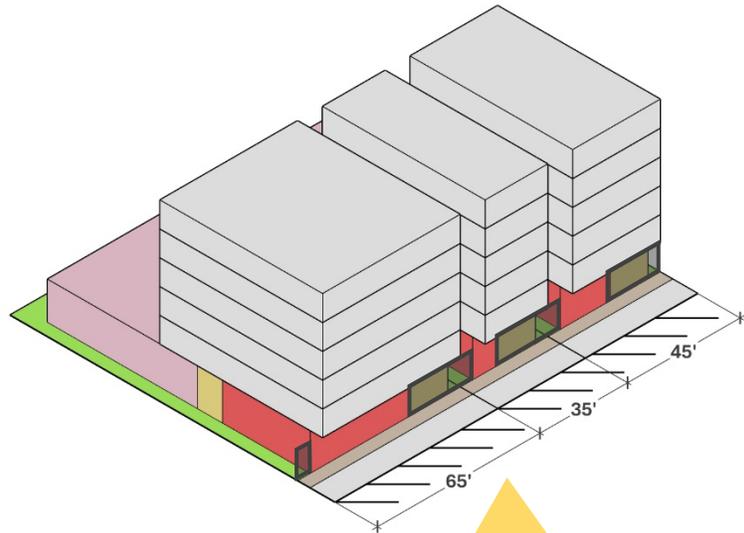


2480 Bancroft Way,
Berkeley, CA



2027 Kala Bagai Way,
Berkeley, CA

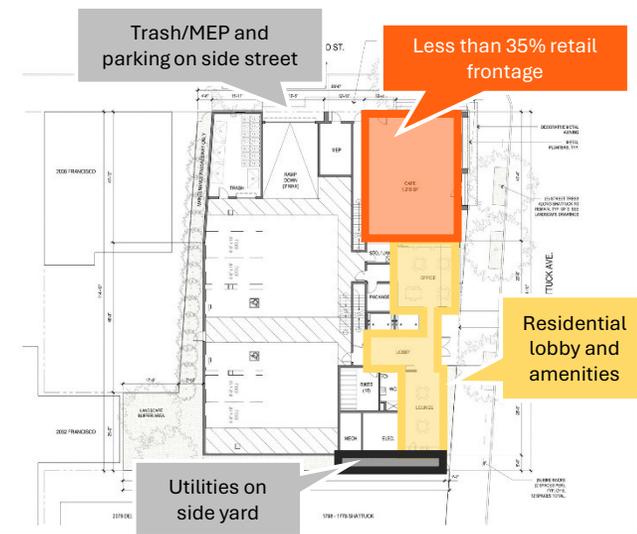
Ground Floor Frontage



Multiple redeveloped infill lots provide limited retail frontage (<50%)



2847 Shattuck Avenue, Berkeley, CA



1752 Shattuck Avenue, Berkeley, CA

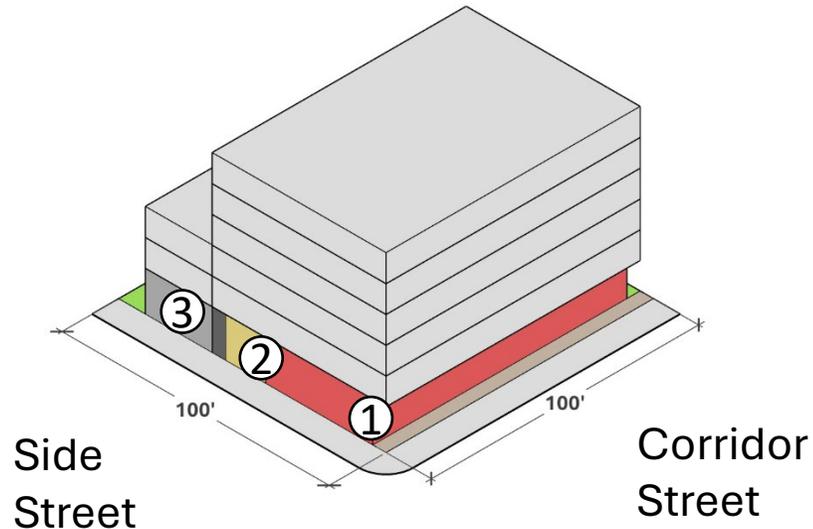
How?

→ Potential Ground Floor Frontage Standards

Ground Floor Frontage

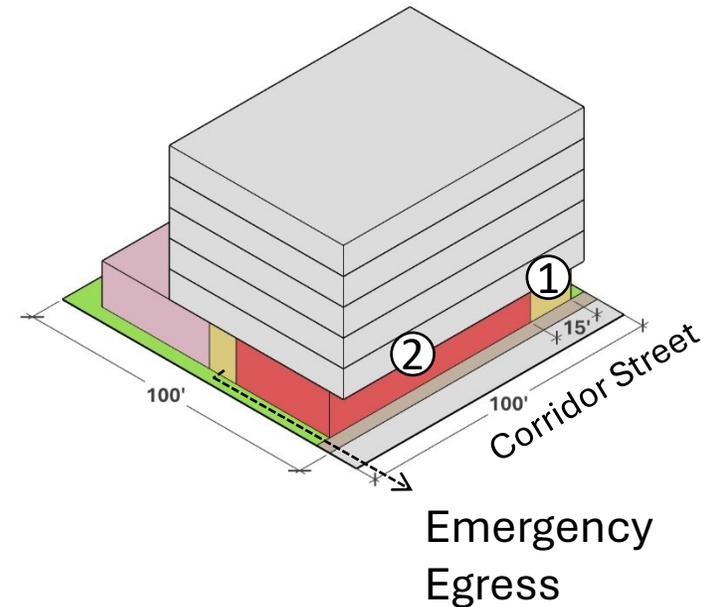
Draft Standards for Corner Lots

1. Non-retail entries shall be located on side streets
2. Retail shall wrap the corner
3. Parking/service entries:
Maximum 35% of façade length
4. PG&E shall be located underground



Draft Standards for Infill Lots

1. Non-retail frontage Maximum 10-15 feet (utilities, trash, lobbies, and egress):
2. Parking entries shall be prohibited
3. PG&E shall be located underground



Non-Retail Frontage Design

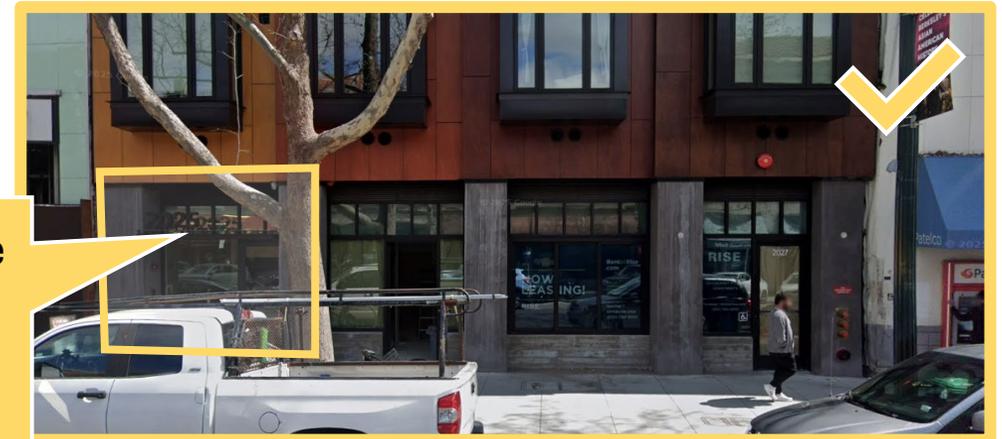
Draft Standards

- Non-retail frontages (utilities, trash, lobbies, and egress) shall have similar design treatment to the retail frontages

2nd egress has very different design treatment compared to the retail frontage



The lobby is integrated within the same column structure and is behind a storefront design similar to the retail frontage

