



Office of the City Manager

PUBLIC HEARING

April 28, 2015

To: Honorable Mayor and Members of the City Council

From:  Christine Daniel, City Manager

Submitted by: Eric Angstadt, Director, Planning & Development Department

Subject: Adoption of the Updated Berkeley Housing Element 2015-2023

RECOMMENDATION

Conduct a public hearing and upon conclusion:

1. Adopt a Resolution adopting the Negative Declaration; and
2. Adopt a Resolution amending the General Plan to adopt and incorporate the Berkeley Housing Element 2015-2023, and rescinding Resolution No. 65,067-N.S.

SUMMARY

The Housing Element (HE) is a State mandated evaluation of local level policies, programs, land availability and general practices regarding the development of housing. It is an element of the General Plan. Government Code Section 65585 mandates that each local government update the HE with recent statistical information, consider programs for a wide range of issues from homelessness and supportive housing programs to the development of market rate units. The Association of Bay Area Governments (ABAG) provides an allocation of housing units at all income levels for which each jurisdiction in the Bay Area must plan.

The State Department of Housing and Community Development (HCD) is tasked with evaluating and certifying each HE. Local governments of the Bay Area are currently working on the 5<sup>th</sup> cycle of HE evaluation and certification. Certain jurisdictions, Berkeley included, have been granted a “streamlined review process” based on prior performance and compliance with several other criteria.

This report provides an overview of the contents of the updated Housing Element (HE), changes from the previous (2009-2014) Element, and the public review process. Resolutions to adopt the updated HE, a state-mandated component of the General Plan, and adopt the Negative Declaration, are attached to this report.

The Planning Commission recommended that the Council adopt the Negative Declaration and the Berkeley Housing Element 2015-2023, by a vote of 9-0-0-0 on February 18, 2015.

### FISCAL IMPACTS OF RECOMMENDATION

None. The majority of the policy actions and programs described in the HE are ongoing and therefore do not represent new fiscal commitments. The HE does not commit the City to any new expenditures.

### CURRENT SITUATION AND ITS EFFECTS

In December 2014, after review by the Planning, Housing Advisory and Homeless commissions, the draft HE was submitted to the State Department of Housing and Community Development (HCD) for a streamlined review. In January 2015 the City received comments on the draft Element. After the City provided responses and revisions to HCD in February 2015, HCD confirmed that the revised draft HE meets the statutory requirements of State Housing Element law and recommended that the City adopt it. Since receiving this notice from HCD, the Planning Commission recommended approval of the HE by a vote of 9-0-0-0 on February 18, 2015.

The revised draft HE is now before the City Council for consideration and adoption. To remain on an eight year planning cycle, the City Council must adopt the Housing Element by May 29, 2015 (within 120 calendar days from the statutory due date of January 31, 2015 for ABAG localities). If this deadline is not met, the City of Berkeley will be required to revise its housing element every four years until adopting at least two consecutive revisions by the statutory deadline. A State certified HE is a prerequisite for various state funding programs. Therefore, the sooner the HE is adopted and certified, the sooner the City will be in position to apply for grants from these funding sources as they become available.

### BACKGROUND

California State Senate Bill 375 (Chapter 728, Statutes of 2008) is intended to reduce the State's transportation-related greenhouse gas emissions for each region in the State. The law re-aligns the timelines for several State mandated regional plans including: the Regional Transportation Plan, Regional Projections of Growth, and the HE updates. In addition, the law allows for local governments that meet certain criteria to have an eight year cycle between HE updates and reviews.

The City of Berkeley meets the standard set for the eight year cycle and "streamlined Review" noted above. HCD has provided a letter (2/17/15) stating that the draft HE meets the statutory requirements of the State HE law (see Appendix D of the HE). To remain on the eight year cycle, the City must adopt this 5<sup>th</sup> cycle HE no later than May 31, 2015.

The development of the Housing Element (Attachment 1) is a multi-departmental effort with the Planning Department as lead and significant contributions from HH&CS, Rent Board and other City staff.

