



# Densifying Berkeley: Potential Impacts on Displacement and Equity

**A REPORT BY THE ANTI-EVICTION MAPPING PROJECT:**  
Commissioned by The Berkeley Rent Stabilization Board

## **SELECTED RECOMMENDATIONS**

PROTECT MOST VULNERABLE AREAS.

MANDATE A RACIAL IMPACT STUDY  
AHEAD OF ALL REZONINGS.

ADOPT ADDITIONAL ANTI-DISPLACEMENT MEASURES.

INCREASE PROTECTIONS AND RESOURCES FOR  
LOW-INCOME TENANTS.

ADOPT ANTI-SPECULATION MEASURES.

EXPAND THE BERKELEY RENT REGISTRY.

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## EXECUTIVE SUMMARY

The Bay Area, like the rest of California, has a severe affordable housing shortage. The affordable housing crisis is often attributed to the prevalence of single-family zoning, an exclusionary policy rooted in a long history of racial segregation. Berkeley's move to end exclusionary zoning was touted as a racial equity measure that would increase the access of vulnerable populations to affordable and stable housing. The city is considering ways to upzone Berkeley as a part of its Housing Element Update to create missing middle housing, which is perceived to be more affordable than single-family homes. In this report, the Anti-Eviction Mapping Project (AEMP) asks whether upzoning can be deployed to equitably distribute housing to the people who need it most without simultaneously increasing the risk of displacement in those communities. AEMP concludes that the city cannot rely solely on housing production, even when coupled with inclusionary policies such as requiring a certain number of below market rate apartments, to desegregate and provide much-needed housing to low-income communities. Strengthening tenant protections, disincentivizing speculation, and other anti-displacement measures must be key components of any efforts to densify the city.

The outcomes of upzoning depend on the particular nuances of upzoning policies as well as the unique contexts in which they are implemented. In this study, we couple a review of the research and debates on upzoning in the state and beyond with a rigorous analysis of the impact of development on Berkeley communities, as well as a model for projecting their risk to future displacement caused by zoning reform. We analyze data from the American Community Survey (ACS), Integrated Public Use Microdata Series (IPUMS), Alameda County Assessor's Office, and the Berkeley Rent Stabilization Board and City of Berkeley to understand the particular housing needs of Berkeley's communities and project their vulnerability to displacement. We also examine the impact of past development and zoning changes in three key Berkeley neighborhoods: Downtown Berkeley, the area immediately south of the UC Berkeley campus, and West Berkeley. Our recommendations look at how Berkeley can use zoning reform in combination with its strong tenant protections to distribute the benefits of upzoning more equitably, and to mitigate the risks of displacement and impacts of racial exclusion.

### **Key Findings:**

- Upzoning can lead to speculation, increased land values, and displacement. By the same token, upzoning has not led to greater racial integration and opportunities for vulnerable communities. Upzoning alone is unlikely to make housing affordable to those most in need in Berkeley and make Berkeley's housing market more equitable.
- Because market-driven processes like filtering do not appear to be creating significant numbers of units affordable to low-income residents, it is unlikely that the production of additional market-rate units will substantially increase the amount of housing accessible to those most in need.
- The private market is unable to produce sufficient levels of affordable housing even with subsidies and other incentives.

- Our findings shows that the production of affordable housing lowers the risk of displacement, while the impact of market-rate housing is not statistically significant.
- The greatest deficit in Berkeley's housing supply lies at Low Income (50-80% AMI) and Very Low Income (<30-50% AMI or below) levels. These households are forced to occupy more expensive housing leading to increased levels of rent burden.
- Current West Berkeley and South Berkeley residents are the most vulnerable to displacement by zoning changes; North Berkeley and Southeast Berkeley residents have minimal or low risk.

***Key Recommendations:***

- Protect Vulnerable Areas – South Berkeley, West Berkeley – from the impacts of upzoning by directing future upzonings considered as a part of the city's Housing Element Update to North and Southeast Berkeley, areas of 'minimal' or 'low' concern for displacement. Consider a special district overlay to preserve and develop affordable housing in vulnerable areas.
- Mandate a Racial Impact Study ahead of all rezonings.
- Adopt additional Anti-Displacement Measures by mandating one-to-one replacements of protected units in cases of demolition, passing legislation to ensure the safety and habitability of housing during construction, and adopting a 'right to return' policy. Prioritize the production of rental units over condominiums, and addition to and subdivision of existing structures over demolition.
- Increase protections and resources for low-income tenants, such as rent relief for tenants struggling to pay rent and protection from 'source of income' discrimination.
- Adopt Anti-Speculation Measures by encouraging community ownership of land through land trusts, housing cooperatives, and tenants' opportunity to purchase the homes they live in. Disincentivize speculation by imposing transfer and vacancy taxes and enforcing laws regulating short-term rentals.
- Increase the Production of Affordable Housing by adjusting the city's affordable housing mitigation fee periodically to accurately calculate land value capture on new developments and to incentivize the production of affordable units. The City should incentivize the production of affordable units through Costa-Hawkins 1954.52B by creating a process for homeowners and developers to regulate rent increases in exchange for waivers and bonuses. Berkeley should consider lowering the threshold for the AHMF to include all new residential development.
- Expand the Berkeley Rent Registry to capture rental costs for units partially covered by the Stabilization Ordinance to better track patterns of speculation and tenant turnover and to inform Berkeley's housing policies.

## OVERVIEW

As housing in California becomes increasingly unaffordable and discrimination in housing continues to produce racial inequities, cities and state legislators have turned to upzoning—increasing the density allowed by the zoning code in already-developed areas—as a solution. The state of California, the city of Berkeley, and other cities have embraced the idea of eliminating single-family zoning, which has historically been a tool of racial and class segregation. In California this has been enacted at the state level by SB 9, which mandates streamlining of approvals for two- to four-unit projects in zones that previously only allowed single-family homes. Berkeley is now in a position to influence how SB 9 is implemented locally.

Since upzoning is a relatively new policy intervention, there is not yet clear evidence that increasing density in itself will address racial inequality or relieve the housing affordability crisis. In fact, there is significant evidence that upzoning can cause displacement and gentrification, which emphasizes the need to include measures to prevent displacement, ensure affordability, and increase racial equity in any upzoning. Tenant protections, on the other hand, have been shown to slow displacement and reduce housing instability and are thus a key part of addressing the housing affordability crisis.<sup>2</sup> Little work, however, has looked at the intersection of tenant protections and upzoning.

As Berkeley contemplates how to implement SB 9 and revise the housing section of its general plan (the Housing Element), this report investigates the impacts of upzoning and densification, especially on Black, brown, and low-income renters. We also investigate how best to keep Black, brown, and low-income renters in their homes and in the city of Berkeley in the context of calls for increased density and development. Berkeley faces an extreme crisis of housing affordability and displacement, and BIPOC (Black, indigenous, or people of color) residents are disproportionately impacted. The city lost 49.2% of its Black population between 1990 and 2020<sup>3</sup>. Only 30% of households below 80% of Area Median Income (AMI) occupy units that are actually affordable to them. More than half (53%) of tenant households in Berkeley are rent burdened, spending more than 30% of their income on rent, and almost a third (31%) are spending more than 50% of their income on rent. BIPOC Berkeley residents are disproportionately renters rather than homeowners and are therefore disproportionately vulnerable to high rents and displacement.<sup>4</sup> Rents have risen across the city; the average rent in Berkeley in 2019 was approximately \$3,165 per month,<sup>5</sup> which is only affordable to a household with an annual income of \$130,000 or more. Between 2005-2019, the median gross rent for the city increased by over 50%. At the same time, affordable housing production has not been sufficient to meet the need; only 8.6% of all permits issued in Berkeley in the last six years have been for low-income units.

Much of the current debate around the housing affordability crisis is dominated by discussions of housing production and density, which are often



**This report eschews both YIMBY and NIMBY arguments, asserting that neither NIMBY exclusionary zoning nor YIMBY faith in market capitalism are the answer to creating a more equitable housing landscape.**

presented in a YIMBY versus NIMBY (Yes In My Back Yard vs. Not In My Back Yard) framework. YIMBY advocates generally argue that limited housing production is the root cause of the housing crisis, coupled with exclusionary politics that prohibit newcomers or BIPOC residents from moving into certain neighborhoods. YIMBY solutions focus on increasing the supply of housing, often through densification, and opponents who focus on the impacts of density on quality of life and landscape are framed as NIMBY. However, this binary fails to capture the nuances of both sides and there is potential for common ground, especially around displacement. This report centers the impacts of upzoning and densification, especially on Black, brown, and low-income renters, and how to prevent displacement. This focus is grounded in our understanding of equity: centering those most vulnerable to housing crisis and facing housing precarity.

Pro-development voices have pointed to filtering (the passage of housing to lower income renters as it ages) and inclusionary zoning (required inclusion of a percentage of low-income units in new development) as strategies to address the need for lower-income housing. In this report, we explore literature on filtering and find that these interventions are not sufficient to address the housing affordability crisis in Berkeley. This report analyzes the effectiveness of filtering in Alameda County and finds that increasing overall housing supply has not decreased the probability of displacement. Yet as we and others have found, adding affordable housing units does decrease the probability of displacement in a given area. This may be explained by the segmentation and overall complexity of housing markets. The addition of units appropriate for the luxury submarket may decrease rents in that submarket, but they will have much less effect on the low-cost submarket. Instead, building housing for the submarket most in need is the most effective way to address the housing affordability crisis.

At the same time, because upzoning increases land values due to increased expected revenues or value, it can fuel speculation in the local market. We review research that finds that housing costs can increase in both upzoned parcels and neighboring parcels that are not upzoned. This speculation has a disproportionate impact on BIPOC residents and can fuel further displacement.

For this report we performed analyses with Berkeley specific data at the city level and for specific census tracts and areas. Using seven metrics known to indicate future displacement risk we assess the vulnerability of Berkeley neighborhoods to displacement due to upzoning. We find that South and West Berkeley are exceptionally vulnerable to displacement, while North Berkeley and Southeast Berkeley are less vulnerable. We also analyzed three Berkeley neighborhoods that have been rezoned or have experienced significant development, finding 1) that there is not clear evidence that upzoning increased housing affordability downtown and near the UC Berkeley campus, and 2) that intensive development in West Berkeley that did not explicitly prioritize affordability and equity was associated with

displacement, especially of BIPOC residents. The recent history of development in Berkeley warns that housing development can easily accelerate displacement and inequitable housing outcomes if strong anti-displacement and racial equity measures are not included.

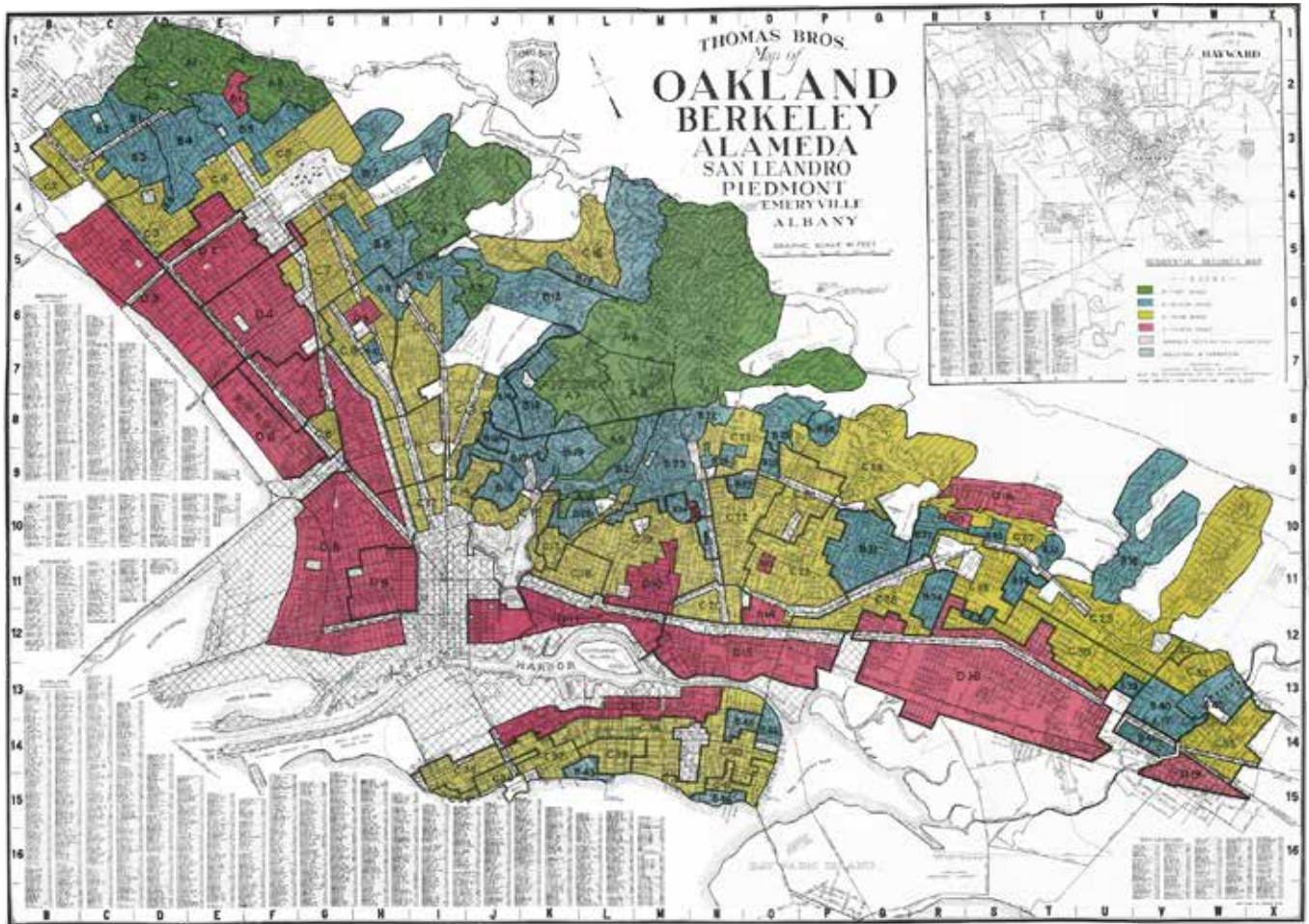
We also present policy recommendations for how to mitigate the effects of upzoning on vulnerable renters as well as context of upzoning. We recommend that the areas most vulnerable to displacement due to upzoning be protected, that racial impact studies be mandated for rezonings and land use reforms, and the adoption of additional anti-displacement measures such as replacement of any demolished units, habitability for existing tenants during any construction, and a right of return policy. We recommend broader measures as well to mitigate the displacement impact of upzoning. These include anti-speculation measures such as vacancy and transfer taxes to disincentivize speculation, a Tenant Opportunity to Purchase Act (TOPA), increased protections and resources for low-income tenants, and increased production of affordable housing. Finally, to ensure that Berkeley has the data it needs to make informed housing policy, we suggest the city and the rent board track housing data comprehensively, including eviction notices, affordable housing, and rent in units not covered by rent control.

There is a growing consensus among scholars and policy experts in the Bay Area that increased housing production alone is insufficient to protect vulnerable communities from displacement and gentrification. We find that the market simply cannot produce the amount of affordable housing needed. We hope that this report will contribute to debates and policymaking that center equity in housing policy.

## **DEBATES AROUND UPZONING**

As mentioned above, the larger discussion about upzoning has often become entangled in a YIMBY versus NIMBY debate. While YIMBY positions are diverse, most would argue that limited housing production is the root cause of our housing crisis. They argue that limited supply, coupled with racist and exclusionary housing policy, makes housing increasingly unaffordable and worsens the housing crisis for low-income tenants. Many YIMBY advocates argue that increasing housing supply will lower prices, and abolishing restrictive land use policies such as single-family zoning will result in more equity. NIMBY, on the other hand, is an epithet historically associated with resistance to public or affordable housing rooted in classist and racist protectionism, but it has come to be used by some to describe anyone who opposes development or the deregulation of land use, regardless of positionality or reason. We at the Anti-Eviction Mapping Project (AEMP) believe that the YIMBY/NIMBY binary is a false dichotomy. Instead, we analyze and strategize how to avoid displacement impacts and create/preserve affordability as Berkeley and other cities weigh different approaches to densification and upzoning.





**REDLINING** is a discriminatory and unethical practice of classifying neighborhoods started by the Home Owners Loan Corporation (HOLC) as part of federal policies aimed at preventing foreclosures during the Depression. The HOLC mapped U.S. cities and gave neighborhoods rankings based primarily on the percentage of minority inhabitants. Neighborhoods with a majority of black residents were labeled as “Hazardous” (outlined or shaded red on the maps) and mortgage refinancing was denied. These lending patterns continued with the Federal Housing Administration (FHA) and private lenders, all but preventing minorities from obtaining home loans and freely lending to white families provided they buy in majority white “Best” (green) or “Still Desirable” (blue) areas. This system of denying services to people based on neighborhood characteristics was outlawed in 1968, but the segregation and uneven investment in communities persists.

In the Bay Area, the Turner Center for Housing Innovation, the Urban Displacement Project, and the Othering and Belonging Institute have developed research initiatives on the housing crisis in California and the Bay Area. The Urban Displacement Project and Othering & Belonging Institute, in particular, have emphasized that affordable housing is critical for building equitable and inclusive cities. It is widely known that housing precarity is a structural inequality that low-income tenants of color disproportionately face. It is also known that racist housing policies, such as redlining and urban renewal, have historically led to the segregation, disinvestment, and impoverishment of communities of color. Yet less has

been written on the relationship between land use policies, such as zoning, and present-day racial displacement.<sup>6</sup>

By most measures, racial segregation leads to poorer outcomes for low-income BIPOC communities. In addition to exclusionary zoning, intensifying industrial land-use zoning has adversely affected BIPOC communities by concentrating “environmental disamenities” in low-income neighborhoods.<sup>7</sup> In this type of “expulsive zoning,” low-income BIPOC communities are displaced by industrial development.<sup>8</sup> Those who aren’t displaced bear the negative health consequences of living in close proximity to industry and its toxic waste.<sup>9</sup> That is, urban planning as a field and practice has often been used to produce racialized geographies of disinvestment, discrimination, and precarity. Community activists have long fought back demanding a voice in the planning process. They argue that zoning impacts all aspects of their lived environments and should prioritize creating healthy and stable environments for people over economic development.

Advocates of upzoning believe that increased development will eventually translate into more supply and lower prices for everyone while critics of upzoning are skeptical that these benefits will trickle down to low-income households. Specifically, proponents of filtering believe that the production of even expensive market rate units will lead to increased housing for low-income residents.<sup>10</sup> However, even if filtering is effective, it takes several generations to produce results. Older housing stock may become uninhabitable, and wealthier tenants may still prefer living in less expensive units. In Zuk and Chapple’s study on filtering, they found that the protective effect of market rate housing declined with time,<sup>11</sup> which may suggest that more market-rate housing would change the character and culture of a neighborhood in the long-term. When assessed at the neighborhood block level in San Francisco, increased housing production did not alleviate the problem of displacement. In fact, increased market rate production led to displacement in some neighborhoods even when coupled with inclusionary housing; in other neighborhoods where there were substantial rent-controlled units, little displacement was observed. Zuk and Chapple found that subsidized housing reduced displacement pressures more substantially than market-rate housing. They caution that “the development of market-rate housing may not be the most effective tool to prevent the displacement of low-income residents” and that “building alone won’t protect specific vulnerable neighborhoods and households.”<sup>12</sup>

Using Zuk and Chapple’s study as a reference point, the authors of this report have created an Alameda County-wide logistic regression model to investigate whether filtering was taking place between the 15 year period of 2005-2019. The model measured the strength of various descriptive variables including demographic indicators and the change in housing supply immediately preceding and during the study period in predicting whether displacement will take place in a tract. Though the model does not have high predictive power due to a small sample size of only 270 tracts and challenges in data availability, the findings show with greater

than 95% confidence that each additional affordable unit built in a tract before the study period decreased the probability of displacement in that tract. Meanwhile the coefficients with variables representing overall increase in housing supply showed no statistical significance. Additional information about the model and its findings is in the section of this report titled “Defining Berkeley’s Housing Affordability Crisis.”

The concept of filtering is further complicated by the complexity and segmentation of the housing market. Rodríguez-Pose and Storper argue “aggregate increases in supply do not translate in any straightforward way to decreases in price, because the internal plumbing of housing markets—succession, migration, and occupation patterns—are full of frictions, sunk costs, barriers and externalities that make the effects of aggregate supply increases highly uneven, and in many cases involve unintended or contradictory effects.”<sup>13</sup> Especially in markets where there is demand for skilled workers, the housing seekers who are moving to that area for specialized, high-income jobs will increase income inequality and skew the price of offerings upward, especially in highly desirable neighborhoods.<sup>14</sup> The segmentation of housing markets into submarkets based on location, quality, amenities and other factors means that increased supply in one submarket will not necessarily have much impact on other submarkets.<sup>15</sup> For example, increasing luxury units will reduce prices within that submarket and perhaps in slightly less high cost submarkets, but it will not have as much effect on the low-cost submarket as low-income renters simply cannot afford the luxury housing even if it is slightly less expensive than it was before. Average rents may decrease as prices at the high end of the market decrease, but rents for low-income renters may not change much. Increasing supply directly in the submarket where need is greatest will have the greatest impact on that submarket, so increasing the supply of affordable and rent-controlled housing will have the greatest impact on the housing affordability crisis.<sup>16</sup>

In addition, the idea that supply can keep up with demand in competitive regions is unreasonable due to the speculative nature of land and housing markets.<sup>17</sup> Cities like New York and San Francisco draw (increasingly international) investors who purchase high-end condos as profit vehicles more than second homes.<sup>18</sup> While Berkeley neighborhoods may not be as affected by this type of speculative investment, it affects the regional housing market and leads to a domino effect as relatively affluent San Francisco residents seek cheaper housing, for example. This has been exacerbated by the increase in corporate investment in real estate.<sup>19</sup> Corporate landlords have been linked to higher rates of eviction, extractive rents, harassment and other unethical management practices, tax evasion, and higher rates of vacancy.<sup>20</sup>

There is also the risk that upzoning will increase speculation when it is contemplated, proposed, and executed.<sup>21</sup> Upzoning creates a sudden increase in land values due to the higher revenues or sales prices that denser housing can command, and this can fuel gentrification. For example, if

a single family home is sold at a higher price based on its potential to be developed as a fourplex that can be rented at market rate, the buyer will be locked into a higher mortgage that necessitates charging market rate rents, regardless of how much the construction itself costs. This increase in value can impact nearby parcels and units that are not directly impacted by upzoning. Freemark finds that a recent upzoning of Chicago neighborhoods increased housing sale prices not just for parcels impacted by the upzoning but for neighboring parcels that were not affected by the upzoning,<sup>22</sup> and Goldberg finds that upzoning in New York City catalyzed higher housing costs in similar neighborhoods that had not been upzoned.<sup>23</sup>

BIPOC residents are likely to be disproportionately affected by displacement and gentrification fueled by upzoning. Researchers have begun to analyze the demographic changes associated with upzoning, finding that upzoning in New York is significantly associated with neighborhoods becoming whiter.<sup>24</sup>

Even in the absence of evidence that upzoning and the housing production that ensues will create more affordable housing, serve low-income tenants, or protect against displacement, some researchers assume that maintaining the status quo (which to them means *not building housing*) would be even more harmful. Proponents of upzoning argue that where housing markets are competitive and land use more restrictive, units not only didn't filter down, they tended to filter up. When housing supply is limited because of zoning restrictions such as single-family zoning, housing prices tend to rise across the board. But the data only shows the impact of housing production on housing prices and not on rents; it's not clear if increasing the housing supply does anything to moderate rents to affordable levels for impoverished households.<sup>25</sup> Xiaodi Li's research demonstrates how rents in NYC decreased by only 1.6% in neighborhoods within 500 feet of new construction, and generally in mid-high priced rentals, while no significant difference was observed for low-priced rentals.<sup>26</sup> As the research from New York City demonstrates, upzoning can also increase land values and speculation. Though housing supply has increased, so have housing prices, which in a renter city like NYC, often get passed onto renters.