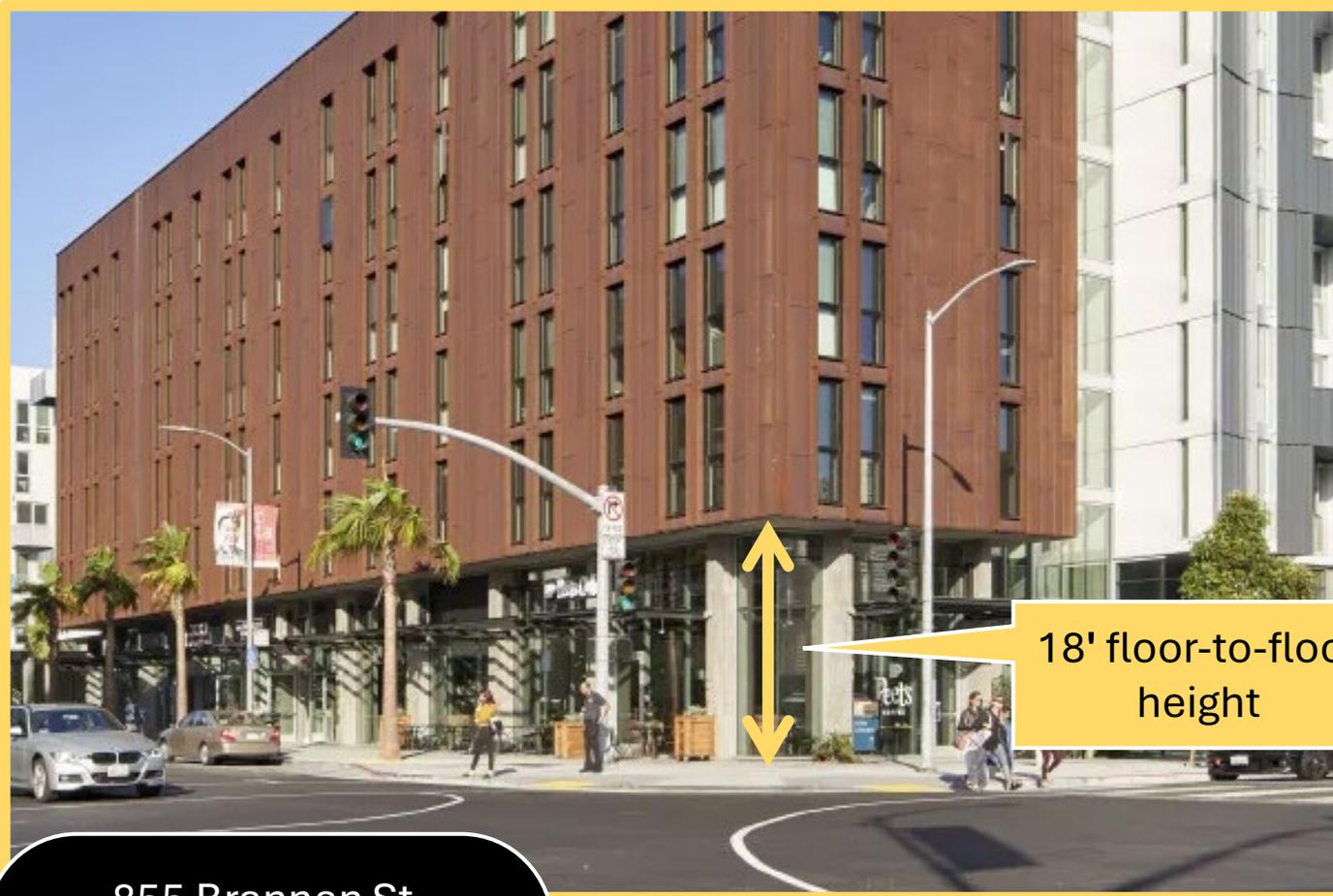


III. Retail Tenant Spaces

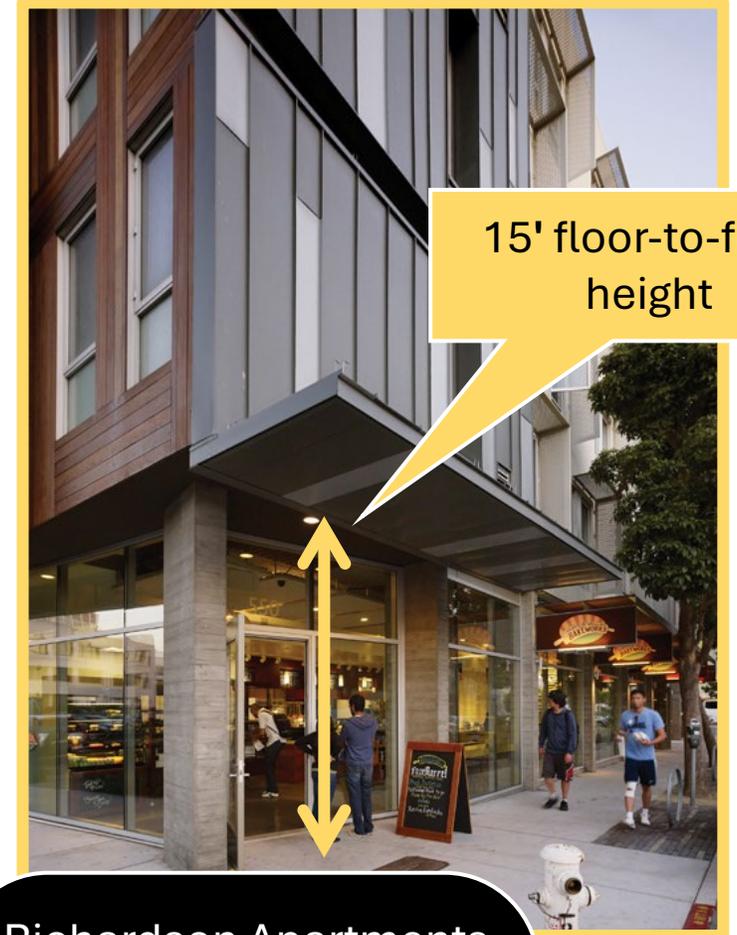
Why?

- Ground floor retail spaces in new developments often **do not provide the right dimensions for retail tenant needs** nor **fulfil design requirements for the desired variety of retail tenants** (e.g. restaurants, grocery stores, etc.)
- The **leasing cost of newly-built retail spaces can be prohibitive** for small, local businesses
- Ground floor retail facades of new mixed-use developments often **fail to maintain an engaging environment for pedestrians**

Ground Floor Height



855 Brannan St,
San Francisco, CA



Richardson Apartments
San Francisco, CA

Ground Floor Retail Depth

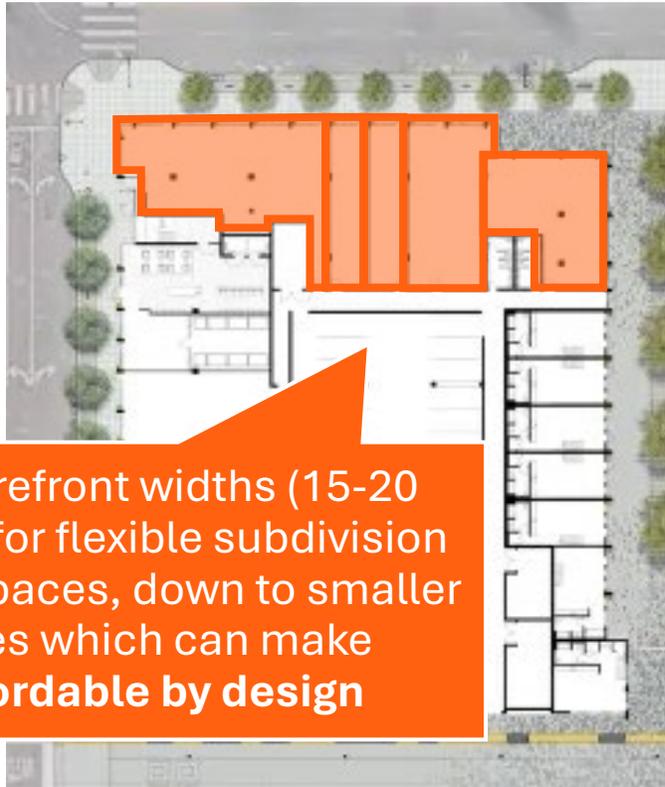
Deep retail spaces (40-60 feet) allow for tenant layouts that can comfortably accommodate a welcoming entry, product display, and back-of-house functions

