

**PROCLAMATION
CALLING A SPECIAL MEETING OF THE
BERKELEY CITY COUNCIL**

In accordance with the authority in me vested, I do hereby call the Berkeley City Council in special session as follows:

Tuesday, January 15, 2019

6:00 P.M.

SCHOOL DISTRICT BOARD ROOM - 1231 ADDISON STREET, BERKELEY, CA 94702

JESSE ARREGUIN, MAYOR

Councilmembers:

DISTRICT 1 – RASHI KESARWANI
DISTRICT 2 – CHERYL DAVILA
DISTRICT 3 – BEN BARTLETT
DISTRICT 4 – KATE HARRISON

DISTRICT 5 – SOPHIE HAHN
DISTRICT 6 – SUSAN WENGRAF
DISTRICT 7 – RIGEL ROBINSON
DISTRICT 8 – LORI DROSTE

Preliminary Matters

Roll Call:

Worksession

- 1. Measure O Implementation Recommendations**
From: City Manager
Contact: Paul Buddenhagen, City Manager's Office, 981-7000
- 2. Uses for Measure P Funding**
From: City Manager
Contact: Paul Buddenhagen, City Manager's Office, 981-7000
- 3a. North Berkeley BART Zoning and Future Development**
From: Mayor Arreguin
Contact: Jesse Arreguin, Mayor, 981-7100
- 3b. North Berkeley BART Site Recommendations** *(Continued from November 27, 2018)*
From: Housing Advisory Commission
Contact: Amy Davidson, Commission Secretary, 981-5400

Public Comment - Items on this agenda only

Adjournment

I hereby request that the City Clerk of the City of Berkeley cause personal notice to be given to each member of the Berkeley City Council on the time and place of said meeting, forthwith.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Berkeley to be affixed on January 10, 2019.



Jesse Arreguin, Mayor

Public Notice – this Proclamation serves as the official agenda for this meeting.

ATTEST:



Date: January 10, 2019
Mark Numainville, City Clerk

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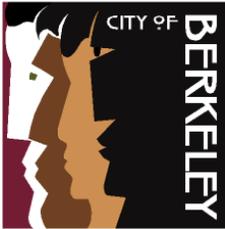
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Office of the City Manager

WORKSESSION

January 15, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Paul Buddenhagen, Interim Deputy City Manager

Subject: Measure O Implementation Recommendations

SUMMARY

Measure O authorizes the City to issue \$135 million in general obligation bonds to finance the acquisition and improvement of real property to create and preserve affordable housing. The bond law and bond measure language require the City to use the funds for affordable housing development costs, including design, and construction, and certain soft costs, including program management.

This report presents information to help Council identify priorities for a Measure O implementation and expenditure plan that maximizes affordable housing development. It includes details on four potential programs that staff believe would be good options to start: (1) an expansion of the Housing Trust Fund (HTF); (2) a Small Sites multifamily loan program; (3) an Accessory Dwelling Unit loan program for moderate and low-income homeowners; and (4) an expansion of the Senior and Disabled rehabilitation loan program to include low-income households. These programs will leverage outside funding, build on City and developer capacity, and promote equitable benefits.

The Council has already reserved \$29.5M for two affordable housing projects, a little more than half of which could be funded from Measure O. Staff is in the process of analyzing the best bond offering structures and schedule based on capacity, needs, and the ability to spend the bond proceeds within the legally mandated timeframe. Initial analysis suggests a funding need of \$30 to \$40 million for a first issuance. A detailed follow-up schedule, expenditure plan and timeline will be produced once development programs are prioritized.

For context, the City will also be issuing a T1 bond offering in November of 2021 for \$30 - \$40 million. Based on these two measures, staff is consulting with the City's municipal advisor to determine the most cost-effective way to issue the bonds and to ensure that Measure O bonds comply with the tax projections described to voters, and do not negatively impact the City's bond rating and financial stability (which influences the cost of borrowing). The use of the proceeds will also determine whether Measure O bonds

can be issued as tax exempt bonds under federal tax law, and staff is consulting with the City's bond counsel on that topic.

CURRENT SITUATION AND ITS EFFECTS

Measure O authorizes the City to issue \$135 million in general obligation bonds to finance the acquisition and improvement of real property to create and preserve affordable housing. Approved by more than two-thirds of Berkeley voters, the expenditure of bond funds is limited to the specific purposes identified by the measure. Bonds will be issued in multiple series over a predetermined period, and the City must have an expectation when tax-exempt bonds are issued that at least 85% of the funds from such issuance will be dispersed within three years of the issuance. All funds must be expended within five years of issuance.

Measure O's affordable housing directive restricts all funding to capital costs related to affordable housing development and preservation. This includes development hard costs (i.e. materials and construction), soft costs (i.e. architecture and legal fees) and delivery costs (i.e. project administration costs). Other important housing affordability programs, such as rent subsidies, operating reserves, or tenant legal services, are not eligible for financing with Measure O funds.

Current Obligations & Disbursement

The Council has reserved \$29.5M for two affordable housing developments:

- \$23.5M for BRIDGE Housing and Berkeley Food and Housing Project's 2012 Berkeley Way.
- \$6M for Satellite Affordable Housing Associates' 1601-1603 Oxford Street.

However, other than \$3.5M in the Housing Trust Fund (HTF), the City does not have funds budgeted to satisfy the \$29.5M reservation. Additional Affordable Housing Mitigation Fee (AHMF) and federal funds revenue are not anticipated to reach this level in the near future. Measure O funds could cover at least \$15.5M of the reserved total; within its \$23.5M reservation: the Berkeley Way project would be eligible for \$9.5M Measure O funding, (the projected need for a \$14M capitalized operating reserve cannot be funded from Measure O proceeds), plus \$6M for the Oxford project.

If the current round of non-City funding applications for Berkeley Way is successful, the City's loan funds for capital costs (other than the capitalized operating reserve) will be needed by approximately December 2019. SAHA also proposes to start construction in December 2019 for the 1601-1603 Oxford development. The City can wait until those projects are awarded Low Income Housing Tax Credits to issue bonds in order to minimize the City's bond expenditure timing risks.

In November, HHCS received a \$368,000 predevelopment loan application from Resources for Community Development (RCD) for its development at 2001 Ashby Avenue, currently home to the Cooperative Center Federal Credit Union (CCFCU).

CCFCU selected RCD to develop the site as affordable housing with ground floor commercial space, including space for the nonprofit service provider Healthy Black Families. RCD has initiated work on funding and entitlements in anticipation of acquiring the site from CCFCU in fall 2019. The Housing Advisory Commission will review the application at its February 2019 meeting and may make a recommendation to Council to support this request, although there are currently no funds available in the HTF. RCD's predevelopment application anticipates the project would need \$6.3M in City funds as early as September 2019 to purchase the site. The total development budget and timeline are likely to change during the predevelopment process as RCD gathers more information.

Another project in the City's pipeline of affordable housing projects is Bay Area Community Land Trust's 1638 Stuart Street, which was funded at \$50,000 in predevelopment funds and has requested \$900,000 in HOME funds to complete the proposed rehabilitation.

Other possible opportunity sites include the properties at 1001, 1007, and 1011 University Avenue and 1925 Ninth Street, the Ashby BART station, the North Berkeley BART station and the West Berkeley Service Center, although the Council and BART have not identified any specific plans for these sites. Staff expect that local development organizations will be able to identify other opportunities once the Council establishes the priorities and process for Measure O funding.

Programs for Discussion

Staff recommend that Council identify priority housing programs, adopt program guidelines, and then award funds via competitive processes that evaluate proposals on the basis of identified City priorities, including feasibility. Staff have identified four programs that could fulfill identified City priorities that take into account the following criteria:

- Build on existing programs, council referrals and staffing;
- Match funds to vendor capacity to deliver housing results;
- Leverage state and federal funds to the greatest extent possible; and
- Promote equitable benefits.

Measure O funds could be expended to finance portions of the following four programs. Staff estimate that the City's program delivery costs will be about 10% of the total costs, or about \$13.5M in total over the 9 to 10 year implementation period. This is likely to include staffing in the HHCS, Legal, Planning and Finance departments. Four programs are described in detail for discussion below, and Attachment 1 summarizes key aspects, costs, and impacts for each. Staff will work with bond counsel to ensure that the expenditures of Measure O funds are consistent with state law, federal tax law (to the extent applicable) and the Measure.

A) Housing Trust Fund Expansion (\$115M). Providing funds through the HTF will build on the City's existing program and staffing infrastructure and leverage state and federal resources for multifamily housing development. Berkeley and the Bay Area have many capable nonprofit affordable housing development organizations with the capacity to provide housing on a significant scale with the support of local investment. The HTF guidelines and the bond measure allow for both rehabilitation and new construction. Council could establish a limit on funds available for rehabilitation in order to encourage new construction. Rental homes created through this program would be affordable to various income levels up to a maximum of 60% of Area Median Income (AMI) (currently \$62,760 for a family of 3).¹

In order to implement this expansion, staff recommend Council consider a significant revision of the HTF guidelines before issuing any Notices of Funds Available (NOFA's). While key terms and most processes would remain the same, revisions to the guidelines will make them more consistent with the City's operations and Commission structure, as well as current affordable housing lending practices. The current guidelines have been revised incrementally since 1990 and can be confusing to applicants and staff, and mandate a process which can be duplicative of the land use entitlement process.

Council and community members have also discussed the need for affordable housing for Berkeley Unified School District employees. Measure O funds would be appropriate for this use, and either the HTF guidelines would need to be revised or separate guidelines be established to accommodate this type of model.

Typical affordable housing development sources may not be able to be used for educator housing. Low Income Housing Tax Credits and other conventional affordable housing funds, such as those provided by the State of California, are usually limited to people earning less than 60% AMI. While BUSD para-professionals, beginning teachers and teachers without an advanced degree—who are the only wage-earner in their household—may qualify for typical affordable housing, those with partners and/or advanced degrees would largely not qualify even though they may still have difficulties affording market rate housing. As a result, teacher housing is more dependent on local funding sources, which means using a larger proportion of City funds.

The San Francisco Examiner recently reported the City of San Francisco plans to fund a teachers' housing project for moderate income households (80% - 120% AMI)

¹ The City's Housing Trust Fund guidelines require 20% of the units to be affordable at or below 30% AMI and another 40% of the units to be affordable at or below 60% AMI. Most funded developments restrict all but the manager's units to a mix of incomes below 60% AMI in order to be competitive for Low Income Housing Tax Credits, as well as other affordability restrictions in other funding sources.

at \$385,000 to \$513,000 of City funds per unit. As an illustration, this translates to \$19.3 to \$25.7M for a theoretical 50-unit project (San Francisco's is larger).

An alternative to new construction for educators could be providing homebuyer loans that would be paid off at the sale of the home. This would allow BUSD employees more choices to select a home that met their needs. The loan could bear interest or be repaid with shared appreciation, meaning a portion of the increase in the value of the home during the loan term. As an example, the organization Landed² reports they are now partnering with more than 80 school districts to administer this type of loan for educators.

B) Small Sites Loan Program (\$12M). Measure O funds could expand the pool of funds available through the Small Sites program, and transition the program from its pilot phase. This program provides funding to acquire and rehabilitate “naturally occurring affordable housing” developments between 2-25 units and transition them to permanently affordable housing. The pilot program will begin accepting applications in January 2019 with \$950,000 in available funds. Staff recommend adopting revised, consolidated guidelines for the program based on lessons learned from the pilot phase. The adopted guidelines require incomes to average to 80% AMI (currently \$83,680 for a family of 3). For example, a two-unit building could have one tenant household with an income at 40% AMI and one tenant household with an income at 120% AMI.