Been, Ellen, and O'Regan argue that policies to increase housing supply should be compatible with efforts to keep low-income tenants housed in stable and affordable homes.<sup>27</sup> They concede that market-rate housing production is insufficient to protect vulnerable communities from displacement and gentrification and to produce the affordable housing they need. For very low-income households, "even the moderation of rent increases that results from expanded supply will likely be insufficient to make homes affordable to them."<sup>28</sup> In those instances, additional subsidies may be needed. But for them, nothing is possible without building more housing; the primary solution they envision is market-based development with subsidies to allow for more intensive uses of land thus incentivizing

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developers to include a small proportion of affordable units. Skeptics of upzoning think it is too risky to assume that upzoning would naturally increase housing production for those who need housing the most just as it is too risky to depend on developers to create housing as a social good rather than as a profit-driven investment. We do not advocate for constraining housing supply; we simply do not think that blanket upzoning and private developers will necessarily create housing stability for communities of color and may cause more harm than good. The question for city governments is how do we ensure that *upzoning won't* be a force of displacement especially in cases where low-income tenants are perceived as barriers to profits?<sup>29</sup>

To date, the body of academic literature on zoning, specifically urban planning scholarship and grey literature (e.g. policy and white papers),<sup>30</sup> is limited by a lack of data.<sup>31</sup> Much of the data analysis used to support upzoning policies in the Bay Area and California has been supplied through The Turner Center for Housing Innovation. In particular, the Turner Center's California Residential Land Use Survey (CRLUS) has been oft-cited as evidence of how local land use policies have impacted housing supply.<sup>32</sup> But the CRLUS relies solely on responses from city planners and thus is based only on the knowledge, experiences, and perspectives of city planners. This misses the voices of tenants, community groups, and rent stabilization boards. Moreover, the explicit intent of the survey is to understand the impact of zoning policies on housing supply and to inform policies "that would both reduce the administrative burden of development and development costs."<sup>33</sup> The Turner Center claims equity as a core principle in their policy recommendations, attesting to the significance of affordable housing and tenant protections. Yet despite finding that only about 13% of California jurisdictions reported having a rent control ordinance and only 10% reported having a 'just cause' eviction ordinance, the Turner Center CRLUS report emphasizes interventions to increase housing production rather than strengthen tenant protections. Given these conditions, it is imperative that equity--defined as the rights of racialized and poor communities to housing stability and the right to remain--be prioritized alongside housing production. By the Turner Center's own measures, upzoning for the purposes of creating affordable housing and desegregation is not possible without substantial public subsidies and concessions to private developers.

The focus of the Turner Center is on creating *feasible* models that would appeal to private developers, densifying neighborhoods in ways that would pencil out, for instance by streamlining the development process to cut regulatory costs and incentivizing developers through density bonuses and other variances.<sup>34</sup> But the Turner Center has little to say about the impacts of upzoning on displacement, assuming that upzoning will either alleviate displacement pressures or have no effect at all.<sup>35</sup> Their framework and methodology are based on the lack of faith in public actors, and political will, to produce housing. Instead they place unfounded faith on market mechanisms to undo the impact of segregation and displacement.

While they recognize the importance of tenant protections, increased public investment in housing, and housing subsidies on the demand-side (e.g. housing vouchers),<sup>36</sup> these measures are often not the centerpieces of their analyses. Many of their analyses and recommendations are also dependent on the ethical goodwill of politicians, developers, and landowners; speculation, greed, and racism do not factor into their calculations.

Inclusionary zoning, where new housing projects include a (usually relatively small) share of affordable units alongside largely market-rate units, is sometimes presented as a way that upzoning can produce affordable housing. But inclusionary zoning has not been shown to produce sufficient affordable housing to address affordability issues. The Urban Displacement Project, whose research focuses on gentrification, displacement, and exclusion, studies and proposes policies that promote “equitable development.”<sup>37</sup> In a policy brief on inclusionary zoning, researchers found that inclusionary housing works best in strong market environments where there is new market-rate housing investment.<sup>38</sup> If the only way to produce more affordable housing is through inclusionary housing schemes, then the basic right of people to fair housing is left up to the whims of the market and the desired profit margins of developers. Yet, even with strong market conditions, from 1999 to 2007, inclusionary housing programs were only able to produce 29,281 affordable units in California, 2% of total units built in the state during this time.<sup>39</sup> This trend applies to the current context of Berkeley’s housing crisis: so far in the 2015–2023 Regional Housing Needs Assessment (RHNA) cycle, only 233 units have been permitted at Low-Income (50–80% AMI) or Very Low Income (< 50% AMI) levels, a rate of 38.8 units per year. This accounts for 8.6% of all permits issued in the last six years. The production of affordable housing, particularly when it depends on market-rate housing, is not enough to stave off displacement; nor is housing equitably distributed to the people who need it most.

Better data collection will help researchers study zoning impacts more effectively. Too often, though, policy research on land use reform and upzoning relies too heavily on quantitative data analysis and overlooks the complexities of lived experiences and opportunities to make recommendations that account for those truths. They may inadvertently define these impacts too narrowly in order to measure them. Because displacement is a broader social phenomenon that is difficult to measure using quantitative data alone, research on the impact of land use policies on displacement needs to couple rigorous data analysis with interdisciplinary and qualitative methods. People experience displacement in ways that cannot simply be captured by demolitions and evictions; people may be culturally and socially displaced as wealthier residents move into low-income neighborhoods or they may experience indirect displacement, where other factors such as transportation force them to move. To address this research gap, future studies of land use reform in the Bay Area should foreground community voices, including interviews with tenants.

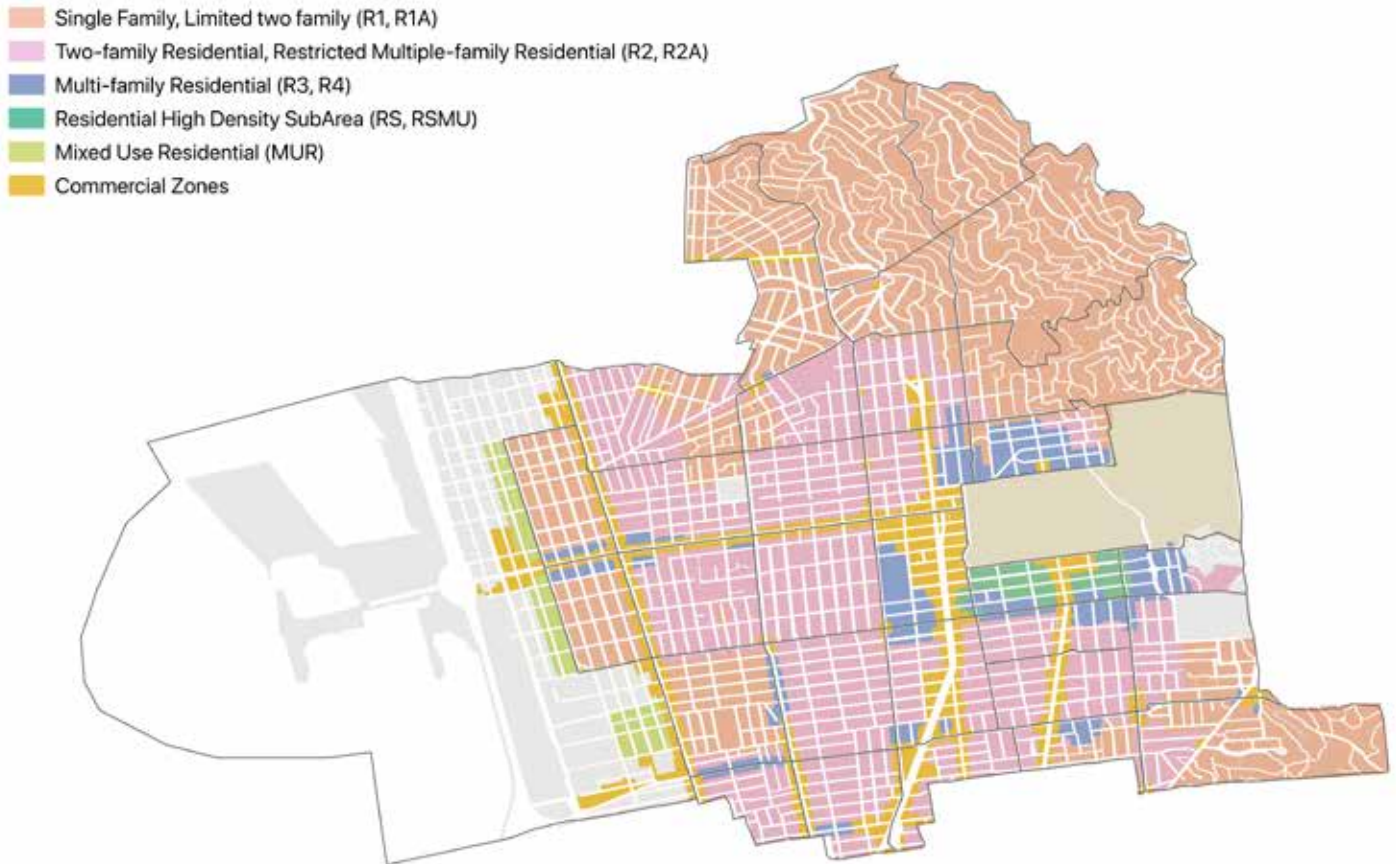


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In the absence of research that demonstrates which policies (e.g. impact fees, community benefit agreements, land value capture, housing rehabilitation programs) are most effective in which specific contexts in stemming displacement, the Urban Displacement Project concludes in their white paper that “jurisdictions need to move forward in the absence of significant new research. Any anti-displacement policy will keep residents in place.”<sup>40</sup> The urgency is real. Many community groups and housing activists are working tirelessly to organize tenants against displacement. The question remains, however, whether upzoning, even when coupled with inclusionary zoning, could be considered as an anti-displacement policy. Policies that have long-lasting and irreversible impacts such as upzoning should be considered carefully and center the voices of those most affected by them; they certainly cannot be based on abstract and simplified models.

## **LAND USE POLICY & ZONING IN BERKELEY**

Much has been made of the fact that single-family zoning originated in Berkeley, but the earliest instances of zoning in the United States were also in California.<sup>41</sup> From the first instances of wash house restrictions in Modesto in 1885 to the creation of single-family zoning in 1916, zoning was often racially motivated and designed to be exclusionary, delimiting what businesses and which people could locate in a given neighborhood.<sup>42</sup> Prior to zoning (and concurrent until being outlawed in the 1960s) this was accomplished through restrictive deed covenants, which sought to prevent racial, ethnic, and religious minority groups from buying, leasing, or occupying homes in specific areas.<sup>43</sup> In Berkeley, builder-developers created deed-restricted subdivisions primarily for the wealthy, including three developed by the real estate brokerage Mason-McDuffie.<sup>44</sup> As deed restrictions were frequently time-limited and often unenforceable, the president of Mason-McDuffie, Duncan McDuffie, began to promote zoning in Berkeley and beyond.<sup>45</sup> Then, beginning in the 1930s, the racial segregation established through covenants and zoning became further institutionalized in Berkeley as in almost 250 U.S. cities as part of the federal governments’ classification of neighborhoods by the Home Owners Loan Corporation (HOLC), whereby specific areas of cities were deemed “hazardous” for investment (i.e. mortgages) based primarily on the proportion of racial minorities residing there.<sup>46</sup> Through this redlining process, the government sanctioned discrimination in lending practices precipitated the disinvestment in majority minority areas of cities. It seems fitting then that the City of Berkeley as part of its Housing Element 2023 (HE 2023) would seek to correct for this racist past by eliminating exclusionary zoning. However, making zoning less restrictive does not intrinsically make it more equitable.



In 2021, Berkeley City Council signaled its intent to end single-family zoning, by unanimously passing a resolution to upzone areas that were exclusively designated for single-family homes to accommodate multi-family housing.<sup>47</sup> Many cities have implemented or are considering similar large scale upzoning as a means to create more housing density. California recently through the passage of Senate Bill 9 (SB 9) upzoned all of the urban single-family areas of the state. While changing zoning to increase density is not new, previously most zoning changes were targeted to smaller areas for specific developments. The recent broader political will to upzone can likely be attributed to YIMBY popularization of the idea that upzoning will result in increased affordability and increased equity. Indeed, much of the enthusiasm for upzoning in the Bay Area is based on the history of racial exclusion and assumption that zoning for density would create opportunities for social mobility. According to the Othering & Belonging Institute, “the elimination of single-family zoning will help to allow a greater supply of housing in these neighborhoods so that the opportunity they provide will become more broadly and equitably distributed.”<sup>48</sup>

The Berkeley City Council suggests that the Planning Commission increase density beyond that allowed by SB 9 in certain residential zones to add more middle housing types such as triplexes, fourplexes, courtyard apartments, bungalow courts, and townhouses to match the scale of ex-

Figure 1 (above):  
Current residential zoning in Berkeley

Figure 2 (right):  
2020 RHNA Allocation Progress

isting buildings in the neighborhood. Opticos, who coined the term “missing middle housing”, describes it as, “Missing’ because they have typically been illegal to build since the mid-1940s and ‘Middle’ because they sit in the middle of a spectrum between detached single-family homes and mid-rise to high-rise apartment buildings, in terms of form and scale, as well as number of units and often, affordability.”<sup>49</sup> Proponents of “missing middle” housing typically conflate the mid-range size of the buildings with mid-range affordability, but this is optimistic at best unless affordability is structured into the planning.

According to the Berkeley Planning Department’s preliminary analysis of opportunity sites, current zoning in Berkeley has the potential to meet the requirements of the 2023-2031 RHNA. However, it “does not deliver the level of deed-restricted affordable housing and economic diversity that the City aims to achieve.”<sup>50</sup> Deed-restricted affordable housing refers to housing whose affordability is protected by a deed restriction. They often receive and are regulated by a subsidy program such as Low Income Housing Tax Credits. As Berkeley’s analysis of their RHNA allocation progress shows, the city has produced more than the amount needed of above-moderate income housing (market-rate housing) but is far below its targets for housing affordable to very low and low income residents for the current cycle. The RHNA requirements for 2023-2031 are approximately three times larger than the current (2015-2023) allocation and a much larger proportion of the allocation than previously (43% of the total units allocated) falls in the Low (50-80% AMI) or Very Low (<50% AMI) Income Level categories.

Income Level	5th Cycle RHNA Allocation	Units Permitted (2020)	Total Units Permitted (2015–2020)	Remaining Units	Percent Progress
Very Low (<50%AMI)	532	38	172	360	32%
Low (50–80% AMI)	442	13	61	382	14%
Moderate (80–120% AMI)	584	-	-	584	0%
Above Moderate (>120% AMI)	1401	539	2476	-	177%
<b>Total RHNA</b>	<b>2959</b>				
<b>Total Units Permitted</b>		<b>590</b>	<b>2709</b>		

Berkeley has some of the strongest tenant protections in the nation and yet these still are not enough to preserve affordability for low income tenants or prevent displacement. Due to the Costa-Hawkins Act which was enacted on a rolling basis statewide, taking full-effect in 1999, landlords can re-rent units at market rate each time there is a change in tenancy and almost all newer (post 1980 in the case of Berkeley) rental units as well as single-family homes are not covered by local rent control laws. Prior to Costa-Hawkins, the City of Berkeley was doing better than other Bay Area cities in preserving affordability.<sup>51</sup> In the decade after rent control went into effect (1980-90, while there was still vacancy control), Berkeley had a loss of 26% of affordable apartments compared to the Bay Area in general which lost 52% of affordable units.<sup>52</sup> More recently Berkeley has been on par with the rest of the region if one looks at the percentage of renters who are rent burdened (53% in Berkeley versus 51% in Oakland and 47% in the nine county Bay Area).

## METHODOLOGY

This report takes a rigorous statistical approach to studying Berkeley's tenant demographics, assessing housing affordability and need, and projecting vulnerability to displacement. Research and analysis draws on data sources from the U.S. Census American Community Survey (ACS) 5-year estimates, Integrated Public Use Microdata Series (IPUMS) data, Alameda County Assessor's Office parcel-level data, and various datasets about tenancy, unit construction, and eviction provided by the Berkeley Rent Stabilization Board and City of Berkeley. Further descriptions about studies in this report, including the tenancy data analysis, filtering model, housing needs allocation cross-tabulation, and vulnerability index, are available in Appendix A.

The socio-demographic analysis of renters by race and ethnicity are sourced from the U.S. Census American Community Survey. ACS datasets are selected from 5-year estimates for the years 2009, 2014, and 2019 (representing the estimated time period between 2005-2019). These "period" estimates represent survey data over a 5-year timespan and were chosen due to the greater accuracy and lower margin of error in these datasets, compared to other geographies. Our aim is to offer snapshots of changes in demographic and social indicators across time using the most accurate census data at our disposal.

The analysis focuses on 2005-2019 as the time period of study and captures findings for the City of Berkeley and the census tract level. The aim in selecting this 15-year span was to assess trends in demographic and economic changes for Berkeley tenants to shed light on the current housing crisis and those who are most impacted by it. In pursuit of the most accurate datasets, and given the challenges of data collection in the 2020 census, we have chosen to conduct our U.S. Census analysis using 2019

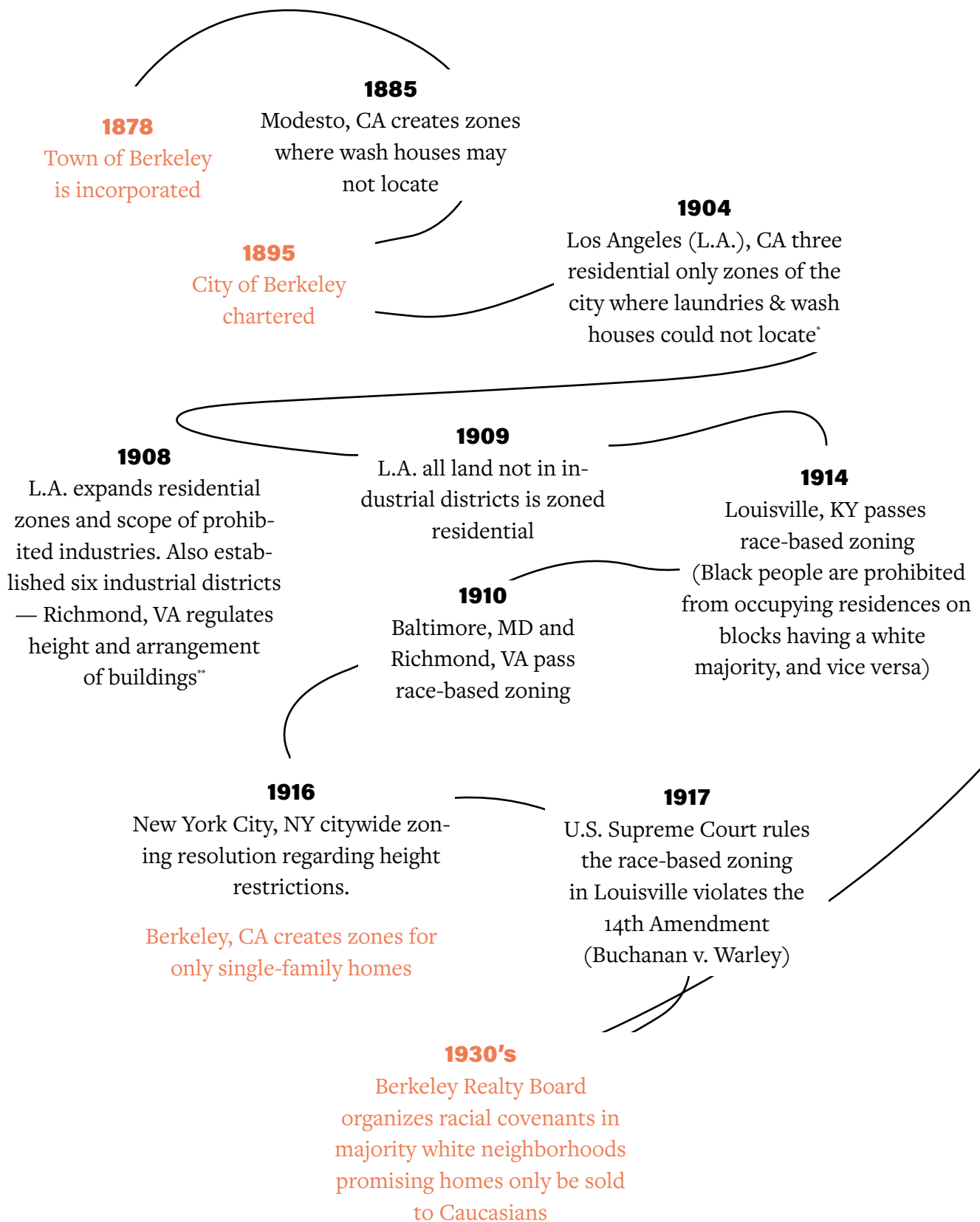
**This report takes a rigorous statistical approach to studying Berkeley's tenant demographics, assessing housing affordability and need, and projecting vulnerability to displacement.**

as the most recent year of study. Other data provided by the Berkeley Rent Stabilization Board and City of Berkeley will include 2020 or 2021 in the analysis. Our report also focuses analysis on three target study areas: downtown Berkeley near Downtown Berkeley BART (within the Downtown Area Plan boundary), the area directly south of UC Berkeley campus (within the Southside Area Plan boundary), and West Berkeley. Between the 2005-2019 selected time period, the City of Berkeley passed two significant Area Plans- The Southside Area Plan (2011) and The Downtown Area Plan (2012)- both of which altered the zoning codes in the respective areas for increased densification, or upzoning. We selected these focus areas within the two plan boundaries as study areas to understand their socio-economic and housing contexts before and after upzoning policies. In our exploratory research for this report, we encountered dramatic changes in West Berkeley (census tracts 4220, 4221, and 4232) in income levels, median rent, and race that led us to pursue this neighborhood as a third study area. Though we are interested in changes across the full Berkeley geography, we ran additional analysis within these area boundaries as three case studies of changes occurring in Berkeley neighborhoods.

## **DEFINING BERKELEY'S HOUSING AFFORDABILITY CRISIS**

Berkeley is experiencing an urgent crisis in housing affordability. Low-income residents are being priced out of the city en masse, yet housing construction in the last 15 years has prioritized market rate development. This has low-income and very low income renters forced to pay exorbitant rents, with the alternatives being eviction or displacement out of the city. This burden is carried disproportionately by low-income Black, Indigenous, and people of color, who are majority renters. The racial imbalance of this current context is no doubt a legacy of Berkeley's racist zoning policies, redlining practices, and credit exclusion that segregated BIPOC residents and restricted access to home ownership. Studies in gentrification and displacement by the Urban Displacement Project (UDP) at UC Berkeley found that "83% of today's gentrifying areas in the East Bay were rated as "hazardous" (red) or "definitely declining" (yellow) by HOLC."<sup>53</sup> This is reflected in Berkeley as well as other East Bay cities; West Berkeley and South Berkeley, two neighborhoods that were zoned red, are gentrifying or at risk of gentrifying by UDP's metrics.<sup>54</sup> The following analysis shows that the current state of primarily market-rate construction is not sufficient to stem this displacement and preserve affordability; despite growth in construction in the last 15 years, facilitated through rezonings in the Downtown and Southside Area Plans (2011 and 2012), denser development along commercial corridors, and policies fast-tracking ADU permit and development, our research shows that above-moderate rate development will not relieve the need for housing that is affordable to very-low and low-income residents.