+/-40 foot depth



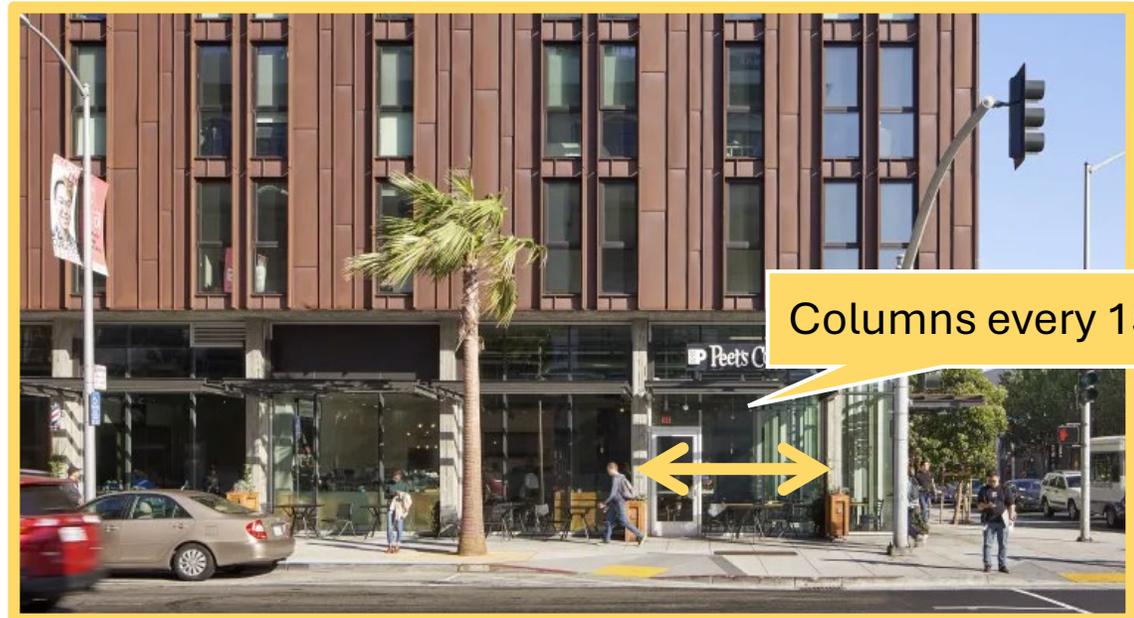
9812 Howard Street,
San Francisco, CA

Storefront Width



Narrow storefront widths (15-20 feet) allow for flexible subdivision of tenant spaces, down to smaller retail spaces which can make spaces **affordable by design**

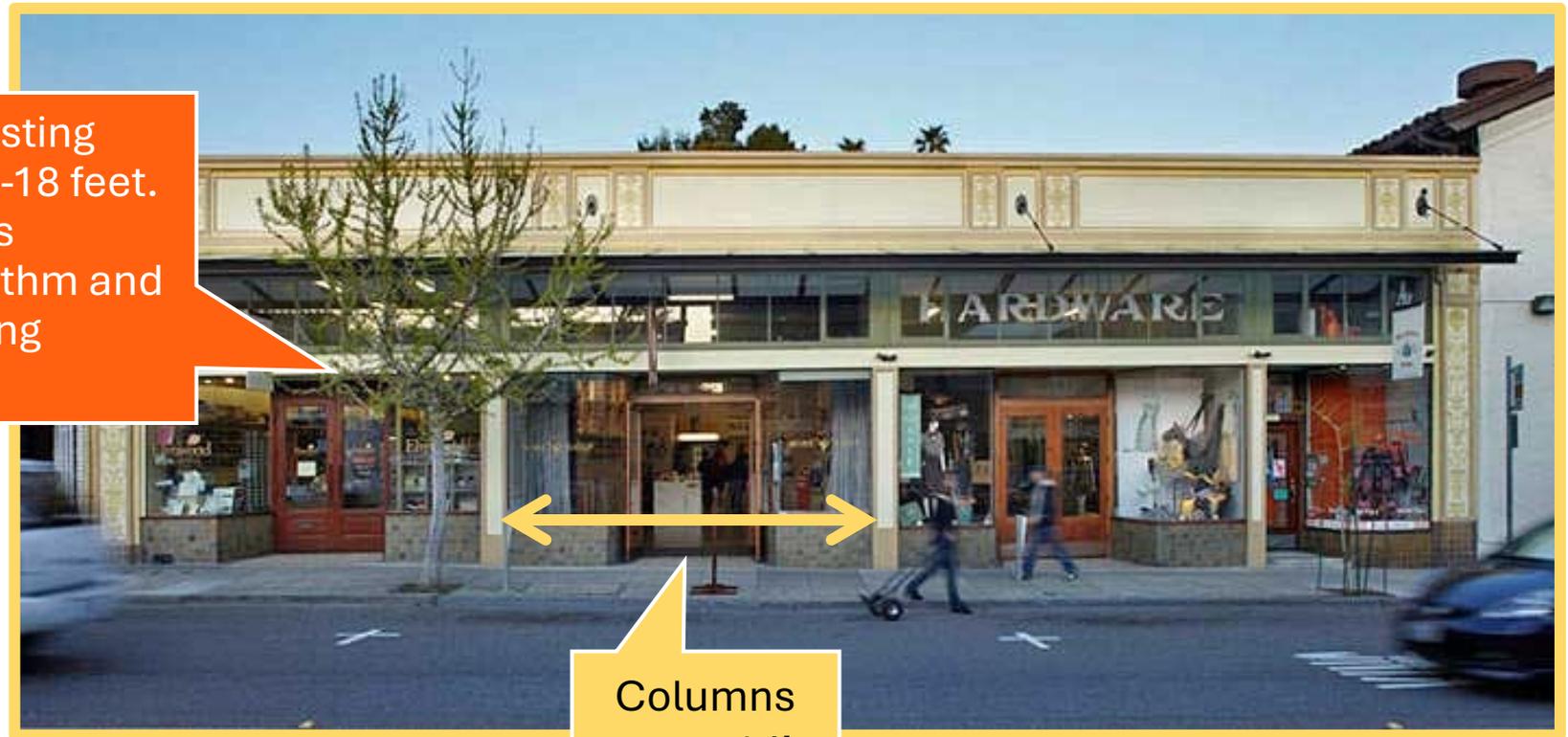
855 Brannan St,
San Francisco, CA



Storefront Width

The typical rhythm of existing historic storefronts is 14-18 feet. Narrow storefront widths preserve the existing rhythm and help maintain an engaging pedestrian experience

2947-53 College Avenue, Berkeley, CA



Columns every 14'

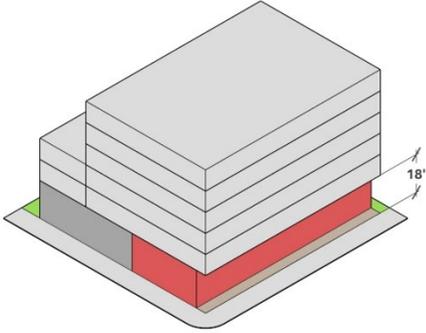
How?