The possible scale of the Small Sites program is constrained by the organizations interested in operating Small Sites. Extremely low operating margins due to the combination of low rents and small numbers of units, combined with the inability to access state and federal funds, deter many affordable housing providers from pursuing this type of development and limit the capacity of organizations operating these buildings. The two Berkeley-based organizations which have indicated interest in Small Sites are both small and thinly staffed, which limits their capacity and, potentially, long-term sustainability. Having more predictable funding might increase interest in the program.

C) Accessory Dwelling Unit (ADU) Conversion Loan Program (\$4M). The City could design a complement to Alameda County's ADU loan program, assisting low-income homeowners to renovate their homes to add housing units in the form of Accessory Dwelling Units.

Alameda County authorized a portion of Measure A1 funds to assist low-income homeowners to create new units within their existing home, called an “attached ADU”. This program will improve local housing stock, and help low-income homeowners age in place, support family and caregivers, and/or generate income to

² <https://www.landed.com/how-it-works>

reduce cost burden. The County also provides additional loan funding to address health and safety deficiencies and/or incipient code violations that must be addressed as part of the ADU conversion. Alameda County selected Habitat for Humanity to administer this program.

An initial design idea is to provide loans of up to \$100,000 to homeowners with incomes below 120% AMI (currently \$125,500 for a family of 3). Homeowners below 80% AMI income could be directed to apply to the County's program first. Like Alameda County's program, City loans could support typical hard and soft costs associated with this type of conversion. These include materials, labor, permits, design and loan processing fees. The resulting units could be used to house family members, aides, or rented out, creating an income stream for the low-income homeowner.

Staff would need to return with program guidelines, and will examine options for neighborhood-based targeting to ensure equity.

D) Expand Senior & Disabled Rehabilitation Loan Program to Qualifying Low-Income Families (\$4M). The City's current program helps low income senior and disabled homeowners repair/modify their homes to eliminate conditions that pose a threat to their health and safety and allow them to stay in Berkeley while preserving the City's housing inventory. Qualified borrowers can receive interest-free loans of up to \$100,000 that are deferred until the property is sold or transferred, or the loan reaches maturity. This program is currently limited to senior or disabled households earning up to 80% AMI (currently \$83,680 for a family of 3).

Expanding this program to include all income-qualifying families will increase its scope and help more middle and low-income people improve and ultimately remain in their homes over the long term. This program slows the loss of people of color, facilitates an improved local housing stock and improves neighborhood stability. Alameda County has a similar program that is offered in conjunction with its ADU loans—borrowers can address health and safety issues before adding an ADU. Staff would need to return with program guidelines, and examine options for neighborhood-based targeting to ensure equity.

Timing of Bond Issuance

The program ideas outlined above place the majority of Measure O funds into HTF projects, so should council move in this direction, spending on those projects would strongly influence the timing of funds. Measure O completely changes the outlook for the HTF, which has not had significant, predictable funding in the past. After Berkeley Way and Oxford Street, the City's affordable housing pipeline includes only Bay Area Community Land Trust's 1638 Stuart Street project (which has a predevelopment loan) and RCD's 2001 Ashby development (which has applied for a predevelopment loan). In order to use the Measure O funds, the City will first need to grow its pipeline of future

projects. Staff recommend releasing a Notice of Funds Available in 2019 to request predevelopment applications.

Various opportunity sites in the City may be candidates for Measure O funding: the properties at 1001, 1007, and 1011 University Avenue and 1925 Ninth Street, Ashby BART, and West Berkeley Service Center. Before the City will be able to spend Measure O funds on these sites, the City will need to identify priorities for these sites, conduct competitive processes to select developers, and work with the selected developers. Similarly, BART would need to initiate development work at the North Berkeley BART station. While City funds are typically reserved (set aside) for projects during the predevelopment period, the City does not expend the funds until projects obtain all their entitlements and other funding, and start construction, a process which can take years. Staff recommend that Council prioritize any of these sites that the City wishes to develop so that work can begin and Measure O funds reserved. Without a plan for those sites, it is possible that all Measure O funds could be committed before they are ready for funding.

Staff recommends an initial bond issuance in late 2019 of at least \$19.5M for projects expected to start construction in late 2019 (Berkeley Way and 1601-1603 Oxford Street, assuming successful funding applications this year), \$1M for HTF predevelopment loans, and \$2M for Small Sites projects. Depending on Measure O priorities and timeline, the City could also consider a \$6.3M loan for RCD's acquisition of the CCFCU site by September 2019. Additionally, there may be costly rehabilitation projects the council wants to consider for the first issuance. Staff have identified about \$14M in rehabilitation needs at existing Housing Trust Fund portfolio projects, in addition to any funds needed to rehabilitate Oregon Park Senior Apartments.

Accountability Requirements

Staff recommend that all uses for Measure O funds involve public participation and oversight consistent with the requirements identified by the measure. Each proposed program could include a public participation process similar to those in place for the HTF and community agency funding programs, including public hearings on needs and commission review of applications.

The bond language includes an oversight body to monitor the use of Measure O funds. Staff recommend that the new oversight board recommend specific programs and priorities for the Measure O dollars, and monitor progress on allocating and expending funds.

Staff recommend that the Council assign review of applications for all HTF dollars to the same body so that City funds for larger multifamily housing developments can continue to be administered in a coordinated way. The HTF allows the City to combine its multiple sources of funding for housing development—primarily HOME, CDBG, and

various mitigation fees—into a single loan program. Maintaining separate oversight bodies for HTF and Measure O funds would make it more difficult to administer the City's funds in concert.

BACKGROUND

On November 6, 2018, Berkeley voters adopted Measure O to issue \$135 million in general obligation bonds to create and preserve affordable housing for low-income households, working families, and individuals including teachers, seniors, veterans, the homeless, and persons with disabilities. The measure requires that all bond funding will be subject to public oversight and independent audits.

ENVIRONMENTAL SUSTAINABILITY

Providing infill affordable and/or workforce housing is generally considered a more environmentally sustainable type of development.

POSSIBLE FUTURE ACTION

At this worksession, Council will provide initial direction for staff to start its work on Measure O implementation, which will start to shape possible future actions. The use of bond funds will be restricted by the ballot measure language.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

In addition to the HHCS program and fiscal staff associated with the programs Council identifies, the City will need to add Planning staffing capacity to focus on affordable housing development, City Attorney time to help develop program guidelines, draft and revise boilerplate loan documents, and support loan transactions and monitoring. Finance will also need additional financial analyst staff support to assist with the process of bond offerings. New administrative costs for the recommended programs represent approximately 10% of total funds.

CONTACT PERSON

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

Mike Uberti, Community Development Project Coordinator, Health, Housing & Community Services, (510) 981-5114

Attachment:

1: Measure O: Projected Units and Development Costs

Attachment 1
Measure O: Projected Units and Development Costs

Program	Target AMI	2018 Income (3 Person Household)	Estimated Units	Measure O Cost Per Unit*	Total Program Budget
Housing Trust Fund Expansion**	<60%	Up to \$62,760	414 - 690	\$150,000-\$250,000	\$115,000,000
Small Sites Loan	<80%	Up to \$83,680	31 - 58	\$200,000-\$375,000	\$12,000,000
ADU Moderate/Low-Income Development Loan	80%-120%	Up to \$125,500	24 - 48	\$75,000-\$150,000	\$4,000,000
Senior/Disabled/Low-Income Expansion	80%	Up to \$83,680	29 - 48	\$75,000-\$125,000	\$4,000,000
Total			498 - 844	\$75,000 - \$375,000	\$135,000,000

* This column reflects the costs for Measure O only. Each project in the ADU and Senior and Disabled Loan Program Expansion will be primarily Measure O funded. Small Sites projects will include a bank loan. Each HTF project is likely to leverage multiple local, state, and federal sources. The total projected units and price per unit will vary depending on factors including project scope, targeted AMI/population, timing, and leveraged outside funds.

** These HTF projections are based on staff calculations for competitive, tax-credit financed projects for low-income AMI households. City contributions would need to be increased per-unit to support workforce/teacher housing for moderate income households, which would change the number of projected units.



Office of the City Manager

WORKSESSION
January 15, 2019

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Paul Buddenhagen, Interim Deputy City Manager
 Subject: Uses for Measure P Funding

SUMMARY

Berkeley voters approved Measure P, which raises transfer taxes on high-value real estate transactions, on November 6, 2018. This report discusses different options to be considered when determining how to spend Measure P funds, and incorporates staff recommendations on funding priorities to serve the strategic interest of the city in addressing homelessness and its impacts over the coming 5 years. The report also outlines the role of the Panel of Experts, with staff recommendations on how best to utilize this new City resource.

Because the City of Berkeley will be receiving approximately \$4M in one-time, time-limited emergency funding for homelessness as part of SB 850 (the California Homeless Emergency Aid Program, or HEAP), we consider the city's homeless funding needs in light of this funding source. We recommend:

- Using HEAP to support one year of operations at the STAIR Center (\$2M); two years of operations at the expanded Dorothy Day House Shelter (\$620k); two years of encampment trash/debris removal and sanitation efforts (\$880k); and funding to create a second locker site (\$100k).
- Using Measure P funds to supplement all of the HEAP activities above and fund a suite of additional services, as well as funds to transform half of Berkeley's shelter beds into Navigation Centers; permanent subsidies to cut chronic homelessness in half in Berkeley; funds for the Homeless Outreach Treatment Team (HOTT), mental health services, and substance abuse services for homeless people; funds to support emergency psychiatric transports; and some funds to support ongoing agency staff training.

The total cost of this work exceeds expected Measure P annual revenues. With council guidance on prioritizing, staff will bring updated information to the Panel of Experts when they are seated, and work with them to develop refined, on-budget, recommendations to a later council meeting.

CURRENT SITUATION AND ITS EFFECTS

Overview of Measure P and Projected Revenues

Berkeley voters approved Measure P on November 6, 2018 and the tax increase went into effect on December 21, 2018. Measure P raised transfer taxes from 1.5% to 2.5% for property sales and transfers over \$1,500,000, adjusted annually to capture the top approximately 33% of transfers. The legislation indicates that the money will be used for “general municipal purposes such as navigation centers, mental health support, rehousing and other services for the homeless, including homeless seniors and youth,” including staffing costs associated with implementing such programs. Based on a five-year transfer tax analysis, this measure is estimated to generate \$6-\$8 million dollars annually.

Homeless Services Panel of Experts

Measure P creates a Homeless Services Panel of Experts to advise Council on use of the funds. The Panel will consist of nine members, who must satisfy at least one the following criteria:

1. Have experience in the development, administration, provision and/or evaluation of homeless programs in a government or non-profit capacity; or
2. Have current or past lived experience with homelessness; or
3. Have experience in researching the causes, impacts, and solutions to homelessness; or
4. Have experience with state and/or local homeless policy, funding or programs; or
5. Have experience with federal homeless policy and funding administration such as the Continuum of Care Program; or
6. Have experience in the development and financing of affordable housing for formerly homeless persons; or
7. Have experience in the provision of mental health and/or substance use programs for homeless persons.

The City Council is required to consider the Panel’s recommendations and to inform the Panel about the extent to which it has implemented the Panel’s recommendations, but ultimate funding decisions are left solely with the Council. Staff recommend that the Panel also partner with staff in developing outcome measures for the funds, monitoring funding performance over time, and using these performance measures to inform funding decisions and homeless policy development over time.

Funding Recommendations

Staff recommend prioritizing the following programs and interventions for Measure P funding. These recommendations take into account other city expenditures on

homelessness, including California Homeless Emergency Aid Program (HEAP) one-time funding, discussed below. Priorities originally generated by Council are noted; staff-recommended priorities are noted as well. Eight of the 12 recommended priorities were originally generated by Council.