# TIMELINE OF U.S. ZONING + BERKELEY LAND USE





**1941-2**

Berkeley allows subdivision of single-family homes into multi-unit buildings regardless of zoning

**1941-6**

National rent control under the Office of Price Administration

**1951**

Berkeley Realty Board and the Alameda County Apartment House Association successfully lobby to end war-time rent control

**1963**

Berkeley changes Master Plan and downzones San Pablo Park (to single-family) and South Berkeley, parts of West Berkeley, and much of the flatlands of North Berkeley to allow only duplexes and fourplexes

**1967**

West Berkeley downzoned to single-family with duplexes allowed conditionally on larger lots. West Berkeley Industrial Park Project approved plans including the demolition of 60 homes

**1969**

Northwest Berkeley flatlands and Poet's Corner/Central Berkeley downzoned from fourplexes to duplexes. Berkeley Tenants Union rent strike California implements Regional Housing Needs Assessment (RHNA).

**1972**

Berkeley becomes first city in CA to implement rent control (since WWII), establishes rent board, and just cause eviction

**1973**

Rent control in Berkeley ruled illegal by Alameda County Superior Court Berkeley votes to enact Neighborhood Preservation Ordinance (NPO)

**1976**

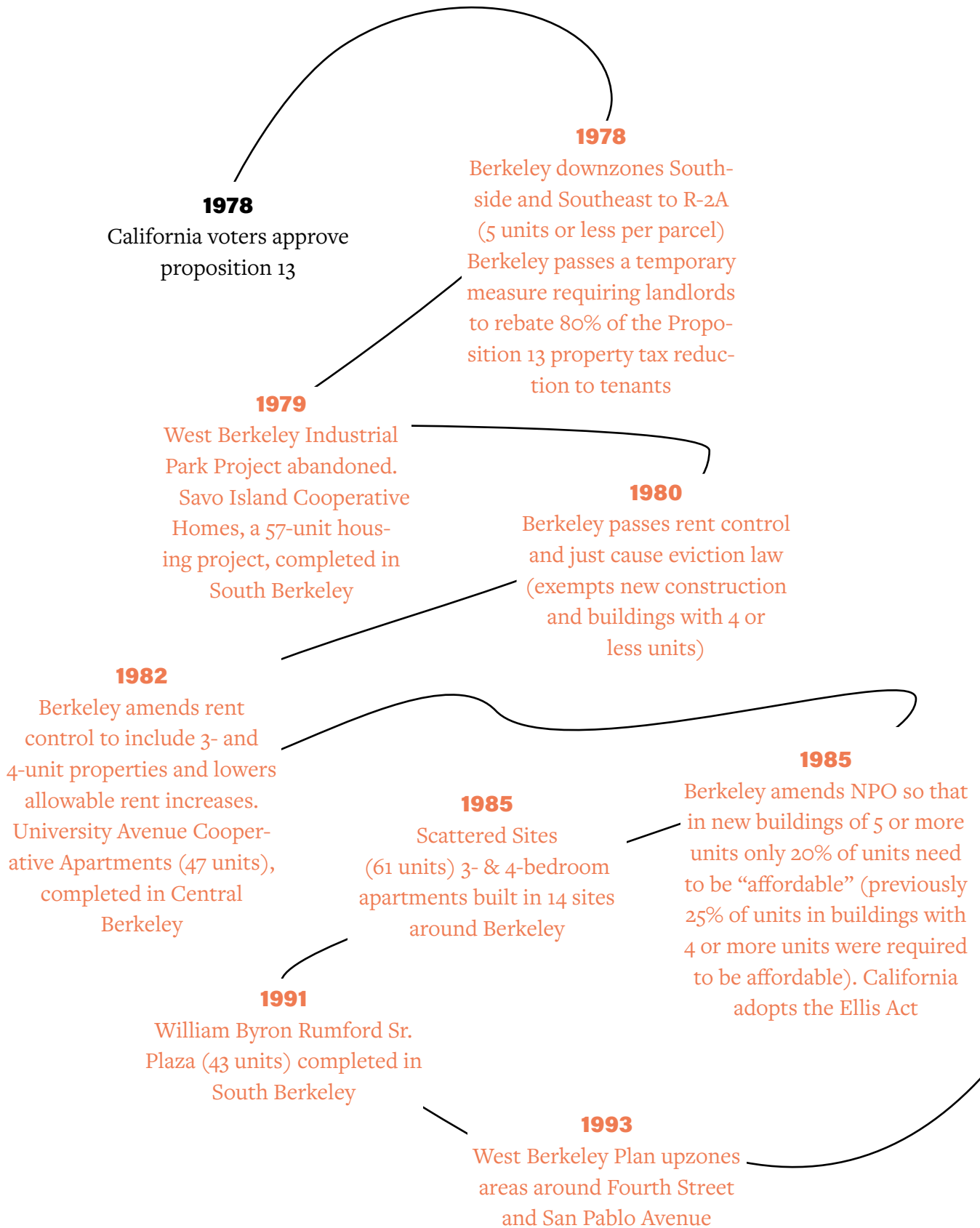
U.S. Supreme Court rules that Berkeley rent control and eviction protections are legal, but that not allowing landlords to raise rent without permission was illegal

**1975**

Central Berkeley downzoned to R-2 (duplexes)

**1977**

Berkeley voters reject new rent control law



**1995**  
California passes the Costa-Hawkins Act which allows vacancy decontrol and prohibits rent control on buildings built after 1995

**1999**  
Vacancy decontrol under Costa-Hawkins begins

**2000**  
Berkeley votes to strengthen limits on owner move-in eviction

**2004**  
Berkeley voters pass Measure O which set the Annual General Adjustment in rent at 65% of the increase in the Consumer Price Index

**2011**  
Zoning changes associated with Southside Area Plan

**2012**  
Zoning changes associated with Downtown Area Plan

**2020**  
Berkeley voters pass Measure MM requiring rental units with a certificate of occupancy issued after 1980, most rented single-family homes and condominiums to register with the Rent Board. Berkeley City Council approves Adeline Corridor plan for South Berkeley

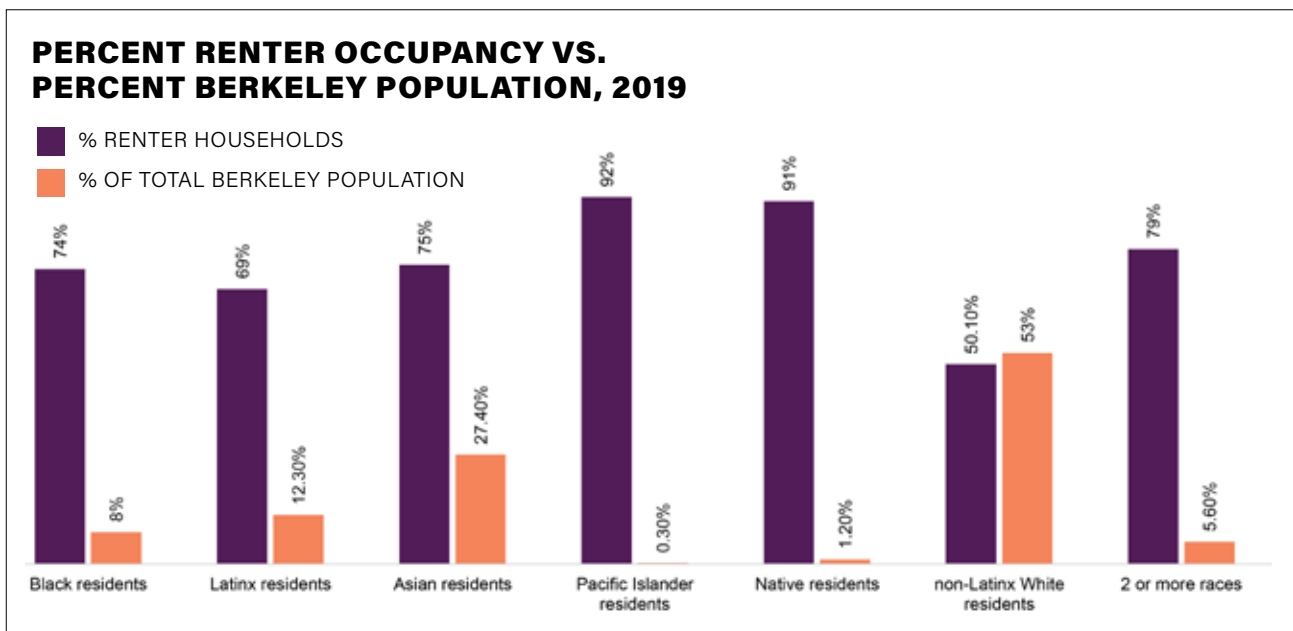
**2021**  
California passes SB9 effectively eliminating single-family zoning in urban areas

**Tenant Demographics in Berkeley**

Berkeley is primarily a renter city. Based on the 2019 US Census American Community Survey, tenants make up about 58% of its 121,353 total population.<sup>55</sup> The cost of rent has been a serious and ongoing challenge for tenants in Berkeley, as in the Bay Area. In 2019, 53% of Berkeley renter households stated that they were rent burdened (spending more than 30% of their income on rent); a total of 13,794 households. This is higher than Alameda County as a whole, where 46% of tenants experience rent burden. This precarity is even more severe for 31% of Berkeley tenant households, 8,182 of whom spend 50% or more of their income on rental costs. Rent burdened and severely rent burdened households in Berkeley are most at risk of being priced out, displaced, or evicted from the city as rent levels increase and the supply of affordable housing continues to be severely limited. The Urban Displacement Project found that in the Bay Area between 2000 and 2015, a 30% increase in median rent paid in a census tract was “associated with a 21% decrease in low-income households of color.”<sup>56</sup> Between 2005-2019, ACS documented that the median gross rent paid (including estimated cost of utilities) in Berkeley increased by over 50%. Berkeley has become a richer city in this time period; income in Berkeley increased by \$26,960 dollars per year, and the percentage of households earning \$200,000 or more per year increased by 124%. Despite this concentration of wealth, Berkeley’s future housing goals should focus on serving its majority renter population who struggle to make ends meet due to unaffordable rents and are at constant risk of being priced out of the city.

BIPOC Berkeley residents are disproportionately renters rather than homeowners and are therefore disproportionately vulnerable to high rents. Decades of racialized zoning, exclusionary credit practices, and predatory lending factor into lack of access to homeownership and other forms of housing inequity for BIPOC households. Figure 3 shows the proportion

Figure 3:  
2019, percent who are renters vs. percent of total population by race and ethnicity



**Researchers have begun to analyze the demographic changes associated with upzoning, finding that upzoning in New York is significantly associated with neighborhoods becoming whiter.**

of renters by race and ethnicity, and the total proportion of the Berkeley population for each group. There are distinct differences in percent of renters across racial and ethnic lines; groups whose populations are overall minorities in the City of Berkeley have higher proportions of renters (as opposed to homeowners). For instance, 74% Black residents are renter households, but Black residents make up only about 8% of Berkeley's total population. Sixty-nine percent of Latinx households are renters, but they make up 12.3% of the total population. Non-Latinx-White populations had the lowest proportion of renters, at 50.1%, yet make up the majority of the city's population at 53%. In the City's efforts to end exclusionary zoning and rectify past racist, unjust policies, it is imperative to take into account that renters who are Black, Indigenous, and residents of color will shoulder the burden of increased rents without affordable options.

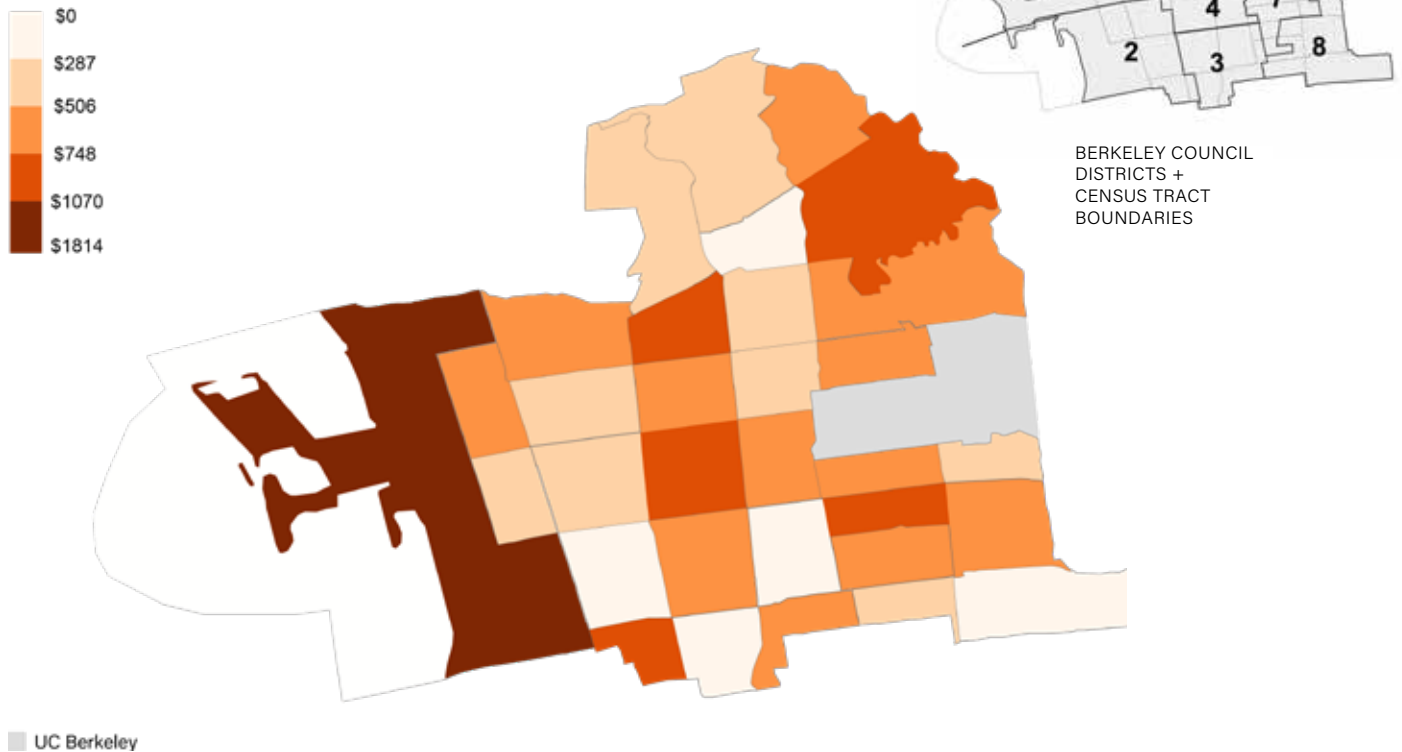
### ***Displacement of Low-Income Residents***

Berkeley has passed some of the strongest rent control and tenant protections in the country, and these policies must continue to strengthen in the face of this affordability crisis. Since Costa-Hawkins vacancy decontrol was phased in in 1999,<sup>57</sup> 90.7% of rent stabilized units have risen to market rate in between tenant vacancies, which further diminishes the supply of truly affordable units for low-income renters seeking housing.<sup>58 59</sup> The Berkeley Rent Stabilization Board thoroughly tracks annual rent ceilings for 19,000+ stabilized units, yet there is no historic data available that accurately tracks the yearly increases to non-stabilized units whose rents increase based on market and owner whims. The Berkeley Rent Board's recent rent registration changes under Measure MM will make major improvements in accurately understanding the status of Berkeley's rental market,<sup>60</sup> as well as yearly trends and patterns across neighborhoods experiencing real estate speculation and gentrification.

Real estate rental site Zumper estimated that in 2019 the average rent in Berkeley was \$3,165 per month.<sup>61</sup> That same year, the median ceiling for rent stabilized units was \$1,895 per month. It is clear that even with Costa-Hawkins, Berkeley's Rent Stabilization Ordinance is keeping rents for controlled apartments below market rate for tenants who occupy units for several years. Yet even this median rate for a rent stabilized unit poses a challenge for low-income renters. For instance: in 2019, full-time minimum wage workers in Berkeley making \$15.59/ hour (a rate effective July 1, 2019) earned about \$32,427 per year. Yet in order to afford median rent for the average rent stabilized unit without burden, renters had to earn a minimum of \$75,800 per year. To afford the average Berkeley rent for the thousands of non-rent controlled units, (according to Zumper) one would have to earn more than a \$130,000 annual salary.

The percentage of households in Berkeley earning less than \$75,000 per year decreased between 2005–2019, from 58% to 45% (NOTE: not all of these households are renters, though a majority are), but the total number of households increased by 13%. This loss indicates possible displacement of low-income earners, as Berkeley overall is becoming a richer city, yet

**CHANGE IN MONTHLY MEDIAN RENT**  
 (UTILITIES INCLUDED)  
 CHANGE IN MEDIAN GROSS RENT BETWEEN 2005-2019  
 (IN US DOLLARS)



wages have not increased enough for households to afford market rate rent without experiencing cost burden.

Most racial and ethnic groups experienced a loss of households earning less than \$75,000, even when total numbers of households in these groups increased over time. Likewise, the proportion of households earning \$200,000 or more per year increased for every group.

Figure 5 shows that the decrease of earners making less than \$75,000 varied across racial and ethnic groups.<sup>62</sup> The change is most prevalent in Latinx, and non-Latinx white households. While both groups experienced about a 27% decrease, a much higher proportion of Latinx households continue to earn less than \$75,000 per year as of 2019: 51.4% of Latinx households versus just 36.7% of white households.

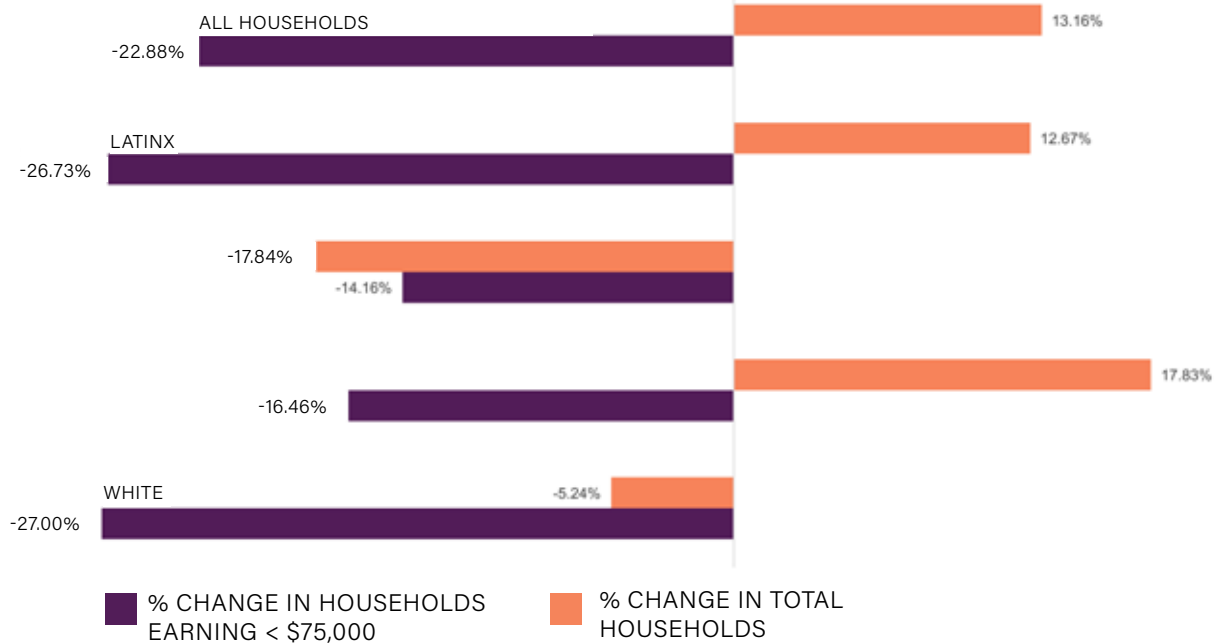
Additionally, this analysis finds that that in 2019 a higher proportion of Black households (73%) earned under \$75,000, a larger percentage than any other racial or ethnic group. Black households were the only racial or ethnic group to experience a significant decrease in overall population overtime; Figure 6 shows the decrease in Berkeley’s Black population over that period at census tract level. The displacement of Black residents in Berkeley, especially from areas that were formerly racially redlined as “declining” or “hazardous” and are now gentrifying, is a well-documented

Figure 4 (above):  
 U.S. Census data shows that between 2005-2019, Berkeley median gross rents for any unit size increased by \$600 per month.

Figure 5 (right):  
 By race, % change in total households vs. households making less than \$75,000



**PERCENT CHANGE IN TOTAL HOUSEHOLDS VS.  
PERCENT CHANGE IN HOUSEHOLDS EARNING  
LESS THAN \$75,000 PER YEAR, 2005-2019**



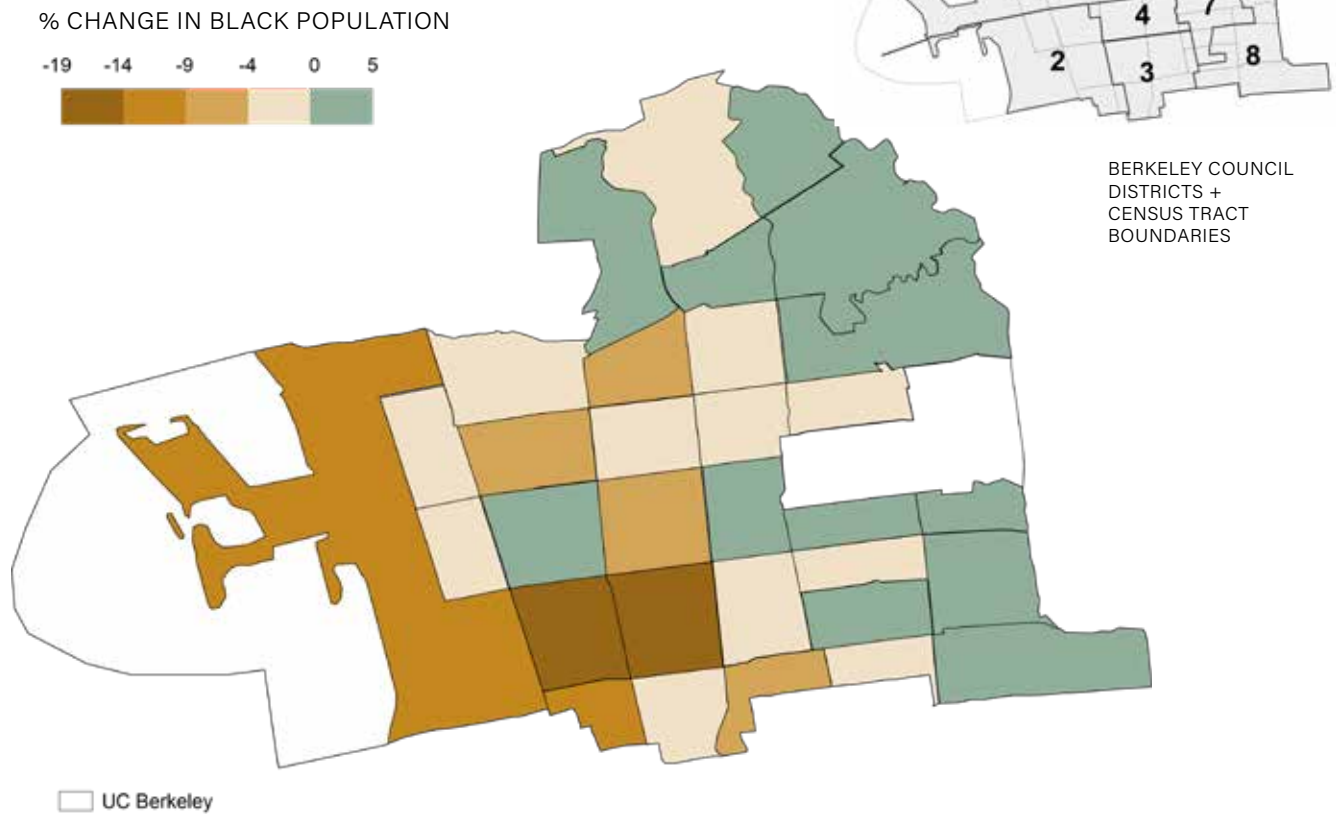
and urgent issue that must be addressed in housing and zoning policy.<sup>63</sup> Decreases are particularly prevalent in the two neighborhoods of West and South Berkeley: these areas are also experiencing dramatically high rent increases and luxury market-rate developments.

