



Kriss Worthington

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CONSENT CALENDAR

July 11, 2017

To: Honorable Mayor and Members of the City Council
From: Mayor Jesse Arreguin, Councilmembers Kriss Worthington, Kate Harrison, and Sophie Hahn
Subject: Adopt a Resolution Approving the Allocation of \$3,131,651 in Predevelopment from the Housing Trust Fund for the Berkeley Way Project.

RECOMMENDATION:

That the Council adopts a Resolution to approve the allocation of \$3,131,651 in Housing Trust Funds for the predevelopment of BRIDGE Housing Corporation and Berkeley Food and Housing Project's Berkeley Way project, in compliance with the Housing Advisory Commission's recommendation, scheduled to be voted on July 6, 2017.

BACKGROUND:

The Berkeley Way Project, the biggest affordable housing development in Berkeley's history, will contain temporary emergency shelter, transitional housing and permanent affordable housing. BRIDGE Housing and the Berkeley Food and Housing Project (BFHP) are in a Memorandum of Understanding with the City for the development of the new housing on a current City-owned parking lot on Berkeley Way. The development will include 142 permanent affordable housing units, for very low-income and formerly homeless families and individuals, as well as 32 Men's Shelter beds and 12 beds for homeless veterans.

At its May 30, 2017 meeting, the City Council agreed to prioritize the Berkeley Way project in order to approve the predevelopment funding before its summer recess, keeping the project on track to meet the deadline for state funds from California's Affordable Housing and Sustainable Development Program. On June 8, the Housing Trust Fund subcommittee recommended up to \$3,131,851 in predevelopment funds to BRIDGE housing for the Berkeley Way project.

FINANCIAL IMPLICATIONS: The allocation of \$3,131,651 to the project's predevelopment process could leverage County A1 funds and \$17 million from California's Affordable Housing and Sustainable Development Program and \$16 million in State tax credit.

ENVIRONMENTAL SUSTAINABILITY

No negative impact.

CONTACT PERSON:

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RESOLUTION NO. ##,###-N.S.

RESERVING HOUSING TRUST FUNDS NOT TO EXCEED \$3,131,165 FOR AN INCREASE TO THE PREDEVELOPMENT LOAN TO BRIDGE HOUSING'S PROPOSED DEVELOPMENT OF THE BERKELEY WAY PROJECT

WHEREAS, the City Council established a Housing Trust Fund Program (HTF) to assist in the development and expansion of housing affordable to low and moderate income persons who either work or reside within the City of Berkeley, and authorized the City Manager to implement the Program; and

WHEREAS, there is a great need for affordable and special needs housing in the City of Berkeley, as stated in the General Plan Housing Element and the City of Berkeley's Consolidated Plan; and

WHEREAS, on September 10, 2013, the City Council identified priorities for the development of the Berkeley Way project; in use as a public parking lot; and

WHEREAS, on April 29, 2014 with Resolution 66,561-N.S., the City Council approved the issuance of a Request for Qualifications (RFQ) to identify a developer team qualified to develop the Parcel for uses consistent with the identified priorities; and

WHEREAS, on September 9, 2014 with Resolution 66,754-N.S., City Council approved the development team of the BRIDGE Housing Corporation and the Berkeley Food and Housing Project (BFHP) with their architect, Leddy Maytum Stacy Architects (LMSA), as the best qualified for the development of the Berkeley Way Parking lot, and authorized the City Manager to enter into an agreement with Bridge Housing to generate a proposal for development of the Parcel for uses consistent with the identified priorities, and the City entered into a Memorandum of Understanding on December 22, 2014; and

WHEREAS, on May 31, 2016 with Ordinance 7,479-N.S. and on June 14 with Ordinance 7,480 the City Council authorized a Disposition and Development Agreement with BRIDGE Housing for the Berkeley Way site; and

WHEREAS, on May 30, 2017, the City Council agreed to prioritize the Berkeley Way Project and expedite its planning process in order to receive approval for its predevelopment funding before the City Council's summer recess. This would ensure the project's ability to meet its deadline for \$17 million in state funds from California's Affordable Housing and Sustainable Development Program; and

WHEREAS, the Housing Advisory Commission reviewed and agreed with the Housing Trust Fund subcommittee recommendation to fund pre-development costs at \$3,131,851.

WHEREAS, on September 27, 2016 with Resolution 67,698-N.S., the City Council authorized a predevelopment loan of \$835,897 which was executed on April 18, 2017; and

WHEREAS, funds anticipated for the recommended contract are available in the Housing Trust Fund from housing mitigation fees on commercial development (250-8151-various), Affordable Housing Mitigation Fee revenue (249-8151-various), inclusionary in-lieu fees (254-8151-various), and condo conversion fee revenue (258-8151-various).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that it approves the following for BRIDGE and BFHP's development of the Berkeley Way project:

- A reservation of \$3,131,651 in Housing Trust Funds for predevelopment costs of the proposed project.

BE IT FURTHER RESOLVED that the funding reservation is conditioned upon the completion of the environmental review process, except as authorized by 24 CFR, Part 58, and that should HOME and/or CDBG funds constitute a portion of the funding for any project, a final commitment of HOME and/or CDBG funds shall occur only upon the satisfactory completion of the appropriate level of environmental review and also upon the receipt of approval of the request for release of funds and related certification from the U.S. Department of Housing and Urban Development, when applicable. The funding reservation for any of the HOME and/or CDBG funded projects is conditioned upon the City of Berkeley's determination to proceed with, modify, or cancel the project based on the results of subsequent environmental review under the National Environmental Policy Act.

BE IT FURTHER RESOLVED that the City Manager, or her designee, is hereby authorized to execute all original or amended documents or agreements to effectuate this action; a signed copy of said documents, agreements, and any amendments will be kept on file in the Office of the City Clerk.