1. Fund Pathways' STAIR Center into year 3 and beyond (Council referral).

The STAIR Center will conclude one year of operations at the end of fiscal year 2019. Currently, the program has no City General Fund commitment beyond this first year of operations. Staff recommend funding Pathways for year 2 using funds from the California Homeless Emergency Aid Program (HEAP). However, HEAP is a one-time funding allocation with aggressive expenditure deadlines (see below), so this funding cannot be relied on to fund Pathways into a third year or more. Staff recommends prioritizing the STAIR Center for Measure P funds at the start of fiscal year 2021.

Cost: \$2.3M, beginning Fiscal Year 2020. This funding continues STAIR Center services at current levels.

2. Transform Berkeley's shelter system into a housing-focused Navigation System (staff recommended priority).

Berkeley's traditional year-round shelters have an average annual budget of \$640,000. However, any shelter can be turned into an outcomes-driven navigation center with sufficient staffing and flexible funding. To help move Berkeley's traditional shelter system from one that is focused on *respite* to one that also promotes *flow* from the streets into housing, we recommend bolstering one or more shelter budgets so they reflect the priorities of the STAIR Center. Staff estimate that doing this for all four of Berkeley's traditional, year-round shelters would be \$4.8M per year, growing annually with inflation and costs of living. We recommend starting by piloting this approach using Measure P funding for roughly half of Berkeley's shelter beds, at an annual cost of roughly \$2.1M.

Cost: \$2.1M in total new funding for shelters, growing annually with inflation/costs of living. This funds:

- New navigators, peer site monitors, mental health support, and management for nearly half of Berkeley's year-round shelter beds at highly competitive salaries to attract and retain top talent;
- Flexible subsidies; one meal a day for each bed; open 24 hours
- Overhead and training support for shelter staff.

Staff acknowledge that creating flow through shelter is dependent not only on funding for rents but also on the availability of housing. We believe, however, that shelters could improve housing outcomes with additional financial resources.

Navigation centers, which are open 24 hours and allow more flexibility for clients, are more appealing to the Berkeley street homeless population. While Berkeley can provide the low-barrier, service rich navigation centers to help transition unhoused residents from the streets and into housing, Alameda County must take the lead in piloting permanent operating subsidies for its homeless population given the scale of the resources needed. Homelessness does not respect jurisdictional boundaries within Alameda County; stronger county investment in permanent housing support is imperative for this local investment strategy to be maximally effective.

3. Reduce chronic homelessness by 50% by 2023 (staff recommended priority).

Berkeley has a robust federally funded Shelter Plus Care program with extensive expertise in the administration of permanent subsidies for chronically homeless individuals¹, and already funds a small number of permanent subsidies for chronically homeless people through the Square One program. By expanding Square One to 54 new vouchers in 2019 and 222 total vouchers by 2023, we calculate that Berkeley, on its own, can achieve the goal of reducing chronic homelessness by 50% by 2023.

Cost: \$1.1M in funding in year 1, growing to \$4.9M annually by 2023. This funds:

- Staff costs to deliver the program total \$185k in year 1, and \$746k annually by 2023.
- Subsidy and associated supportive services costs total \$951k in year 1, and \$4.1M annually by 2023.

4. Homeless Full Service Partnership and/or Homeless Outreach and Treatment Team (HOTT) (Council referral).

Permanent housing remains the ultimate solution to homelessness, but many individuals with serious mental illness require mental health and substance use treatment and support in order to access and succeed in housing. To address this need, staff recommend expanding such services for people experiencing homelessness. Specifically, staff recommend funding the pilot Homeless Outreach and Treatment Team (HOTT) on a permanent basis by enhancing the program to offer robust, full service partnership (FSP)-level services (thus leveraging additional state funding).

Cost: \$401,000 annually. This leverages other funding to support:

¹ People who are chronically homeless have experienced homelessness for at least a year – or repeatedly – while struggling with a disabling condition such as a serious mental illness, substance use disorder, or physical disability.

- 7.25 FTE HOTT staff, including a registered nurse and a psychiatrist.
- Flexible funding and shelter/motel vouchers to temporarily assist people off the streets.

5. Homeless Encampment Team (Council referral)

City of Berkeley Public Works Department and Parks, Recreation and Waterfront departments spend significant amounts of time and money on intermittent homeless debris removal throughout the City, with no regular funding dedicated to these activities. This effort displaces time and funding for maintenance of our existing infrastructure. Staff time for clean-up and storage, disposal costs and costs for protective equipment currently exceeds \$580,000. We are recommending \$1,000,000 per year, with \$370,000 of this coming from HEAP in FY 20 and 21, and the remaining portion from Measure P.

Cost: \$1,000,000 per year. This funds:

- 1 FTE staff from Code Enforcement, 2 FTE staff from Public Works, and 1 FTE HHCS outreach staff to provide full-time, year-round encampment response;
- Costs for regular trash and debris removal service at encampments, storage, safe disposal, and protective equipment;
- Costs to cover contract(s) with outside agencies to assist with additional debris removal at encampments or encampment-impacted locations.

7. Mental Health Emergency Transport (Council referral)

From 12/20/2017 to 12/20/2018 Alameda County's private ambulance transport provider reports about 1100 psychiatric patient transports from Berkeley to local psychiatric and medical facilities. As of July 1st, 2019, the County will no longer provide this transport service and these patients will become the responsibility of the City. For each psychiatric call, the City is required to provide transport to a specialized psychiatric facility, most often Fairmont Hospital (John George Pavillion) in San Leandro. This 5150 transport mandate will require new ambulance capability with basic Emergency Medical Technicians. This can be provided via private contracted ambulance services through an RFP or through creating a basic EMT ambulance division of the Berkeley Fire Department. Either option will require field supervision and quality assurance capability.

Cost: Detailed cost analysis needs to be undertaken, but preliminary rough estimates range between \$750,000 and \$2M.

8. Continue Funding for Dorothy Day House Expanded Shelter (Council referral)

Dorothy Day House has expanded the city's Berkeley emergency storm shelter (BESS), typically open up to 45 nights a year when inclement or very cold weather is forecast, by adding a nightly shelter for up to 52 individuals in the basement of the Veteran's building. Staff recommend leveraging California HEAP funds to offset the annual cost of this service for two years, then transitioning to sustaining it with funds from Measure P.

Cost: \$490,000 annually beginning FY22 funds staffing costs at Dorothy Day House and operating costs at the shelter.

9. Expand Current Homeless Locker Program to One Additional Site and Continue Locker Services (Council referral)

In October of 2018, the city opened a pilot downtown storage program for people experiencing homelessness. Homeless persons now have access to 58 lockers in the MASC Courtyard at 1931 Center Street. Council has asked that staff prioritize the opening of a second locker storage site.

Cost: \$200,000. This funds:

- *Continuation of services at the current locker site (MASC courtyard locker site) (\$50,000), which is currently funded for one year.*
- *Capital and operations expenses for a second locker site (location and details to be determined; \$100,000 initial cost (funded by HEAP) and \$150,000 annually thereafter starting FY21).*

10. Fund Ongoing Training for Homeless Services Staff (staff recommended priority)

The City of Berkeley continues to lead the County in the development and implementation of Coordinated Entry, a federal mandate and national best practice that centralizes the entry point for all homeless services at the Hub and prioritizes housing supports for those least likely to end their homelessness on their own. However, with Coordinated Entry has come challenges in supporting people with a high level of mental and physical vulnerabilities. To ensure high-needs clients are not underserved or inappropriately served at shelters and other resources--and to ensure new staff are trained as agency workforces turn over--the city's nonprofit partners require assistance with providing ongoing clinical training. Staff recommend prioritizing a portion of HEAP admin and Measure P funds for training, thus helping ensure that the other services recommended in this report are implemented efficiently and effectively.

Cost: \$25,000/year. This funds ongoing trainings plus materials for the city's homeless services network.

11. Fund Additional Substance Use Disorder Services (staff recommended priority)

The City of Berkeley 2017 Homeless Point-In-Time Count and Survey found that 24% of homeless individuals in Berkeley disclosed a substance use concern. In order to increase access to substance use treatment, the city's nonprofit partners require additional funding for increased capacity to serve this population. Staff recommend utilizing a portion of Measure P funding to increase substance use disorder treatment for the homeless population. Homeless providers have emphasized the prevalence of methamphetamine (meth) and other stimulant drugs amongst the homeless population, and the extreme difficulty of obtaining and retaining housing for individuals using meth and other stimulant drugs.

Cost: \$250,000/year. This funds a competitive RFP process where substance use disorder programs would propose evidence-based meth and other stimulant treatment programs (such as The Matrix Model and/or Contingency Management) that would be targeted for the homeless population in Berkeley.

12. City-Wide Portable Toilets, Sharps Disposal and Hand Washing Stations (Council referral)

In November of 2017, City Council authorized \$60,000 for additional portable toilets and hand washing stations. This funding has been used to add 2 portable toilets and 9 hand washing stations starting in December of 2017. Funding for these additions will expire at the end of January 2019. Approximately \$30,000 will be needed to sustain these additions through the end of the fiscal year and add sharps disposals. The cost to sustain these additions in FY20 and FY 21 is approximately \$64,000 and slightly more with sharps disposals inside.

The addition of 1 handicapped portable restroom and hand washing station served seven (7) days a week will cost approximately \$14,000 per year. This cost does not include graffiti abatement, damage or replacement. With an additional \$70,000, staff will be able to add up 5 new sites with complete service and daily cleaning. Staff is requesting \$135,000 per year to keep the existing in place and add new portable units where needed.

Cost: \$135,000 annually. This continues funding for current locations (10) and adds up to 5 new ADA-accessible sites with service and daily cleaning.

HEAP Funding Overview

Senate Bill 850, signed into law by Gov. Jerry Brown in June of 2018, created \$500M in one-time funding to address homelessness and its impacts across California. Funding is

allocated by formula to Continuums of Care across the State, with Alameda County receiving approximately \$17M in funding as a result of its homeless count. Berkeley will be awarded \$4.03 million. Subtracting an administrative allowance of 2.5%, this brings Berkeley's expected allocation for direct services to \$3.9M. An official award announcement is expected from the State in March.

HEAP is a flexible but time-limited and one-time source of funding. Broadly speaking, the funding:

- Must be used for services, capital construction costs, and/or housing subsidies that will be of direct benefit to people experiencing homelessness. The funds cannot be used as capitalized operating reserves or for activities directly related to enforcement, encampment closures, etc.
- Must be contractually obligated and 50% spent down by January 2020, and 100% spent down by June of 2021.
- Requires a County-imposed (but not statutorily required) 50% local match.²
- Is one-time only, with all unspent funds as of June 2021 returned to the State.

Given these parameters, staff has submitted an application to the County that funds key city priorities and minimizes risk of underspending as follows:

- Fund second year of Pathways: \$2,000,000.
- Fund two years of the Dorothy Day House Shelter at the Veterans Building: \$832,000.
- Encampment trash removal: \$730,000. This cannot include any clean-up efforts related to encampment closures, as this is not an eligible use of HEAP funds.
- Port-a-potty and sanitation efforts: \$270,000. This continues current service levels and expands port-a-potties and wash stations to ten additional sites.
- Capital and construction costs for a pilot homeless locker program at a second site: \$100,000.

To ensure that all funds are spent within the state-mandated parameters and expenditure timelines, the City Manager may reconfigure this budget as needed.

² Staff intend to satisfy this requirement by citing existing City General Fund contributions to homelessness, which far exceed the 50% minimum requirement.