→ Potential Retail Space Design Standards

Ground Floor Height

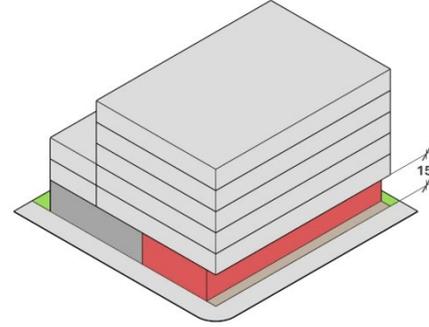
Draft C-NS Standard

- Minimum floor-to-floor: 18 feet



Draft C-SO/C-E Standard

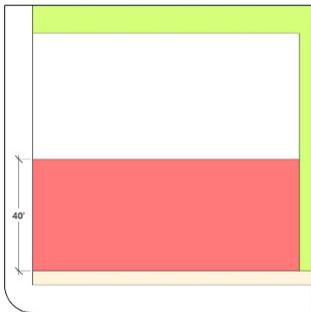
- Minimum floor-to-floor: 15 feet



Ground Floor Retail Depth

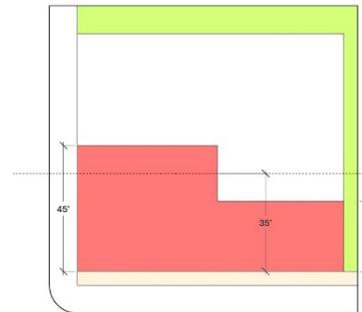
Draft Alt 1 Standard

- At least 40 feet



Draft Alt 2 Standard

- Average 35 feet; minimum 25 feet



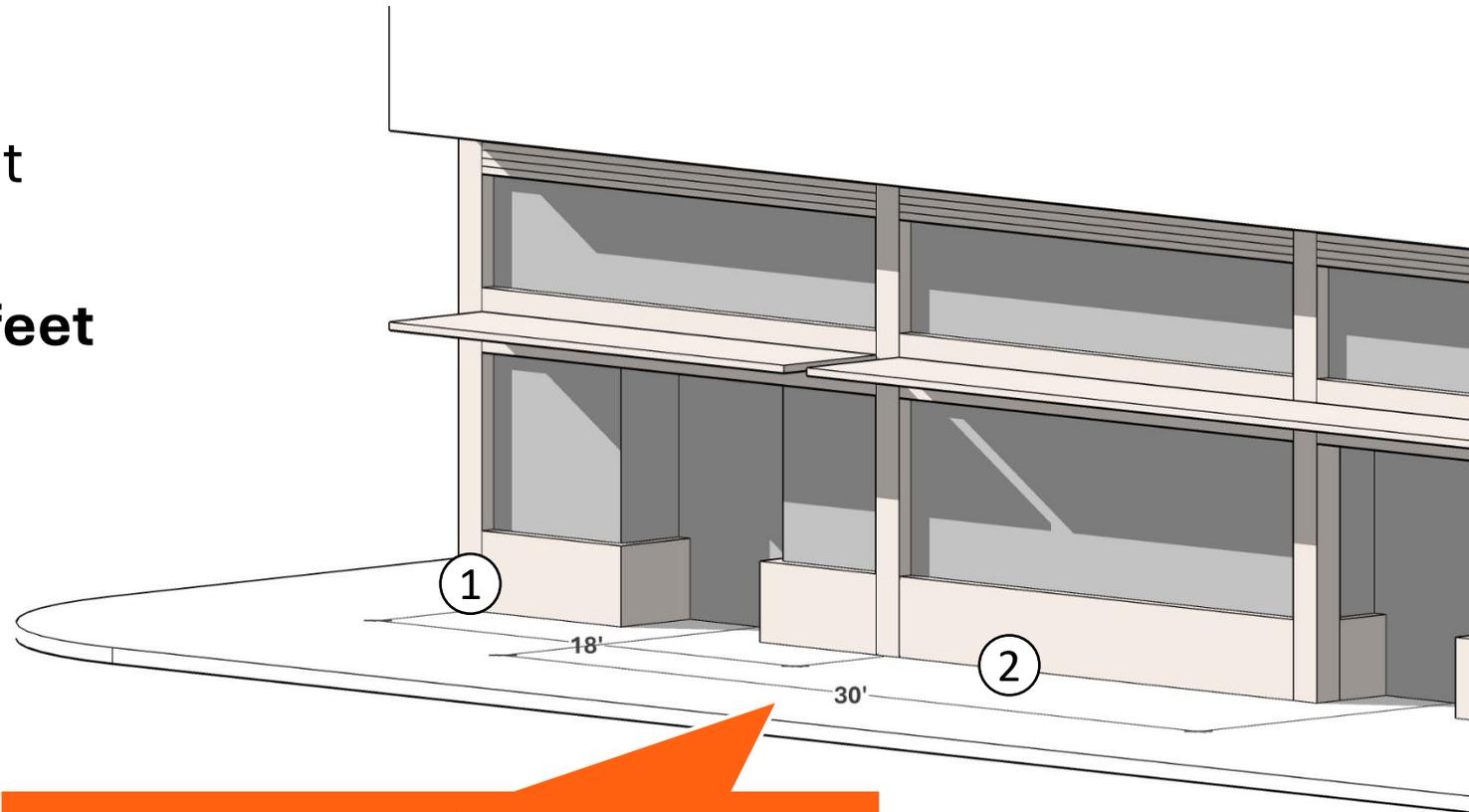
Storefront Rhythm

Draft Standards

1. Vertical rhythm of columns at least every **18 feet**
2. One retail entry for every **30 feet** of retail frontage



Columns
every 18'



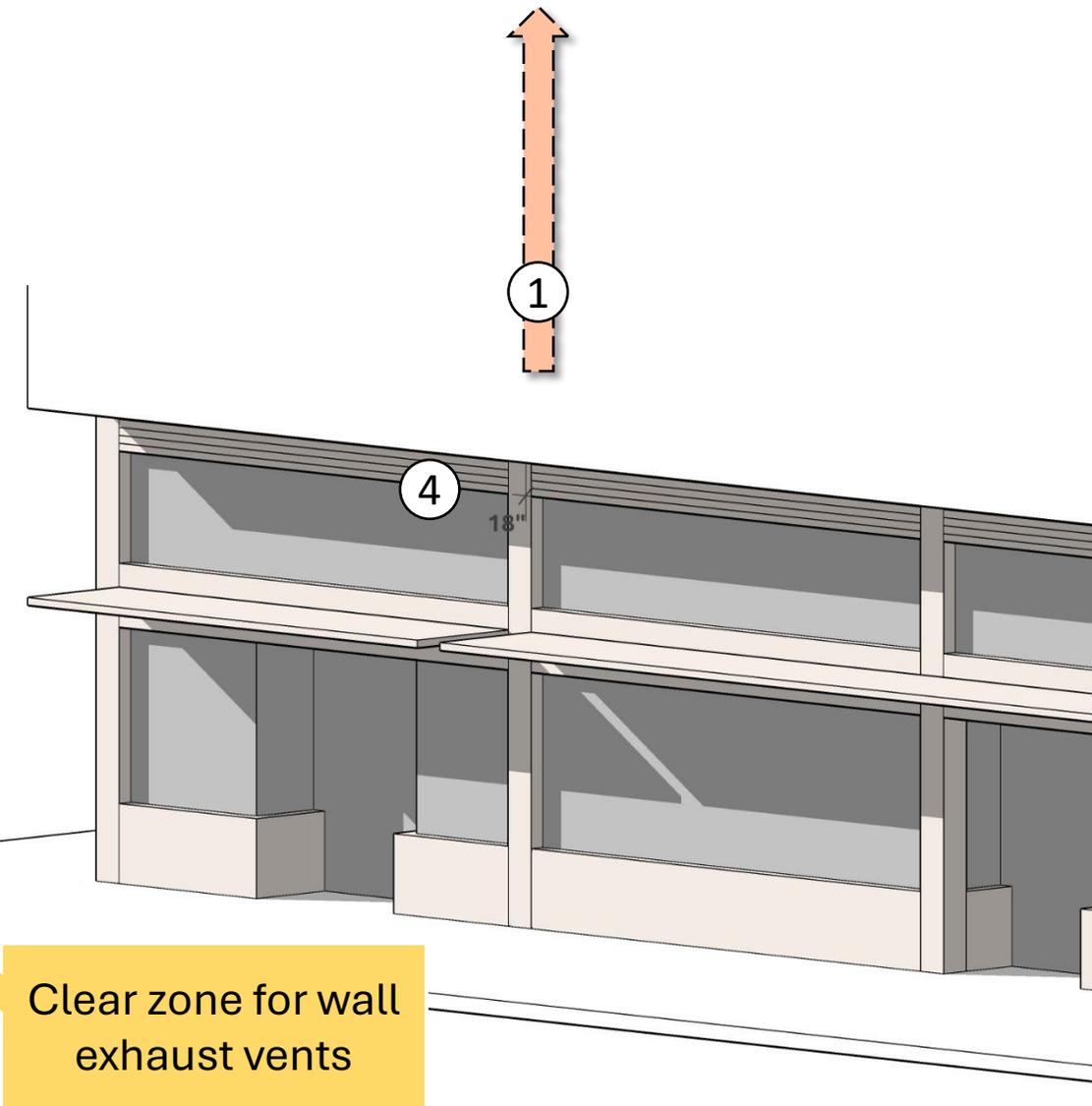
A narrow storefront width and frequent retail entries allow for flexible subdivision of tenant spaces and create an engaging experience for pedestrians

Restaurant-Ready

Draft Standards

1. Exhaust vents for restaurant tenants venting up to the roof
2. Stub-outs for plumbing
3. Separate entry for trash storage/handling
4. Clear zone for wall exhaust vents; maximum 18" tall

Restaurants are a viable and desirable type of retail in the three corridors



“Anchor Tenant” Preservation Medium/Large Format Retail Spaces

Draft Standards

1. If an existing retail space greater than **17,500 or 18,000** square feet is redeveloped; a space with a minimum size of **10,000 or 15,000** square feet shall be built on-site.
 - The space shall be able to accommodate one tenant but **may be subdivided to accommodate smaller retail spaces.**

Medium/large format retail spaces in the three areas include important neighborhood-serving amenities that could be maintained

EXISTING GROCERY STORES

Safeway on Shattuck (29,375 SF)
Andronico’s on Solano (19,497 SF)
Andronico’s on Shattuck (37,323 SF)

EXISTING MEDIUM/LARGE FORMAT SPACES

CVS on Shattuck (17,932 SF)
Benchmark Climbing Gym on Shattuck (11,671 SF)
Oak Theater Climbing Gym on Solano (10,447 SF)

Question(s)

- Should we require a desired minimum depth or include a more flexible requirement of an average and absolute minimum depth?
- Should we include requirements to retain space for medium and large format retail, like grocery stores, if existing sites are redeveloped?

