



Berkeley City Council

CONSENT CALENDAR

October 16, 2018

To: Members of the City Council

From: Mayor Jesse Arreguin, Councilmember Kate Harrison,  
Councilmember Sophie Hahn, and Councilmember Linda Maio

Subject: Funding Commitment for Oxford Street Apartments, 1601-1603 Oxford St.

RECOMMENDATION

Approve a forward funding commitment of \$6,000,000 to Satellite Affordable Housing Associates (SAHA) for the Oxford Street Apartments at 1601-1603 Oxford Street, which will create 35 affordable rental units for seniors. Potential funding sources for forward commitment include Housing Trust Fund, Measure U1 revenues, and proceeds from the proposed General Obligation Bond for Affordable Housing.

BACKGROUND

Satellite Affordable Housing Associates (SAHA) is proposing a 35-unit affordable housing development for low-income seniors at 1601-1603 Oxford Street. SAHA is leveraging a valuable land donation by All Souls Episcopal Parish in North Berkeley. In 2015, All Souls approached SAHA about a potential partnership to develop affordable housing on surplus land owned by the church. In 2016, SAHA conducted a feasibility analysis for the site and both parties agreed to proceed with developing an affordable senior housing project. In 2016, SAHA was awarded a predevelopment loan from the Housing Trust Fund through a competitive process. After community meetings, SAHA has submitted a Use Permit application and is seeking to leverage local funds in advance of a 2019 tax credit application process and construction start date.

The proposed project consists of 35 affordable units as well as 2 three-bedroom units and approximately 1,400 square feet of administrative space for staff of All Souls Episcopal Parish. Project includes a community room, lobby, bike storage, shared laundry, offices for on-site property management and resident services, upper floor terraces and a landscaped courtyard with community garden space. The project also includes a parking garage consisting of 21 spaces (9 residential, 12 for staff and visitors).

SAHA is seeking a forward commitment of \$6 Million Dollars which will help leverage \$18 Million in additional funds to fully fund the project, enabling it to start construction as early as next year. SAHA plans to submit an application for the Alameda County Measure A1 North County Regional Competitive Pool this fall. Critical to the project's successful application is a local match.

There is a critical shortage of affordable housing for seniors, and this project not only expands the supply of affordable housing but serves as an example for other institutional landowners considering the development of affordable housing on their properties.

At its September 6, 2018 meeting the Housing Advisory Commission adopted the following recommendation:

Action: M/S/C (Lewis/Amezcuca) to recommend to the City Council to award up to a \$6 million toward a commitment for Satellite Affordable Housing Associates' Oxford St development with the exact amount to be determined by need conditional upon the project receiving Measure A1 funding.

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

#### FINANCIAL IMPLICATIONS

\$6,000,000 in City funds. No funding source is proposed at this time, however there is a current balance of \$2 Million in the Housing Trust Fund, approximately \$3 Million in unallocated Measure U1 General Funds, Affordable Housing Mitigation Fee revenues expected to accrue to the Housing Trust Fund, and proceeds from the proposed General Obligation Bond for Affordable Housing if Measure O passes on the November 6, 2018 ballot. Full project funding is not required until the summer of 2019, and with these different funding sources, funding will be available to meet the \$6 Million forward commitment.

#### CONTACT PERSON

Mayor Jesse Arreguin, (510) 981-7100

Councilmember Kate Harrison, Council District 4, (510) 981-7140

#### Attachments:

1. June 21, 2018 letter from SAHA to City of Berkeley HHCS regarding 1601 Oxford



1835 Alcatraz Avenue  
Berkeley, CA 94703  
P 510.647.0700  
F 510.647.0820  
[WWW.SAHAHOMES.ORG](http://WWW.SAHAHOMES.ORG)

June 21, 2018

Paul Buddenhagen  
HH&CS – City of Berkeley  
2180 Milvia Street, 2<sup>nd</sup> Floor  
Berkeley CA 94704

RE: Funding Request for Oxford Street Apartments

Dear Mr. Buddenhagen,

On behalf of SAHA, I am writing to request a funding commitment from the City of Berkeley for Oxford Street Apartments, a proposed new construction affordable senior housing project located at 1601-1603 Oxford Street in Berkeley that would create 35 affordable apartments for seniors. We request a forward commitment totaling \$6 Million. This commitment would leverage more than \$18 million in additional funds to fully fund the project, enabling it to start construction as early as next year. The city commitment may include any combination of waived planning and building permit fees, commitment of existing sources, or forward commitments of future sources.