Together, decline in low-income residents and increase in median rent are common indicators for tracking displacement; this is a pattern shown across Berkeley neighborhoods, but especially in West and South Berkeley. The process of displacement can occur by many different means, including tenants being priced out by an increase in rent between leases, landlord harassment, or by eviction proceedings. Homeowners with mortgages also experience displacement as cost burdens become untenable. It is telling that by far the most common reason for eviction notices to quit in Berkeley is non-payment of rent, which made up 4,531 or 88.9% of notices since 2014.

***Status of Rent Control and Tenancy Turnover:  
Stable Stock of Rent Controlled Units***

The City of Berkeley's nationally renowned rent control laws continue to provide a stable housing stock of over 19,000 units and maintain eviction protections with "Good Cause" laws.<sup>64</sup> A necessity for Berkeley's sustained rent control is its monitoring of the rental market and fluctuations from forces like speculation, gentrification, or recession that can impact tenants. The Rent Stabilization Board Registry enables the city to track stabilized and partially rent controlled units through records of

## CHANGE IN BLACK POPULATION, 2005-2019



total units, start dates of tenancies, and rent ceilings for units protected under the Rent Stabilization Ordinance. This database is one of the most powerful tools Berkeley has to protect tenants and fully understand the affordability crisis.

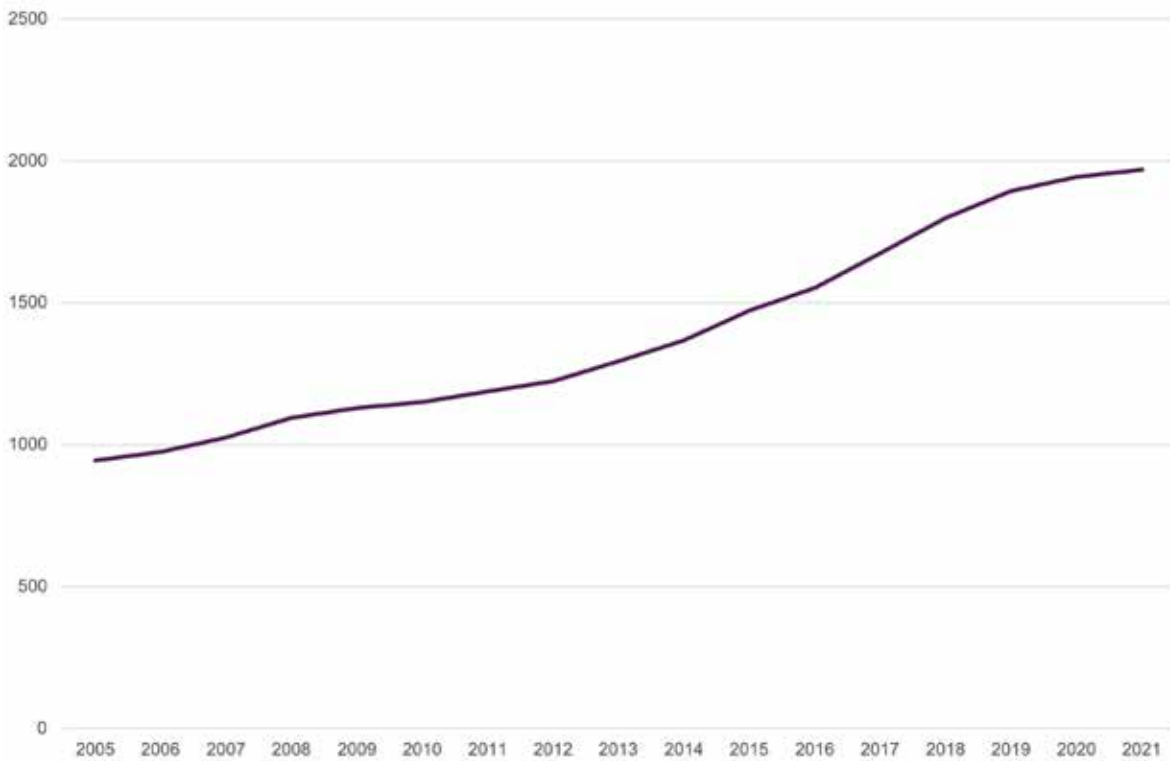
Due to vacancy decontrol, rent ceilings in most stabilized units continue to climb every few years as tenants move in and out. As a result, the median rent ceiling throughout the city has approximately doubled since 2005. The most affordable stock of rent controlled units are the 1,801 units that have been occupied continuously since 1998 or earlier, before Costa-Hawkins was phased-in in 1999. As of Quarter 3 of 2021, the average rent ceiling for these units is \$832.87, compared to \$2046.96 for rent stabilized units under vacancy decontrol-recontrol.<sup>65</sup> The total number of rent stabilized units has remained stable: around 19,000 since 2005. The map in figure 7 shows that between 2005–2021, the median rent ceiling of rent stabilized units more than doubled, from \$950 per month in 2005 to \$1,970 in 2021. Figure 8 shows the geographic distribution of these changes between 2015–2019, the time period of study for ACS analysis in this report. Major changes are seen in West and South Berkeley in the same areas that saw the largest decreases in Black population (shown above).

Figure 6 (above):  
Percent change in Black population, 2005-2019

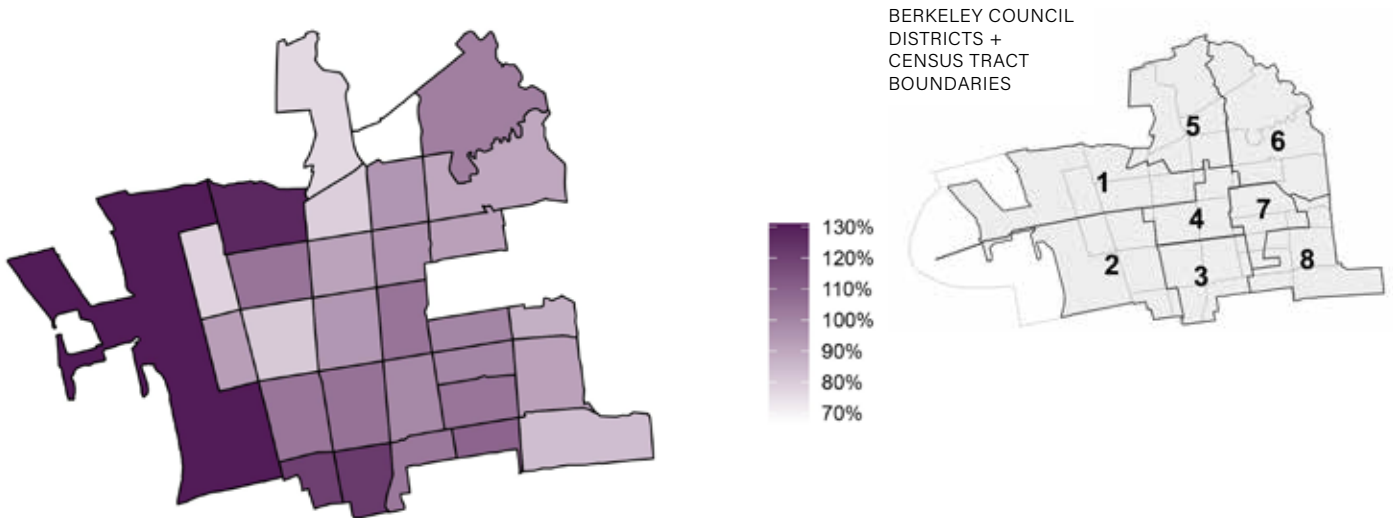
Figure 7 (right):  
Median rent ceiling, 2005-2021

Figure 8 (right):  
Percent change in median rent ceiling, 2005-2019.

### MEDIAN RENT CEILING, 2005-2021



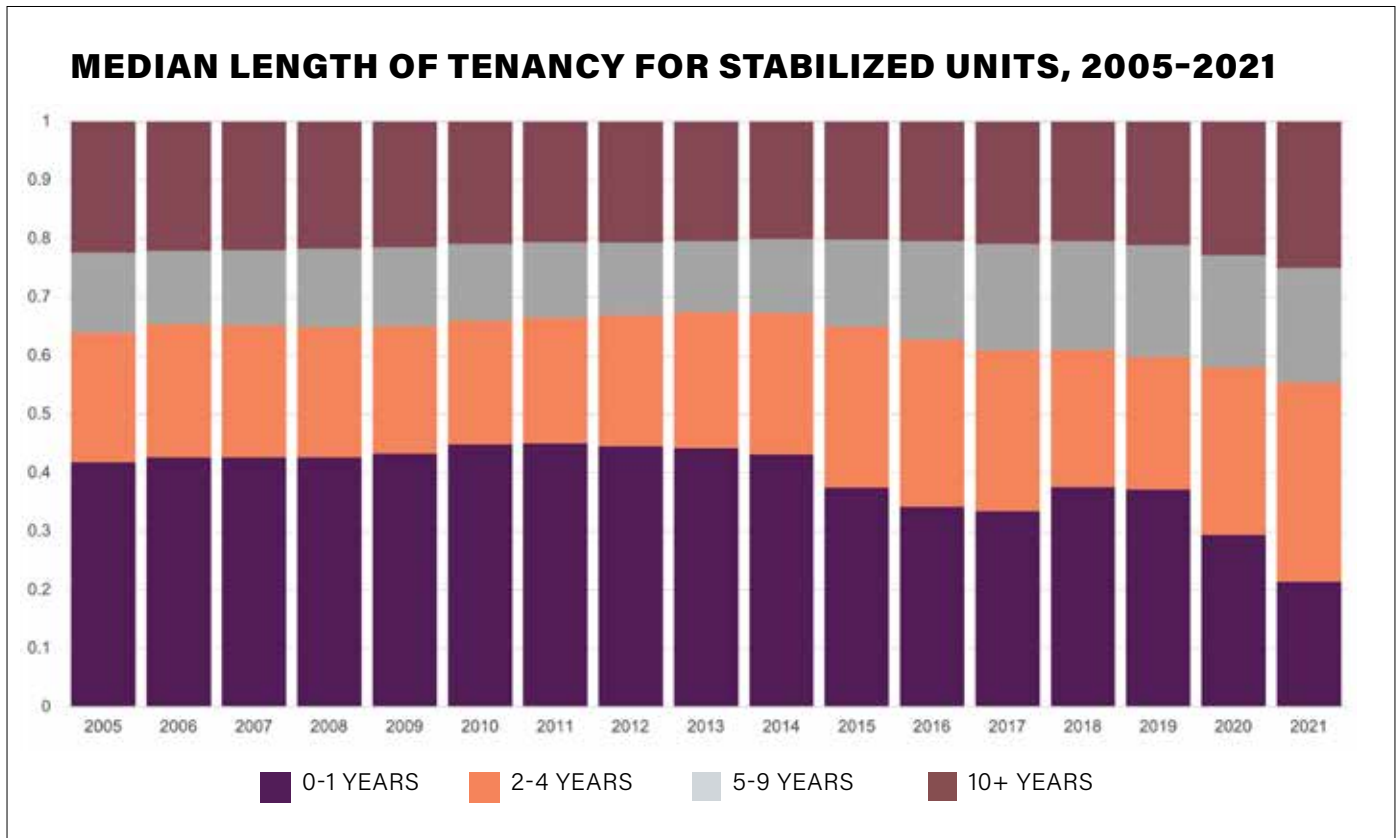
### % CHANGE IN MEDIAN RENT CEILING, 2005-2019



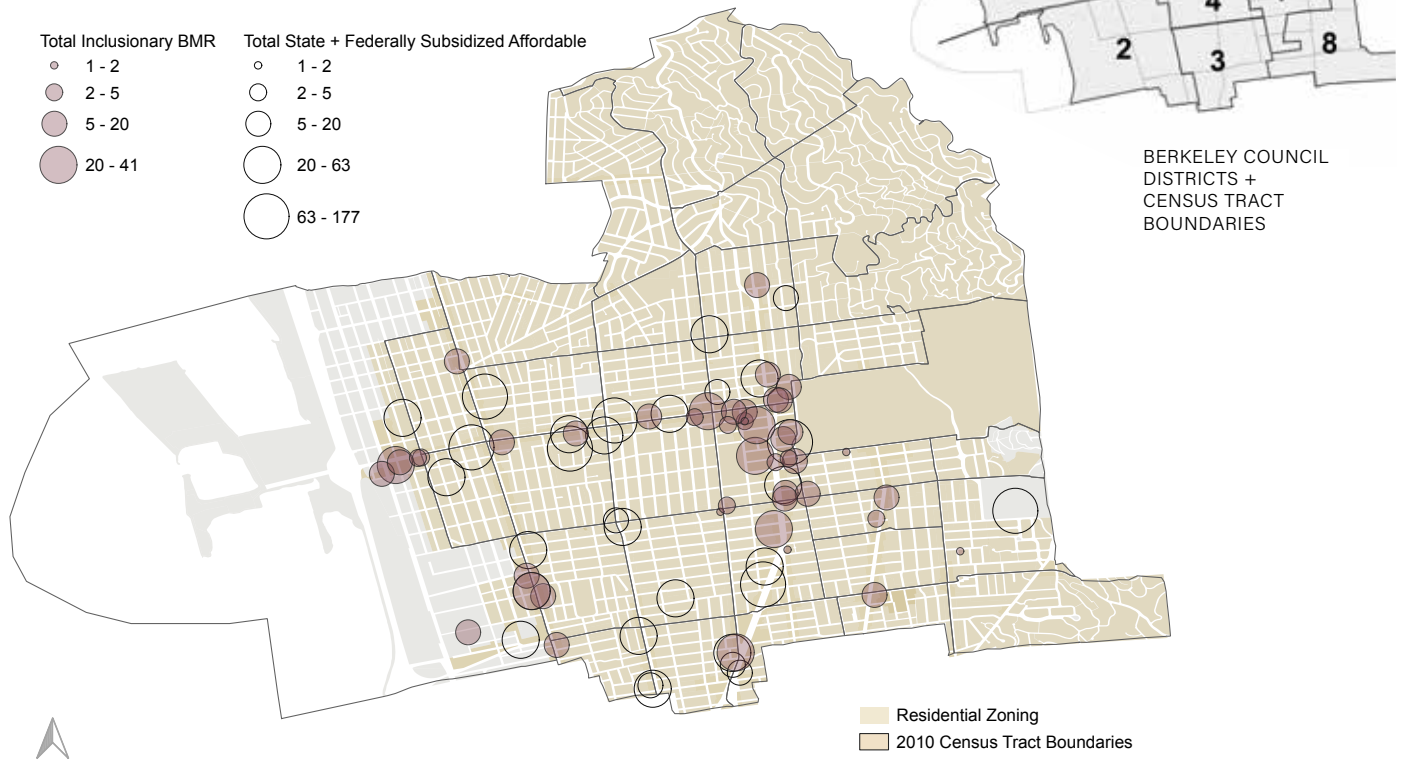
	NO. UNITS 2019	% OF TOTAL UNITS	AVG. RENT CEILING
NORTH BERKELEY (AREA 1)	1,413	7.20%	\$2,193.56
CENTRAL BERKELEY (AREA 2)	3,529	17.99%	\$1,858.28
UNIVERSITY AREA (AREA 3)	10,135	51.67%	\$2,157.27
WEST BERKELEY (AREA 4)	805	4.10%	\$1,671.66
SOUTH BERKELEY (AREA 5)	3,450	17.59%	\$1,860.47

Particular attention should be shown to South Berkeley, which in 2019 contained 17.59% of the total rent controlled stock. While changes seen in West Berkeley are significant, the area only contains 805 units or 4.10% of rent controlled units.<sup>66</sup>

It is also possible to track average tenancy turnover in rent stabilized units by looking at tenancy start dates across units. Berkeley tenants move out of their homes for a myriad of reasons, from students graduating and moving out of the area, to households exiting the housing market to buy homes. However, it is also a reality that some tenant turnover is due to households being displaced, priced out, or evicted. In 2021, the median tenancy length for residents in rent stabilized units is four years. Figure 8 shows that the proportion of extremely short term tenancies hovered around 43% from 2005-2015, but started to decrease in 2015, with a brief resurgence in 2017–2019, and was 21% in 2021. This may be due to residents of rent-stabilized housing staying in place as rents have risen. The overall high proportion of short term tenancies is likely due to student renter populations.



## TOTAL INCLUSIONARY BELOW MARKET RENT AND SUBSIDIZED AFFORDABLE UNITS



### ***New Construction Fails to Provide Substantial Affordable Options***

The City of Berkeley continues to make slow progress towards its regional housing goals for the 2015–2023 RHNA cycle. Berkeley’s building permits reflect a pattern throughout Alameda County which has failed so far to build sufficient affordable housing at Moderate, Low-Income (LI), and Very Low Income (VLI) levels.

Berkeley’s 2020 Housing Element Update Annual Progress Report shows that the production progress of Above Moderate (> 120% AMI) units for the 2015-2023 Regional Housing Needs Allocation has already achieved 177% of its goal.<sup>67</sup> In this six year time period, Berkeley has permitted a total of 2,476 units; a rate of 412.6 units per year. Buildings qualifying for above moderate permits include single family homes, condos, ADUs, 2–4 unit structures (“Missing Middle”), and 5+ unit structures.

Meanwhile, only 233 units have been permitted at Low-Income (50–80% AMI) or Very Low Income (< 50% AMI) levels, a rate of 38.8 units per year. This accounts for 8.6% of all permits issued in the last six years. Any LI or VLI units produced were done so as a result of inclusionary bonuses, through the Berkeley Housing Trust Fund (via Affordable Housing Mitigation Fees), or through state or federal subsidies. As of 2020, there are only 46 locations in Berkeley that offer Below Market Rate units to

Figure 9 (left):  
Proportion of tenancy by total tenancies, 2005-2021

Figure 10 (above):  
Locations of Affordable Inclusionary BMR and State + Federally Subsidized Units

low-income or very low-income tenants and only 534 units total across these buildings. Figure 9 shows the locations and number of units for all current affordable units. This minimal supply leaves thousands of tenants in the lurch relying on the market and private developers to build affordable units or waiting on long lists for units to become available, and in the meantime paying 30-50%+ of their income on rent. Based on the 2021 RHNA status update, Berkeley has 742 units of affordable housing (below 80% AMI) left to build to meet their 2032 goal. In addition to the current outstanding numbers, Berkeley will seek to build 8,934 additional units of housing between 2023-2031. This stated need is occurring in the midst of upzoning, which has no legal mandate for affordable construction, and whose supporters put faith in market forces to generate these units.

While many proponents of densification and upzoning posit that building more housing of any kind to increase housing supply will relieve pressure in the market and naturally lead to greater affordability, this report sought to further investigate this “trickle down” housing theory of filtering. Using the definition of displacement reflected in peer-reviewed literature such as the previously mentioned Chapple and Zuk study as well as papers from the Urban Displacement Project, authors of this report designed a model to understand whether filtering was occurring in Alameda County, with a specific interest in Berkeley, between 2005-2019. The county-wide logistic regression model measured the strength of various descriptive variables, including demographic indicators and the change in housing supply immediately preceding and during the study period, in predicting whether displacement will take place in a tract. The findings of this model push back on the prevailing supply-side argument that construction alone is enough: Figure 11 shows that additional affordable units decreased the likelihood of displacement with statistical significance, while an increase in general supply of housing remained inconclusive.

This probit logistic regression model used 14 variables to predict the binary outcome variable indicating whether or not displacement was observed in an Alameda census tract over the study time period from 2005 to 2019. The definition of displacement is borrowed from the Legislative Analyst’s Office February 2016 report, where they define “a census tract as having experienced displacement if (1) its overall population increased and its population of low-income households decreased or (2) its overall population decreased and its low-income population declined faster than the overall population”.<sup>68</sup> Thus, the resulting coefficients of the model indicate the degree to which each variable is expected to increase or decrease the probability of displacement.

The results of the model showed that the only significant coefficients are those variables which captured the number of new state and federally funded affordable units built in 2000-2009 and 2010-2019. The coefficients on variables representing change in the general housing supply, however, are not statistically significant, leaving us without compelling conclusions about whether increasing housing supply in general decreases displace-

**This means that upzoning raised the cost of housing without actually producing more housing.**



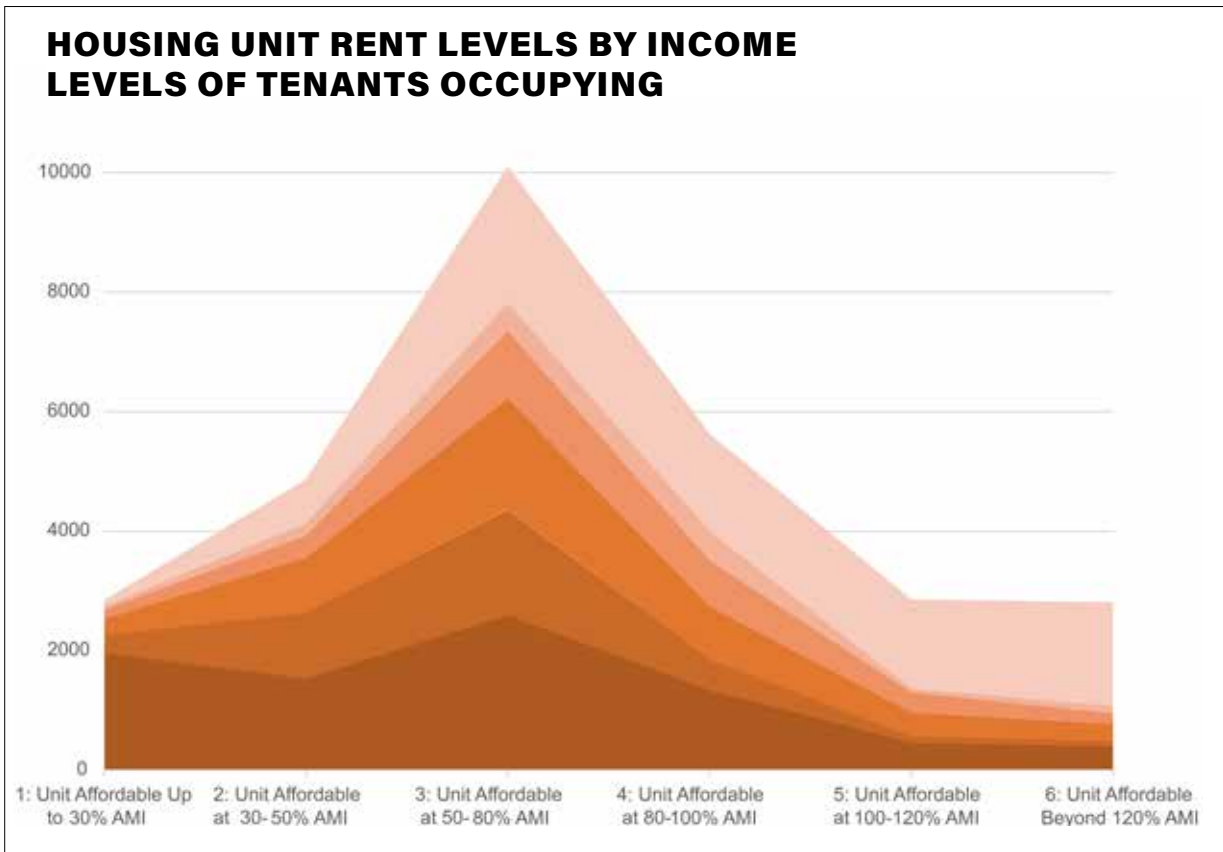
Figure 11:

The Impact of Change in General Housing Supply and Subsidized Developments on Displacement, Alameda County Census Tracts, 2000-2009 and 2010-2019

ment. The model does find with greater than 95% confidence that each additional affordable unit built in a tract before the study period decreased the probability of displacement in that tract by .067% during the study period. Each additional affordable unit built in a tract during the study period decreased the probability of displacement in that tract by .054%.

