



**Planning and Development Department**  
Land Use Planning Division

DATE: May 4, 2022

TO: Members of the Planning Commission

FROM: Grace Wu, Senior Planner

SUBJECT: Housing Element Update: Preliminary Sites, Goals, Policies, and Programs

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## **INTRODUCTION**

The City of Berkeley is currently updating its Housing Element, which will serve as the City's housing plan for the eight-year period between 2023-2031. Under state law, the Housing Element must provide a Sites Inventory that catalogs a jurisdiction's capacity to accommodate its Regional Housing Needs Allocation (RHNA). The Housing Element must also identify the City's housing needs and outline goals, policies, and programs to address them. This report provides a preview of the preliminary Sites Inventory and the Goals, Policies, and Programs that will be included in the public draft of the Housing Element Update, which will be available in June 2022. The Draft Housing Element will then undergo further review by Department of Housing and Community Development (HCD) and comment be incorporated prior to returning to Planning Commission for recommendation and City Council for local adoption.

## **BACKGROUND**

The City of Berkeley is preparing the 2023-2031 Housing Element Update to comply with the State mandate that requires each local jurisdiction to identify adequate sites for housing to meet the existing and projected needs of households at varying income-levels in the community. The Housing Element Update will establish goals, policies, and programs to address the existing and projected housing needs in Berkeley according to State law and guidance from the HCD. It is intended to provide the City with a comprehensive strategy for promoting the production of safe, decent and affordable housing, and affirmatively furthering fair housing (AFFH).

## **Housing Element Site Inventory Analysis**

The staff reports that accompanied the Planning Commission meeting on February 9, 2022<sup>1</sup> and the City Council Worksession on March 15, 2022<sup>2</sup> provide a detailed overview of the criteria and steps necessary to identify land suitable for residential development that can be feasibly developed during the 2023-2031 period. In summary, the City adhered to the following five steps:

1. Identify **Likely sites**, reflecting recently entitled projects since 2018 and current BART planning efforts at North Berkeley and Ashby stations. Accessory Dwelling Unit (ADU) trends are also incorporated within Likely sites.
2. Identify **Pipeline sites**, based on projects that are under review or actively engaging with the City in anticipation of submitting an application.
3. Identify **Opportunity Sites**, or potential sites for future housing development, based on HCD's criteria:
  - a. Land is vacant as identified in the existing land use data.
  - b. Parcel has an improvement-to-land assessed value ratio of 0.75 or less.
  - c. Buildings on the parcel are greater than 40 years old for residential buildings and 30 years old for non-residential buildings.
  - d. Parcel does not have historic buildings and rent controlled units.
  - e. Parcel does not have condos or large apartment buildings.
  - f. Parcel is not State- or county-owned.
4. Evaluate and analyze Opportunity Sites for realistic feasibility.
5. Calculate overall Sites Inventory capacity, by income category (Table 1).

**Table 1 Summary Sites Inventory Capacity**

Sites/Projects	Total Net Units	Income Distribution			
		Very Low	Low	Moderate	Above Moderate
Likely Sites	4,685	622	628	249	3,186
<i>ADU Trend</i>	800	240	240	240	80
<i>BART Properties</i>	1,200	210	210	0	780
<i>Entitled Projects</i>	2,685	172	178	9	2,326
Pipeline Sites	2,414	204	180	68	1,962
<i>Applications under review</i>	2,126	178	86	68	1,794
<i>Anticipated</i>	288	26	94	0	168
Opportunity Sites	9,028	1,649	1,649	2,886	2,845
<b>Total Site Capacity</b>	<b>16,127</b>	<b>2,475</b>	<b>2,457</b>	<b>3,203</b>	<b>7,993</b>
<b>2023-2031 RHNA</b>	<b>8,934</b>	<b>2,446</b>	<b>1,408</b>	<b>1,416</b>	<b>3,664</b>
RHNA Surplus	+7,193	+29	+1,049	+1,787	+4,329

The preliminary Likely and Pipeline sites are detailed in Attachment 1. For projects under Likely sites, the affordability categories reflect actual project plans, including density bonus units. For Pipeline sites, the affordability levels reflect proposed project

<sup>1</sup> February 9, 2022. Planning Commission: Housing Element EIR Scoping Session. [https://berkeleyca.gov/sites/default/files/documents/2022-02-09\\_Berkeley%20HE%20Scoping%20Meeting.pdf](https://berkeleyca.gov/sites/default/files/documents/2022-02-09_Berkeley%20HE%20Scoping%20Meeting.pdf)

<sup>2</sup> March 15, 2022. City Council Housing Element Worksession #3. <https://berkeleyca.gov/sites/default/files/city-council-meetings/2022-03-15%20Agenda%20Packet%20-%20Council%20WS.pdf>

plans to the extent they are known. For ADUs, the City assumed levels of affordability based on the draft *Using ADUs to Satisfy RHNA Technical Memo*, produced by the Association of Bay Area Governments (ABAG).<sup>3</sup>

### Opportunity Sites: Density and Affordability Assumptions

The Opportunity Sites includes a detailed table, in accordance with HCD’s template, that lists potential sites that have been identified to have the realistic capacity to meet Berkeley’s RHNA (Attachment 2). The table provides characteristics of each opportunity site (including assessor parcel number, existing building age, vacancy status, existing zoning, density assumption, and capacity assumption) to calculate allowable buildout by income category.

