



Planning and Development Department
Land Use Planning Division

STAFF MEMORANDUM

DATE: September 1, 2021

TO: Members of the Planning Commission

FROM: Grace Wu, Senior Planner
Alene Pearson, Principal Planner

SUBJECT: Overview of the Upcoming Housing Element Update and Request to Identify a Member to Participate in the Public Outreach Effort

RECOMMENDATION

Receive information about the update to the Housing Element of the General Plan, discuss potential community partners to be included on the stakeholder list, and identify a commissioner to participate in public outreach efforts related to the Housing Element Update who will report back to the Planning Commission at future meetings.

BACKGROUND

The Housing Element Update will serve as the City of Berkeley's housing plan for the next eight-year cycle (the 6th cycle, 2023-2031), consistent with mandates of State law and regional planning efforts. It is an important opportunity for Berkeley's residents and community members to come together on assessing housing needs, identifying policy and resource priorities, and finding solutions to implement a wide range of housing choices. The plan contains goals, policies, and programs that will guide the City's decision-making around the development and rehabilitation of housing and necessary zoning amendments to accommodate a substantial increase in the amount of housing, including affordable housing, in the city.

Racial and social equity, and protections for vulnerable and historically impacted communities, are key factors in this Housing Element Update. State law also requires that the Housing Element affirmatively furthers fair housing and examines its policies and programs to ensure they prevent poverty concentration and segregation.

As part of the outreach effort for the Housing Element Update, 10 boards and commissions were identified as having a role in the outreach and policy preparation process because their recommendations may have direct implications on the City's housing policies, programs, and residential development standards¹. Each Board or

¹ Commission on Aging; Children, Youth, and Recreation Commission; Commission on Disability; Energy Commission; Housing Advisory Commission; Homeless Services Panel of Experts; Homeless Commission; Landmarks Planning Commission; Planning Commission; Zoning Adjustments Board.

Commission is being asked to identify a member to participate in the public outreach efforts by joining the email list, attending three public workshops over the course of 18 months, and providing project updates at their respective board or commission meetings.

Key Components of a Housing Element

The content of the Housing Element and the methodologies used for analyzing constraints and sites inventory are dictated by State law and guided by the California Department of Housing and Community Development (HCD). The Housing Element includes the following components:

1. *Housing Needs Assessment*: Examine demographic, employment and housing trends and conditions and identify existing and projected housing needs of the community, with attention paid to special housing needs (e.g., large families, persons with disabilities).
2. *Evaluation of Past Performance*: Review the prior Housing Element to measure progress in implementing policies and programs.
3. *Housing Sites Inventory*: Identify available sites for housing development to ensure there is enough land zoned to meet the future need at all income levels.
4. *Community Engagement*: Implement a robust community engagement program, reaching out to all economic segments of the community, and especially underrepresented groups.
5. *Constraints Analysis*: Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
6. *Policies and Programs*: Establish policies and programs to be carried out during the 2023-2031 planning period to fulfill the identified housing needs.

State law does not require that jurisdictions *build* or *finance* new housing, but cities are required to identify and zone sufficient sites to accommodate the anticipated growth over the next eight-year period.

Regional Housing Needs Allocation (RHNA)

Overall, the Bay Area must plan for 441,176 new housing units during the 6th cycle, compared with 187,990 for the 5th cycle (2015-2023). Each jurisdiction in California receives a target number of units across income levels, called the Regional Housing Needs Allocation (RHNA)², that must be planned for in the Housing Element Update. Berkeley's draft RHNA is 8,934 residential units. The City did not appeal its draft RHNA allocation, recognizing that the allowable circumstances for appeals outlined in Government Code Section 65584.05 were not applicable to the City of Berkeley³. The

² May 20, 2021. *Final Regional Housing Needs Allocation (RHNA) Methodology and Draft Allocations*. ABAG. https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG_2023-2031_Draft_RHNA_Plan.pdf

³ 2023-2031 RHNA Appeals Process. ABAG. <https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation/2023-2031-rhna-appeals-process>

final target RHNA will be issued by the Association of Bay Area Governments (ABAG) in December 2021.

Table 1 provides a comparison of Berkeley’s RHNA numbers at all income levels during the 5th cycle, the number of new units that have been issued building permits between 2015 and 2020, and the draft RHNA for the upcoming 6th cycle. While the total units issued building permits over the last five years are in line with the 5th cycle RHNA, challenges remain for meeting lower and moderate income housing targets.

Table 1: Berkeley RHNA Allocation, 5th & 6th Cycles

| Income Level ⁴ | 5 th Cycle RHNA Units | Units Permitted 2015-2020 ⁵ | 6 th Cycle DRAFT RHNA Units |
|-----------------------------|----------------------------------|--|--|
| Very Low (< 50% AMI) | 532 | 232 | 2,446 |
| Low (50 – 80% AMI) | 442 | 41 | 1,408 |
| Moderate (80 – 120% AMI) | 584 | 91 | 1,416 |
| Above Moderate (> 120% AMI) | 1,401 | 2,579 | 3,664 |
| Total | 2,959 | 2,943 | 8,934 |

Timeline

Due to strict deadlines imposed by the State and severe penalties for missed deadlines⁶, it is critical that the Housing Element Update stay on schedule and is approved by City Council and certified by HCD by January 31, 2023. This means that the majority of the housing needs analysis and assessment, sites inventory, and rezoning will be *identified* within the first six months of the 18-month project in order to allow for sufficient time to conduct a thorough and legally defensible environmental review (see Figure 1: Housing Element Project Timeline).

Figure 1: Housing Element Project Timeline



⁴ 2021 income levels by family size are available at <https://www.acgov.org/cda/hcd/documents/2021IncomeandRentLimits.pdf>

⁵ Based on revised 2015-2020 APR unit counts, accepted by HCD on July 14, 2021

⁶ Failure to comply would impact Berkeley’s eligibility and competitiveness for federal, state, and regional affordable housing and infrastructure funding sources. Many state and regional grant and loan programs require a compliant Housing Element, including the Affordable Housing and Sustainable Communities Program (AHSC), the Local Housing Trust Fund Program (LHTF), and Metropolitan Transportation Commission’s (MTC) One Bay Area Grant transportation funding.

Outreach and Engagement

Outreach and engagement are integral parts of this project from initiation to adoption. The overall plan for outreach and engagement includes 20 stakeholder interviews, a community-wide survey, 20 small format meetings, three work sessions with the City Council, and three public workshops. Based in part on the feedback received from the 10 boards and commissions, City staff—working with an outreach consultant—will invite community partners and stakeholders to participate in the interviews and small format meetings.

DISCUSSION

1. Which community partners should be included on the stakeholder list, with the goal to further fair housing and engage racially and socially disadvantaged communities?
2. Which member of the Planning Commission is interested and able to participate in the Housing Element Update public outreach effort? Participation includes joining the email list, attending three public workshops over the course of 18 months, and providing project updates at future commission meetings.

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LINKS

1. April 30, 2021. *Housing Element Off-Agenda Memo*. Berkeley City Council. https://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3_-_General/Housing%20Element%20Update%20042821.pdf
2. April 28, 2015. *Adopted 2015-2023 5th Cycle Housing Element*. https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Commissions/Commission_for_Planning/2015-2023%20Berkeley%20Housing%20Element_FINAL.pdf