IV. Sidewalk Activation

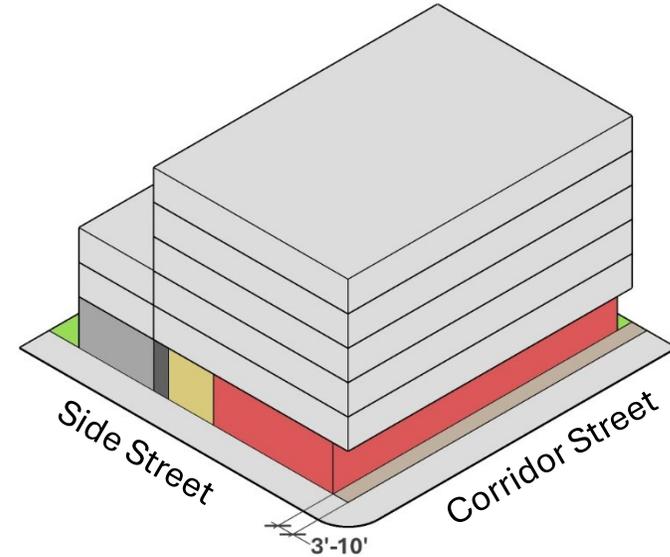
Retail Setback

Why?

- Retail ground floors in new developments have the potential to **extend and activate the pedestrian realm**

Draft Standard

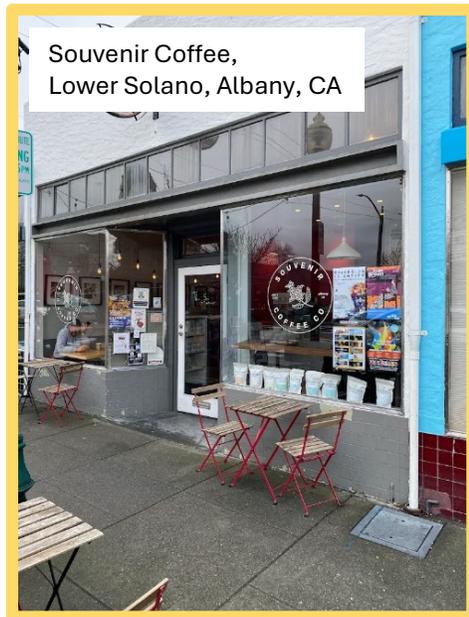
- Ground floor retail frontage shall be set back between **3 and 10 feet** from the property line



Retail Setback

3 ft setback

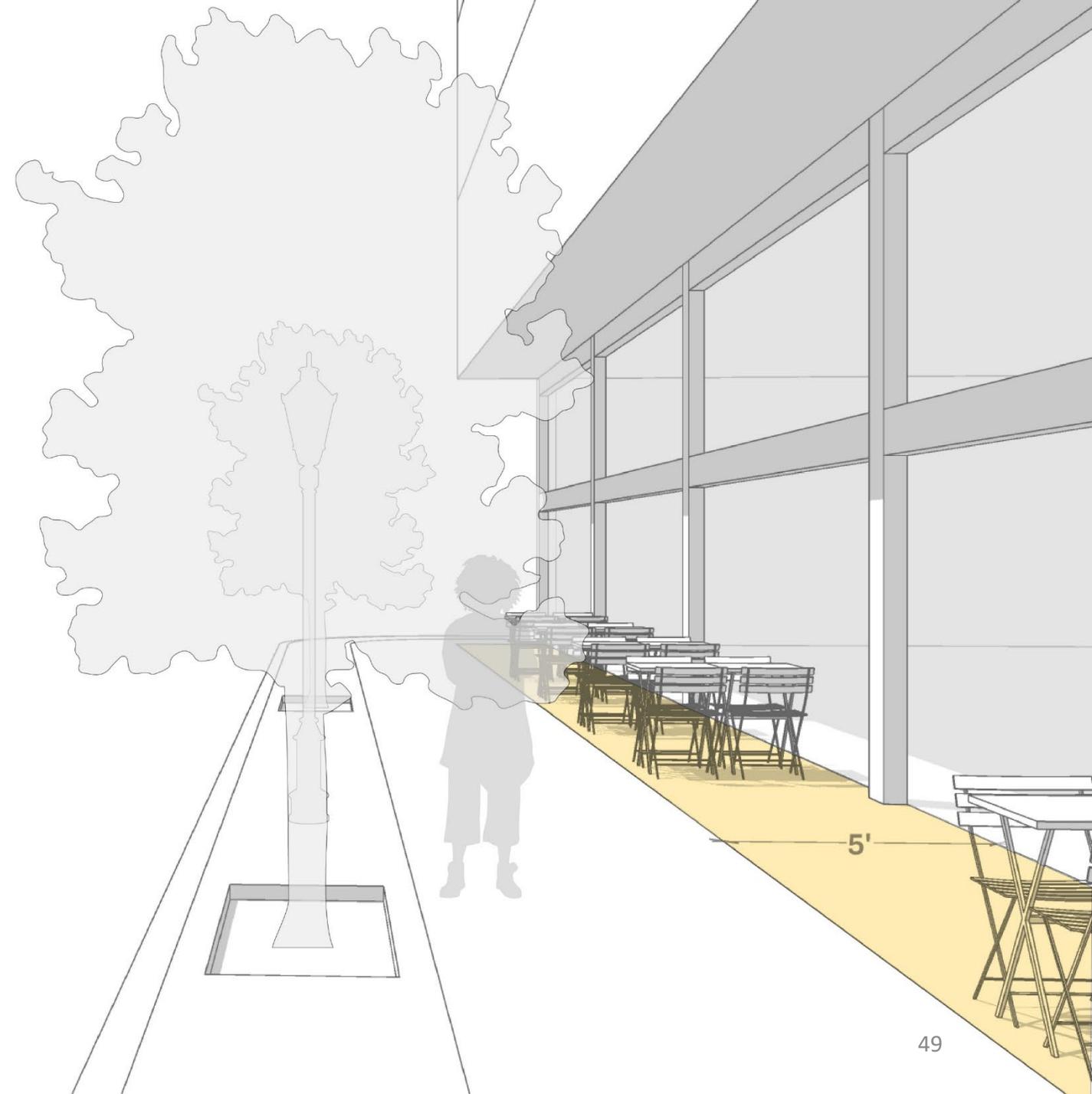
- Allows for door swings, small café tables, planters



