



Office of the City Manager

CONSENT CALENDAR
October 16, 2018

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Kelly Wallace, Interim Director, Health, Housing and Community Services
 Subject: Approving Small Sites Program Capacity Building Funds for Bay Area
 Community Land Trust

RECOMMENDATION

Adopt a Resolution:

1. Approving \$50,000 in Measure U1 revenues for Bay Area Community Land Trust (BACLT) to support capacity building related to the Small Sites Program; and
2. Authorizing the City Manager to execute all original or amended documents or agreements to effectuate this action.

FISCAL IMPACTS OF RECOMMENDATION

At its December 5, 2017 meeting, Council reserved \$1 million in Measure U1 revenues for the Small Sites Program. On April 3, 2018, Council directed staff to use \$50,000 (General Fund, 010-7902-463-3510) of those funds for organizational capacity building, leaving \$950,000 for future Small Sites Program activities. The City has already funded BACLT at \$4,991 for the current fiscal year through its community agency funding process.

The \$50,000 allocation will be appropriated as part of the First Amendment to the FY 2019 Annual Appropriations Ordinance.

CURRENT SITUATION AND ITS EFFECTS

Council identified the creation of a Small Sites Program as its top priority among Housing Action Plan referrals, and housing staff anticipate releasing a Notice of Funding Availability for the program in late 2018 or early 2019. At its April 3, 2018 meeting, Council directed staff to develop a Request for Information and Proposals (RFP) to award \$50,000 of the funds allocated to the Small Sites Program to an organization “to work on locating appropriate small properties for conversion from rental to limited-equity cooperatives and assisting the residents in the conversion process.”

The City issued an RFP on June 11, 2018, to support capacity building for nonprofits likely to participate in the Small Sites Program, and received two proposals: BACLT, and Northern California Land Trust (NCLT).

Housing staff and the Housing Trust Fund (HTF) Subcommittee of the Housing Advisory Commission (HAC) analyzed the proposals based on criteria identified in the RFP. The subcommittee ranked BACLТ's proposal highest, and recommended the proposal to HAC for funding. On September 6, 2018, the HAC voted to recommend BACLТ for funding. M/S/C (Lord/Amezcuа) to recommend to the City Council to award \$50,000 in Small Sites Program – Capacity Building funds to Bay Area Community Land Trust.

Vote: Ayes: Amezcua, Johnson, Kesarwani, Lewis, Lord, Tregub, Wolfe, and Wright.
Noes: None. Abstain: None. Absent: Owens (unexcused).

BACKGROUND

Housing staff and the HTF Subcommittee reviewed the applications according to the following RFP criteria: developer experience, project budget, project scope, and experience with limited equity housing cooperatives.

BACLТ: BACLТ was founded in 2006, and is staffed by a half-time executive director, with more than 20 years' experience in housing development. BACLТ and its executive director have converted or helped convert three rental properties to cooperatives. In 2015, BACLТ acquired a non-equity cooperative in Berkeley, and worked with residents for a full year to increase resident management of the property.

The projects BACLТ has completed on its own have been smaller (in scope and budget) than what is anticipated in the Small Sites Program. BACLТ worked with San Francisco Community Land Trust on several larger projects in San Francisco's Small Sites Program, including one with an \$8 million budget.

BACLТ's operating budget in 2016 and 2017 was around \$30,000. BACLТ proposes to secure \$145,000 in new grants, loans, and developer fees to combine with the City's capacity building funds to increase the agency's budget greatly.

The City's funds would fund staff salaries, and allow BACLТ to hire a half-time program manager to take over the organization's cooperative training program, and allow the executive director to focus on Small Sites Program opportunities. BACLТ staff plan to work with the Rent Board to identify prospective properties for the Small Sites Program, and work with tenants to educate interested tenants on cooperative ownership structures.

NCLТ: NCLТ created two ownership cooperatives, both funded with HTF loans in 1996. NCLТ acquired two other Berkeley properties in the mid-1990s, but were unable to convert to cooperative ownership because not all tenants wanted to convert. Other NCLТ properties maintain various levels of resident ownership and management. NCLТ is working on education and outreach, with a particular focus on reaching communities that historically have not been part of cooperative housing models.

NCLT is wrapping up its City-funded Scattered Sites Renovation Project – a \$1.3 million renovation of two properties for which the HAC and Council approved \$620,000 in loans for predevelopment and renovation work. With the exception of this project, NCLT's recent renovation experience has been limited to maintenance on its existing properties. NCLT has an in-house broker, and in the past three years has assisted two local land trusts in acquiring single-family homes.

NCLT proposed leveraging an additional \$100,000. NCLT's organizational financials have continued to improve since its 2011 bankruptcy, and its financial indicators are healthy. In 2017, NCLT had an annual operating budget of \$530,000.

Most of the requested funds would have gone towards increasing staff hours. The remaining funds would have supported NCLT's ongoing partnership with the East Bay Community Law Center (EBCLC). The funding would have increased NCLT's ability to work with groups looking to acquire properties for collective ownership and reach out to communities of color at risk of displacement. NCLT anticipated that EBCLC would help identify prospective Small Sites Properties in Berkeley where tenants are at risk of displacement.

ENVIRONMENTAL SUSTAINABILITY

There are no environmental effects related to this recommendation.

RATIONALE FOR RECOMMENDATION

Both organizations are working to increase their capacity and impact, and would benefit from the City funds. The HTF Subcommittee indicated that because BAACL is both a smaller (in terms of staffing and budget) and younger organization, it may realize a greater benefit from the funding support. BAACL also has experience working in San Francisco's Small Sites Program, and may be a good developer for the City's program.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Jenny Wyant, Community Development Project Coordinator, HHCS, 510-981-5228

Attachments:

1: Resolution

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

APPROVAL OF FUNDING RESERVATION FOR BAY AREA COMMUNITY LAND TRUST FOR SMALL SITES PROGRAM CAPACITY BUILDING

WHEREAS, on February 14, 2017, the City Council issued a referral for the creation of a Small Sites Program aimed at preserving affordability in small, multifamily rental properties, and

WHEREAS, on November 28, 2017, Council identified the Small Sites Program referral as the top priority amongst housing referrals; and

WHEREAS, on December 5, 2017, Council reserved \$1 million in Measure U1 revenues to the Small Sites Program; and

WHEREAS, on April 3, 2018, Council directed staff to issue a Request for Information and Proposals (RFP) to support capacity building for nonprofits likely to participate in the City's Small Sites Program; and

WHEREAS, the City released an RFP on June 11, 2018, and received proposals from Bay Area Community Land Trust and Northern California Land Trust; and

WHEREAS, on September 6, 2018, the Housing Advisory Commission voted to recommend funding \$50,000 to Bay Area Community Land Trust.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council approves the \$50,000 funding reservation for Bay Area Community Land Trust to fund capacity building activities related to the City's Small Sites Program.

BE IT FURTHER RESOLVED 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 City Clerk.