



Office of the Mayor

ACTION CALENDAR  
May 26, 2015

To: Honorable Members of the City Council

From: Mayor Tom Bates and Councilmember Laurie Capitelli

Subject: Significant Community Benefits from Five Tall Downtown Buildings

RECOMMENDATION

Request the City Manager to draft a Council resolution establishing a system for Downtown building projects over 75 feet to provide significant community benefits. The projects would be assessed a fee of \$100 per square foot for the residential portion of the building between 76 and 120 feet, and \$150 per square foot for the residential portion above 120 feet. A Project Labor Agreement (PLA) would be required. It would include local hiring and training components. The PLA would provide a credit, equal to 5 percent of the project construction costs, which would be deducted from the fee. In addition, the fee could be further reduced by voluntary on-site benefits for arts and culture, which must be approved by the City Council. The remainder would be paid into a City fund to be used for affordable housing and arts and culture benefits.

BACKGROUND

Requiring building projects to provide extra community benefits when they exceed zoning limits has become an accepted means by which local governments ensure that the community shares in the increased value of such projects. The City's Downtown Area Plan and the Berkeley Municipal Code authorize five new buildings above the height limit of 75 feet – two mixed-use residential buildings and a hotel with a conference center up to 180 feet and two other buildings up to 120 feet – and require them to provide “significant community benefits” beyond those otherwise required by the City. The Downtown Area Plan and Municipal Code list several such benefits as possibilities and specify that the benefits can be provided directly by the project or through an in-lieu fee.

The City Council on May 5, 2015, held a special meeting to hear public comment and discuss whether to quantify and further define what constitutes “significant community benefits.” More information about the City's current requirements and about approaches taken by other cities is available in the reports and supplemental information attached to the Council agenda for May 5 at [http://www.ci.berkeley.ca.us/Clerk/City\\_Council/2015/05\\_May/City\\_Council\\_05-05-2015\\_-\\_Special\\_Meeting\\_Annotated\\_Agenda.aspx](http://www.ci.berkeley.ca.us/Clerk/City_Council/2015/05_May/City_Council_05-05-2015_-_Special_Meeting_Annotated_Agenda.aspx).

This proposal to establish fees for residential development above 75 feet is designed to achieve a reasonable sharing of the extra value between the community and developers, and at the same time to provide an incentive for more commercial development.

FINANCIAL IMPLICATIONS

The proposal could generate substantial revenues for the City, depending to the extent that developers choose to pay fees instead of directly providing additional affordable housing and/or arts and culture benefits.

ENVIRONMENTAL SUSTAINABILITY

A more effective approach to determining significant community benefits can contribute to the successful realization of the Downtown Area Plan's provisions for five new tall buildings. The buildings will further the Plan's goal of supporting transit-oriented development and contribute to the City's progress in realizing its Climate Action Plan goal of cutting greenhouse gas emissions by reducing reliance on commuting by vehicles that use fossil fuels.

CONTACT PERSONS

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