Retail Setback

5 ft setback

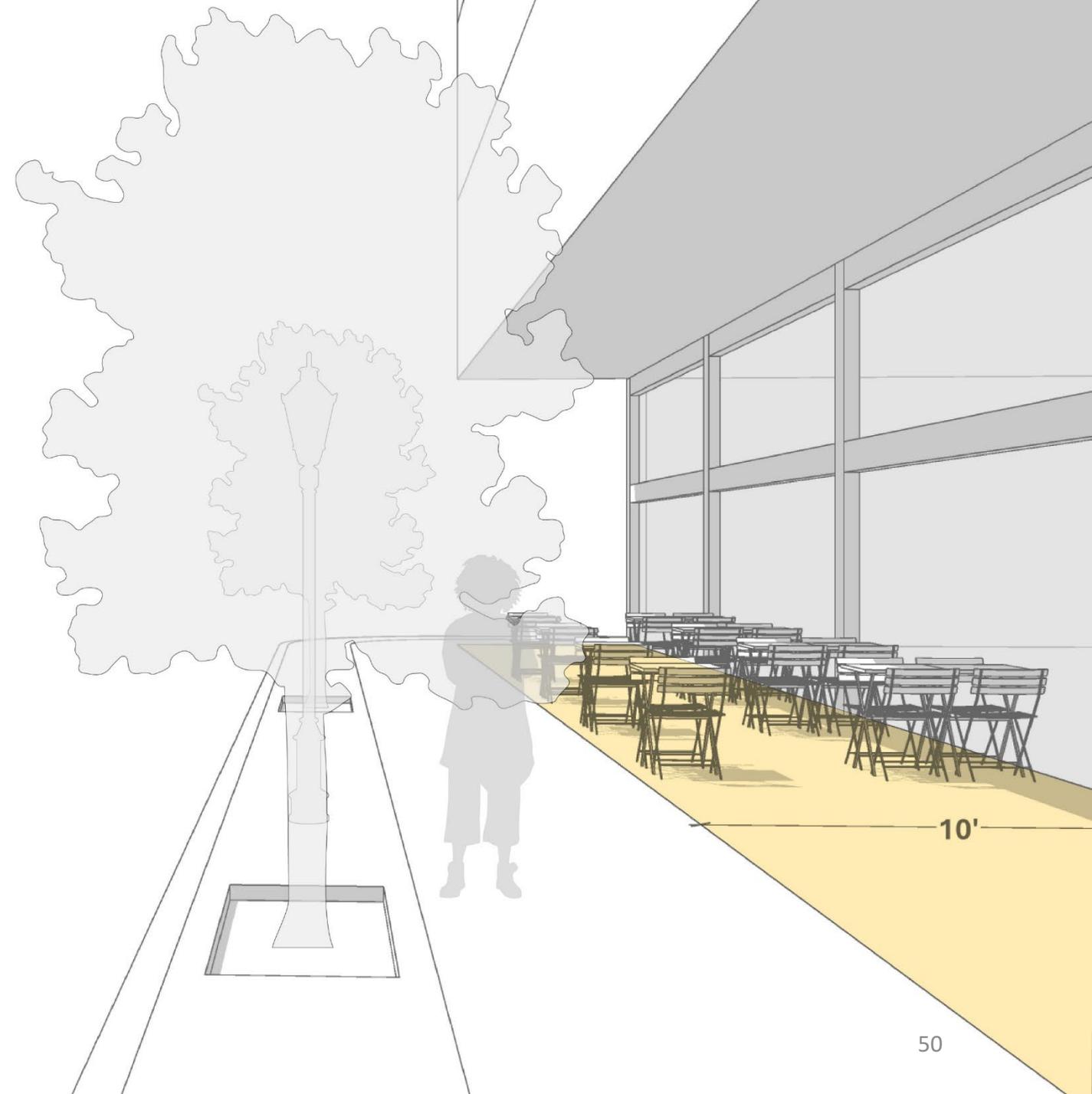
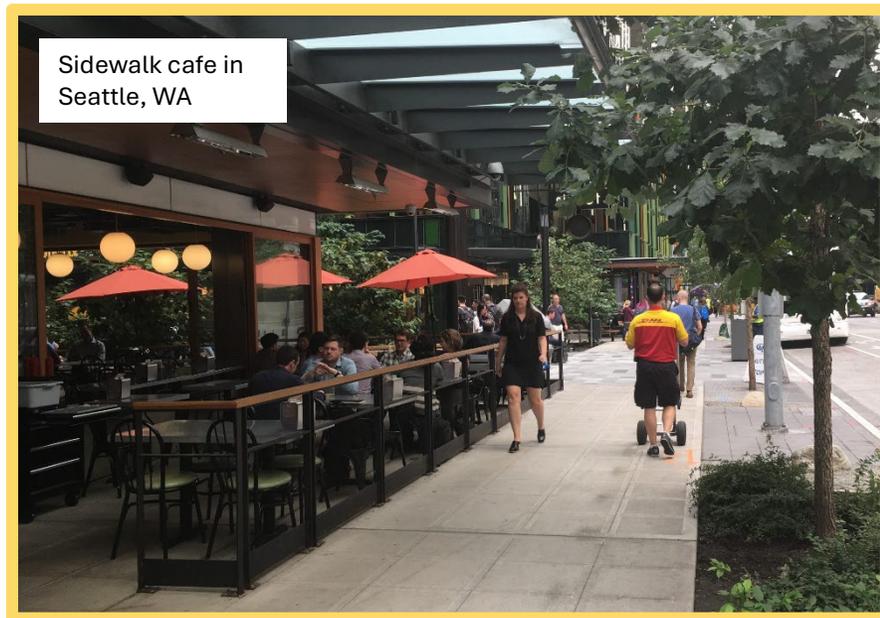
- Provides space for one row of café tables for 2-4 people



Retail Setback

10 ft setback

- Provide space for a sidewalk café (two rows of café tables for 2-4 people)



V. Human-Scaled Storefront Design

Why?

- Storefronts in new developments have the potential to add **human scale, detail, and interest** to the pedestrian experience

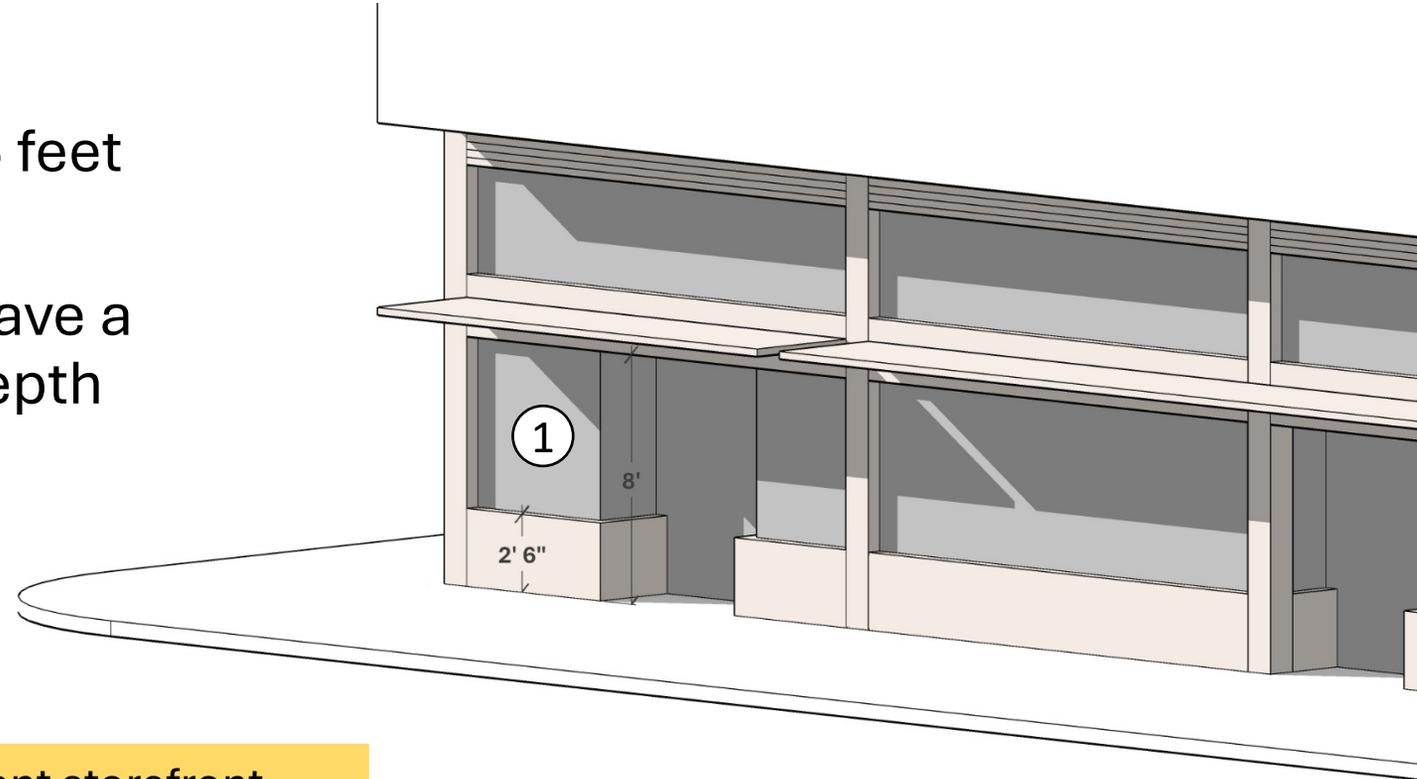
Retail Transparency

Draft Standards

1. 60% transparency between 2.5 feet and 8 feet from sidewalk grade
2. 50% of storefront width shall have a lighted display zone 4 feet in depth from the window