	Regression Coefficients
% population non-white in 2009	-.004035
Population density (per sq mile) in 2009	-.00003105
% population rent burdened in 2009	.001591
Median gross rent in 2009	-.0002722
% adult population with college degree in 2009	.005671
% housing units built pre-1950 in 2009	.003807
% population below 3x national poverty line in 2009	.01668
Change in # housing units 2000-2009	-.0001057
Change in # housing units 2010-2019	-.001507
# new affordable units in service 2000-2009	-.006752**
# new affordable units in service 2010-2019	-.005399*
Binary variable: tract in Berkeley, CA	-.2692
Binary variable: tract in Fremont, CA	.5518
Binary variable: tract in Oakland, CA	.01496
Sample size: 270 tracts	
Significance levels: ** < 0.01, * < 0.05	

Though the model does not have high predictive power due to a small sample size of only 270 census tracts in Alameda County, and due to challenges in data availability, the findings are an encouraging message about the power of affordable housing to decrease displacement. The relative lack of impact of increased housing supply in our model puts into question the evidence in favor of market-rate construction to ease the affordable housing crisis. It is clear that affordable housing has the power to decrease displacement and allow low-income residents to remain in Berkeley without the instability of rent burden or the fear of eviction.



### ***Housing Allocation and Needs Analysis***

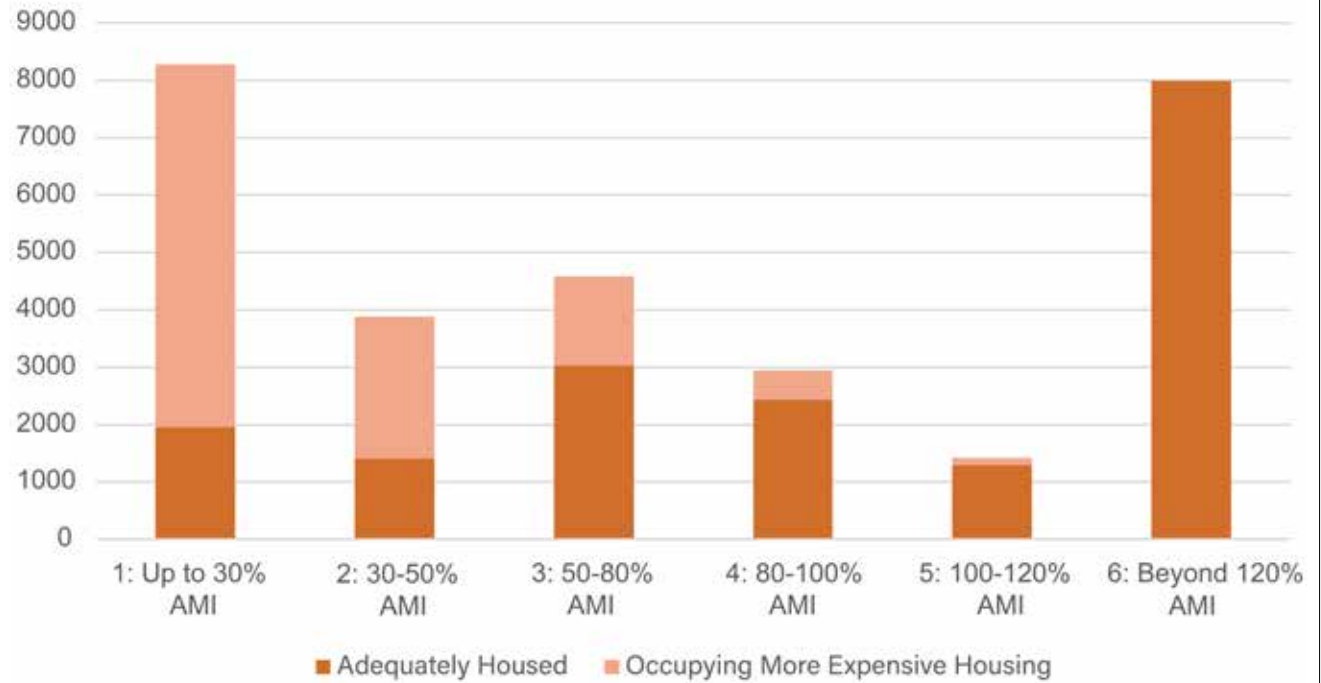
Examining the current housing supply and needs of residents at different affordability categories (based on 2019 housing and income data), we find more evidence of the need for affordable housing at Low Income (LI) and Very Low Income (VLI) levels. Due to the shortage of affordable options, 70% of low-income households (earning 80% or lower AMI) occupy housing outside of their income, and are therefore not adequately housed.<sup>69</sup>

Figure 12 illustrates how lower and middle income households are being squeezed. The majority of units in Berkeley rent at rates affordable to 50-80% AMI households (the peak of the pyramid), however the vast majority of those units are actually occupied by other households, particularly lower income households who face a severe deficit of affordable housing within their income categories and therefore must occupy more expensive housing. This leads to both rent burden for low-income households and diminishes the ability of those in the 50-80% AMI category to find appropriately affordable housing. The proportion of higher income households continuing to occupy less-expensive housing also would seem to call into question a central idea of filtering which is that there would be a preference among higher earners to upgrade to newer luxury, market-rate units. 6,314 households earning up to 30% AMI occupy more expensive housing. In contrast, only 122 households earning above 100% AMI live in a higher affordability category; all 120%+ AMI residents are adequately housed. We see that the lowest income groups are severely inadequately housed, while over half of renters making 80%+ AMI occupy housing below their income bracket.

Figure 12 (above):  
Housing unit rent levels by  
household income of tenants

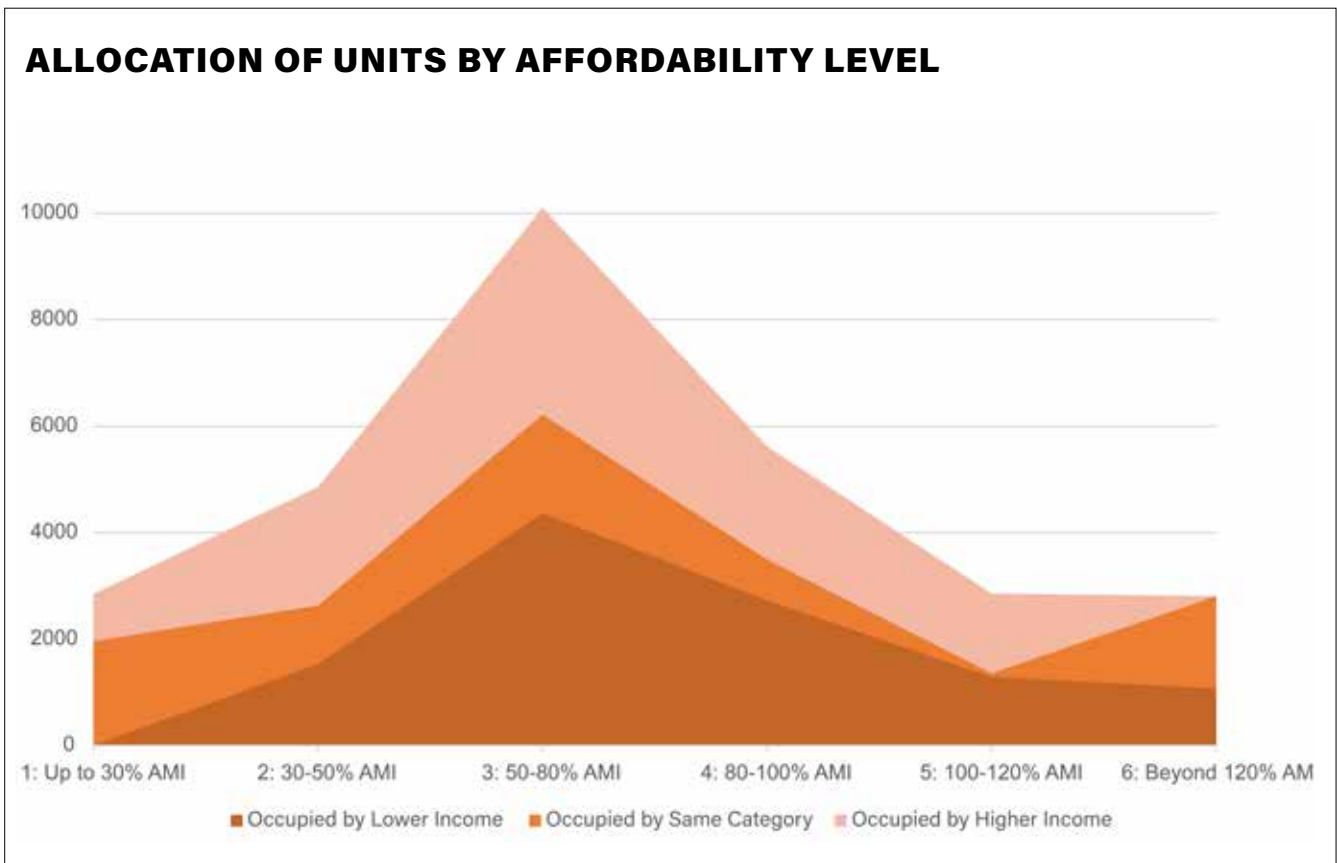
Figure 13 (right):  
Tenant income by rent level of  
occupied housing

## PROPORTION OF TENANTS ADEQUATELY HOUSED BY INCOME LEVEL



The bar graph in Figure 13 shows what proportion of households in a given income category are occupying housing that is affordable to them. Six thousand, three hundred and fourteen households... more expensive housing and are then considered rent burdened. In contrast Figure 14 further visualizes this concept by breaking down who is occupying units at a given affordability category, i.e. what proportion, less than, or greater than that category. Tenant households who fall into the group titled “occupied by lower income” are inadequately housed according to our metric. This figure further illustrates that the crunch in available and affordable housing at middle income levels is not the product of an absolute shortage of units renting at that rate, but rather those units are occupied mostly by lower income households who do face an absolute shortage of affordable units and are forced to occupy more expensive housing. This suggests that by providing housing to lower income households, particularly households earning below 50% of AMI, Berkeley could alleviate the less severe shortfall (indicated by Figure 12 above, and 15 and 16 below) faced by middle income groups.

Figure 15 shows the cumulative distribution of households and housing units by income level. The figure indicates that a severe deficit of both affordable and accessible units exists at lower income levels, but is increasingly mitigated at higher income levels. At moderate and high incomes, there is no shortfall of units affordable to those households, but there is a shortfall of affordable plus accessible units due to occupancy by higher income levels. However, as the above figures illustrate, the deficit in available units is more attributable to the lower income households pushed up and out of their own affordability categories by an absolute lack of affordable housing, which is also reflected in this figure.



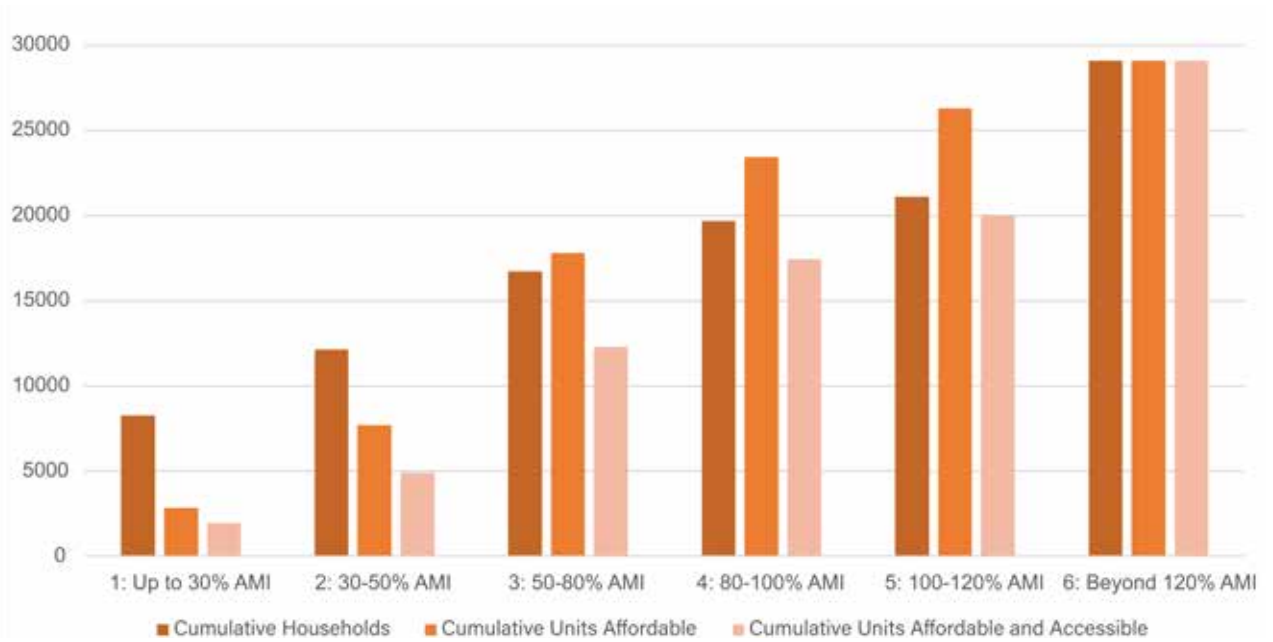
What our studies also show is that the access to affordable units on the market is a significant barrier to low-income households being adequately housed. The gap between the total number of affordable units and the number of accessible units is quite dramatic for 50% or less AMI because of occupation by higher income households. Figure 15 shows that there is no deficit in supply of housing for AMI 120% and beyond and very little deficit for those between 80-120% AMI. A key finding here and in above figures shows that high income earners' housing preferences are satisfied by the current housing stock at their income levels and may even continue to outbid below moderate income level households for moderately priced housing. This further deprives low-income households of units that are affordably priced. Moreover, the deficit in Cumulative Affordable and Accessible Units for 50% and below AMI households indicates that the greatest need for additional housing stock is with this lowest-income price bracket.

Finally, Figure 16 shows the enormous challenge that Berkeley faces to adequately house low-income renters with "affordable and accessible" units. The affordability gap is the difference between the cumulative amount of households at an income level (including lower income) and the cumulative amount of units affordable and accessible at that income level (including those affordable and accessible at lower income). This is compared to the real gap, calculated as the difference between the number of adequately housed households and total households within any income category. We also see that there is a minimal affordability gap for 100%+ AMI renters.

Figure 14 (above): Allocation of housing unit rent levels by affordability to occupying tenants

Figure 15 (right): Cumulative households by income class and units by affordability level

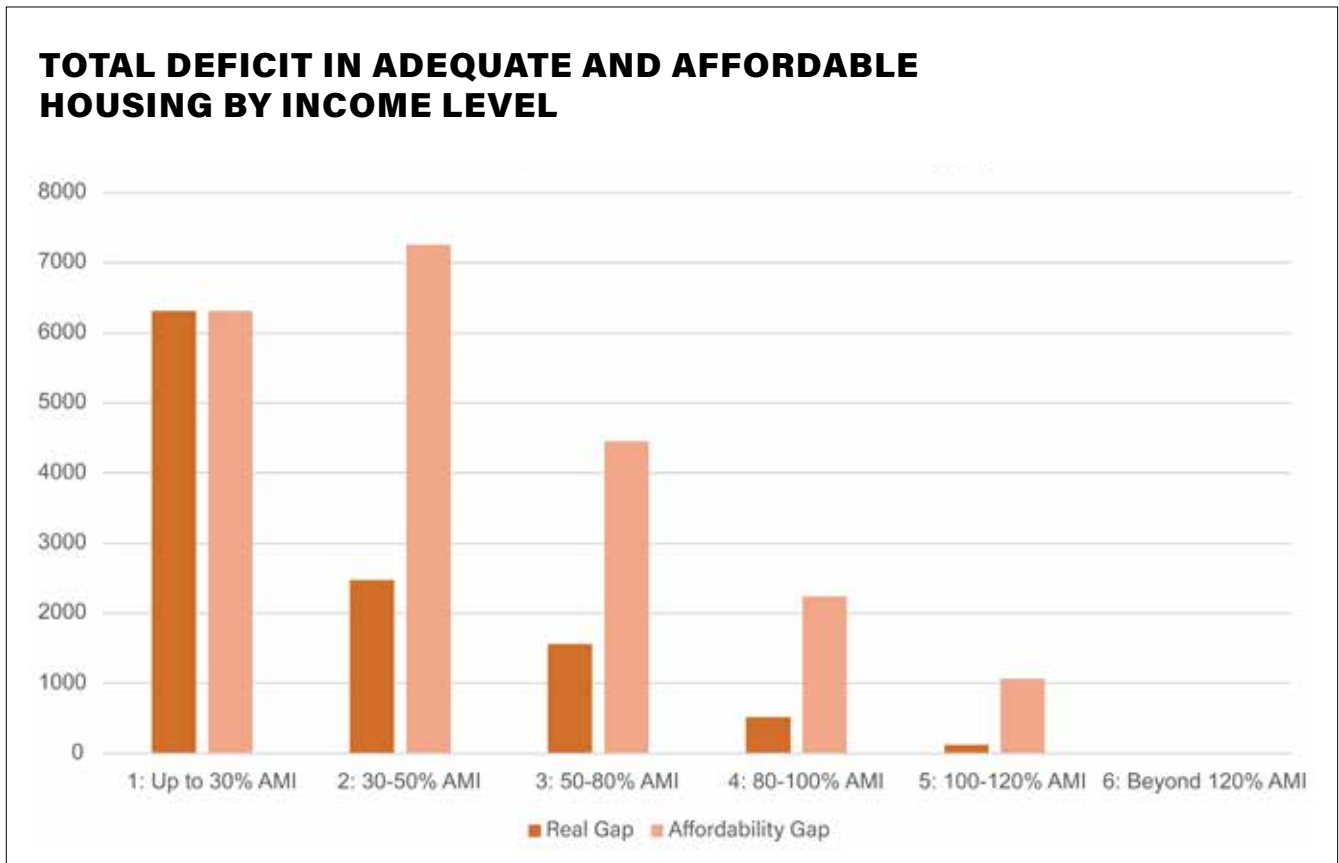
## CUMULATIVE HOUSEHOLDS BY INCOME CLASS AND UNITS BY AFFORDABILITY LEVELS



The affordability gap is crucial in understanding the true needs of Berkeley residents, many of whom are currently paying far beyond their means, and how Berkeley can facilitate true accessibility and affordability. This study finds that there is no great need for additional housing that caters to above moderate income households. As the City of Berkeley considers changes to the Housing Element and further densification of residential zones, this study strengthens a call to focus on building housing that offers truly affordable options.

### ***Defining and Projecting Vulnerability***

With Berkeley's stated intention to end exclusionary zoning and increase density single family residential zones, a key question for tenant and community groups remains: will increased market-rate construction, speculation, and high rents in upzoned areas (without adequate affordable options) cause displacement of long-term residents? This report aims to educate the Rent Board and City Council about where tenants are most vulnerable to displacement in the case of upzoning policies that densify single-family neighborhoods.<sup>70</sup> Our Vulnerability Index finds that there are several areas with high vulnerability to displacement, several of which are in census tracts that were formerly redlined into segregated zones on racialized lines. This finding warns that ending exclusionary zoning policies without adequate protections and active mandates for affordable housing could perpetuate rather than atone for histories of segregation and oppression of low-income residents of color.



The map in Figure 17 shows the projected vulnerability by census tract based on our analysis. This vulnerability index evaluates the relative threat of displacement in Berkeley by analyzing 8 predictive metrics, each of which are established predictors of displacement risk in the academic literature, substantiated by empirical work.

- % renters
- % rent burdened
- % owners cost burdened
- % renters non-white
- Median household income
- % residents unemployed
- % units overcrowded
- % long time renters

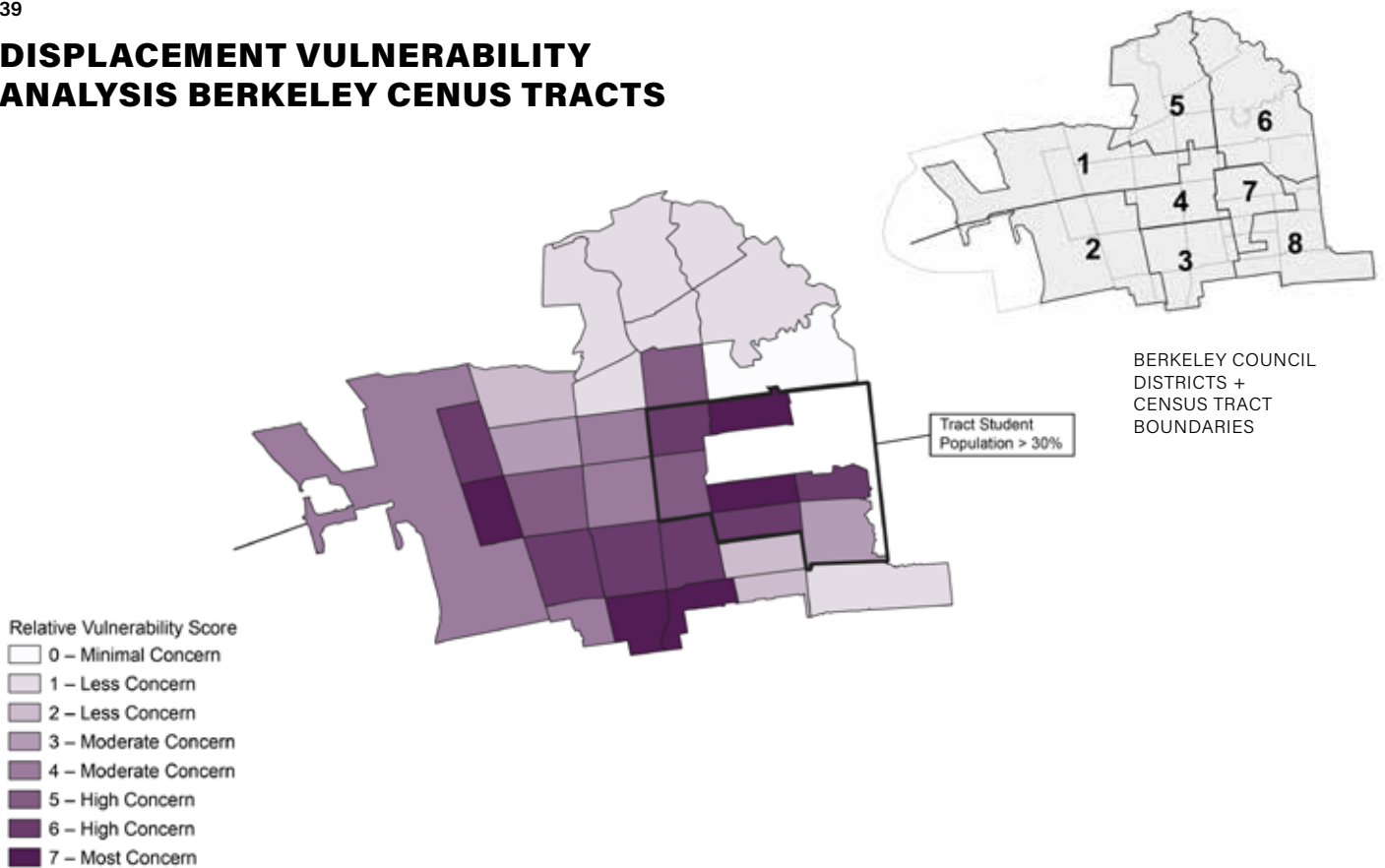
These metrics reflect the greater vulnerability of: renters, due to their less secure housing tenure; low income residents, due to their difficulty in facing increased housing costs; and BIPOC residents, due to the impact of past and present discrimination. It also reflects the vulnerability of households that are already experiencing housing instability as indicated by spending more than 30% of their income on housing costs, or are experiencing unemployment or overcrowding. Finally, it recognizes the vulnerability of long-time renters who may be paying less than market rate due to rent control and thus could be targeted by landlord pressure to bring in market rate tenants.