The unique opportunity to build affordable senior housing in this desirable North Berkeley location is possible because the project is able to leverage a valuable land donation from All Souls Episcopal Parish (ASEP) with whom SAHA is partnering. ASEP recognized the opportunity to transform underutilized land in a highly desirable location to address the housing affordability crisis they saw in their community. Together SAHA and ASEP have engaged HKIT Architects to develop designs, convene neighbors and solicit stakeholder input resulting in designs that are consistent with the surrounding character and positively received by the community. Additionally, we have met with each Berkeley council member, all of whom have demonstrated strong support for the project. We have also coordinated with city planning staff and submitted a Use Permit application in February 2018, which could be approved by late summer.

Berkeley needs to continue to support its affordable housing pipeline to leverage valuable funds from non-City sources, helping the City to address its affordable housing shortage. SAHA believes this project provides opportunities both to expand the supply of affordable housing within the City of Berkeley and also to serve as an example for other institutional landowners considering the development of affordable housing.

We are hopeful that the City will support this effort, and thank you for your time and consideration in evaluating our proposal. Enclosed please find a brief overview of the project and the proposed financing plan. City funds committed prior to the County A1 NOFA deadline, currently anticipated for October 2018, are critical to the project's successful application, so we appreciate your timely action. Should you have any questions regarding this application or the project, please contact me by phone at (510) 809-2752 or by email at [alevine@sahahomes.org](mailto:alevine@sahahomes.org).

Sincerely,



Aubra Levine  
Associate Director of Real Estate Development

Enclosed: Project Summary and Proposed Financing Plan

CC: Berkeley HAC  
Berkeley City Council

**1601 OXFORD STREET**

Permanent Affordable Senior (age 62+) Housing  
Cedar and Oxford Streets, Berkeley, California 94709

**Current Owner:** All Souls Episcopal Parish (ASEP)

**Developer:** Satellite Affordable Housing Associates (SAHA)

**Project Background:** 1601 Oxford Street presents an opportunity to build 35 affordable homes by leveraging a valuable land donation by All Souls Episcopal Parish in north Berkeley. In 2015, All Souls Episcopal Parish approached SAHA about a potential partnership to develop affordable housing on surplus land owned by the church. In 2016, SAHA conducted a feasibility analysis for the site and the two parties agreed to move forward with developing the site for affordable senior housing as a joint venture. In 2016 the project was awarded a predevelopment loan from the Housing Trust Fund through a competitive process and is considered a Housing Trust Fund project. After a thorough community process during the summer and fall of 2017, SAHA submitted a Use Permit application early this year and is ready to leverage local funds in advance of a 2019 tax credit award and construction start date.

**Affordable Housing Unit Mix:**

Area Median Income (AMI) Level	Unit Size	Number of Units
20% AMI	Studio	7
50% AMI	Studio	14
60% AMI	Studio	13
Manager's Unit	2 Bedroom	1
		35 Units

**Construction & Building Program:** New construction of a stacked apartment building over podium parking garage consisting of 21 spaces (9 residential, 12 for staff and visitors.) The development includes a community room, lobby, bike storage, shared laundry, offices for on-site property management and resident services, upper floor terraces and a landscaped courtyard with community garden space. The building will include 35 affordable units as well as two (2) 3-bedroom units and approximately 1400 square feet of administrative space for staff of All Souls Episcopal Parish.

**Building & Lot Size:** Approximately 35,000 square foot building (gross) on 14,150 square foot lot.

**Sources and Uses:**

Uses		Sources	
Land	2,970,000	All Souls Land Donation	2,970,000
Demo and Off Sites	150,244	City of Berkeley	6,000,000
Hard Costs	14,869,615	City of Berkeley HTF Funds (Committed)	25,000
Soft Costs	5,715,354	Tax Credit Equity-9%	12,976,622
Permit & Impact Fees	1,293,705	City Impact Fee Waiver	123,760
		Alameda County A1 (Regional Pool)	2,563,536
		AHP (Committed)	340,000
Total	24,998,918	Total	24,998,918

**Timeline:**

- Use Permit Application – submitted to City of Berkeley in February 2018
- Approved Use Permit – est. early fall 2018
- Fully funded – est. June 2019
- Construction Est. December 2019 – est. March 2021

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Permanent Affordable Senior (age 62+) Housing  
Cedar and Oxford Streets, Berkeley, California 94709



View at Corner Oxford and Cedar Street



View along Oxford Street



View along Cedar Street