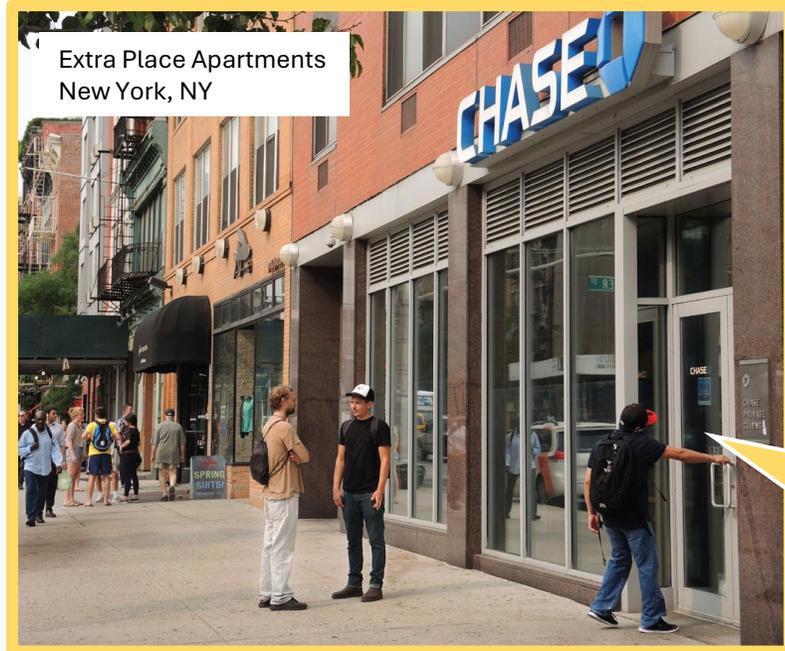
Transparent storefront
between 2' and 8', and display
zone behind the window



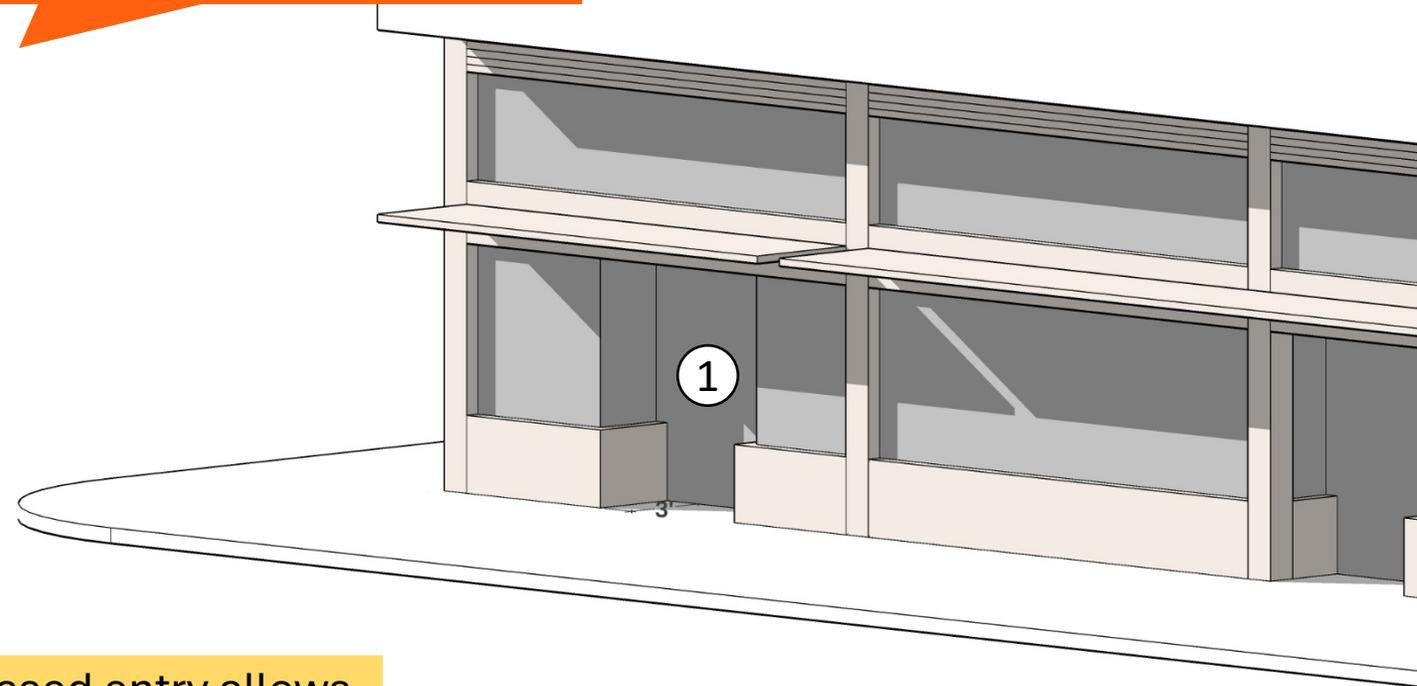
Retail Entries

Draft Standards

1. Recess of at least 3 feet, or projection/awning



A recess provides weather protection and identifiability of entries. It also allows for door swings clear of the pedestrian right-of-way.



Recessed entry allows for the door to swing clear of the pedestrian right-of-way

Awnings/Canopies

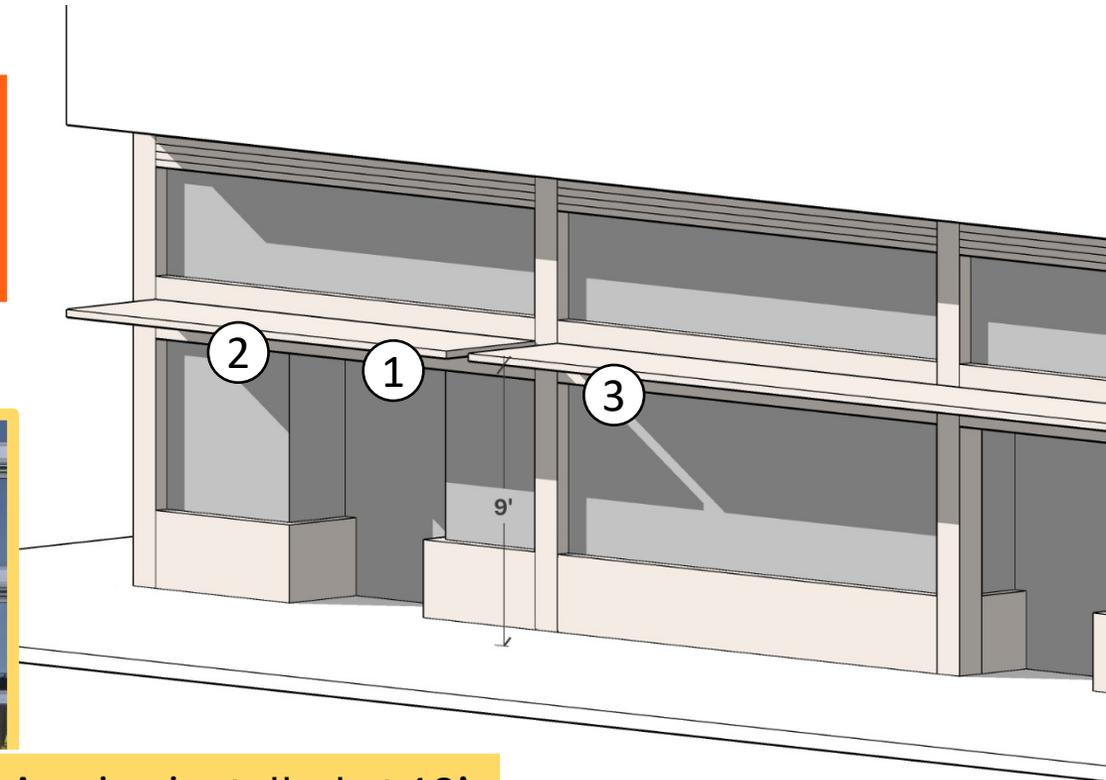
Draft Standards

1. At least 9 feet above sidewalk
2. Installed between transom and display windows
3. Segments installed over each storefront