Oversight, Administrative & Additional Staffing Needs

To support this wide range of services, staff recommend, at a minimum, creating one and a half additional staff positions as follows:

- Accountant II (1/2 FTE) in the Finance Department for the duration of the ordinance. This person's role would include:
 - Working with the County and title companies to ensure proper calculation of transfer tax; acting as the liaison between the County and tax payer
 - Auditing tax revenues from both the County and tax payer
 - Determining outstanding balances and penalties/interest due
 - Annually calculating the new tax threshold
 - Performing revenue and compliance audits
- *Community Services Specialist II* in the Health Housing and Community Services Department. This person's role would include:
 - Secretarial support to the new Homeless Panel of Experts.
 - Contract execution and monitoring of services funded through/leveraged by Measure P.

Additionally, staff recommend further analysis of costs incurred by the Berkeley Police Department for encampment resolution by tracking straight time and overtime costs associated with this activity, and to billing future costs to general fund revenue associated with Measure P for those costs. Currently labor costs associated with PD participation in the encampment resolution have been absorbed by the department. It would require some additional staff time to collect and process the information.

Costs for this staffing would be approximately \$251,000 for the first year, with increases each year following.

BACKGROUND

Berkeley voters approved Measure P on November 6, 2018. Measure P raises transfer taxes from 1.5% to 2.5% for property sales and transfers over \$1,500,000, adjusted annually to capture the top approximately 33% of transfers. It is estimated to generate \$6-8M annually. The money will be used for general municipal purposes such as navigation centers, mental health support, rehousing and other services for the homeless, including homeless seniors and youth. The legislation creates a Homeless Services Panel of Experts to recommend homeless services.

ENVIRONMENTAL SUSTAINABILITY

Funding encampment clean-up and sanitation efforts will likely have a positive impact on the environment. Unsanctioned homeless encampments are a target for illegal dumping and for human and biohazardous waste accumulation, with the potential to impact waterways and other environmentally sensitive areas. As of October 2018, Public Works had performed 65 major encampment clean-ups, removing an average of 3.7 tons of debris per clean-up.

POSSIBLE FUTURE ACTION

The Homeless Services Panel of Experts could use the recommendations in this report as a roadmap for future funding recommendations for Measure P.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Significant

CONTACT PERSON

Peter Radu, Homeless Services Coordinator, Health, Housing and Community Services, 510-981-5435.

WORKSESSION
January 15, 2019

To: Members of the City Council

From: Mayor Jesse Arreguin

Subject: North Berkeley BART Zoning and Future Development

SUMMARY

To address the City's shortage of affordable housing and respond to pending State legislation, in December 2017, Mayor Arreguin and former District 1 Councilmember Maio began a community process to envision the future of the North Berkeley Bay Area Rapid Transit (BART) Station parking lots. This effort was initiated for several reasons: (1) to provide homes that are affordable for low- and moderate-income households, (2) to combat the climate crisis by creating homes close to public transit—an important tool for reducing vehicle miles traveled, and (3) to enhance the quality of life of existing residents by adding amenities to the North Berkeley BART Station, such as green open space and enhanced bike and pedestrian access. To date, the community process has included an informational meeting that took place in March 2018 as well as an October 2018 "Visioning Event" for community members to present ideas on the future of the North Berkeley BART parking lots.

Assembly Bill 2923 (Chiu, 2018)¹, signed into law in September 2018, codifies BART's ability to pursue transit-oriented development on parcels owned by BART. The legislation grants BART the authority to establish transit-oriented development (TOD) zoning standards that apply to its property across the Bay Area, including the North Berkeley and Ashby BART Station sites. The intent of the law is to enable BART to work together with cities to maximize the public benefit of scarce transit-adjacent land.

AB 2923 codified BART's 2017 TOD guidelines² as the "minimum allowable density and height limits, and the highest allowable parking limits to which the [BART] board is required to adhere in adopting TOD zoning standards." Under AB 2923, BART has until July 1, 2020, to fully develop its TOD zoning standards and cities like Berkeley have

¹ https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB2923

² https://www.bart.gov/sites/default/files/docs/BART_TODGuidelinesFinal2017_0.pdf [PDF]

until July 1, 2022, to adopt zoning that conforms with the TOD guidelines established for this parcel. This is the reason for embarking on this thorough process.

Although BART has the ultimate authority to establish zoning standards for its property, the BART General Manager specified in an October 9, 2018, letter to former Councilmember Maio (Attachment 1) that BART intends to work in “close collaboration with local elected officials and community stakeholders” to create a great destination at the North Berkeley BART station. Significantly, BART notes that “working closely with neighborhoods and local elected officials is not only respectful, it is the most efficient way to get the job done.”

The purpose of this Worksession is to: (1) provide the City Council with an opportunity to review the ideas/opinions elicited by community outreach to date, (2) discuss next steps in the process, and (3) give direction to city staff and Commissions on the parameters of appropriate development of the North Berkeley BART parking lot and of developing a Memorandum of Understanding with BART.

CURRENT SITUATION AND ITS EFFECTS

The North Berkeley BART Station sits on approximately 8.1 acres of land in residential Northwest Berkeley, bounded by Sacramento Street on the east, Virginia Street on the north, Acton Street on the west, and Delaware Street on the south (with the exception of additional side parking lots). The station opened in 1973 and provides a total of 822 parking spaces in the lots that surround the station’s circular headhouse (Attachment 2).

The current use of the land for parking does not fulfill goals established by the City’s Climate Action Plan³. The use of the land for parking encourages individuals to drive to access the BART station and also prevents opportunities for alternative environmentally superior land uses.

Currently, Berkeley is experiencing a critical shortage of housing that is affordable to low- and moderate-income households. Housing affordability is a regional issue, and development of this site gives Berkeley an opportunity to take significant steps toward fulfilling our values related to climate, housing, diversity, and inclusivity. The availability of land in such close proximity to a BART station presents a rare opportunity to create affordable transit-oriented housing.

³ <https://www.cityofberkeley.info/climate>

The North Berkeley BART site is currently zoned U-Unclassified (Attachment 3). This zoning designation will need to be updated to facilitate the realization of the vision that is the result of this process. The U District is essentially a placeholder designation until such areas are more specifically classified for residential, commercial, mixed-use, or some other use. The U District does not include any specific uses, development standards, or other limits. A use can be approved in a U District, subject to a Use Permit that is reviewed by the Planning Commission, Zoning Adjustments Board (ZAB), and City Council. In order to approve a given Use Permit, the Planning Commission, ZAB, and City Council must make findings of non-detriment (See BMC 23B.32.040⁴). The North Berkeley BART site is also subject to several goals and policies in the General Plan.

The North Berkeley BART site is surrounded by R-1 and R-1A zoning districts (Attachment 4), both of which are designed to allow for low to medium density residential development. R-1 allows for single family residential development; R-1A permits two dwelling units on one lot, under certain conditions.

There are some limits to development on the North Berkeley BART site based on the location of the tracks underground. BART requires that projects do not create any impact on tracks, so special design considerations apply along the underground station and tracks. The general area of the BART tracks is included in the image below.

4

<https://www.codepublishing.com/CA/Berkeley/html/Berkeley23B/Berkeley23B32/Berkeley23B32040.html>



[Source: BART (Attachment 5); Shows the rough location of the underground station and tracks in yellow, and the rough area of influence of the tracks in orange. Area of influence is based on the rule of thumb indicated in General Guidelines for Design and Construction Over or Adjacent to BART's Subway Structures.

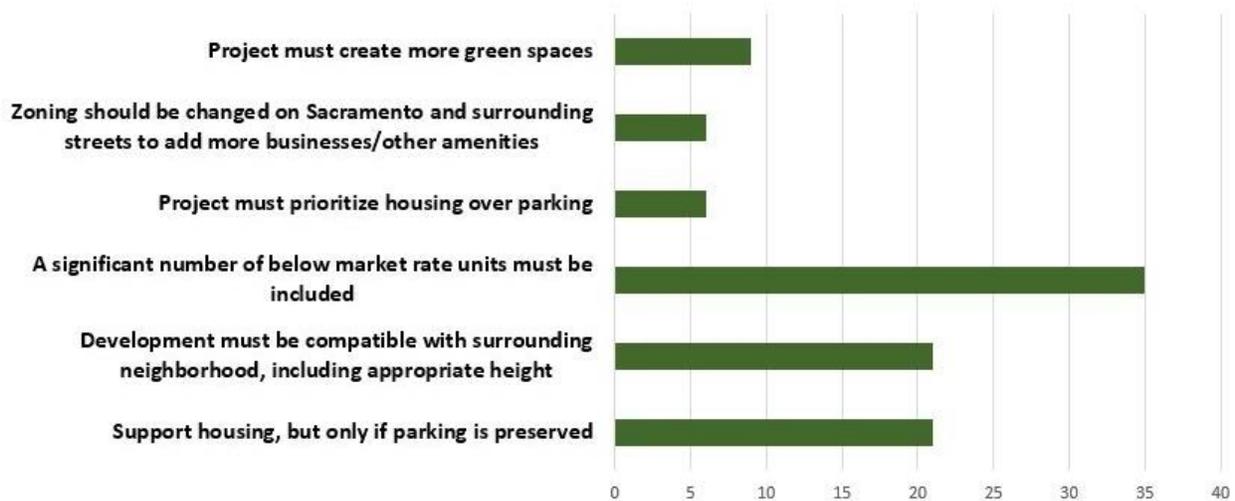
https://www.bart.gov/sites/default/files/docs/Gen_Guide_Subway_062012.pdf (PDF)]

BACKGROUND

On December 16, 2017, former District 1 Councilmember Maio and a small group of volunteers (including Councilmember Kesarwani) canvassed the streets directly around the North Berkeley BART Station, speaking to neighbors and distributing flyers (Attachment 6) in an effort to raise awareness about the potential for housing at the site, as well as gather contact information to alert neighbors to future community meetings on the topic.

On March 15, 2018, Mayor Arreguin and Councilmember Maio hosted a community informational meeting with BART staff at the Berkeley Adult School, attended by approximately 400 people. Residents gave public comment for more than two hours and

feedback was collected at the event and received by email. Central among issues raised by residents was the potential loss of parking, which many said would be detrimental to the area and force more people to drive to their destinations instead of using BART. Many others said that any future housing must preserve the unique character of the surrounding neighborhood. The vast majority of the comments stressed that a significant number of new housing units must be below market/affordable. Of the 95 people who addressed whether or not they wanted to see new housing built on the North Berkeley Bart Station parking lots, 62 people (totaling 65%) said “Yes” and 33 (totaling 35%) said “No.” See the bar chart below for a breakdown of the comments received.



This is a link to video of the event, provided by Berkeley Community Media: https://drive.google.com/file/d/1BU86YtSkCFUMgx_at-pOpOGf_UpIlot9/view. Attached is the invitation to the event and the presentations given by Mayor Arreguin and Councilmember Maio (Attachments 7-8), and by BART (Attachment 5).

On May 15, 2018, the City Council voted to support the idea of holding a “Visioning Event to Present and Share Ideas on Creating Housing at the North Berkeley BART Station Parking Lots.”⁵ This event took place on October 13, 2018, at the North Berkeley Senior Center. Visual and written ideas were submitted prior to the event. All written comments and ideas were compiled into multiple notebooks which were placed around the room for attendees to review. Visual presentations submitted by community members were also available to view, with many presenters discussing their proposals

⁵ https://www.cityofberkeley.info/Clerk/City_Council/2018/05_May/Documents/2018-05-15_Item_28_Visioning_Event_to_Present_-_Rev.aspx [PDF]

with members of the public in attendance. To view the feedback and proposals provided by community members, visit <https://www.jessearreguin.com/north-berkeley-visioning>.

