

Berkeley City Council workshop

Forum focuses on expediting construction

Few housing units that were recently built qualify as affordable

By Tom Lochner

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BERKELEY — The Bay Area economy is booming, but housing production is way short of keeping pace.

That was a principal theme of Tuesday's special City Council workshop on housing, featuring experts from the city and the market-rate, nonprofit and public housing sectors.

And what little housing has recently been completed — as well as the somewhat more robust volume of housing in the approvals pipeline — is overwhelmingly market-rate, according to a fact sheet produced by Berkeley Planning Direc-

tor Eric Angstadt.

Of 163 residential units in Berkeley issued a certificate of occupancy since the start of 2012, just 31 are below-market-rate, the fact sheet shows. With those units, plus all of the projects at various stages of the use permit application process as well as those under construction, the totals since 2012 come out to 206 affordable units out of 2,787 total units, or 8 percent.

There was consensus among the experts that the city needs to expedite housing construction by facilitating funding and cutting red tape. But not all of them bought into the oft-cited notion that building lots of luxury housing will put a significant dent in the affordable housing shortage, which all agreed is a pressing issue.

Several of them, as well as some council members,

lamented what they saw as the loss of economic and ethnic diversity in a city where skyrocketing residential rents are out of reach of most working people, many of them minorities.

The median monthly rent in Berkeley as of October was \$3,584, or 12 percent over a year earlier, according to the website Zillow as cited in a city staff report.

The rising rents represent “a major transfer of income from tenants to real estate investors,” and they vastly exceed what a landlord needs to profitably operate and maintain a building, said former Berkeley Housing Director Steve Barton, one of the presenters on Tuesday.

“It's simply an ‘admission charge’ for (the) privilege of living here in Berkeley,” he said as part of a PowerPoint presentation.

Meanwhile, as several

presenters noted, federal and state investment in public and other affordable housing is flagging.

Barton urged increasing the business license tax on gross residential rent receipts — a 1.8 percent increase, or about \$30 per unit, would yield about \$4 million a year, he estimated, while a 2.8 percent increase would yield about \$6 million.

Earlier in the evening, developer Patrick Kennedy and Rhoades Planning Group principal Mark Rhoades, in a segment on the market-rate housing sector, said a laborious approval process, the restrictiveness of zoning rules, and inconsistency in how they are interpreted, make development more costly and drive up rents. Construction costs are driven up by the current Northern California-wide development

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boom, Kennedy noted. The duo advocated looking into micro-units and modular construction in the future to reduce housing costs.

Susan Friedland, executive director of Satellite Affordable Housing Associates, and Dan Sawislak, executive director of Resources for Community Development, advocated for public funding for acquisition of properties.

Other speakers included Miriam Chion, planning and research director for

the Association of Bay Area Governments; ABAG chief economist Cynthia Kroll; former Oakland Housing Authority Executive Director Jon Gresley; Berkeley Housing Authority Board Chairwoman Carole Norris; UC Berkeley Professor of City and Regional Planning Karen Chapple; and UC Berkeley Professor of Affordable Housing and Urban Policy Carol Galante.

Mayor Tom Bates proposed raising the city's affordable housing mitigation fee from the current \$28,000 per unit to \$34,000 per unit; developers can avoid the fee by providing a number of affordable units on-site equal to 10 percent of the market-rate units. The fee would be reduced to \$28,000 if paid when a building permit is issued. The item is on Tuesday's City Council agenda.