## *PUBLIC REVIEW PROCESS*

The 2015-2023 HE update was reviewed by the Planning, Housing Advisory, and Homeless commissions. Community participation is an important component of the update process, and is described in Chapter 1 and Appendix D. A summary of the HE public review process follows.

- September 2014 through December 2014 – Stakeholder outreach and draft copies of HE chapters reviewed at Planning Commission (PC) meetings
- December 2014 – Draft copies of the HE chapters reviewed at HAC and Homeless Commission meetings.
- December 10, 2014 – December 21, 2014 – Revisions to draft HE made by staff based on public and Commissions' comments.
- December 22, 2014 – Draft Housing Element submitted to HCD.
- January 21, 2015 – PC received complete draft HE in advance of public hearing
- January 27, 2015 – HCD site visit with City of Berkeley staff to review draft HE.
- February 4, 2015 and February 18, 2015 – Planning Commission public hearing, review and comment on full HE draft.
- February 6, 2015 through March 8, 2015 – Public review period on the draft Negative Declaration and Initial Study.
- February 17, 2015 – HCD letter received indicating that the revised draft Element will comply with State Housing Element law when adopted.
- February 19, 2015 through March 12, 2015 – Final revisions made by staff based on public comments.

Next Steps to Berkeley Housing Element certification include:

1. City Council public hearing and adoption of the Element and Negative Declaration.
2. The City adopted Housing Element submitted to HCD for final certification.

On February 4 and 18, the Planning Commission conducted a public hearing and considered the revised draft HE. There were 21 speakers; many comments addressed housing affordability throughout Berkeley for low and moderate income households as well as the importance of preserving the city's stock of rent-controlled units.

The Commission voted unanimously to recommend that the City Council adopt the draft Berkeley Housing Element 2015-2023 and the draft Negative Declaration.

Motion/Second: Poschman, Davis. Ayes: Eric Panzer, Deborah Matthews, Tracy Davis, Stephen Murphy, Jim Novosel, Harry Pollack, Elizabeth Lam, Gene Poschman & Patrick Sheahan. Noes: None. Abstain: None. Absent: None.

Along with this recommendation, the Commission acknowledged that any absence from the draft Housing Element of specific proposals submitted by the public to the Planning Commission shall not preclude these proposals from being addressed in the future by

the appropriate City Commissions. Furthermore, the Commission recommended that the City Council review the City's procedures of making documents available for public review for future Housing Element review processes.

### *CONTENTS AND PURPOSE*

An overview of the required components as well as the organization of the 2015-2023 Berkeley Housing Element is provided in Chapter 1. In summary, the required components of the HE include:

- Analysis of housing needs based on the population and existing housing stock;
- Analysis of land suitable to accommodate the city's regional "fair share" of housing;
- Analysis of constraints to housing production and mitigation of those constraints;
- Housing objectives, policies and actions, which guide decision making and address the city's identified housing needs and mitigation of constraints; and
- Description of programs which implement the city's housing goals and address housing needs.

The Berkeley HE 2015-2023 establishes the City's housing goals in the form of objectives, policies that enact those objectives, and actions to implement those policies. The objectives and policies of the HE reflect the housing-related goals developed in other City planning documents, including the *Housing Trust Fund Guidelines*, the *EveryOne Home Plan*, the *Consolidated Plan*, and the *Climate Action Plan*. In this way, the HE serves as a compilation of the City's numerous goals and programs related to housing and public services. The HE also meets State requirements under Housing Element law, thereby making the City eligible and more competitive for numerous funding sources that help implement our housing programs.

The HE's goals and programs demonstrate the City's commitment to providing housing and services for low-income households. The City has innovative service programs for the homeless and formerly homeless; programs to help lower-income households remain housed through financial assistance; and programs to encourage and facilitate the development of new below-market-rate housing.

The Berkeley Housing Element consists of six chapters and four appendices that fulfill the State requirements and address the City's housing priorities.

- Chapter 1: Introduction, describes Housing Element requirements and the community process to prepare this Housing Element update; an evaluation of the prior Housing Element; and consistency with the General Plan.
- Chapter 2: Community Profile and Housing Needs Assessment, provides a study of the existing housing needs within the community, including population, employment and income statistics; information on extremely low income housing

needs; characteristics of the existing housing stock; and special needs populations, including the elderly, disabled, homeless, large families and female headed households.