ENVIRONMENTAL SUSTAINABILITY

As discussed above, the current use of the North Berkeley BART Station parking lots solely for vehicle parking is not the optimal environmental use of the land. By adding housing to this site, the City Council would further its goals to address the Climate Emergency and reduce greenhouse gas emissions from vehicle miles traveled. A reconfigured use of the site can allow for improved bicycle and pedestrian facilities to encourage alternate means of access to the BART station, while maintaining some optimally designed parking for those who must drive to access the station.

POSSIBLE FUTURE ACTION

After this Worksession, a public hearing will take place in Spring 2019 to gain public input on a potential vision for building housing at the North Berkeley BART site. Ultimately, the City Council will determine elements of this vision and pursue a Memorandum of Understanding (MOU) with BART that specifies the terms of development on the site. This MOU with BART would allow the City of Berkeley to advance City zoning concurrently to employ development standards consistent with AB 2923.

Through the Adeline Corridor planning process, the City is also gathering public input on future use of the Ashby BART Station site. Future development at that site will also require an MOU with BART and will be informed by community input.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

The fiscal impacts of any future development of the North Berkeley BART site will be analyzed at a later date, once there is more specific direction on options and development potential.

CONTACT PERSON

Mayor Jesse Arreguin 510-981-7100

Attachments:

1. October 9, 2018, letter from BART General Manager re. AB 2923
2. Map of North Berkeley BART Station (Source: BART)
3. Chapter 23E.92 of the Berkeley Zoning Code - U District
4. North Berkeley zoning map

5. BART presentation at the March 15, 2018, Community Meeting
6. Handout distributed in neighborhood around North Berkeley BART Station, December 16, 2017
7. Invitation to March 15, 2018, Community Meeting
8. Mayor Arreguin and Councilmember Maio's presentation at the March 15, 2018, Community Meeting



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P.O. Box 12688
Oakland, CA 94604-2688
(510) 464-6000

2018

October 9, 2018

Robert Raburn, Ph.D.
PRESIDENT

Nicholas Josefowitz
VICE PRESIDENT

Grace Crunican
GENERAL MANAGER

DIRECTORS

Debra Allen
1ST DISTRICT

Joel Keller
2ND DISTRICT

Rebecca Saltzman
3RD DISTRICT

Robert Raburn, Ph.D.
4TH DISTRICT

John McPartland
5TH DISTRICT

Thomas M. Blalock, P.E.
6TH DISTRICT

Lateefah Simon
7TH DISTRICT

Nicholas Josefowitz
8TH DISTRICT

Bevan Duffy
9TH DISTRICT

The Honorable Linda Maio
2180 Milvia Street, 5th Floor
Berkeley, CA 94704

Dear Councilmember Maio,

On September 30, 2018, the Governor signed into law AB 2923 (Chiu and Grayson), regarding transit-oriented development (TOD) on property owned by the San Francisco Bay Area Rapid Transit District (BART). BART had a neutral position on this bill, which was sponsored by the State Building and Construction Trade Council, AFL-CIO and Non-Profit Housing Association of Northern California.

AB 2923 directs BART to adopt new TOD zoning standards for each BART station to establish minimum local zoning requirements. I want to assure you that I am committed to continuing BART's collaborative approach to TOD, as guided by Board-adopted policy documents. We have found that working closely with neighborhoods and local elected officials to consider community needs is not only respectful, it is the most efficient way to get the job done.

BART's mission is to support a prosperous Bay Area by connecting communities with seamless mobility. A key component to regional success is adequate housing. BART aims to partner with local communities to build 20,000 new housing units at our stations by 2040 and to ensure that at least 35% are affordable.

BART's TOD program has a proven track record of working with local communities to create great housing/retail/commercial destinations. BART has 20 TOD projects either completed or under-construction and eight approved projects in the pipeline. All have been made possible through close collaboration with local officials and community stakeholders.

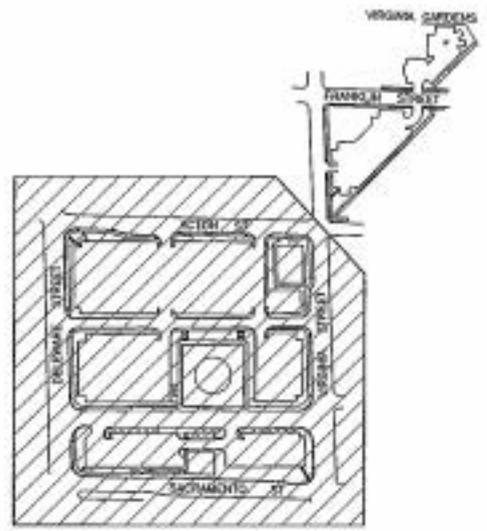
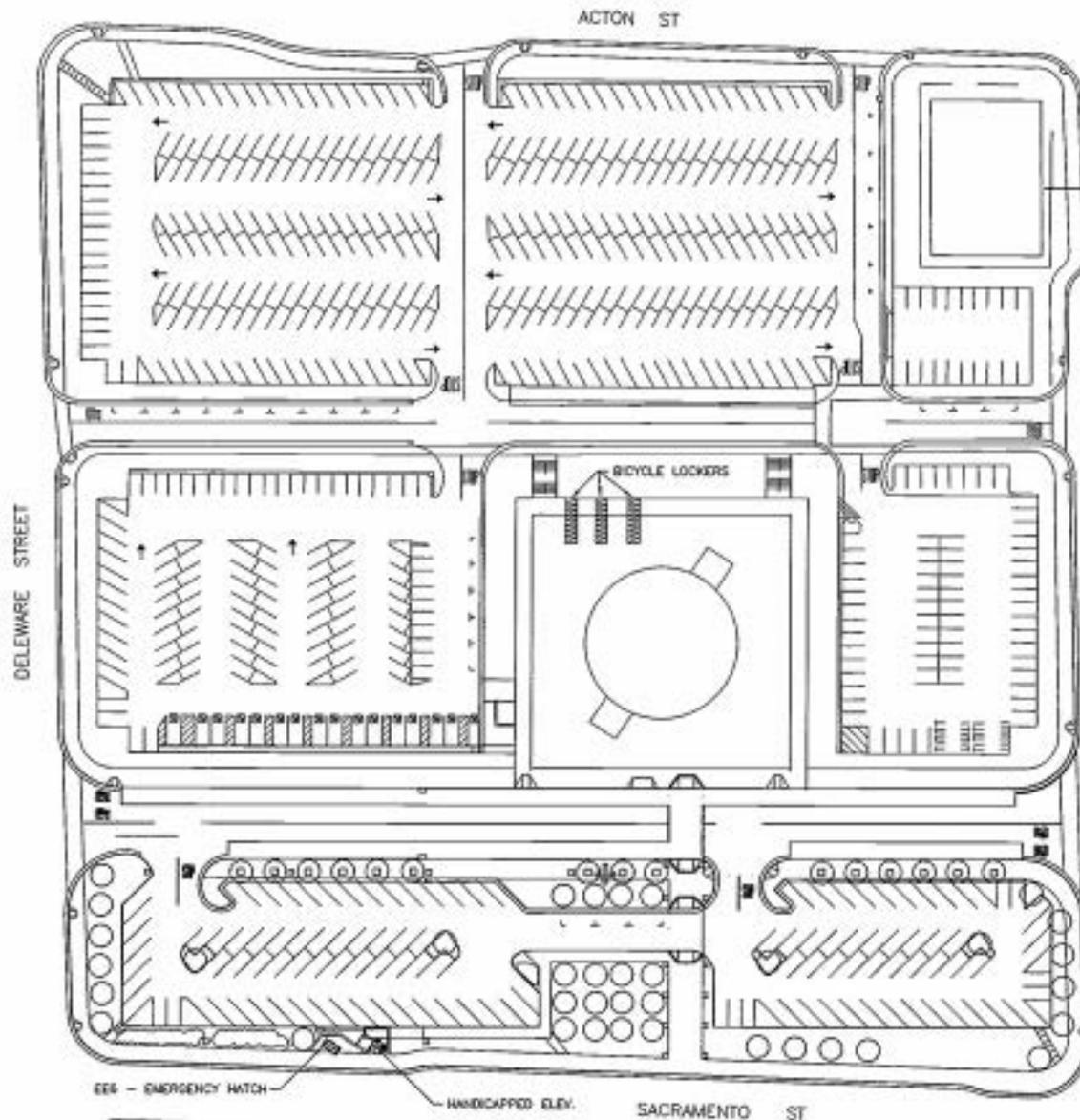
For your reference, enclosed is BART policy governing transit-oriented development.

I look forward to having future discussions with you about creating additional, vibrant and sustainable communities next to BART stations.

Sincerely,

Grace Crunican
General Manager

cc: BART Board of Directors



SITE PLAN

Chapter 23E.92

U UNCLASSIFIED DISTRICT PROVISIONS

Sections:

23E.92.010	Applicability of Regulations
23E.92.020	Purposes
23E.92.030	Uses Permitted
23E.92.040	Reserved
23E.92.050	Reserved
23E.92.060	Reserved
23E.92.070	Development Standards
23E.92.080	Reserved
23E.92.090	Findings

23E.92.010 Applicability of Regulations

The regulations contained in this Chapter shall apply in all U Districts. In addition, the general provisions in Sub-title 23C and Chapters 23E.04-32 (including Design Review) shall apply. (Ord. 6478-NS § 4 (part), 1999)

23E.92.020 Purposes

The purposes of the Unclassified (U) Districts are to:

- A. Implement the Master Plan's designations for those areas encompassed in the U District Zoning classification;
- B. Provide a Zoning District designation until such areas are classified into residential, commercial or manufacturing Districts. (Ord. 6478-NS § 4 (part), 1999)

23E.92.030 Uses Permitted

- A. All uses are permitted that are not otherwise prohibited by law, provided that a Use Permit shall be secured for any use to be established, as per the procedures described in the following Section.
- B. Each application for a Use Permit shall be reviewed as follows, in lieu of the procedures under Chapter 23B.32:
 - 1. Each application shall be first submitted to the Planning Commission with the Commission making a report to the Board; except that if the Commission fails to take an action on the report within thirty (30) days after a Use Permit application is deemed complete, this requirement shall be deemed to have been complied with;
 - 2. After the Commission report is forwarded to the Board, the Board shall take an action to approve, conditionally approve or deny the application. However, the Board's decision shall not become effective until after action by the Council as provided below. Since all decisions regarding U District Use Permits by the Board require Council review, no appeals of the Board's decision shall be allowed and the appeal procedures under Section [23B.32.050](#) shall not apply to such U District Use Permit application reviews;
 - 3. A report of the Board's decision, including findings and any conditions, together with the Commission's report on the matter, shall be transmitted by the Secretary of the Board to the City Clerk within fourteen (14) days of the Board's meeting at which the Board took its final action.