Figure 16 (above):  
Total deficit in adequately affordable housing by income level

Figure 17 (right):  
Displacement Vulnerability Analysis



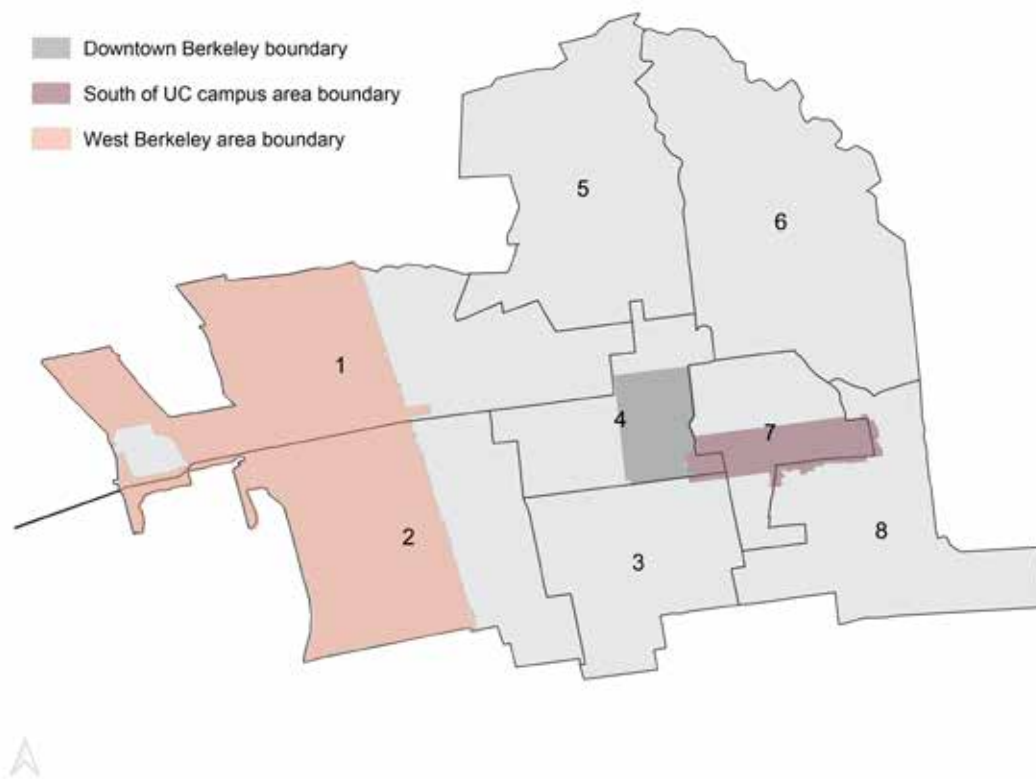
## DISPLACEMENT VULNERABILITY ANALYSIS BERKELEY CENUS TRACTS



The Vulnerability Index aggregates and scores each census tract on a 0–7 scale based on the weighted predictive metrics listed above. Darker census tracts indicate higher scores in the scale and more concentrated vulnerability to displacement.

There are several neighborhoods that scored 5–7 or “High Concern”—“Most Concern” in the index. These are concentrated in: immediately north and south of UC Berkeley campus, South Berkeley, and West Berkeley. Due to high (>30%) student populations in the areas north and south of campus, the area on the map inside the box, it is challenging to understand the long term implications of displacement in these areas. While this report considers displacement of student renters to be an important issue, students tend to have lower incomes, lower employment, and higher number of residents per unit while enrolled, which could skew the findings of this study.

However there are also areas with “High Concern” and “Most Concern” scores in census tracts in West Berkeley and South Berkeley. These neighborhoods are primarily zoned for single-family (R1, R1A) or restricted two family/multi-family residential (R2, R2A) and may be considered as opportunity sites for construction of rental duplexes, triplexes, and four-plexes. West and South Berkeley, however, are already experiencing documented signs of displacement and gentrification, including a dramatic loss of Black residents and increases in rental prices and median income. The renter majority in these neighborhoods would benefit from stronger rent control protections, protections against demolition of rent controlled housing, and policies that encourage building units that are 80% or less of AMI.<sup>71</sup> West Berkeley in particular has a higher than average proportion



of long-term renters. These tenants must be further protected from demolitions, landlord harassment, and other methods of displacement that take place in highly speculative real estate markets.

The index also indicates the neighborhoods where current residents would not be as vulnerable to displacement pressure with the elimination of single family residential zoning; particularly, North and Southeast Berkeley.

## BERKELEY CASE STUDIES

To complement the vulnerability index, which looks forward to the likely impacts of increasing density in different neighborhoods, we also studied the impacts of past changes to zoning and development in three key Berkeley neighborhoods. We analyzed three areas of the city that have been rezoned in the last 15 years or have experienced significant new development. These three neighborhoods of focus are:

*Downtown Berkeley as defined in the 2012 Downtown Area Plan.<sup>72</sup> The Downtown Area Plan expanded high-rise residential and mixed use residential/commercial development, focused around the BART station and Shattuck Avenue corridor.*

The area immediately south of the UC Berkeley campus, as defined in the 2011 Southside Area Plan.<sup>73</sup> The Southside Area Plan upzoned residential areas in the plan area from mostly R2 to R3-R4, created special residential subareas, and zoned for high-rise development along the Telegraph Avenue commercial corridor.

Figure 18 (above):  
Case study areas and Berkeley council districts

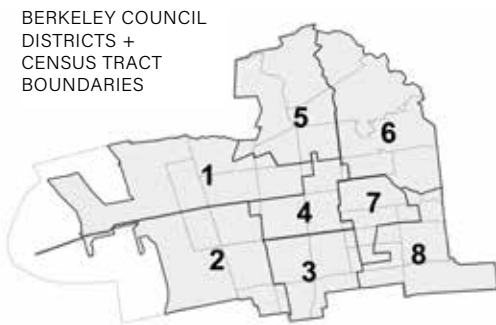
Figure 19 (right):  
Total units constructed  
2000-2020

West Berkeley, defined as the area west of San Pablo Avenue, was rezoned in 1998 in accordance with the 1993 West Berkeley Plan. While the plan focused on preserving industrial and artistic uses, it allowed for significant residential development in commercial areas. The subsequent residential development in commercial and industrial areas has greatly impacted the neighborhood.

Using census data, we analyzed the change in these areas between 2005 and 2019 on key indicators such as racial and ethnic composition, median income, poverty rate, rent burden, median monthly rent, renter occupancy, and median home value. We found mixed signals in downtown Berkeley and the area immediately south of the UC campus. In West Berkeley, we found a clearer picture of displacement, especially of BIPOC and low-income residents.

Although downtown Berkeley and the area immediately south of the UC Berkeley campus were rezoned to allow increased height and density, it is unclear if these areas provide lessons relevant to the current debate around upzoning due to the unique roles they play in the city. The downtown Berkeley area houses significant commercial, governmental, and institutional land uses, while the area immediately south of the UC Berkeley campus is heavily dominated by student uses such as dorms and student-oriented housing and businesses.

While the hopes for upzoning are that it will increase housing supply and affordability, these two areas do not provide clear evidence that upzoning in Berkeley will have these results. We used census data to analyze changes in these two areas between 2009 and 2019 and found the following:



TOTAL UNITS CONSTRUCTED 2000-2020  
NUMBER OF UNITS





Figure 20 (left):

West Berkeley census tracts:  
4220, 4221, 4232

Figure 21 (right):

Percent change in white  
population, 2005-2019

Renter occupancy decreased slightly in both areas despite new development, while renter occupancy in the city as a whole rose by 3.85%

Median gross rent rose more in the south of campus area than in the city as a whole. Median home value rose significantly more in the downtown area (by \$433,000) than in the city as a whole (\$285,000), indicating that housing became less rather than more affordable. This could potentially be caused by speculation and increased investment spurred by rezoning and densification.

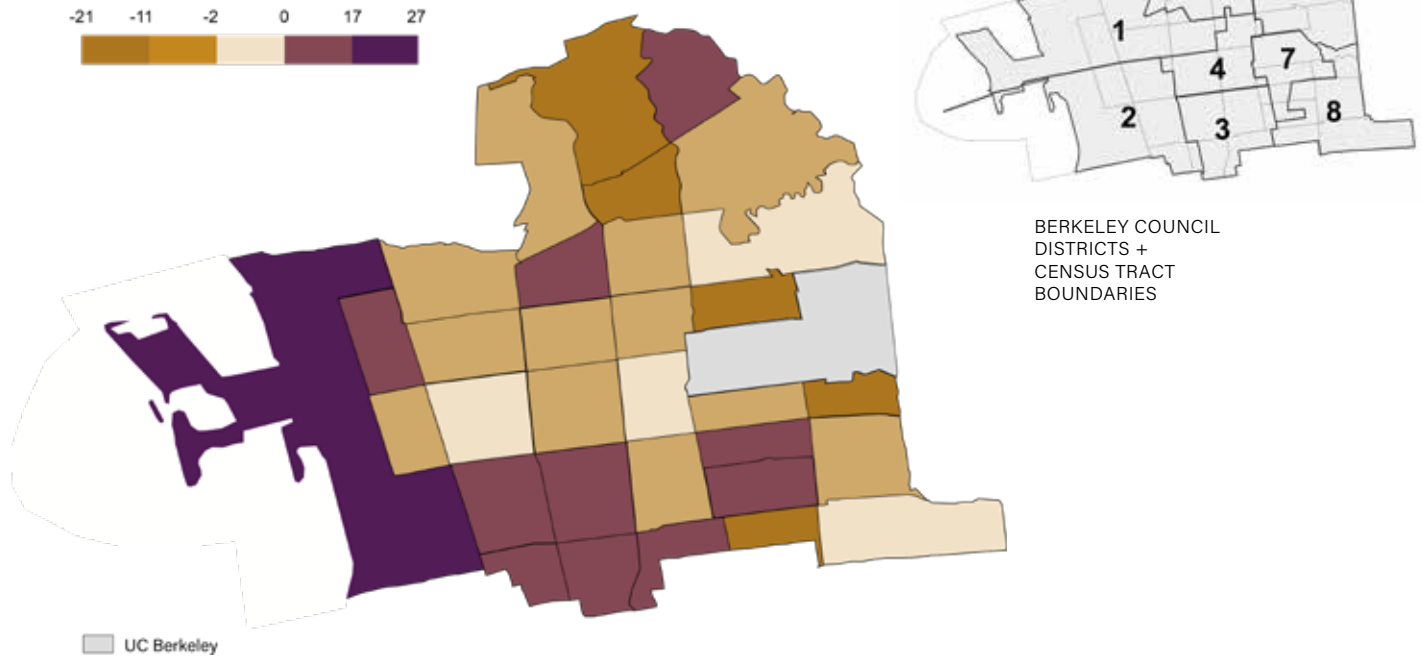
The percentage of residents experiencing poverty decreased by 8.14% in the downtown area, while it rose in the city as a whole by 1.96%. It is much more likely that this indicates the displacement of low-income residents than that existing residents had a sharp increase in income.



Left: The Aquatic Apartments  
on University Avenue

## CHANGE IN WHITE POPULATION, 2005-2019

% CHANGE IN WHITE POPULATION



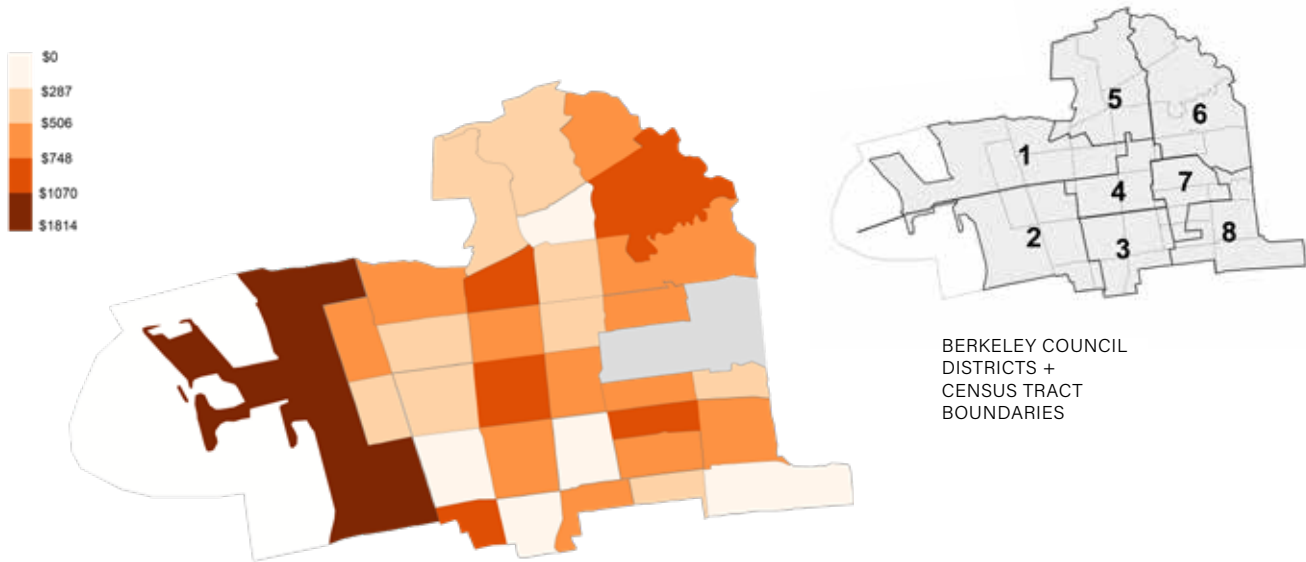
The demographic changes we observed in West Berkeley, on the other hand, presented a significant shift to whiter, wealthier residents.

The 1993 West Berkeley Plan and related 1998 zoning changes were focused on protecting industrial and artistic uses. In the last twenty years the area has experienced significant new development, much of it via the repurposing of commercial and industrial parcels for residential development. Seven hundred sixty-nine new housing units have been built in West Berkeley since 2000, second only to downtown Berkeley, where 1,153 new units were built. The vast majority of those units (651) are in the commercial area along University Avenue immediately west of the historically residential areas of West Berkeley (see Figure 18 on page 40).

The majority of these new units are on parcels zoned Commercial—West, which allows mixed residential and commercial development up to four stories tall and 20,000 square feet in floor area (greater floor areas are subject to a review process that includes a public hearing). This is congruent with the West Berkeley Plan, which called for “appropriately intense development in underutilized portions of commercial streets.”<sup>74</sup> While the city’s inclusionary zoning requirements applied to projects built in the area, it did not produce substantial units; only 65 of the 513 units produced in the cluster around University Avenue and Fourth Street are below market rate (or 12.7% of the total). The West Berkeley Plan did not explicitly prioritize housing affordability and anti-displacement provisions for residents. The plan did focus on protections for industrial and artistic uses, but housing units have nonetheless also been built in parcels zoned Mixed Use—Light Industrial adjoining the commercial area around Fourth Street and University Avenue. For example, the 19 units at The Lofts at 2013 Second Ave



**MONTHLY MEDIAN RENT (UTILITIES INCLUDED)**  
 CHANGE IN MEDIAN GROSS RENT BETWEEN 2005-2019 (IN US DOLLARS)



are technically live/work units, as allowed in the Mixed Use—Light Industrial zone, but unit listings online make no mention of the business license residents are required to have to show that they are running a business out of their unit; instead, the lofts’ “industrial and traditional apartment setting” and amenities such as a fire pit, shuffleboard, high end appliances, and polished concrete floors are highlighted.<sup>75</sup> The pressure of the Bay Area’s housing market threatens to transform a vital mixed use industrial area into merely an industrial aesthetic for new, more affluent residents.

At the same time that West Berkeley has experienced significant new development, it has also experienced significant racial and socioeconomic changes. These changes strongly indicate that West Berkeley is experiencing the displacement of BIPOC residents. Using census data from 2009 to 2019, we analyzed the demographic and socioeconomic shifts in West Berkeley compared to the city as a whole. West Berkeley is broken into three census tracts, which conveniently separates the historically residential portions of West Berkeley (census tracts 4221 and 4232, Fig. 19) from the historically commercial and industrial areas (census tract 4220, Fig. 20), which have seen significant residential development more recently.<sup>76</sup>

*During the period 2009–2019, West Berkeley changed in the following ways:*

- Residents became whiter and more affluent, and there was significant loss of Black and Latinx residents
- Largely industrial and commercial census tract 4220 had by far the highest increase in white residents in Berkeley—27.30%. The most likely cause of this shift is that the residents of the newly built units were overwhelmingly white.
- Residential census tract 4221 also saw an *increase* in white residents of 16.97%.

Figure 22 (above):  
 Change in median gross rent,  
 2005-2019

Top right: New amenities to cater to more affluent residents at 811 University Ave.

Figure 23 (right):  
 Change in West Berkeley  
 population by race and  
 ethnicity, 2005-2019





### CHANGE IN WEST BERKELY POPULATION BY RACE AND ETHNICITY 2005-2019





Left: Ocean View Garden Apartments, affordable housing subsidized by the US Department of Housing and Urban Development

Right: Proposed Development to add a two-story house with a Junior ADU on a lot with an existing single family house

- Industrial/commercial census tract 4220 also had the highest rate of loss of Black residents in the city after South Berkeley—13.31%.
- Residential census tract 4221 had the highest rate of loss of Latinx residents in the city—19.9%. This is striking in the context of an overall 9.16% increase in the city’s Latinx population, and West Berkeley’s historical identity as a Mexican neighborhood.

Residents became more affluent and rents and home values rose

- Between 2009 and 2019 the median income in industrial/commercial census tract 4220 rose by \$53,541 (104.4%), the sharpest increase in the city.
- The poverty rate decreased in residential census tract 4221 by 15.4%, the largest decrease in the city, even as the poverty rate rose slightly (by 1.96%) in the city as a whole.
- Median monthly rent in the industrial/commercial census tract had the largest increase in the city, \$1814/month.
- Median home values increased in residential census tract 4232 by 74.52%, one of the sharpest increases in the city.

While the majority of new development was in industrial/commercial census tract 4220, the adjoining residential census tracts were also affected. This indicates that the rise in rents and influx of whiter and more affluent residents in new housing in the industrial/commercial area impacted the nearby residential areas.

While West Berkeley was not rezoned for the purpose of increasing housing density, it nonetheless provides some important indicators for how increased density can impact displacement in Berkeley. When the West Berkeley Plan was formulated in 1993, the housing affordability crisis had not emerged to the extent that it has since, and the plan and its related zoning reflect this. Housing density is encouraged in commercial areas in the West Berkeley Plan and associated zoning, but there is little provision for housing affordability, tenant protections, or housing equity beyond the

city's inclusionary zoning ordinance. As the housing market heated up in the 2000s, the existing zoning created an opportunity for large-scale development in West Berkeley. Only 12.7% of the units built in the cluster around University Avenue and Fourth Street since 2000 are below market rate,<sup>77</sup> and this undoubtedly contributed to the demographic and socioeconomic changes described above: loss of Black and Latinx residents and sharp increases in housing costs. Even rent stabilized units have seen dramatic changes. As Figure 8 (page 29) showed, the rent ceilings in census tract 4220 increased by 130% in 2005-2019, compared to about a 100% increase citywide.

The impact of recent development in West Berkeley demonstrates that when strong measures to address affordability and housing equity are not incorporated into changes to city zoning and planning, development alone is likely to accelerate displacement and the loss of BIPOC and low-income residents. While the zoning in West Berkeley is different from current proposals to upzone the city, especially proposals to eliminate single family zoning, there is little reason to believe that smaller scale but widespread development via duplexes and ADUs would be markedly different in terms of affordability and equity. In addition, the vulnerability analysis above indicates that the residential census tracts in West Berkeley, which are currently zoned for single-family residential or limited two-family residential, show a high concern of vulnerability to displacement for long-term and low income residents in the case of densification.





## UPZONING POLICIES IN OTHER CITIES

Many built-out cities, such as San Francisco, New York City, Chicago, Boston, and Seattle, have turned to upzoning as one of few tools they can use to increase housing production, noting the extensive literature on how restrictive land use policies have hampered development.<sup>78</sup> Berkeley's upzoning plan will likely target missing middle housing. Many recent upzonings in similar sized cities throughout the country have aimed to incentivize the production of missing middle housing – duplexes, triplexes, fourplexes – which advocates have argued is more affordable than single-family housing and enables cities to add density without changing the scale and look of the existing built environment. Cities such as Bend (Oregon), Minneapolis (Minnesota), Grand Rapids (Michigan), have all implemented some form of upzoning that allows for the building of duplexes, triplexes, fourplexes, and townhomes. Some of these upzonings targeting the missing middle are form-based rezonings, which legislate the forms of buildings allowed rather than their uses. Planners hope these types of rezonings will help streamline the standards and processes for housing production. Yet, affordability remains a significant pain point for cities seeking to add more density, including through missing middle housing. The case of Portland may offer important lessons for how to ensure affordability when producing middle missing housing. Portland added a density bonus when it legalized fourplexes; developers can build up to 6 units on a lot if 50% of the units are affordable to households making below 60% AMI.

The body of literature on the impacts of zoning reform remains slim given the relatively recent uptake of upzoning.<sup>79</sup> Nevertheless, reports about the impact of upzoning on BIPOC and low-income communities have been produced on New York City's upzoning policies by community groups and researchers. Because NYC was one of the earliest cities to upzone beginning in the 2000s, NYC provides important cautionary lessons on upzoning as a solution to the affordable housing crisis.