- Chapter 3: Projected Housing Need and Land Resources, provides a discussion of the inventory of land suitable for residential development to accommodate Berkeley's identified fair share of housing need, a variety of housing types, and housing for low income households.
- Chapter 4: Potential Constraints to Housing Production, includes a discussion of constraints on the development of housing in Berkeley and programs to mitigate those constraints.
- Chapter 5: Objectives, Policies, and Actions, includes the goals and steps Berkeley will take to promote housing opportunities for all Berkeley residents.
- Chapter 6: Housing Programs and Quantified objectives, describes the programs Berkeley will use to meet existing and projected housing needs, including those addressing publicly assisted housing developments that may convert to non-assisted housing ("at-risk" units); opportunities for energy conservation; and a statement of quantified objectives that estimates the number of housing units by income level to be constructed, rehabilitated, and conserved in Berkeley by 2023.
- Appendices: Background and supporting materials for the above chapters, including a detailed opportunity sites inventory, a summary of development standards, zoning and general plan background, and a summary of the public participation process.

### *CHANGES FROM THE PREVIOUS HOUSING ELEMENT*

The City's policy direction has not changed since the adoption of the last housing element in 2010. Staff prepared a "streamlined" update as provided for by HCD, which allowed for limited revisions and shorter State review. Proposed changes to the HE are shown as **highlighted text** to orient the reader. The relatively short timeframe between the comprehensive 2010 Housing Element update and this iteration made the changes straightforward. The revisions consisted primarily of:

- Updated Census data;
- Minor revisions to the list of opportunity sites;
- Descriptions of revised zoning (e.g. homeless shelter zoning, downtown zoning) and revised programs (e.g. the affordable housing mitigation fee); and
- Up-to-date status on City programs implementation.

The fundamental underpinning of the Housing Element - the City's policies addressing new and existing housing, affordable housing, and homeless services - have not shifted dramatically. As such, the changes to the housing Objectives, Policies and Actions, in Chapter 5, are minimal and do not introduce new policy direction.

Of particular interest are chapters 2, 3 and 6: *Community Profile and Housing Needs Assessment*, *Projected Housing Needs and Land Resources*, and *Housing Programs and Quantified Objectives*, respectively. These three chapters sustained the most updates in the HE. They describe the City's population changes over time, the capacity for the City to plan for housing and the City programs that support housing and other community needs.

Chapter 5 *Objectives, Policies and Actions* serves as the policy basis and community intent for the HE. This chapter states the City's intent to provide both housing and programs to support the broad range of community needs. Since the HE was updated recently, this chapter has not changed significantly; the City's focus remains consistent.

Appendices A, B and C focus on the City's capacity to meet the regional allocation of housing needs described in Chapter 3. Appendix D holds all materials from the public process for the HE: list of meetings and Public Hearings, public comments received, staff reports, the HCD review letter and other related materials.

#### *ENVIRONMENTAL REVIEW (CEQA)*

Staff prepared a draft CEQA Initial Study Checklist and Negative Declaration evaluating the potential environmental impacts of the Housing Element update and submitted to the State Clearinghouse on February 4, 2015 (SCH #2015022021).

The Initial Study determined that the updated HE would not result in any significant impacts because the element does not rezone or re-designate any property in the City, nor does it significantly modify goals or policies affecting land use; it is a policy document which does not create any change to the physical environment of the City.

The public review and comment period for the Negative Declaration and Environmental Initial Study Checklist ran from February 6 through March 8, 2015. The Notice of Availability and Intent to Adopt was sent to state and regional agencies and other CEQA interest groups, was posted online, at the Alameda County Clerk, and available at the Permit Service Center, Main Library and West Berkeley Library. Staff received two comment letters, neither of which required or requested any revisions to the CEQA documents.

#### ENVIRONMENTAL SUSTAINABILITY

The Housing Element does not have a direct impact on the sustainability of the City. However, the *Objectives, Policies and Actions* Chapter 5 is clear in its intent to produce housing that supports and is in compliance with all sustainability policy of the City.

