



March 24, 2021

Honorable Mayor and City Council members:

I am writing to convey my strong support for the “Referral to Initiate a Public Process and Zoning Concepts for 2023-2031 Housing Element Update” item authored by Vice Mayor Droste, Mayor Arreguin, Councilmember Kesarwani and Councilmember Taplin on your 3/25 Council Agenda.

At present, there is no viable path to broad housing affordability in Berkeley. Our many policies and programs provide only a tiny fraction of the funding needed for subsidized housing production, much-needed Costa-Hawkins reform remains out of political reach, and every day we lose more “naturally-occurring” affordable housing. Only our most affluent residents get to see their children and grandchildren live in Berkeley. Single-family zoning, with its origins in systemic racism, threatens to lock us out of our own community.

In the first half of the 20th century, Berkeley’s small builders built thousands of charming duplexes, triplexes, fourplexes, and even eightplexes throughout its neighborhoods. These are now illegal in many areas. If an earthquake flattened one of these buildings, it would be easiest just to build a McMansion in its place – and in fact, this is already occurring, including in West and South Berkeley. Yet these “missing middle” building types currently house a disproportionate share of Berkeley’s low- and moderate-income households.¹

Making “missing middle” housing legal again will not fully solve Berkeley’s affordability crisis. But studies from Portland and Toronto suggest that opening up single-family zoning can result in more affordable housing – without displacement -- if cities design their regulations proactively.² Notably, the most effective way to achieve affordability is to facilitate the conversion of existing single-family housing into multiple smaller units (rather than spurring costly new construction). Cities can affect affordability by offering flexibility in requirements such as lot coverage, setbacks, and parking while also limiting unit size. To support mom-and-pop property owners, cities can also reduce impact fees,

¹ Droste, Taplin, Bartlett, and Robinson, *Resolution to End Exclusionary Zoning in Berkeley* (2/23/21).

² City of Portland Bureau of Planning and Sustainability, *Residential Infill Project Displacement Risk and Mitigation* (2019, February), accessed at https://www.portland.gov/sites/default/files/2019-12/vol_3_appendix_b_displacement_risk_and_mitigation.pdf; Elgin et al., *Missing Middle Housing: Development Costs and Affordability*, Report for the Urban Land Institute Curtner Urban Leaders Program (2020, September), accessed at https://ulidigitalmarketing.blob.core.windows.net/ulidcnc/sites/14/2020/09/2020-09-16_ULI-Financial-Team-Report.pdf

provide financial support such as loan guarantees for senior homeowners, and offer technical assistance.³ To prevent displacement, cities need to draw upon legal protections and proactive strategies for vulnerable renters and homeowners including education and financial assistance; this referral provides a roadmap to do just that. To achieve scale in these programs, as well as to reach more low-income homeowners, cities need to implement broadly; in the case of Berkeley, this means expanding eligibility in both exclusionary and formerly redlined neighborhoods.

We should take the time to study carefully the financial feasibility of adding affordability requirements in different forms, including density bonuses, housing overlay zones, and more. However, mandating affordability is not wise – yet. We have learned from the last decade of reforms to accessory dwelling unit (ADU) legislation that it takes time to get it right. With just a couple hundred ADUs now completed in Berkeley, the original goal of thousands of new ADUs seems like a distant dream. Just as was the case with ADUs a decade ago, there is no missing middle industry ready in the wings to start construction. It will take many years to build expertise, get the zoning right, and inspire homeowners to act. Adding affordability requirements creates issues of financial feasibility and regulatory burden that threaten to limit uptake. A more supportive approach, as we build familiarity with the missing middle concept and the capacity of locals to implement it, would be to carefully monitor the rent levels in units created in duplexes, triplexes, and fourplexes, intervening to preserve affordability as needed later, after the concept matures.

I urge you to support this referral as a critical first step to addressing Berkeley's housing needs.

Sincerely,

A handwritten signature in blue ink that reads "Karen Chapple". The signature is fluid and cursive, with the first name "Karen" being more prominent than the last name "Chapple".

Karen Chapple
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³ One interesting avenue to explore would be offering the PACE (property-assessed clean energy) financing model to homeowners seeking to build additional, energy-efficient units.