NYC was first rezoned on a large-scale under the Bloomberg administration. Bloomberg upzoned 1/3 of the total land mass of the city through nearly 120 rezonings. Unfortunately, under Bloomberg's voluntary inclusionary housing, many developers opted not to create affordable housing and as a result, very little affordable housing was created. Only two neighborhoods produced most of the affordable units. Affordable housing accounted for 1.7% of the total residential growth in the city. Moreover, "affordable" units were not affordable to most New Yorkers. The majority of the affordable apartments were set at 80% AMI.<sup>80</sup>

The greatest need for housing is the is one third of residents who make less than 30% of AMI. If the market is flooded with market-rate apartments, rents might go down but never enough for low-income tenants. In fact, even though the city-wide vacancy rate is low at 3.9%, for low-cost rentals, the vacancy rate is practically zero, demonstrating the

... in East New York, speculators immediately started buying up land as soon as discussions on rezoning began 2 years before its passage.

great need for affordable housing.<sup>81</sup> Berkeley, like New York City, has a housing crisis. But the housing crisis for vulnerable low-income residents in NYC is much starker. As Tom Angotti, an expert on zoning in NYC has pointed out, the premise that zoning can resolve the city's housing problems for the people who need it most is simply not true.<sup>82</sup> From 1994 to 2002, over 100,000 rent regulated units were lost citywide due to co-op/condo conversion, vacancy decontrol, buyouts, illegal evictions, and the expiration of tax benefits. Meanwhile, only 40,000 units of privately regulated apartments were added between 2003–2008, which represents less than half the number of units lost. The market simply cannot produce the amount of affordable housing needed to replace the numbers of rent-stabilized units lost.

Zoning reform in NYC always links the production of affordable housing to the expansion of the luxury market. As a result, the land values on rezoned land always rise dramatically, often ahead of the actual rezoning. For example, in East New York, speculators immediately started buying up land as soon as discussions on rezoning began 2 years before its passage. Home prices jumped 63% from \$480,000 to \$1.4 million. Meanwhile, median rents rose 16% to \$1850. Keep in mind that the median neighborhood income was \$32000.<sup>83</sup>

Whereas whiter and richer areas of NYC were contextually rezoned, the areas with the highest percentages of Asian, Latinx, and Black residents were upzoned.<sup>84</sup> These upzoned areas have been shown to become whiter over time, an indication of gentrification.<sup>85</sup> Upzonings from 2003-2007 generally occurred in areas of average levels of development, suggesting that upzoning may be used as a tool to direct development to areas that “need it.”<sup>86</sup> For instance, in Lower Manhattan, most of the development was directed towards Chinatown. Already, within the last few years before this rezoning, Chinatown had lost about 11,000 rent-regulated units, which represents a higher share than other neighborhoods in NYC. While these losses cannot be attributed to upzoning alone, upzoning did little to preserve affordability for an already vulnerable community. Upzoning, in fact, accelerated the displacement of low-income tenants.<sup>87</sup>

Some types of upzoning produced more affordable units than others. Even though rezonings produced far less affordable housing compared to market-rate housing, the Association for Neighborhood and Housing Development (ANHD) found that the ratio of affordable to market rate units matters in terms of displacement effects. A higher ratio is protective against displacement. This is because the drastic and disproportionate increase of market rate units floods neighborhoods with wealthier residents, which drives gentrification. Areas that were not rezoned were actually able to produce a higher ratio of affordable to market rate units, which demonstrates how it is possible to create more affordable units without simultaneously flooding the neighborhood with market rate rentals.<sup>88</sup>

Chicago was recently upzoned in 2013 and 2015 mainly around several transit corridors, a type of upzoning known as transit-oriented development. Transit-oriented development directs housing production and economic development towards transit hubs. Yonah Freemark found that while there was an increase in land value and property transaction prices, there was no change in permit volume.<sup>89</sup> This means that upzoning raised the cost of housing without actually producing more housing.

NYC and Berkeley are admittedly vastly different cities in terms of scale, geography, development, and the built environment and some would contend that upzoning in Berkeley will not follow the fate of NYC. Nevertheless, NYC is a built-out city with a strong economy that continues to attract investment and labor like the Bay Area; it is a diverse renter city with significant wealth, income, and rent gaps. Like Berkeley, it has purportedly some of the strongest rent control policies in the country. Moreover, Berkeley is deeply integrated into the larger Bay Area; upzoning in Berkeley must be situated within the larger context of development and land reform in the region. Therefore, NYC offers important lessons for how Berkeley can use zoning reform in combination with its strong tenant protections to distribute the benefits and risks of upzoning more equitably, and to mitigate the risks of displacement and impacts of racial exclusion.

## **POLICY RECOMMENDATIONS**

From our review of upzoning reform in other cities and analysis of the state of housing in Berkeley, we find that upzoning will have little impact on increasing housing stability for low-income tenants and communities already experiencing gentrification. In some cases, upzoning has led to increased land values, higher housing prices, and speculation, which increased displacement pressures on vulnerable communities. We, therefore, caution against using upzoning as a solution to the affordable housing crisis in our communities. Tenant protections, such as rent control, remain the most effective way of maintaining affordability. Rent control moderates rent increases, and thus housing prices, in the long-term. That is, one of the most effective ways to stem displacement and ensure access to long-term affordable housing is to keep people housed in rent-regulated units.<sup>90</sup> In California, the most effective rent control policies are paired with anti-demolition, condo conversion, and just cause ordinances, as they are in the city of Berkeley.<sup>91</sup> At the same time, any increase in housing production through upzoning must be directed to those who most need housing, renters making less than 50% AMI. Our policy recommendations are written with these two goals in mind.

### ***Protect Most Vulnerable Areas***

Upzoning areas already experiencing displacement and gentrification will not increase access to housing because it will not provide enough much-needed affordable housing. Nor will it protect low-income tenants



**The market simply cannot produce the amount of affordable housing needed to replace the numbers of rent-stabilized units lost.**

who want to remain housed in their homes. Berkeley City Council should direct future upzonings considered as a part of the city's Housing Element Update to North and Southeast Berkeley, areas of 'minimal' or 'low' concern for displacement.

By the same token, neighborhoods vulnerable to speculation, rent increases, and displacement, such as South Berkeley and West Berkeley, should be protected from the effects of upzoning. City Council can consider a special district overlay in these areas to preserve and develop more affordable housing. A zoning overlay modifies the current underlying zoning regulations of a specific area in order to better respond to unique neighborhood conditions. Berkeley City Council is now considering a 100% affordable overlay, modeled after the overlay just passed in Cambridge, Massachusetts. The purpose of Cambridge's 100% affordable overlay is to help affordable housing developers create affordable housing using public funds. By streamlining the process and making it easier for affordable developers to build more densely, the hope is that these developers can build more quickly and more cost-effectively. There is still concern over whether the affordability requirement will produce enough units for the neediest households. In the Cambridge plan, 80% of units will be affordable to households making up to 80% AMI and the remaining at 100% AMI. Berkeley should consider an affordable overlay for households making up to 50-80% AMI.

A provision in SB50 allows "sensitive communities" an extended timeline (5 years) for a community planning process to evaluate and inform decisions on zoning reforms.<sup>92</sup> A community planning committee should be set up in these more vulnerable areas to guide zoning reform.

#### ***Mandate a Racial Impact Study Ahead of All Rezoning***

Similar to an environmental impact study, currently required as part of the review process for certain projects, we recommend a racial impact study that would evaluate the impact of any rezonings on vulnerable communities. Significant research gaps exist on the impact of upzoning policies on communities and neighborhoods. A racial impact study should be created to ensure the equitable distribution of the benefits and burdens of upzoning. In NYC, a Racial Impact Study bill will go into effect in June 2022 to analyze "demographic conditions, household economic security, neighborhood quality of life and access to opportunity, housing security, affordability and quality, housing production, and a displacement risk index."<sup>93</sup> San Francisco has created an Office of Racial Equity with the mandate to develop a citywide Racial Equity Framework. As a part of this mandate, all city departments will be required to develop racial equity plans and analyze the impact of ordinances on racial equity.<sup>94</sup> Berkeley should consider mandating similar mechanisms for evaluating the racial impact of land use reforms.

#### ***Adopt Additional Anti-Displacement Measures***

Any new construction resulting from demolition should be required to pro-

vide a one-to-one replacement of any protected units pursuant to SB 330. Displaced tenants shall have the right of first refusal for a comparable unit in the new development. The replacement units shall be regulated under Berkeley's Rent Stabilization and Eviction for Good Cause Ordinance. The initial rent must be set at the last rent ceiling of the original unit.

The City should pass legislation to ensure the safety and habitability of housing both within units and on the lot during construction. Berkeley should consider the LA Tenant Habitability Program as a model.<sup>95</sup> Under this plan, developers and landlords are required to mitigate untenable conditions or offer the temporary relocation of tenants to alternative housing.

Berkeley should develop a "right to return" policy for Berkeley's residents displaced by gentrification and development. A "right to return" policy was recently discussed in City Council and should be incorporated in the city's inclusionary ordinance. A "right to return" policy would require implementing a framework of preferences for displaced residents, which may include residents displaced by the Ellis Act, eminent domain (e.g. due to BART construction), foreclosure, redlining, homelessness, etc.<sup>96</sup> For instance, the city may adopt a point system that assigns more points to displaced black residents for preferential access to affordable housing and loans as Portland has done.<sup>97</sup>

### ***Increase Protections and Resources for Low-Income Tenants***

As the end of Berkeley's eviction moratorium approaches, Berkeley should increase protections and resources, including rent relief, for low-income tenants still struggling to pay rent.

As tenants receive rent relief from public authorities, they must be protected from discrimination. In addition, Berkeley needs to enforce laws against 'source of income' discrimination, which has recently been added to the Fair Employment and Housing Act. Tenants who have housing choice vouchers should be able to use them for housing of their choice.

### ***Adopt Anti-Speculation Measures***

We have seen how upzoning policies have increased speculation in strong housing markets. Something as essential to people's wellbeing as housing should not be an investment tool to amass large profits for developers. Ideally, cities should build housing using public funds. We also encourage the community's ownership of the land through the creation of community land trusts, housing cooperatives, and tenant's opportunity to purchase the homes in which they live. Berkeley should pass a Tenant Opportunity to Purchase Act (TOPA) and/or Community Opportunity to Purchase Act (COPA). Since 1980, Washington, DC, home to the oldest TOPA program, has preserved 4,300 units as permanently affordable through Limited Equity Cooperatives (essentially affordable cooperatives).<sup>98</sup> Non-profit community groups are often involved with helping tenants educate and organize throughout the TOPA purchase process, with COPA a qualified nonprofit is allowed to make an offer to purchase with the tenants.<sup>99</sup>

**Tenant protections, such as rent control, remain the most effective way of maintaining affordability.**

While developers and landlords may expect a reasonable return on their investments, they should not be allowed to exploit and manipulate land values and housing prices. Anti-speculation measures may include the following: 1) Impose an additional transfer tax on properties sold within 5 years of purchase; 2) Raise the transfer tax on properties worth more than \$10 million; and 3) Impose a vacancy tax on residential and commercial properties.

Create a tracking mechanism to enforce regulations prohibiting short-term rentals. Berkeley's Short Term Rental Ordinance has rules to prevent rental units from becoming permanent short-term rentals, and any new units created through SB 9 are similarly prohibited. The problem as in most cities, is enforcing these laws. In addition to tracking down those improperly renting and profiting from the short-term market, the city should impose fines that increase with each violation.

### ***Increase the Production of Affordable Housing***

Berkeley must ensure the ongoing evaluation of the city's affordable housing mitigation fee in order to accurately calculate the land value capture on new developments as the housing landscape changes over time. Whether Berkeley switches to a per-square foot fee as recommended in the 2021 report from Street Level Advisors or continues to charge a per unit fee, it's important that the fee is adjusted periodically to effectively incentivize inclusion of on-site affordable units or capture value to support affordable units elsewhere.<sup>100</sup> Berkeley should also consider lowering the threshold for the AHMF to include all new residential development.

The City should incentivize the production of affordable units through Costa Hawkins 1954.52B by creating a process for homeowners and developers to regulate rent increases in exchange for waivers and bonuses.

Prioritize the production of rental units over condominiums, and addition to and subdivision of existing structures over demolition, in order to facilitate the creation of rent-regulated units.

### ***Expand the Berkeley Rent Registry***

Much of the analysis in this report was made possible by the excellent tracking of rental and housing conditions in Berkeley by the Rent Stabilization Board and the City of Berkeley through quarterly and annual reports. The following are recommendations for expanding on these data collections to increase the use of this data for the protection of tenants.

### ***Document Eviction Notice to Quit***

While eviction notices to quit represent only part of the evictions taking place throughout a city, tracking the location, date, and reason for possible eviction offers crucial insights into patterns of displacement and speculation. Berkeley's eviction data dates back to 2014 and includes detailed information about the type of "just cause" owners and landlord's claim in order to evict their tenants. However the dataset does not comprehensively track Notices to Quit. Without solid records about evictions that were carried out by courts or marshals (this data is un-

available due to tenant privacy ordinances), data about notices to quit offer crucial information about the timelines of eviction proceedings that Berkeley tenants are experiencing.

***Track Affordable Housing Stock in a Comprehensive Database.***

One challenge faced in data collection for this report was access to information about affordable units in Berkeley and across the Bay Area. Berkeley's rent ceiling public database offers comprehensive details on changes in affordability to rent stabilized housing stock, however, it was difficult to find datasets from other city and regional agencies about deed restricted units, inclusionary development, and other kinds of subsidized housing. While we were ultimately able to obtain this information from several sources, we see the power of this data being open and available in one place for future researchers, community groups, or inquiring renters.

***Register yearly rent for units partially covered by Berkeley's Rent Ordinance.***

Berkeley's Rent Registry made major headway in tracking the housing market with the passage of Measure MM, which requires owners of units partially covered by the Rent Ordinance (not subject to rent control but covered by good cause eviction protections and security deposit provisions) to register information about rental units and tenants. Yet with this new measure enacted, thousands of these newly registered units still did not register the monthly rent charged to tenants. Obtaining this information would allow Berkeley to track the median rent for market-rate units with much more accuracy and provide a better point of comparison for the 19,000 units covered under rent stabilization.

## **Appendix A: Methodologies and Sources**

### ***Tenancy Analysis***

We examined tenancy data from 2005 to 2021, primarily analyzing tenancy length and unit construction, to assess whether Downtown Berkeley (Downtown Area Plan boundary), directly south of UC Berkeley campus (Southside Area Plan boundary), and West Berkeley neighborhoods have experienced unusual turnover or construction. We found that the rate of new rent-controlled tenancies has dropped over time, especially during the pandemic eviction moratorium, while the length of the typical tenancy has increased. This trend holds across regions.

### ***Eviction Analysis***

We considered Ellis Act Notices To Quit (1986-2018), Owner Move In (OMI) Notices To Quit (2000-2020), and all other “good cause” eviction Notices To Quit (2014-2021) to evaluate the effect of upzoning on eviction filings. We found that the total number of eviction filings has remained relatively steady, apart from a drop during the eviction moratorium. Additionally, the vast majority of eviction filings are due to non-payment of rent, reinforcing the seriousness of affordability concerns. The number of evictions was not high enough to draw significant conclusions about neighborhood effects.

### ***Rent Ceiling Analysis***

Rent ceiling data for all of Berkeley in 2005 and 2019 were evaluated in order to determine whether upzoning policies, passed in the downtown and Southside areas of Berkeley in 2011 and 2012, had any measurable effect on rents. Median rent ceilings in all of Berkeley and in the downtown and southside areas approximately doubled from 2005 to 2019 (see below figure). This analysis has not provided evidence that upzoning has a significant impact on rents.

### ***Filtering Model***

Our initial analysis of Berkeley housing and demographic datasets led us to explore how new affordable construction and increases in housing supply in general factor into high-income renter preference and impact rates of displacement; specifically, whether and how patterns of “filtering” are occurring in Alameda County housing stock. We chose to expand our scope of study to Alameda County rather than the City of Berkeley to maximize the number of census tracts and thus the power of the model. Furthermore, the thirty-three census tracts in Berkeley were insufficient to produce statistical significance, and much of the data was not available in accurate form at US Census block group levels. We established the model in keeping with the basis of the Urban Displacement Projects’ model structures in their 2016 research brief, “Housing Production, Filtering and Displacement: Untangling the Relationships”. Focusing on the study period from 2009 to 2019, we accounted for the racial, economic, and educational background of each tract’s population at the beginning of the study period using the 2009 5-year ACS estimates. We settled on

a consistent definition of three times the federal poverty level to indicate low-income. Decennial census data is used to supplement 5-Year ACS estimates to account for the change in the number of housing units per tract during and in the decade immediately preceding the study period. The California Housing Partnership's dataset documenting the placed in service date of state and federal funding allowed us to include a variable specifying the number of additional affordable housing units over those same two decades. Additionally, we include binary variables indicating whether a tract is within the city of Berkeley, Oakland, or Fremont, to capture any difference in displacement trends in these three cities from the rest of Alameda County.

Our probit logistic regression model used the 14 variables from the datasets listed below to predict the binary outcome variable indicating whether displacement was observed in that tract over the study time period from 2009 to 2019. The definition of displacement is borrowed from the Legislative Analyst's Office Feb 2016 report, where they define "a census tract as having experienced displacement if (1) its overall population increased and its population of low-income households decreased or (2) its overall population decreased and its low-income population declined faster than the overall population".<sup>101</sup> Thus, the resulting coefficients of the model indicate the degree to which each variable is expected to increase or decrease the probability of displacement. The only significant coefficients are those on the variables capturing the number of new state and federally funded affordable units built in 2000-2009 and 2010-2019. We can say, with greater than 95% confidence, that each additional affordable unit built in a tract before the study period decreased the probability of displacement in that tract by .067% during the study period. Each additional affordable unit built in a tract during the study period decreased the probability of displacement in that tract by .054%.

#### **14 variables:**

- B01003 2009 and 2019 ACS 5-yr estimate: Total Population
- B03002 2009 and 2019 ACS 5-yr estimate: Hispanic or Latino Origin by Race
- B25064 2009 and 2019 ACS 5-yr estimate: Median Gross Rent
- B15001 2009 and 2019 ACS 5-yr estimate: Educational Attainment
- B25034 2009 and 2019 ACS 5-yr estimate: Year Structure Built
- B17024 2009 and 2019 ACS 5-yr estimate: Age By Ratio of Income to Poverty Level in the Past 12 months
- H001001 2000 Decennial Census: Housing Units
- B25024 2019 ACS 5-yr estimate: Units in Structure
- California Housing Partnership Corporation: Affordable Housing Units, Alameda County, CA
- 2010 Census Tract Relationship File for CA ([https://www2.census.gov/geo/docs/maps-data/data/rel/trf\\_txt/ca06trf.txt](https://www2.census.gov/geo/docs/maps-data/data/rel/trf_txt/ca06trf.txt))



The model does not have high predictive power due to a small sample size of only 270 tracts and challenges in data availability. Due to the lack of granularity in tract-level data, imprecision in ACS estimates, and scarcity of alternative uniform datasets recording change in available housing, it is very difficult to statistically study the prevalence of filtering in Berkeley and, more broadly, Alameda County. Further, it was not possible to include census tracts that were drastically redrawn during the 2010 census in this analysis, though they are the tracts that saw the most population change and thus are especially important to include in a thorough analysis of displacement.

### ***Housing Need Allocation Analysis***

The data reproduced in this report's analysis of housing need and housing production is gathered predominantly from the U.S. Census Bureau's 2019 American Communities Survey (ACS) 5-year estimates, the most recent Integrated Public Use Microdata Series (IPUMS) dataset available for tabulation at the time of writing. The IPUMS data was recoded into affordability and income categories and selected for the Cities of Berkeley and Albany (the smallest possible geographical spillover), and then cross-tabulated through the use of the Survey Documentation and Analysis (SDA) tools developed by UC Berkeley.<sup>102</sup> The cross-tabulations provide the allocation of households by income category, into units by their affordability category. Only occupied units are included in the analysis, therefore. Household income categorization and affordability determinations were made on the basis of (Area Median Income) AMI figures, calculated from the 2019 ACS 5-year AMI of the City of Berkeley (\$85,530) as a basis. A unit is considered "affordable" to a tenant household when the annual rent is less than 33% of their annual income. A household is considered adequately housed if they occupy a unit which is affordable to their income category, including units affordable to income categories lower than theirs. One important qualification here is that the cross tabulations are based on the division of households into income classes based on relation to AMI, and units into affordability classes. This obscures considerable heterogeneity within these classes. For example, many tenants in the Low Income (50-80% AMI) category that live in housing rented at levels affordable to that category may actually be rent burdened, as they could earn 32% AMI and the rent could be affordable at 49% AMI. This means that these counts are fairly likely to be underestimates of the housing need. The methodology is similar to that used by the National Low Income Housing Coalition (NLIHC) in their annual reports titled "The Gap."<sup>103</sup>

### ***Upzoning Vulnerability Index***

The report deploys a multi-scalar spatial indicator of displacement vulnerability based in order to highlight the relative vulnerability of Berkeley census tracts to the displacement of low income households under conditions of redevelopment. The methodology is based on earlier work developed by Strategic Actions for a Just Economy, a Community Based Organization located in Los Angeles which has been used in both published reports,<sup>104</sup> and in the development of a data analytics platform used by Los Angeles County agencies. The tract level vulnerability index

evaluates the relative threat of displacement facing each census tract in Berkeley by analyzing 8 predictive metrics, each of which are established predictors of displacement risk in the academic literature, substantiated by empirical work. The relative performance of Berkeley census tracts is evaluated across 8 indicators of displacement threat using data from U.S. Census Bureau's 2019 American Communities Survey (ACS) 5-year estimates:

- % renters
- % rent burdened
- % owners cost burdened
- % renters non-white
- Median household income
- % residents unemployed
- % units overcrowded
- % renters long time renters

The performance of each census tract is compared to the Berkeley city-wide average: if it differs in the direction indicating vulnerability the tract is scored with a "1." Finally, the indicators are summed to reflect dimensions of vulnerability present in each census tract.



**This report was commissioned by the Berkeley Rent Stabilization Board.**

*The Berkeley Rent Stabilization Board (Board) was concerned that upzoning in Berkeley might lead to increased displacement of tenants and further erode affordability in rental properties. The Board sent a letter to the Berkeley City Council at its March 18, 2021 meeting relaying these concerns. On September 23, 2021 the Board passed a resolution to engage with AEMP to study how policies to increase housing density would impact rental housing security and affordability in Berkeley. The Board commissioned AEMP to explore ways to prevent upzoning from displacing existing tenants and to preserve or increase the existing affordability levels. AEMP presented their initial findings to the Board at their November 18, 2021 meeting, and this final report incorporates their feedback and suggestions and the recommendations adopted by the Board.*

## About the Anti-Eviction Mapping Project

The Anti-Eviction Mapping Project (AEMP) is a data-visualization, critical cartography, and multimedia storytelling collective documenting dispossession and resistance upon gentrifying landscapes. Primarily working in the San Francisco Bay Area, Los Angeles, and New York City, we produce digital maps, software and tools, narrative multimedia work, murals, reports, and community events. Working with a number of community partners and in solidarity with housing movements globally, we study and visualize entanglements of housing policy, race, class, and political economy, while providing tools for resistance. Our narrative oral history and video work centers the displacement of people and complex social worlds, but also modes of resistance. Maintaining antiracist and feminist analyses as well as decolonial methodology, the project creates tools and disseminates data contributing to collective resistance and movement building. Some past reports that we have made can be found at <https://antievictionmap.com/reports-new>, which includes analysis completed in San Francisco, Alameda County, San Mateo County, and more.