The City estimated development potential for Opportunity Sites by calculating the average density achieved for recently approved, under construction, or completed mixed-use and residential projects per zoning district. This calculation is critical since the majority of the City’s zoning districts do not have density standards. The density assumptions listed in Table 2 were used to calculate the capacity of Opportunity Sites.

**Table 2 Achieved Density Trends and Density Assumptions**

District	Average Density Based on 2 or More Projects (du/ac)	Density Assumption for RHNA (du/ac)	Methodology Overview
R-1	6.1	6.0	
ES-R	1.2	1.0	
R-1A	16.4	15.0	Based on 2 projects with densities from 14.6 to 18.2 du/ac
R-2	21.6	20.0	Based on 3 projects with densities from 12.9 to 36.9 du/ac
R-2A	26.9	25.0	Based on 13 projects with densities from 12.9 to 50.8 du/ac
R-3	45.9	40.0	Based on 9 projects with densities from 21.4 to 85.1 du/ac
R-4	86.1	75.0	Based on 5 projects with densities from 26.8 to 150.6 du/ac
R-S	102.5	100.0	Based on 3 projects with densities from 64.5 to 129.1 du/ac
R-SMU	212.0	200.0	Based on 2 projects with densities from 189.5 to 234.6 du/ac
C-C	143.1	125.0	Based on 2 projects with densities from 112.6 to 173.5 du/ac. Note that 1 project was approved under the former C-1 zoning designation but is now zoned C-C
C-U	158.8	150.0	Based on 5 projects with densities from 17.5 to 268 du/ac. Note that 3 of these projects were approved under the former C-1 designation but are now zoned C-U

<sup>3</sup> September 8, 2021. ABAG. <http://21elements.com/documents-mainmenu-3/housing-elements/rhna-6-2022-2030/1327-draft-adu-affordability-report-sep-8-2021-1/file>

<b>Neighborhood Commercial (C-N, C-E, C-NS, C-SO)</b>	58.1	50.0	Based on 3 projects with densities from 28.6 to 94.7 du/ac
<b>C-SA</b>	183.5	180.0	Based on 7 projects with densities from 106.7 to 207.8 du/ac
<b>C-T</b>	168.1	160.0	Based on 10 projects with densities from 31.3 to 442.9 du/ac
<b>C-DMU Core</b>	339.8	320.0	Based on 9 projects with densities from 188.1 to 457.4 du/ac
<b>C-DMU Outer Core</b>	247.4	225.0	Based on 6 projects with densities from 143.4 to 390.0 du/ac
<b>C-DMU Corridor</b>	167.8	150.0	Not enough projects so based on C-DMU Buffer projects
<b>C-DMU Buffer</b>	167.8	150.0	Based on 6 projects with densities from 129.3 to 190.5 du/ac
<b>C-W</b>	136.8	135.0	Based on 22 projects with densities from 53.4 to 272 du/ac
<b>C-AC</b>	210.0	210.0	70% of max density defined in recently adopted Specific Area Plan
<b>MU-R</b>	28.0	34.8	Based on 9 projects with densities between 20.0 to 34.8 du/ac

State law (AB 2342, Government Code 65583.2) uses density as a proxy for income levels and affordability for the sites inventory. Under state law, the “default density” for most jurisdictions in urban counties is 30 units/acre. Default density refers to the density considered suitable to encourage and facilitate the development of affordable housing. Table 3 shows the site characteristics used to determine affordability for the sites inventory. In general, zones with lower assumed densities and smaller parcel sizes are presumed to produce units that are affordable to moderate and above moderate households. The sites inventory assumes that sites with densities of at least 30 du/acre are affordable to lower income households.

**Table 3 Affordability by Density, Size, and Site Capacity**

<b>Income Level</b>	<b>Site Characteristics</b>
<b>Lower &lt; 80% AMI</b>	Site size is between 0.35 and 10 acres alone or in consolidation with adjacent sites; AND Density assumed is at least 30 du/ac; AND Site capacity is at least 50 units
<b>Moderate 80-120% AMI</b>	Site size is between 0.10 and 0.35 acres alone or in consolidation with adjacent sites; AND Site capacity is between 30 and 50 units
<b>Above Moderate &gt; 120% AMI</b>	Density assumed is less than 30 du/ac; OR Site capacity is less than 30 units

**Housing Element Sites Inventory and Opportunity Sites**

This report includes a preliminary list of Opportunity Sites, and the assumed income category by parcel, that met the above criteria. This list is assessed to ensure that the units identified to accommodate the RHNA—particularly lower income units—will affirmatively further fair housing and are not disproportionately concentrated in areas

with larger populations of interest or special needs populations such as racial and ethnic minority groups, persons with disabilities, and cost-burdened renters.

