

## **California's Leading Housing Affordability and Displacement Experts Sound the Alarm on Berkeley's Housing Proposals**

The Bay Area is suffering from an enormous affordability crisis. Rents have risen rapidly and displacement throughout the region is on the rise. As a result, communities of color, young people, teachers, and many, many others are driven away and excluded from living in Berkeley.

Land use policies, the underproduction of housing, rising income inequality, and the legacy of Proposition 13 are some of the main culprits of the housing crisis. Berkeley needs to make a serious effort to address these important issues. Unfortunately, many items on the June 13th Berkeley City Council agenda have the potential to worsen affordability and displacement. We urge the City Council to think critically before adopting policies which may harm our most vulnerable community members. We have highlighted just two of the *many* housing policies Berkeley City Council will discuss on [June 13](#). Please write to the Mayor and Council to voice your concern over these proposals so they don't make Berkeley even more exclusive and expensive.

### **Downzoning (Item 46)**

Item 46 asks city staff and Planning Commission to consider downzoning Berkeley, among other things. Downzoning means that fewer housing units would be built in Berkeley in the midst of an [unprecedented housing crisis](#). Many scholars, including our co-signers Michael Lens and Paavo Monkkonen, have studied the effect of land use policies and have concluded that downzoning leads to [higher housing costs](#) and [economic and racial segregation](#). After the Supreme Court outlawed the enforcement of racial covenants in 1948, cities like Berkeley passed [restrictive zoning laws](#) to prohibit Chinese laundromats, African American dance halls, and apartments in wealthier and whiter parts of the City, with the underlying goal of excluding low-income communities of color. Policies like downzoning are similarly restrictive and favor millionaire homeowners over residents of apartment buildings. In fact, progressive cities like Seattle are going the opposite direction, with a new [Mandatory Housing Affordability program](#). Downzoning would be a disastrous step backwards for Berkeley, and will undoubtedly worsen affordability and lead to even more displacement and exclusion.

### **Raising housing fees and requirements without updated data (Item 53)**

Item 53 is a proposal to raise fees and requirements on new housing units to levels that exceed the City's most recent [2015 affordable housing nexus study recommendations](#) (p.36). **To be clear, we support reasonable fees and policy choices that encourage the production of as much subsidized below market rate (BMR) housing as possible.** While [both market rate and subsidized housing address displacement](#), our co-signer Karen Chapple's [own study](#) showed that subsidized units do it better. However, the proposed changes could hinder overall market rate and affordable housing production because:

- The proposed fees and onsite BMR requirements are significantly higher than [neighboring cities](#). For instance, the proposed affordable housing impact fee is over [six](#)

[times the current amount](#) of West Oakland's multi-family housing fees (in July, it will be over triple the amount). The San Francisco Board of Supervisors recently had to adjust their requirements because voters had the foresight to require an [economic study](#) to ensure that the requirements were not set too high and didn't inadvertently kill housing production.

- The proposed housing fees, the onsite BMR requirements and calculations, and the annual indexing mechanism are arbitrarily assigned and have not been qualified by a new nexus study or an updated third party financial feasibility analysis. The most recent feasibility analysis used outdated land values and excluded recently passed school and arts fees. The dramatic changes of the last two years are not accurately reflected in either the 2015 or 2016 studies.

In theory, charging higher fees to market rate developers can lead to a more equitable city. But in practice we won't know until we analyze the evidence. In short, it would be a huge mistake if Council passes any new fees or BMR levels without a proper nexus study or updated feasibility analysis. If the levels are set too high (and they are likely to be among the highest in the Bay Area), we will drive new housing to other cities and will not likely see any affordable housing—or any housing—in Berkeley for a long time.

Please urge City Council ([council@cityofberkeley.info](mailto:council@cityofberkeley.info)) to do the following:

- Oppose downzoning (Item 46) which would perpetuate the affordability crisis
- Support Councilmember Lori Droste's recommendation ([Item 51](#)) for feasibility analysis on assessed fees for housing development every two years and
- Oppose raising fees (Item 53) **unless** a new nexus study or an updated feasibility study is completed and recommends higher fees.

Our most vulnerable community members and the next generation needs you.

[Lori Droste](#), Berkeley City Councilmember

[Carol Galante](#), former President Barack Obama's Assistant Secretary for Housing, Donald Turner Distinguished Professor of Affordable Housing and Urban Policy, and Faculty Director of UC Berkeley's Turner Center for Housing Innovation

[Karen Chapple](#), Founder of the Urban Displacement Project and UCB Professor of City & Regional Planning

[Jeff Vincent](#), Deputy Director and Co-Founder of the UCB Center for Cities and Schools

[Denise Pinkston](#), Bay Area Council Housing Committee Co-Chair and co-author of the state's new Accessory Dwelling Unit legislation, Senate Bill 1069.

[Michael Lens](#), Associate Faculty Director, UCLA Lewis Center for Regional Policy Studies and Assistant Professor, UCLA Luskin School of Public Affairs

[Paavo Monkonnen](#), Associate Professor of Urban Planning, UCLA Luskin School of Public Affairs