#### RATIONALE FOR RECOMMENDATION

Adoption and certification of a HE is required under state law. It is also necessary for eligibility and competitiveness for certain funding sources the City relies upon. The 2015-2023 Berkeley Housing Element reflects City's housing policies and programs,

particularly for the lower-income population. The HE has already met initial state compliance review and is ready for final certification.

#### ALTERNATIVE ACTIONS CONSIDERED

The Planning, Housing Advisory, and Homeless Commissions considered multiple drafts of the HE chapters and provided feedback and direction on both the methodology and analysis of housing needs as well as policies and programs to address those needs.

#### CONTACT PERSON

Alex Amoroso, Principal Planner, Planning and Development Department, 981-7520

#### Attachments:

1: Resolution

Exhibit A: Notice of Availability and Intent to Adopt

Exhibit B: Negative Declaration and Environmental Initial Study

2: Resolution

Exhibit A: Draft City of Berkeley Housing Element 2015-2023

3: Public Hearing Notice

RESOLUTION NO. ##,###-N.S.

ADOPT THE NEGATIVE DECLARATION, IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City of Berkeley ("City") has prepared, in conformance with the California Environmental Quality Act, an Environmental Initial Study and Negative Declaration on the 2015-2023 Berkeley Housing Element; and

WHEREAS, a Notice of Availability and Intent to Adopt was prepared and delivered to the State Clearinghouse on February 4, 2015; and

WHEREAS, the Negative Declaration and Environmental Initial Study were available for review at the Berkeley Planning and Development Department Permit Service Center-Zoning Counter, 2120 Milvia Street; and

WHEREAS, the Negative Declaration and Environmental Initial Study was released for public review and comment on February 6, 2015, and the public comment was adequate and closed on March 8, 2015; and

WHEREAS, the City received two comment letters on the Negative Declaration and Environmental Initial Study, which did not request or require revisions to the documents; and

WHEREAS, the Planning Commission was provided a copy of the Negative Declaration and Environmental Initial Study on February 4, 2015 and found the Negative Declaration and Environmental Initial Study to be complete and adequate on September February 18, 2015 and recommended it for adoption by the City Council; and

WHEREAS, the City Council has carefully reviewed the Negative Declaration and Environmental Initial Study, and in its independent judgment, finds on the basis of the whole record before it that there is no substantial evidence that the project will have a significant effect on the environment and finds it adequate and sufficient in all respects.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council adopts the Negative Declaration and Environmental Initial Study prepared on the updated 2015-2023 Berkeley Housing Element.

Exhibits

A: Notice of Availability and Intent to Adopt

B: Negative Declaration and Environmental Initial Study



RESOLUTION NO. ##,###-N.S.

ADOPT THE 2015-2023 BERKELEY HOUSING ELEMENT AND INCORPORATE THE ELEMENT INTO THE BERKELEY GENERAL PLAN

WHEREAS, the City of Berkeley (“City”) adopted the Housing Element October 19, 2010 with Resolution No. 65,067-N.S.; and

WHEREAS, the State of California requires all Cities and Counties to regularly update the Housing Element of their General Plan; and

WHEREAS, the Berkeley Planning Commission, Housing Advisory Commission and Homeless Commission held meetings on the draft chapters of the updated Berkeley Housing Element in 2014; and

WHEREAS, the City submitted the draft 2015-2023 Berkeley Housing Element to the State Department of Housing and Community Development (“HCD”) for review on December 22, 2014; and

WHEREAS, State HCD provided comments on the draft 2015-2023 Berkeley Housing Element on February 17, 2015; and

WHEREAS, the Berkeley Planning and Development Department provided revisions in response to the HCD comments on February 17, 2015; and

WHEREAS, State HCD conditionally approved the revised 2015-2023 Berkeley Housing Element, based on the proposed revisions, on February 17, 2015; and

WHEREAS, the Berkeley Planning Commission conducted a public hearing and considered the revised updated 2015-2023 Berkeley Housing Element and the Negative Declaration on February 4 and 18, 2015; and