Awnings and canopies provide shade and weather protection for people walking



Awning installed at 12' between transom and display windows



Materials

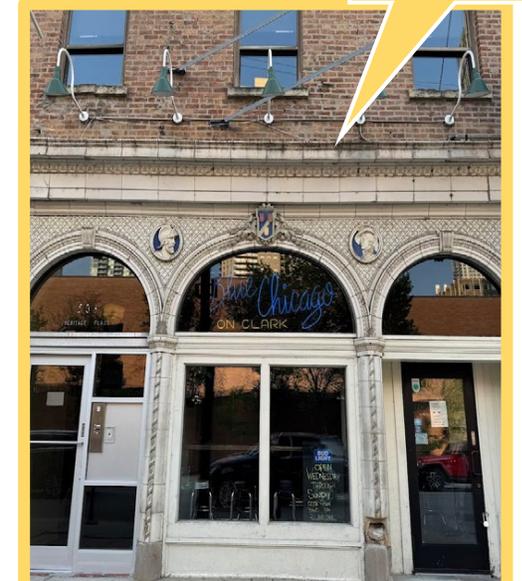
Draft Standards

- Use materials that:
 - Are durable
 - Provide human-scale textures and/or patterns
- Recommended materials:
 - Terracotta, brick, brick veneer, ceramic tiles, simulated or natural stone, wood, metal, board-formed concrete

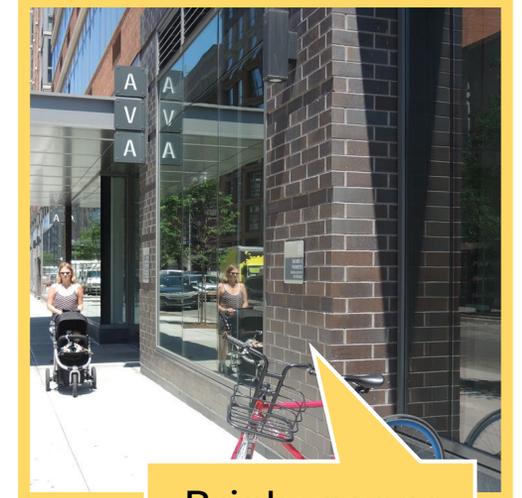
Natural stone



Terracotta



Ceramic tiles



Brick veneer

VI. Residential Ground Floors

Allow Ground Floor Residential



-  Ground Floor Retail Required
-  Ground Floor Residential OK

Residential Building Setback

Why?

- Residential ground floors generate less street activity compared to retail ground floors
- The design of residential ground floors has the potential to **activate the sidewalk by incorporating elements such as residential stoops and plantings**
- Ground floor residential units directly fronting busy streets may face **privacy concerns**

Draft Standard

- Residential ground floor shall be set back between **5 and 15 feet** from the property line



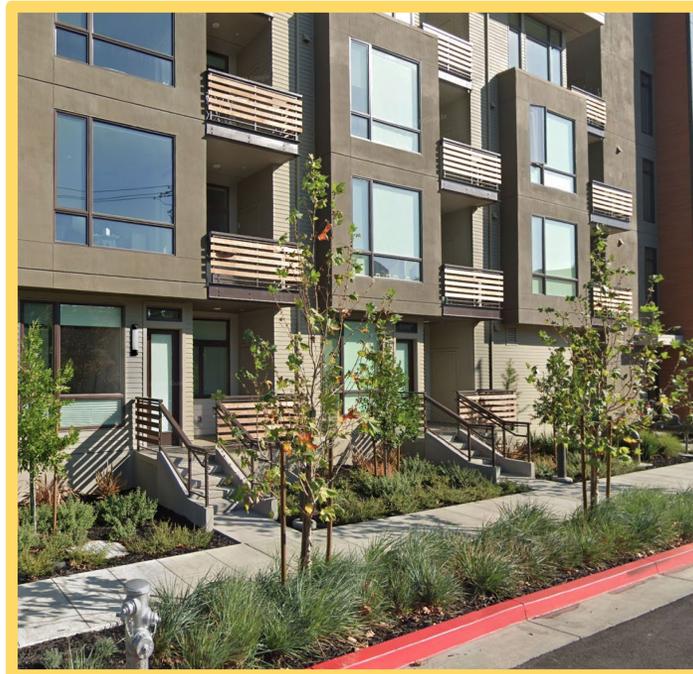
12' setback to grey wall;
6' setback to white wall

Residential Building Setback

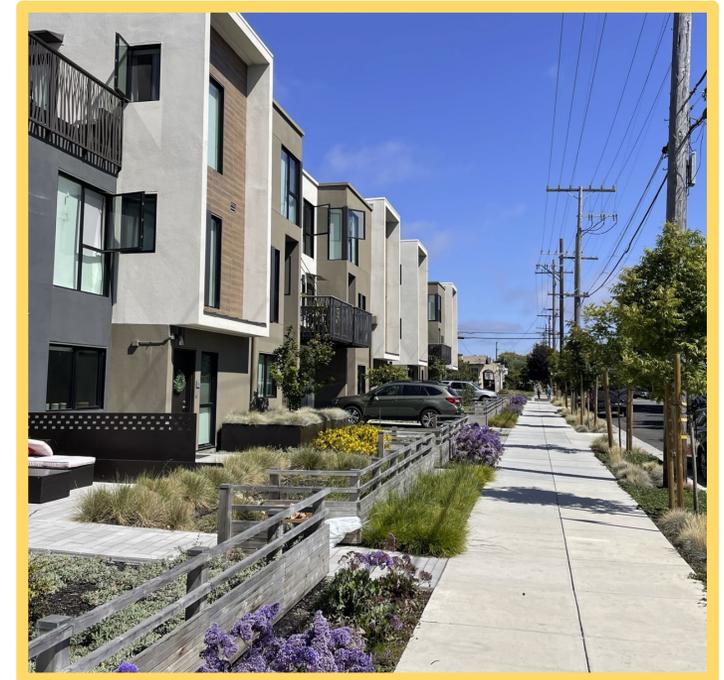
5 ft setback



10 ft setback



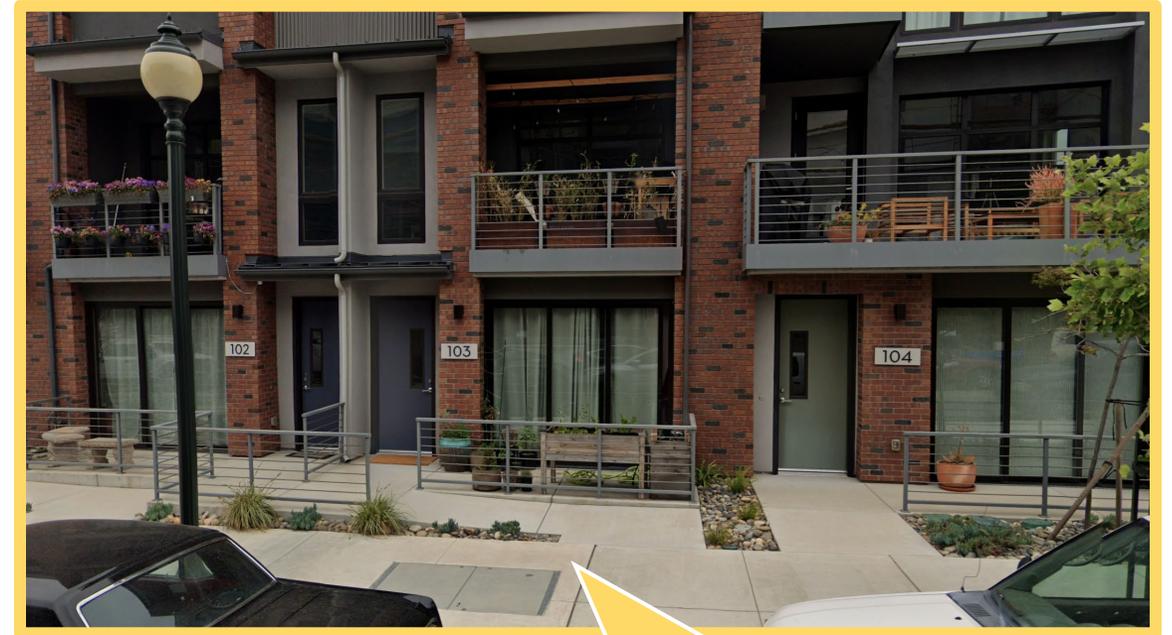
15 ft setback



Convertible to Retail

Why?

- Future changes in the market may result in higher demand for retail in areas where residential ground floors are allowed
- The design of residential ground floors **can make residential to retail conversions easier** to anticipate and adapt to future changes in the retail market



> 50% of the façade design with storefront character

Draft Standards

- Minimum floor-to-floor height: 15 feet
- Minimum 50% of the façade designed with a storefront character

Feedback

- Options for 7 Stories
- To what level should the zoning include ground floor ODS?
- Thoughts on requiring redevelopment of large-format stores to include a minimum size retail space