The primary work of AEMP is to inform, empower and activate individuals who are negatively impacted by housing inequity and displacement, and to support the work of organizations in this space. We are a multigenerational and multiracial collective, composed of local artists, evicted tenants, oral historians, architects, filmmakers, geographers, data analysts, coders, writers and more. It is the dynamic, diverse and collective nature of AEMP's organizational structure that gives it its unique capacity to research and create strong tools and assets that support policy and educational work on contemporary housing issues. Our process allows us to bring together team members from diverse backgrounds and with varying working styles in order to develop the strongest outcomes. The AEMP members who prepared this report are professional researchers, data analysts, and digital cartographers who are all passionate about creating a more equitable Bay Area housing landscape.

## Project Team

**Ciera Dudley** is a researcher and cartographer who has produced reports and maps with UC Berkeley and Pratt Institute. She holds a BA in Urban Studies from UC Berkeley and a professional certificate in Design & GIS from Pratt Institute.

**Anna Ferrarie** is a writer, filmmaker, and public health professional. While pursuing her Master's in Public Health (MPH) at UCLA she was awarded the Public Health Fellowship in Population Health Advocacy in 2016. In addition to her work with AEMP, she volunteers on the No Place To Go II committee and is a founding member of Public Health Awakened Los Angeles.

**Alex Ferrer** is an AEMP member and urban planning graduate student at UCLA. He has been a housing researcher with SAJE for over 5 years, producing a series of public facing reports on gentrification and the corporate ownership of housing, and helping to develop the statistical methodology of a web based displacement risk tool currently used by the Los Angeles County Development Authority.

**Catherine Guimond** is a member of AEMP and works as Supervising Data and Policy Analyst at Centro Legal de la Raza in Oakland for the Tenants' Rights Program. Previously, Catherine taught classes on geography and urban studies at the University of California, Berkeley and the San Francisco Art Institute. Catherine received her PhD in Geography from the University of California, Berkeley. Her dissertation analyzed the political economy of neighborhood revitalization in the South Bronx in New York City.

**Arushi Gupta** is a third-year undergraduate at Stanford University studying Political Science and Computer Science. She is interested in locally-driven change, public interest tech, and labor issues.

**Alexandra Lacey** is a San Francisco-based filmmaker and producer who works at the intersection of media and activism, with a focus on anti-gentrification and housing rights. In her work with the Anti-Eviction Mapping Project, she has managed and overseen multiple projects, including *(Dis)location: Black Exodus*, a multi-media zine and workshop series, the *Counterpoints* virtual launch event, and the documentary, *Tenant's Rise Up!*. Most recently, she has also worked with the San Mateo Anti-Displacement Coalition on several projects, including the participatory research project and report, *Our Values, Our Voices*.

**Amy Lee** is the distance learning specialist at the San Francisco Department of Public Health's Center for Learning and Innovation. Formerly, she worked with tenants facing building-wide evictions in New York City as a member of CAAAV: Organizing Asian Communities. She has published articles on the mediascapes of displacement, gentrification, and the disappearance of Chinatowns.

**Carla Leshne** has contributed to the production of maps, articles, exhibits, presentations and actions as a member of the AEMP collective. She has collaborated on a number of reports and online resources including *Disrupting Displacement Financing in Oakland 2018*, *Precarious Housing: The Loss of SRO Hotels in Oakland 2017*, *Counterpoints Alameda County 2016*, *Public Spaces San Francisco 2016*, the 'zine *We Are Here 2015*, *Evictorpages*, and the 2021 publication *Counterpoints: A San Francisco Bay Area Atlas of Displacement and Resistance*.

**Erin McElroy** is an Assistant Professor of American Studies at the University of Texas at Austin with a focus on San Francisco Bay Area gentrification and landlord technologies, and is cofounder of the Anti-Eviction Mapping Project and the Radical Housing Journal. Erin has co-wrangled numerous reports written by the AEMP in San Francisco, Alameda, and San Mateo counties, and was a co-editor of the AEMP's recently published *Counterpoints: A San Francisco Bay Area Atlas of Displacement and Resistance*.

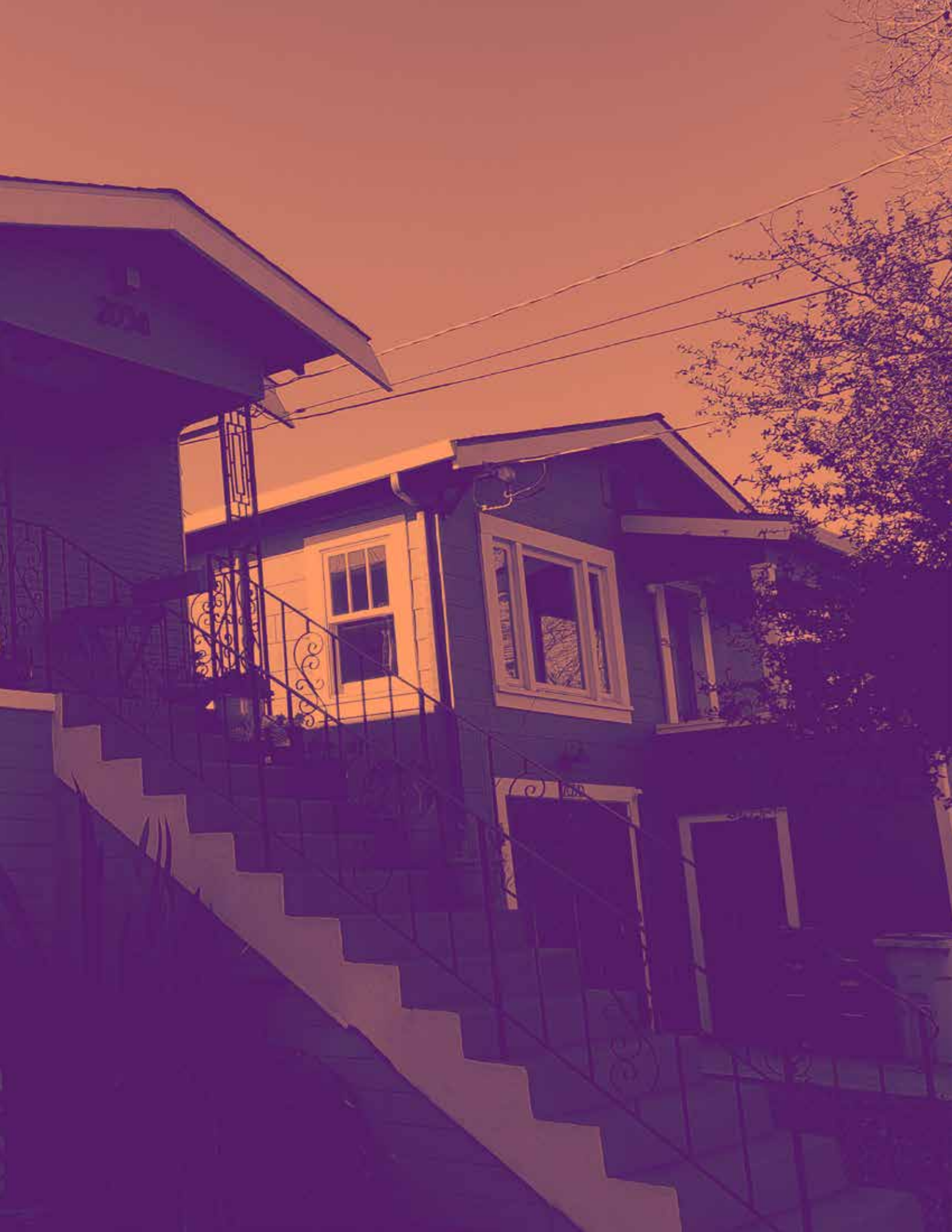
**Claire Morton** is a student studying Mathematical and Computational Science at Stanford University. She has a background in quantitative environmental justice research and has collaborated with groups such as the United Nations, the City of Oakland, Voices in Solidarity Against Oil in Neighborhoods, and the Center on Race, Poverty and the Environment on data analysis and presentation. Claire is passionate about using data and statistics to expose inequities, particularly in California.

**Nineveh O'Connell** is a recent graduate of Stanford University, where she studied Mathematical and Computational Science as well as coursework in sustainability, ethics, and planning. In addition to working with AEMP, she works as a research analyst focused on the impacts of Covid-19 on primary school learning at Education Analytics. Nineveh is interested in applying data science to address public policy issues, especially in transportation and housing.

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## End Notes

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55. The total city population has since grown to over 124,000 but the change in tenure is currently not disclosed. As a city with several educational institutions, students make up a portion of renters; as of 2019, 26.87% of renters identified as students, according to ACS 2019-5yr estimate.
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57. Costa-Hawkins Rental Housing Act passed in California in 1995 and instituted a policy of vacancy decontrol for rental units throughout the state. Costa-Hawkins Act rolled out in Berkeley from 1995-1999, and beginning January 1, 1999, in most cases when tenants vacate rent controlled units, owners can increase the rent for all future tenancies to “prevailing market rent.” Thousands of rental units have turned over, and as a result, Berkeley’s rent ceiling for stabilized units has more than doubled since 1999. “Costa-Hawkins Rental Housing Act.” California Civil Code: Sec 1954.50-1954.535 (Costa-Hawkins) - City of Berkeley, CA. Accessed February 24, 2022. [https://www.cityofberkeley.info/Rent\\_Stabilization\\_Board/Home/California\\_Civil\\_Code\\_Sec\\_1954\\_50-1954\\_535\\_\(Costa-Hawkins\).aspx](https://www.cityofberkeley.info/Rent_Stabilization_Board/Home/California_Civil_Code_Sec_1954_50-1954_535_(Costa-Hawkins).aspx).

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59. In 2019, 27.86% of total Berkeley renters identified as students; this accounts for some of the high turnover of rent stabilized units over time as students move in and out of the area.

60. Measure MM was passed by Berkeley voters in November 2020, and among other controls, mandates that owners of rental units partially covered by Berke-

ley’s Rent Stabilization Ordinance (not subject to rent control, but covered by good cause for eviction protections and security deposit interest provisions) register unit information, tenancy information, and pay a fee to the Berkeley Rent Stabilization Board. This new registration expands the Berkeley Rent Board’s capacity to track changes in rental prices in partially stabilized units. “Measure MM Registration.” MeasureMM\_Registration - City of Berkeley, CA. City of Berkeley. Accessed February 24, 2022. [https://www.cityofberkeley.info/Rent\\_Stabilization\\_Board/Home/MeasureMM\\_Registration.aspx](https://www.cityofberkeley.info/Rent_Stabilization_Board/Home/MeasureMM_Registration.aspx).

61. McLean, “Berkeley Rents.”

62. This table suppressed data for groups that were less than 3% of Berkeley’s total population in 2005 5yr. Estimate. The data about these groups are available in Appendix A.

63. Jesse Barber, “Redlining: The History of Berkeley’s Segregated Neighborhoods,” *Berkeleyside* (September 20, 2018), <https://www.berkeleyside.org/2018/09/20/redlining-the-history-of-berkeley-segregated-neighborhoods>.

64. As of Q3 of 2021, the total number of rent stabilized units in Berkeley was 19,400, as seen in Berkeley Rent Stabilization Board’s Market Medians Quarterly Reports. Bursell, Lief. Issue brief. *SUBJECT: Market Medians: January 1999 through September 2021*. Rent Stabilization Board, January 20, 2022. [https://www.cityofberkeley.info/uploadedFiles/Rent\\_Stabilization\\_Board/Level\\_3\\_-\\_General/Market%20Medians%20report\\_Q3%202021.pdf](https://www.cityofberkeley.info/uploadedFiles/Rent_Stabilization_Board/Level_3_-_General/Market%20Medians%20report_Q3%202021.pdf).

65. Bursell, Lief. Issue brief. *SUBJECT: Market Medians: January 1999 through September 2021*. Rent Stabilization Board, January 20,

2022. [https://www.cityofberkeley.info/uploadedFiles/Rent\\_Stabilization\\_Board/Level\\_3\\_-\\_General/Market%20Medians%20report\\_Q3%202021.pdf](https://www.cityofberkeley.info/uploadedFiles/Rent_Stabilization_Board/Level_3_-_General/Market%20Medians%20report_Q3%202021.pdf).

66. Lief Bursell, *Market Medians*.

67. Dee Williams-Ridley to the Honorable Mayor and Members of the City Council, April 28, 2021, Berkeley Rent Stabilization Board, Housing Element Update and Annual Progress Report, [https://www.cityofberkeley.info/uploadedFiles/Clerk/Level\\_3\\_-\\_General/Housing%20Element%20Update%20042821.pdf](https://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3_-_General/Housing%20Element%20Update%20042821.pdf).

68. California Legislative Analyst’s Office, *Perspectives on Helping Low-Income Californians Afford Housing*.

69. Residents who are adequately housed occupy housing in their own or a lower category of affordability; they are not rent burdened categorically, but perhaps somewhat rent burdened given the qualification in the methodology (see Appendix A).

70. IRA/AGA/Registration Committee to the Honorable Members of the Rent Stabilization Board, March 18, 2021, Berkeley Rent Stabilization Board, Letter to Council Re: Fourplex Zoning, [https://www.cityofberkeley.info/uploadedFiles/Rent\\_Stabilization\\_Board/Level\\_3\\_-\\_General/ACTION\\_6.a.2\\_Rec.%20to%20Council%20re%20Fourplex%20Zoning%20Proposal.pdf](https://www.cityofberkeley.info/uploadedFiles/Rent_Stabilization_Board/Level_3_-_General/ACTION_6.a.2_Rec.%20to%20Council%20re%20Fourplex%20Zoning%20Proposal.pdf).

71. IRA/AGA/Registration Committee, Letter to Council Re: Fourplex Zoning.

72. The Downtown Area Plan is roughly bounded by Hearst Ave. to the north, Dwight Ave to the south, Oxford/Fulton Street to the east, and MLK Jr. Way to the

west. For further information, see: City of Berkeley Downtown Area Plan (2012), [https://www.cityofberkeley.info/uploadedFiles/Planning\\_and\\_Development/Level\\_3\\_-\\_DAP/FINAL\\_x-DAP%20document\\_120329.pdf](https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_DAP/FINAL_x-DAP%20document_120329.pdf).

73. The Southside Area Plan is roughly bounded by Bancroft Way to the north, Dwight Way to the south, Prospect St. to the west, and Fulton Ave to the east.

74. "West Berkeley Land Use," City of Berkeley Department of Planning & Development, accessed March 8, 2022, [https://www.cityofberkeley.info/Planning\\_and\\_Development/Home/West\\_Berkeley\\_-\\_Land\\_Use.aspx](https://www.cityofberkeley.info/Planning_and_Development/Home/West_Berkeley_-_Land_Use.aspx).

75. "The Lofts at 2013 Second Street," [apartments.com](https://www.apartments.com), accessed March 8, 2022, <https://www.apartments.com/the-lofts-at-2013-second-street-berkeley-ca/bhdv328/>.

76. Census tract 4221 encompasses the residential area north of University Ave. bounded by 6th St. to the west, San Pablo Ave. to the east, and 9th St. to the north. Census tract 4232 encompasses the residential area south of University Ave., bounded by 6th St to the west, San Pablo Ave. to the east, and Dwight St. to the south. Census tract 4220 encompasses the remainder of the area west of San Pablo, bounded by Albany to the north, Oakland to the south, and the Bay to the west.

77. Projects that do not fulfill the city's inclusionary housing requirement with onsite units pay an affordable housing mitigation fee that is used to build deed-restricted affordable housing, but that housing is not necessarily in the same area as the market rate housing produced.

78. Davis, "How do upzonings?"

79. As the Urban Displacement Project's "White Paper on Anti-Displacement Strategy Effectiveness" points out, more robust research is needed on the effectiveness of different policies on curbing displacement.

80. See Tom Angotti et al, *Zoned Out*.

81. Angotti et al, 773.

82. Tom Angotti, "Land Use and Zoning Matter," in *Zoned Out: Race, Displacement and City Planning in New York City* by Tom Angotti, Sylvia Morse, Philip DePaolo, Peter Marcuse, and Samuel Stein (New York: Terreform, 2016), 29.

83. Angotti et al, 775.

84. Contextual rezoning is a type of rezoning that changes the nature of development without changing the look and character, or development capacity, of the neighborhood. Vicki Been and Simon McDonnell, *How Have Recent Rezoning Affected the City's Ability to Grow?* (NY: NYU Furman Center for Real Estate & Urban Policy, 2010), [https://furmancenter.org/files/publications/Rezoning\\_Furman\\_Center\\_Policy\\_Brief\\_March\\_2010.pdf](https://furmancenter.org/files/publications/Rezoning_Furman_Center_Policy_Brief_March_2010.pdf)

85. Davis, "How do upzonings?"

86. Been and McDonnell.

87. See Angotti et al., *Zoned Out*; Bethany Y. Li, "Zoned Out: Chinatown and Lower East Side Residents and Business Owners Fight to Stay in New York City," *Harvard Journal of Asian American Policy Review* 19 (2010): 91-97. The Two Bridges Neighborhood Council produced a report offering recommendations on how to protect the neighborhood from gentrification and development: *Framework to Preserve Chinatown/Lower East*

*Side* (Prepared by Rebecca Gafvert and R Weber Consulting for *Two Bridges Neighborhood Council*, 2011), [http://www.chinatown-workinggroup.org/Two-Bridges\\_Framework%20to%20Preserve%20Chinatown%20LES.pdf](http://www.chinatown-workinggroup.org/Two-Bridges_Framework%20to%20Preserve%20Chinatown%20LES.pdf). The Chinatown Working Group commissioned the Pratt Center for Community Development to create a special zoning district for Chinatown: *Preserving Affordability & Authenticity: Recommendations to the Chinatown Working Group* (NY: Pratt Center for Community Development, 2014), <http://www.chinatownworkinggroup.org/2014-06-18%20Pratt%20Report%20Executive%20Summary.pdf>.

88. Chris Walters, *Not all Housing Units are Created Equal: A Report on the Relationship between Rezoning, Affordable Housing, and Racial Equity in New York City* (NY: Association Neighborhood Housing Development, 2021), <https://anhd.org/report/not-all-housing-units-are-created-equal>.

89. Freemark, "Upzoning Chicago."

90. Edward G. Goetz, Anthony Damiano, Peter Hendee Brown, Patrick Alcorn, Jeff Matson, *Minneapolis Rent Stabilization Study* (University of Minnesota Center for Urban and Regional Affairs, 2021), <https://www.cura.umn.edu/research/minneapolis-rent-stabilization-study>; Prasanna Rajasekaran, Mark Treskon, and Solomon Greene, *Rent Control: What does the Research Tell us About the Effectiveness of Local Action* (NY: The Urban Institute, 2019), <https://www.urban.org/research/publication/rent-control-what-does-research-tell-us-about-effectiveness-local-action>; Mitchell Crispell, *Rent Control Policy Brief* (Berkeley: The Urban Displacement Project, 2016), <https://www>.



[urbandisplacement.org/wp-content/uploads/2021/08/svcf\\_rentcontrol\\_policybrief\\_2021.pdf](https://urbandisplacement.org/wp-content/uploads/2021/08/svcf_rentcontrol_policybrief_2021.pdf); Stephen Menendian, Samir Gambhir, & Arthur Gailles, “Racial Segregation in the San Francisco Bay Area.”

91. See Adèle Cassola, “Promoting Mixed-Income Communities by Mitigating Displacement: Findings from 80 Large U.S. Cities,” in *What Works to Promote Inclusive, Equitable Mixed-Income Communities*, ed. Mark L. Joseph and Amy T. Khare (Cleveland: Case Western Reserve University National Initiative on Mixed-Income Communities, 2020). The Turner Center’s recommendations on rent control are clear examples of how the Center alludes to the importance of equity without creating any meaningful policies towards that end. The Turner Center advocates for tenant protections to the extent that they won’t impede housing production (the assumption that they will constrain housing doesn’t necessarily bear out in studies); the anti-gouging cap they recommend (the regional CPI + 5%) is hardly a constraint compared to market-rate increases: *Finding Common Ground on Rent Control* (Berkeley: The Turner Center for Housing Innovation, 2018), [https://turnercenter.berkeley.edu/uploads/Rent\\_Control\\_Paper\\_053018.pdf](https://turnercenter.berkeley.edu/uploads/Rent_Control_Paper_053018.pdf).

92. This bill did not pass nor do the authors of this report endorse SB50. However, the idea to establish an extended timeline for community planning warrants serious consideration. See Anna Cash, Miriam Zuk, and Ian Carlton, *Upzoning California: What are the Implications of SB 50 for Bay Area Neighborhoods* (Berkeley: Urban Displacement Project, 2019), [https://www.urbandisplacement.org/wp-content/uploads/2021/08/sb50\\_udp\\_mapcraft\\_policybrief.pdf](https://www.urbandisplacement.org/wp-content/uploads/2021/08/sb50_udp_mapcraft_policybrief.pdf).

93. The Office of Jumaane D.

Williams, “NYC Council to Vote on Racial Impact Study Legislation Aimed at Fighting Gentrification, Fundamentally Changing Land Use,” press release, June 17, 2021, <https://advocate.nyc.gov/press/nyc-council-vote-racial-impact-study-legislation-aimed-fighting-gentrification-fundamentally-changing-land-use/>. For full text of the bill, see New York City Council, Committee on Land Use, *Requiring a citywide equitable development data tool and racial equity reports on housing and opportunity*, 2021/078, enacted 7/18/21, <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3963886&GUID=D-2C9A25B-0036-416E-87CD-C3AE-D208AE1B>.

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98. Kathryn Howell, Scott Bruton, and Anna Clemens, “Creating and Sustaining Limited Equity Cooperatives in the District of Columbia” (Coalition for Nonprofit Housing and Economic Development, 2/20), <https://cnhed.org/wp-content/uploads/2020/10/Creating-and-Sus->

[taining-Limited-Equity-Cooperatives-in-Washington-DC\\_REV.pdf](https://urbandisplacement.org/wp-content/uploads/2020/10/Creating-and-Sustaining-Limited-Equity-Cooperatives-in-Washington-DC_REV.pdf).

99. “Tenant/Community Opportunity to Purchase | Allincities.Org,” accessed March 6, 2022, <https://allincities.org/toolkit/tenant-community-opportunity-to-purchase>.

100. Street Level Advisors, “Updating Affordable Housing Requirements For The City of Berkeley, CA,” April 27, 2021, <https://www.berkeleyside.org/wp-content/uploads/2021/09/2021-05-18-WS-Item-02-Updating-Citywide-Affordable-1.pdf>.

101. California Legislative Analyst’s Office, *Perspectives on Helping Low-Income Californians Afford Housing*.

102. “SDA: Survey Documentation and Analysis,” accessed March 8, 2022, <https://sda.berkeley.edu/>.

103. Andrew Aurand, Dan Emmanuel, Daniel Threet, Ikra Rafi, and Diane Yentel, *The Gap: A Shortage of Affordable Homes* (DC: National Low Income Housing Coalition, 2021), <https://reports.nlihc.org/gap>.

104. Alex Ferrer and Joe Donlin, *Displacement Zones: How Opportunity Zones Turn Communities into Tax Shelters for the Rich* (Los Angeles: Strategic Actions for a Just Economy, 2019), [https://www.saje.net/wp-content/uploads/2020/09/SAJE\\_DisplacementZones.pdf](https://www.saje.net/wp-content/uploads/2020/09/SAJE_DisplacementZones.pdf).

This report eschews both YIMBY and NIMBY arguments, asserting that neither NIMBY exclusionary zoning nor YIMBY faith in market capitalism are the answer to creating a more equitable housing landscape.

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**A REPORT BY THE  
ANTI-EVICTION  
MAPPING PROJECT:**

Commissioned by  
The Berkeley Rent  
Stabilization Board