WHEREAS, on February 18, 2015 the Berkeley Planning Commission recommended that the City Council (1) adopt the CEQA Negative Declaration/Initial Study, (2) adopt the updated Berkeley Housing Element, incorporating the updated housing policies, as shown in Chapter 5 of the 2015-2023 Berkeley Housing Element into the General Plan, February 2015 draft; and

WHEREAS, the Berkeley Housing Advisory and Homeless Commissions considered the revised updated 2015-2023 Berkeley Housing Element in December 2014 and provided comments; and

WHEREAS, the City has prepared, in accordance with the California Environmental Quality Act, a Negative Declaration and Initial Study on the 2015-2023 Berkeley Housing Element; and

WHEREAS, the City Council adopted the Negative Declaration and made all the required findings pursuant to the California Environmental Quality Act; and

WHEREAS, notice of public hearing was prepared pursuant to Zoning Ordinance Section 22.04.020 and California Govt. Code Section 65355; and

WHEREAS, the 2015-2023 updated Berkeley Housing Element is found to be in the public interest, consistent and compatible with the rest of the General Plan, and the potential effects of the updated Berkeley Housing Element will not be detrimental to public health, safety, or welfare; and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council hereby adopts the updated 2015-2023 Housing Element draft dated February 2015, as shown in Exhibit A.

BE IT FURTHER RESOLVED by the Council of the City of Berkeley that following Council approval, staff shall publish a revised General Plan that reflects the changes approved herein, by replacing the Housing Element chapter beginning on page H-1 of the General Plan with Chapter 5, *Objectives, Policies, and Actions*, of the updated 2015-2023 Berkeley Housing Element and that minor corrections such as spelling, punctuation, or syntax may be made by staff without Council approval provided they do not change the meaning of any objective, policy or action.

BE IT FURTHER RESOLVED, that Resolution No. 65,067-N.S. is hereby rescinded.

Exhibits

A: 2015-2023 Berkeley Housing Element

## NOTICE OF PUBLIC HEARING BERKELEY CITY COUNCIL

### CONSIDER ADOPTING THE 2015-2023 CITY OF BERKELEY HOUSING ELEMENT

The Department of Planning & Development is proposing that the City Council adopt the 2015-2023 City of Berkeley Housing Element. The Housing Element, an element of the Berkeley General Plan, is a comprehensive assessment of current and projected housing needs for all economic segments of the Berkeley community. The 2015-2023 Berkeley Housing Element is an update of the 2010 Berkeley Housing Element. In the current Element, most of the housing goals and policies have remained consistent with those established in previous Housing Elements.

The purpose of the Housing Element is to:

- Determine the existing and projected housing needs of Berkeley residents, including special needs populations;
- Identify adequate capacity via the site inventory process to demonstrate availability of land for the development of housing for various income levels in order to accommodate Berkeley's share of regional need;
- Analyze constraints on housing production;
- Establish goals and policies that guide decision-making to address housing needs, and
- Describe programs that will implement the City's housing objectives.

The Draft 2015-2023 Berkeley Housing Element is published online on the Housing Element page of the City's website at: <http://www.cityofberkeley.info/housingelement>

The hearing will be held on **April 28, 2010 at 7:00 p.m.** In the City Council Chambers, 2134 Martin Luther King, Jr. Way.

A copy of the agenda material for this hearing will be available on the City's website at [www.CityofBerkeley.info](http://www.CityofBerkeley.info) as of **April 16, 2015**.

For further information, please contact Alex Amoroso, Principal Planner at 510-981-7520.

Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, in order to ensure delivery to all Council members and inclusion in the agenda packet.

Communications to the Berkeley City Council are public record and will become part of the City's electronic records, which are accessible through the City's website. **Please note: e-mail addresses, names, addresses, and other contact information are not**

**required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the City Clerk. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at 981-6900 or [clerk@cityofberkeley.info](mailto:clerk@cityofberkeley.info) for further information.

**Published:** April 17, 2015 – The Berkeley Voice  
*Notice of public hearing was prepared pursuant to Zoning Ordinance Section 22.04.020 and California Govt. Code Section 65355.*

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I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way, as well as on the City's website, on April 16, 2015.

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Mark Numainville, City Clerk