4. The City Clerk shall schedule the matter on an agenda for a City Council meeting date that is within thirty (30) days of the Board's decision.
5. The Council may affirm, reverse or modify the decision of the Board. (Ord. 6478-NS § 4 (part), 1999)

23E.92.040 Reserved

23E.92.050 Reserved

23E.92.060 Reserved

23E.92.070 Development Standards

All development standards shall be set forth in the Use Permit, including, but not limited to, lot size, density, building height, yards and building separations, lot coverage, Floor Area Ratio (FAR) and requirements for usable open space and off-street parking. (Ord. 6478-NS § 4 (part), 1999)

23E.92.080 Reserved

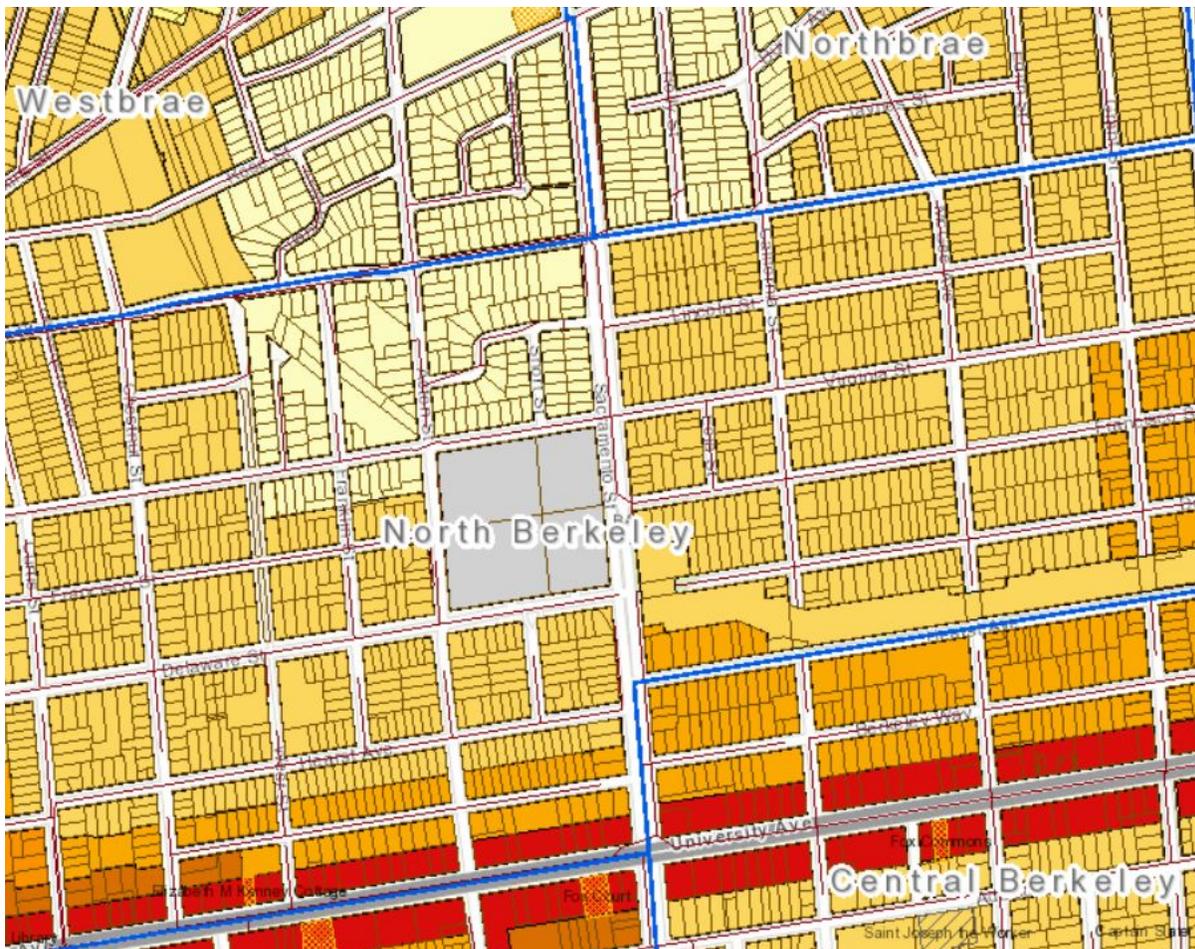
23E.92.090 Findings

No Use Permit shall be granted under this District's provisions unless the Board, Commission and the Council make the finding under Section [23B.32.040](#). (Ord. 6478-NS § 4 (part), 1999)

23B.32.040 Findings for Issuance and Denial and Conditions

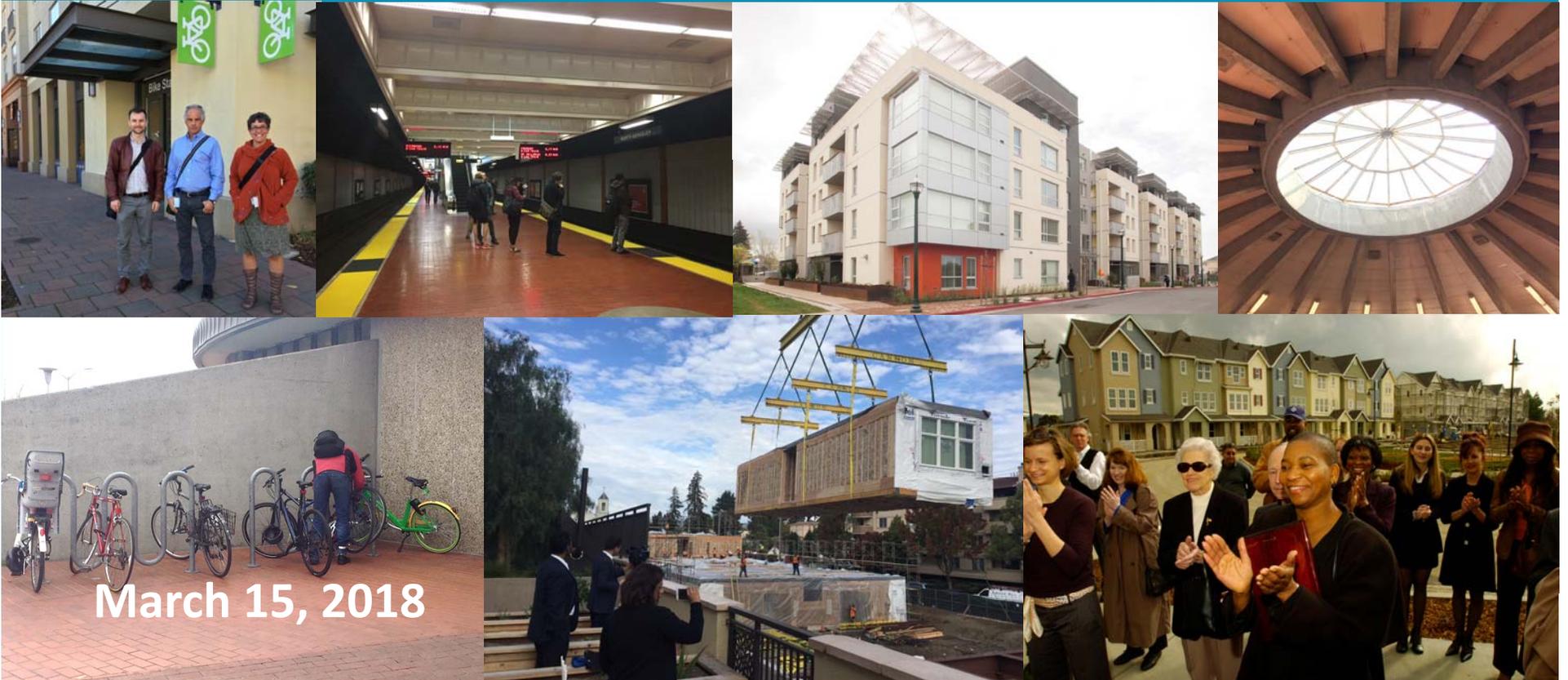
- A. The Board may approve an application for a Use Permit, either as submitted or as modified, only upon finding that the establishment, maintenance or operation of the use, or the construction of a building, structure or addition thereto, under the circumstances of the particular case existing at the time at which the application is granted, will not be detrimental to the health, safety, peace, morals, comfort or general welfare of persons residing or working in the area or neighborhood of such proposed use or be detrimental or injurious to property and improvements of the adjacent properties, the surrounding area or neighborhood or to the general welfare of the City.
- B. Prior to approving any Use Permit the Board must also make any other findings required by either the general or District regulations applicable to that particular Use Permit.
- C. The Board shall deny an application for a Use Permit if it determines that it is unable to make any of the required findings, in which case it shall state the reasons for that determination.
- D. The Board may attach such conditions to any Use Permit as it deems reasonable or necessary to achieve the purposes of this Ordinance, and which otherwise promote the municipal health, safety and welfare. (Ord. 6478-NS § 4 (part), 1999)

Zoning Districts			
	C-DMU Core		R-1
	C-DMU Outer Core		R-1A
	C-DMU Corridor		R-1H
	C-DMU Buffer		R-2
	C-1		R-2A
	C-E		R-2AH
	C-N		R-2H
	C-N(H)		R-3
	C-NS		R-3H
	C-NS(H)		R-4
	C-SA		R-4H
	C-SO		R-5
	C-T		R-5H
	C-W		R-S
	ES-R		R-SH
	M		R-SMU
	MM		SP
	MULTI		U
	MUR		





North Berkeley BART Town Hall



March 15, 2018



Overview

No proposed project or concept

Presentation covers:

- Introduction to Transit-Oriented Development (TOD)
- BART's TOD Program
- North Berkeley BART Station Overview
- Q&A





What is Transit-Oriented Development (TOD)?

Development offering a compact mix of uses, incomes, and civic amenities, featuring better bicycle and pedestrian connections to transit stops.



*Fruitvale Transit Village Phase I
Fruitvale BART Station
Spanish Speaking Unity Council*



*Marea Alta Family Housing
San Leandro BART Station
BRIDGE Housing*



*Public Square
Pleasant Hill BART Station
Avalon Bay*

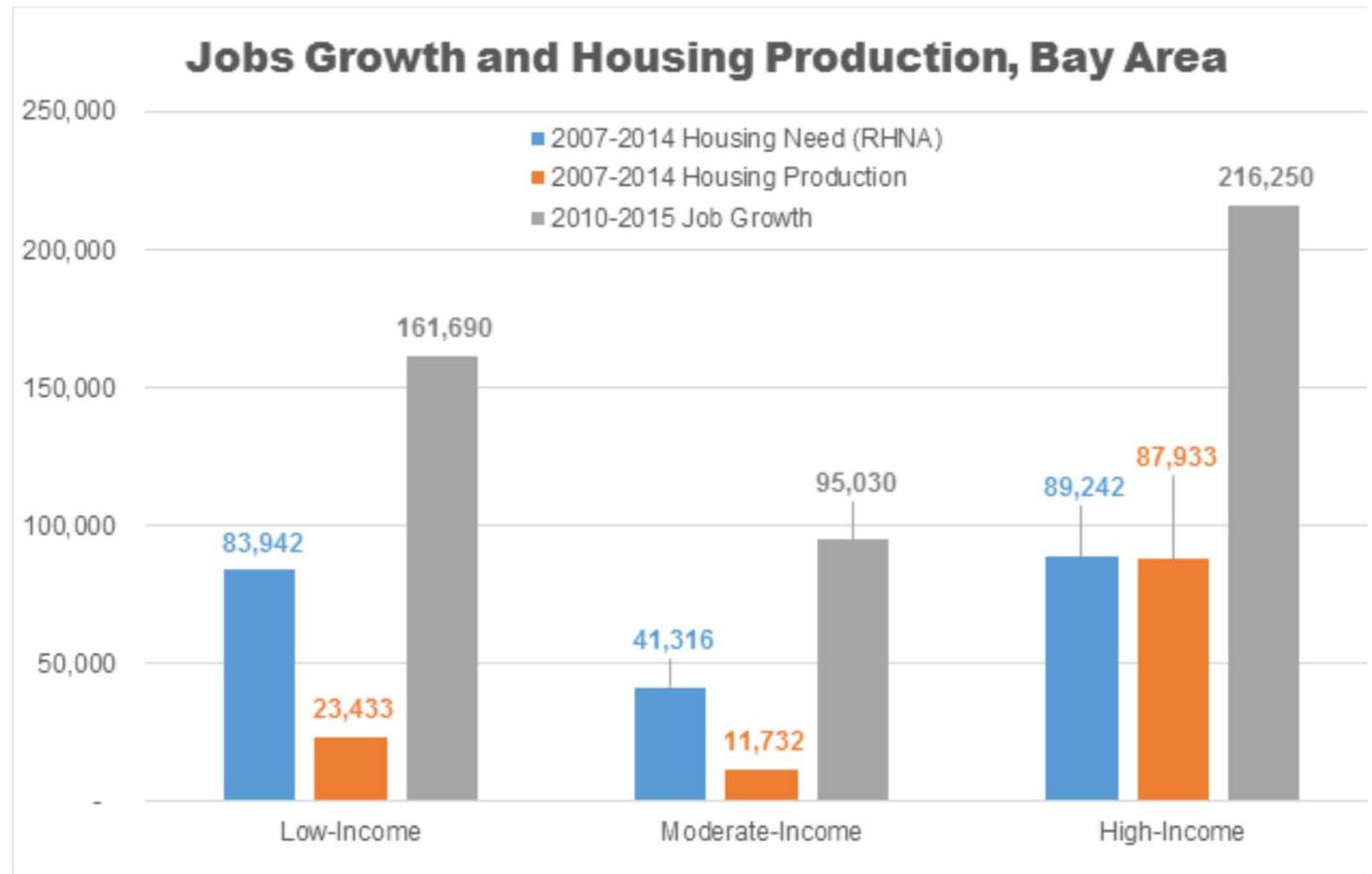


Why TOD at BART Stations?

