



Office of the Mayor

CONSENT CALENDAR

June 12, 2018

To: Honorable Mayor and Members of the City Council

From: Mayor Jesse Arreguín and Councilmembers Sophie Hahn and Susan Wengraf

Subject: UC Berkeley Master Leasing of Student Housing

RECOMMENDATION

Send a letter to Chancellor Carol Christ urging UC Berkeley to prioritize the creation of student housing through new construction rather than master leasing of units. Prioritize development on the following sites:

- Fulton/Bancroft
- University/Oxford
- Channing/Ellsworth
- and infill development at Unit 3, including consideration of modular or prefabricated housing

These locations can generate enough student housing to fulfill the remaining 1,500 beds approved under the current 2020 LRDP.

In addition, the City Council requests that UC Berkeley continue collaborative efforts to increase housing production in the Southside area. Specifically the city requests the opportunity for input on prioritizing and phasing of projects, number of units developed at each site, design/massing.

The City requests a presentation at a City Council work session on its student housing plan, in order to solicit Council and community input in the development of additional student housing.

BACKGROUND

The 2020 Long Range Development Plan, approved in 2005, called for the creation of 2,600 new beds for students. Between 2006 and 2016, student enrollment increased by 15% for undergrads and 7% for graduates, bringing the total student population to over 37,000. UC Berkeley currently provides housing for 22% of undergraduates and 9% of graduates, the lowest out of the entire UC system.

In the summer of 2016, UC Berkeley established the Housing Master Plan Task Force to address the shortage of student housing. Since then, progress has been made in creating more beds for students, including 750 beds in David Blackwell Hall (slated to open in Fall 2018), and an expected faculty and graduate student housing development

at Upper Hearst. The Task Force has also identified nine locations for the development of student housing.

The Regional Housing Needs Allocation (RHNA) for Berkeley, mandated by State Housing Law, calls for the creation of 2,959 new units between 2014 and 2022, including 1,558 units below 120% area median income. As of September 2017, Berkeley has approved only 50% of these RHNA recommendations, including 94% of the Market Rate housing goal and 10% of the Below Market Rate housing goal.

Unfortunately, the RHNA does not take into consideration student housing. As a university town, Berkeley's rental market includes a constant influx and changing tenancies of students, in addition to the needs of our workforce, long-term residents, and those aging in place, placing further strain on demand amidst a housing crisis.

The City Council has supported several initiatives to support and encourage the development of new student housing, especially in the Southside neighborhood. On January 23, 2018 the Council adopted Resolution No. 68,304–N.S., which called upon the Planning Commission to prioritize a litany of referrals, including a twenty-foot height increase and FAR increase for Southside, a pilot density bonus program for the Telegraph Commercial district, and non-commercial uses on the ground floor. The Resolution also called for conversion of vacant commercial properties on Telegraph to residential, expanding the Car-Free Housing Overlay, allowing two high-rises of twelve stories for student housing on Southside, and promoting modular and micro units. The Resolution specifically cites sites at Fulton/Bancroft, University/Oxford, Channing/Ellsworth, and Unit 3 as consensus supported sites for new student housing in the short term. These locations can generate enough student housing to fulfill the remaining 1,500 beds approved under the current LRDP.

UC Berkeley recently announced its plans to provide 665 beds to students through master leasing by 2023, with 254 beds available starting in Fall 2018 through agreements with two projects currently under construction. The use of master leasing, whether through the purchasing of existing units or earmarking units that are proposed or under construction, places a burden on the Berkeley community as this removes units from the general rental market, making it more difficult to achieve the RHNA goals. While solutions to the student housing shortage should be multi-pronged, it should not be done at the expense of housing availability in the greater community.

FINANCIAL IMPLICATIONS

None

ENVIRONMENTAL SUSTAINABILITY

The development of new student housing close to campus is consistent with the goals of the Climate Action Plan.

CONTACT PERSON

Mayor Jesse Arreguin 510-981-7100

Attachments:

1: Letter

June 12, 2018

Dear Chancellor Christ,

Thank you for your leadership in addressing the critical shortage of student housing. The City is committed to working with the University to promote and encourage the creation of new student housing.

However, we are concerned at the potential consequences of master leasing. The entire city, and indeed the region, is facing an unprecedented housing crisis. While master leasing may be a tool in creating more student housing, it does so at the expense of unit availability for everyone else. Given the current housing situation, we need to look at ways to develop student housing without removing units from the market or earmarking new units that would otherwise be put on the general rental market.

The Housing Master Plan Task Force has identified nine sites that can be used for the development of new student housing. In January 2018, the Council identified four sites, Fulton/Bancroft, University/Oxford, Channing/Ellsworth, and Unit 3, as consensus supported sites for new student housing in the short term. These locations can generate enough student housing to fulfill the remaining 1,500 beds approved under the current 2020 LRDP. The Council has also called upon our Planning Commission to prioritize zoning changes to Southside to allow for the creation of new student housing.

While solutions to the student housing shortage should be multi-pronged, it should not be done at the expense of housing availability in the greater community. We urge the University to prioritize the development of new student housing rather than master leasing of units, and that you continue collaborative efforts with the City to increase housing production in the Southside area.

Finally, we respectfully request a presentation by the University of California to the City Council at a work session on its student housing plan, in order to solicit Council and community input in the development of additional student housing. Specifically we request the opportunity for input on prioritizing and phasing of projects, number of units developed at each site, design/massing.

We look forward to continuing our partnership in addressing one of the most important issues our community faces.

Sincerely,

Berkeley City Council