This list is being shared prior to the June 2022 release of the Housing Element public draft to allow additional time for discussion and review. The Sites Inventory will undergo further review by HCD this summer, after responses to public review comments are incorporated.

Note, the Sites Inventory, including the Opportunity Sites, does not require development of any particular site and is not intended to imply that a site will be developed at a certain density or income level, only that it *could* be based on HCD's framework. The intent is to demonstrate that the City has adequately planned and zoned for appropriate development that could accommodate private, non-profit and public housing developments at appropriate densities to meet the projected demand for housing in a variety of income categories.

However, if actual housing production is less than the RHNA, eligible affordable housing projects are subject to a streamlined approvals process (SB 35). Determinations are calculated at the mid-point and end of each eight-year planning period based on progress of a pro-rata share of the City's RHNA. Currently, the City of Berkeley has made insufficient progress toward its very low and low income RHNA and is subject to SB 35 streamlining provisions for projects that include at least 50% affordability.

In addition, AB 1397 requires that 5th cycle opportunity sites re-used in the 6th cycle and identified to accommodate lower income units (Very Low-Income and Low-Income) be subject to by-right approval if projects include 20% affordable units for lower income households on-site. Preliminary analysis shows that this will affect approximately 18 opportunity sites (1,419 units), located along Berkeley's commercial corridors.

### **Goals, Policies, and Programs**

Berkeley's Housing Element Update must include goals, policies and programs that will address identified housing needs—including special needs populations, respond to governmental and non-governmental constraints, and facilitate the development of housing to meet RHNA.

Through outreach and engagement – at public workshops, board and commission meetings, Council worksessions, interviews and small-format meetings, tabling events, and surveys – the Housing Element team has compiled a comprehensive set of goals and policies that reflect feedback received. The preliminary set includes six main goals and 33 policies to enact those goals (Attachment 3). The six goals and their objectives are:

**Goal A Housing Affordability.** Berkeley residents should have access to quality housing at a range of housing options and prices. Housing is least affordable for people at the lowest income levels, especially those with extremely low income, and City resources should focus on this area of need.

**Goal B Housing Preservation.** Existing housing should be maintained and improved. The City promotes energy efficiency and electrification improvements in new and existing residential buildings in order to improve building comfort and safety, reduce energy and water use and costs, provide quality and resilient housing, and reduce greenhouse gas emissions. Improvements that will prepare buildings for a major seismic event should be encouraged.

**Goal C Housing Production.** Berkeley should provide adequate housing capacity to meet its current and future housing needs. New housing should be developed to expand housing opportunities and choices in Berkeley to meet the diverse needs of all socioeconomic segments of the community, and should be safe, healthy and resilient.

**Goal D Special Needs Housing and Homelessness Prevention.** Berkeley should expand the supply of housing for special needs groups, including housing affordable to those with extremely low incomes.

**Goal E Affirmatively Furthering Fair Housing.** The City should continue to take meaningful actions to affirmatively further fair housing choices in Berkeley.

**Goal F Governmental Constraints.** Berkeley should identify and mitigate barriers to the construction and improvement of housing.

This list of goals was shared with staff from departments and divisions throughout the city<sup>4</sup> to identify specific programs (existing and proposed) that would facilitate implementation of policies and achieve the stated goals and objectives.

HCD requires that Housing Element Programs be well developed. Programs must include specific action steps to achieve the City's goals and policies and take into account the following:

- Include a timeline for implementation,
- Identify staff resources (by Department and/or Division) that will be responsible for implementation,
- Describe the City's specific role in implementation and resources (e.g. providing funding, dedicating staffing), and
- Identify specific and measurable outcomes.

In this preliminary set, City staff identified 37 housing programs (Attachment 4), offered through several City departments and divisions. They each address one or more goals and policies outlined above. Many of the housing programs reflect City Council referrals that are funded and/or staffed and are already included in the future workplans for departments.

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<sup>4</sup> Health, Housing, and Community Services (HHCS), Rent Stabilization Board (RSB), Berkeley Housing Authority (BHA), City Manager's Office-Neighborhood Service Code Enforcement (NSCE) Unit, Building and Safety, Office of Energy and Sustainability.

## **DISCUSSION**

Are there gaps in the preliminary Sites Inventory?

Are there gaps in the proposed housing programs? If so, what are specific implementation steps, metrics, and timelines that can be identified for them?

With the requirements for Affirmatively Furthering Fair Housing (AFFH), the City must identify neighborhoods that the City will direct additional efforts and resources to address disparities in the availability of affordable housing, housing conditions, and neighborhood conditions. What are specific neighborhoods and actions where certain Housing Programs can focus on?

## **ATTACHMENTS**

1. [Preliminary Likely and Pipeline Sites](#)
2. [Preliminary Opportunity Sites](#)
3. [Preliminary Goals and Policies](#)
4. [Preliminary Housing Programs](#)