Regional Growth 2010-2015:

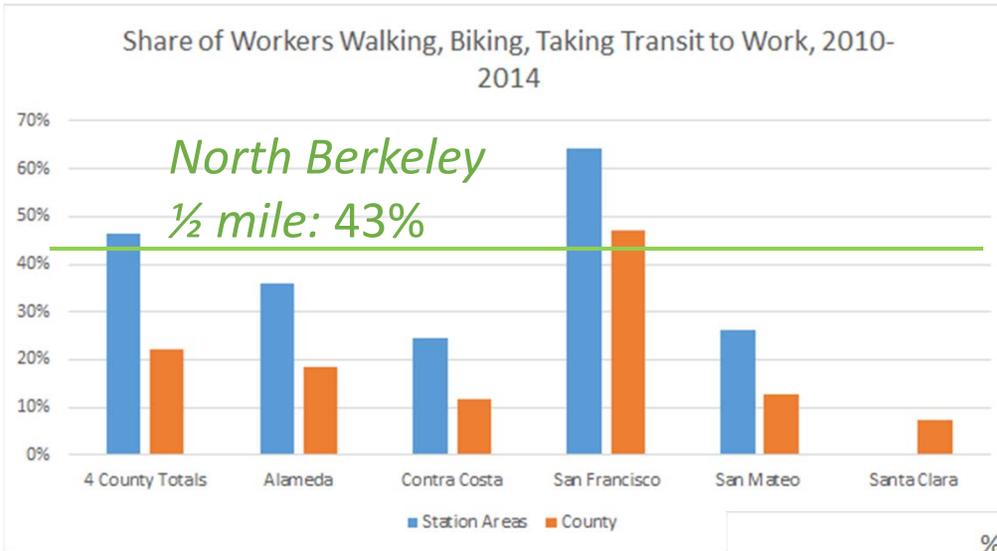
- 617,000 Jobs
- 56,000 housing units
- 11:1 ratio

(Source: MTC)





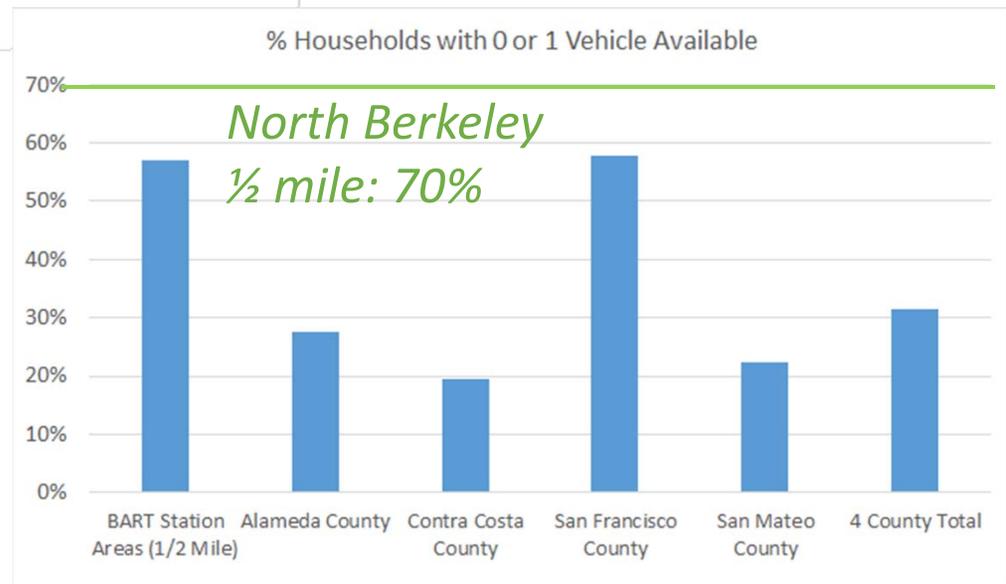
Why TOD at BART Stations?



Offer Transportation Choices:

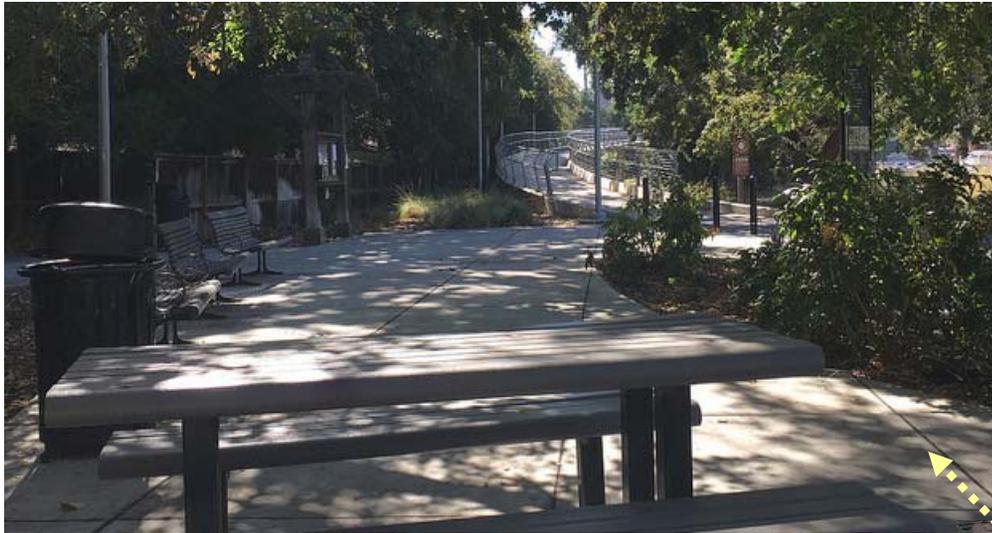
Over 40% of commuters living within 1/2 mile of BART walk, bike or take transit to work, vs. 20% in the 4 county area

Reduce Auto Dependence:
More than half of households living 1/2 mile from BART own 1 or fewer cars – equivalent to San Francisco rates





Why TOD at BART Stations? Create places, enhance safety





BART TOD Policy Overview - Goals

- A. **Complete Communities.** Partner to ensure BART contributes to neighborhood/district vitality, creating places offering a mix of uses and amenities.
- B. **Sustainable Communities Strategy.** Lead in the delivery of the region's land use and transportation vision to achieve quality of life, economic, and greenhouse gas reduction goals.
- C. **Ridership.** Increase BART ridership, particularly in locations and times when the system has capacity to grow.
- D. **Value Creation and Value Capture.** Enhance the stability of BART's financial base by capturing the value of transit, and reinvesting in the program to achieve TOD goals.
- E. **Transportation Choice.** Leverage land use and urban design to encourage non-auto transportation choices both on and off BART property, through enhanced walkability and bikeability, and seamless transit connectivity.
- F. **Affordability.** Serve households of all income levels by linking housing affordability with access to opportunity.



TOD Policy Overview – Adopted Performance Target Highlights

- A. *Complete Communities: 20,000 units and 4.5 million square feet commercial by 2040. Min density 75 du/ac.*
- B. *Sustainable Communities Strategy: 1-2 catalytic projects per year. GHG Reduction.*
- C. *Ridership: Weekday ridership, Transportation Demand Management (TDM) Programs in Job Centers near BART.*
- D. *Value Capture: Pilot new finance mechanisms to support transit, TOD*
- E. *Transportation Choice: 0.9 car parking spaces/unit average; 1.6 car parking spaces/1,000 sf office/retail average. ½ to ¾ of TOD projects include transportation demand management*
- F. *Affordability & Equity: 35% units affordable. Require at least 20% at every station where BART has residential component*



BART's TOD Program to Date

Development Status	Number of Projects	Housing Units	% Affordable Housing	Commercial Square Feet
Completed	11	1,975	31%	195,000
Under Construction	7	1,872	15%	450,000
Approved/In Negotiations	6	TBD	At least 20%	1,000,000+
Total Completed/ Under Construction	18	4,247	23%	643,690



Marea Alta and San Leandro Senior

115 family affordable units, 85 senior affordable units, child care center

BRIDGE Housing





Coliseum Transit Village



55 units affordable to low and very low income households

55 units unrestricted

2,000 sq ft retail

Partnership with City of Oakland - \$20 m in City funds invested

UrbanCore Partners



South Hayward: Alta Mira and Cadence



*Two projects:
154 units affordable family &
senior housing
202 units market rate housing*

*Developers:
AMCAL and Eden Housing*





MacArthur: Mixed Income Housing



*BRIDGE Housing, Master Developer
90 units affordable housing completed
("Mural")
787 units under construction – two, 7 story
buildings and a 24 story high rise*



