



Office of the City Manager

CONSENT CALENDAR  
July 24, 2018

To: Honorable Mayor and Members of the City Council  
 From: Dee Williams-Ridley, City Manager  
 Submitted by: Paul Buddenhagen, Director, Health, Housing & Community Services  
 Subject: Approving Berkeley Way Project Application for Alameda County A1 Funds

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to work with BRIDGE Housing Corporation to submit an application to Alameda County's Housing and Community Development Department for \$13,525,338 from Berkeley's set-aside of Measure A1 bond funds for the potential development at 2012 Berkeley Way and specifying the proposed match the City has already identified for the project.

FISCAL IMPACTS OF RECOMMENDATION

Preparing and submitting the application will require the participation of Health, Housing & Community Services Department staff.

CURRENT SITUATION AND ITS EFFECTS

The Council approved prioritizing the A1 funding application from Berkeley Way at its June 13, 2017 meeting with Resolution 68,025-N.S. Alameda County staff have subsequently informed us that the City's resolution must specify the amount of funds requested (\$13,525,338, the remaining balance of the City's set aside after funding Grayson Street Apartments in 2017) and the matching local funding that could be provided.

The A1 requires local match in an amount equal to the local permit fees. Separate matches are required for Berkeley's set aside and in order to compete in the North County regional pool. As of August 2017, BRIDGE estimated the local permit and impact fees at \$2.8M. The City has reserved \$3,967,548 in predevelopment funds for the development and has committed the value of the land to the project, pending the satisfaction of numerous requirements, through its Disposition and Development Agreement. Together the predevelopment loan and the land value are projected to satisfy the match requirement.

BACKGROUND

BRIDGE and BHFP were originally selected as the development team for this site via a competitive process in 2014. The City entered into a Disposition and Development Agreement with BRIDGE for the site in June 2016 and into a predevelopment loan of

\$835,897 on April 18, 2017. Council identified Berkeley Way as its first priority for Housing Trust Fund and Berkeley's set aside of Alameda County A1 funds on June 13, 2017. The Council reserved another \$3.1M for Berkeley Way on July 11, 2017, and at its March 13, 2018 meeting, directed staff to work with BRIDGE toward a 2019 application for state funds.

Staff have not ordered an appraisal for the site so no dollar value is available at this time. The property will be appraised in June and staff will report on the value in a later report.

#### ENVIRONMENTAL SUSTAINABILITY

There are no environmental impacts associated with this recommendation as it does not result in any physical changes to the environment and appropriate environmental review will be conducted at the appropriate juncture.

#### RATIONALE FOR RECOMMENDATION

The Council already prioritized and authorized an application from the Berkeley Way project for Measure A1 funds at its June 13, 2017 meeting with Resolution 68,025-NS.

#### ALTERNATIVE ACTIONS CONSIDERED

Staff have not identified another course of action consistent with Council's March 13, 2018 direction to prioritize all steps to prepare the Berkeley Way development for the next AHSC funding application round.

#### CONTACT PERSON

Amy Davidson, Senior Community Development Project Coordinator, Health, Housing & Community Services, (510) 981-5406

#### Attachments:

1: Resolution

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

APPROVING BERKELEY WAY PROJECT APPLICATION FOR ALAMEDA COUNTY  
A1 AFFORDABLE HOUSING BOND FUNDS

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 2012 Berkeley Way, 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, 2016 with Ordinance 7,480 the City Council authorized a Disposition and Development Agreement with BRIDGE Housing for the Berkeley Way site; and

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, on July 31, 2017 with Resolution 68,092-N.S. Council approved an additional \$3.1 million in predevelopment funding for Berkeley Way, for a total of \$3,967,548; and

WHEREAS, Alameda County voters approved the Measure A1 bond for affordable housing, and Berkeley's remaining base City allocation is \$13,525,338, subject to matching City funding requirements; and

WHEREAS, Berkeley development projects can compete for additional A1 funds in the North County competitive pool subject to matching City funding requirements.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that BRIDGE Housing Corporation and the Berkeley Food and Housing Project's Berkeley Way are recommended by the City for the \$13,525,338 in County A1 program's base funding allocation for the City of Berkeley.

BE IT FURTHER RESOLVED that the City has provided enough matching funds through its \$3,967,548 predevelopment loan funding reservation and the value of the City-owned land at 2012 Berkeley Way, which the project would lease at a subsidized rate pursuant to the Disposition and Development Agreement, to apply for both the City's base allocation and to the competitive North County pool. Alameda County will make the final determination on the amount of match required and satisfaction of this requirement.

BE IT FURTHER RESOLVED that the City Manager is authorized to submit Berkeley Way to Alameda County as the City's first priority project to fund with Berkeley's set aside A1 funds.

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.