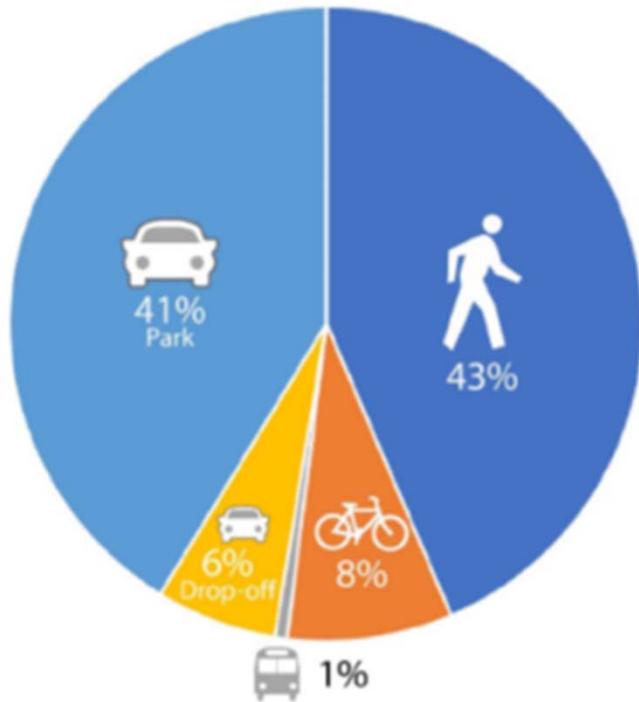
North Berkeley BART

Change in how patrons access station

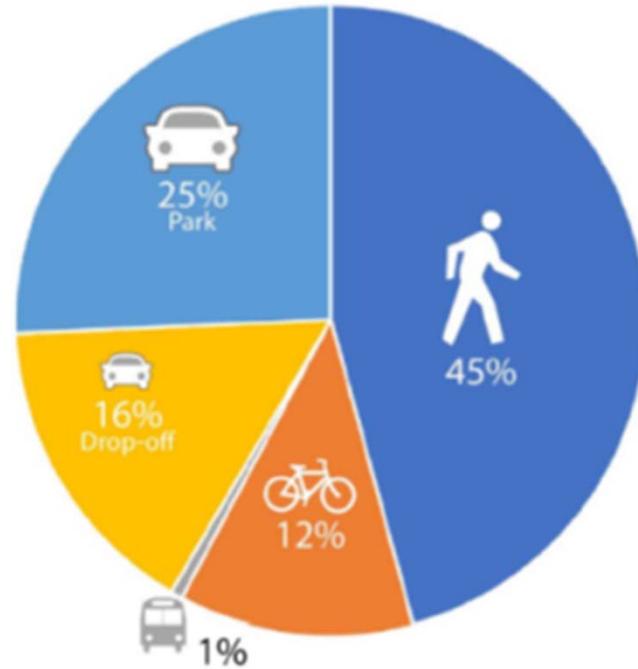
Entries: 3,960 daily

Entries: 4,900 daily

2008



2015

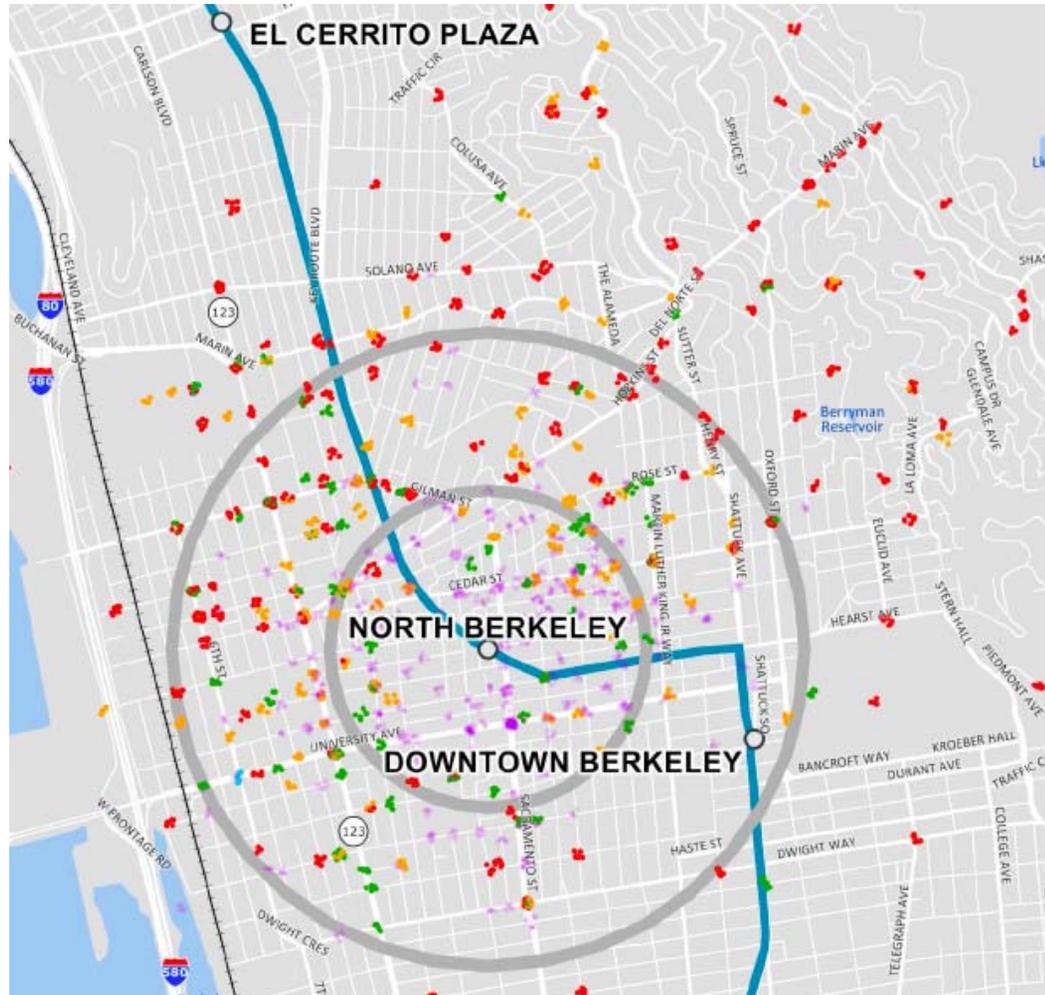
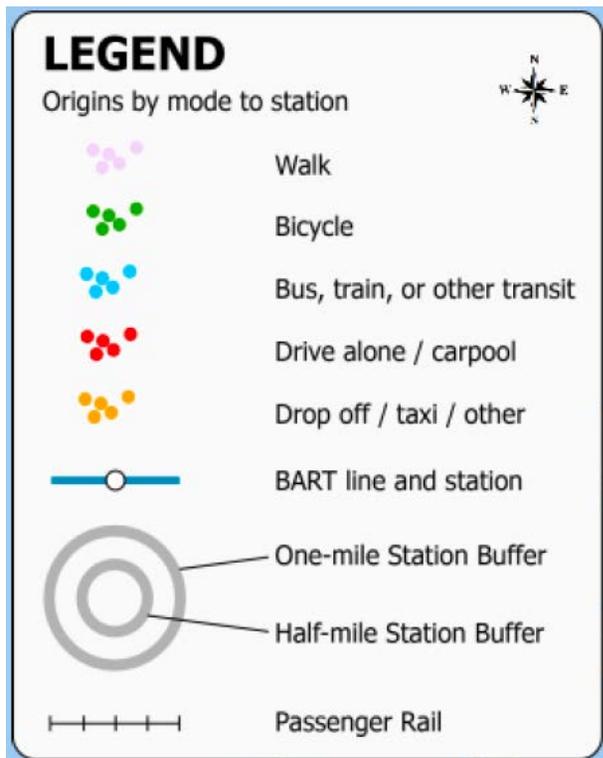


Note: Home origin



How do people get to the station?

The average park and ride patron drives 1.5 miles, vs 2.7 systemwide



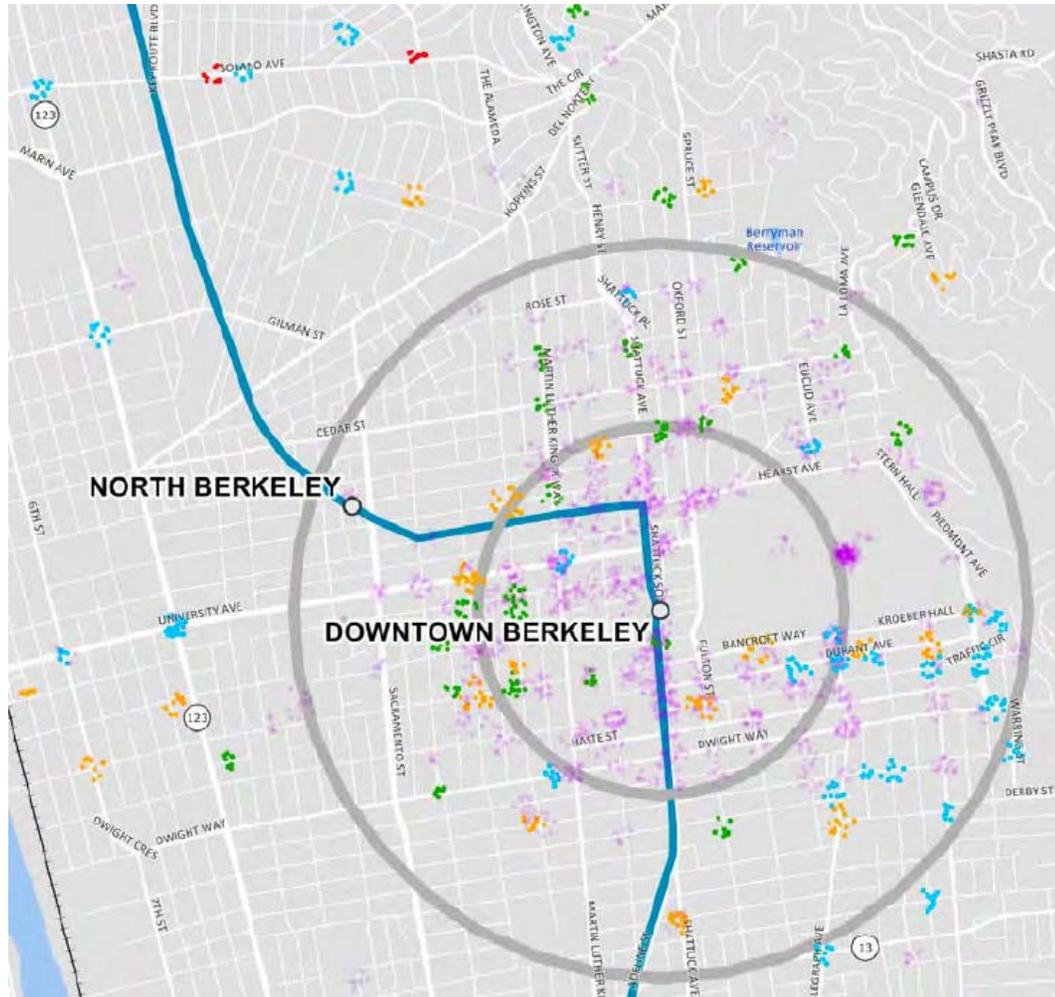


Station Pairs: Downtown Berkeley

LEGEND

Origins by mode to station

- Walk
- Bicycle
- Bus, train, or other transit
- Drive alone / carpool
- Drop off / taxi / other
- BART line and station
- One-mile Station Buffer
- Half-mile Station Buffer
- Passenger Rail



BART Tracks Under Property

No additional weight on station/tracks

Supports must be outside area of Influence: ~30-40' on either side

4-5 acres developable of 8.1 acres total

Other considerations:

- Transit operability after major quake
- Fire secure
- Many other manageable engineering requirements





What can be done in “zone of influence”

Iron Horse Trail: Pleasant Hill/Contra Costa Centre BART



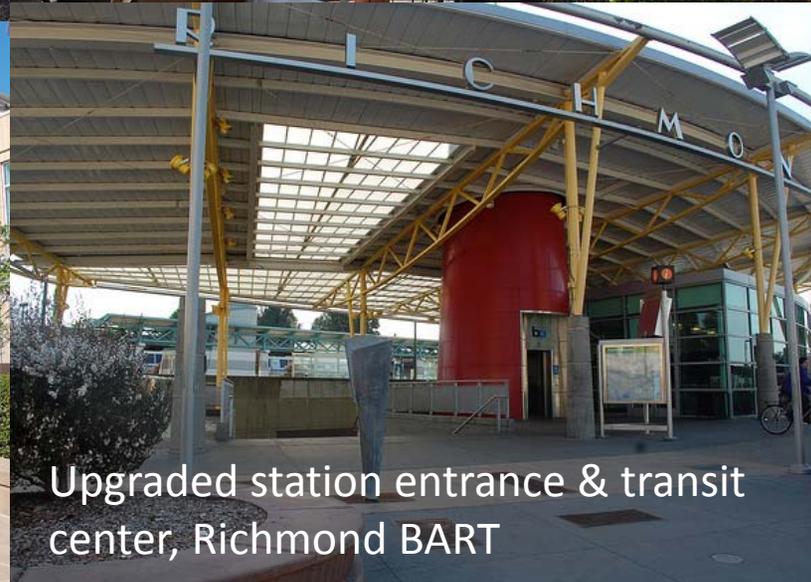
Outdoor retail seating, Fruitvale BART



Civic Center Plaza, Hayward BART



Upgraded station entrance & transit center, Richmond BART





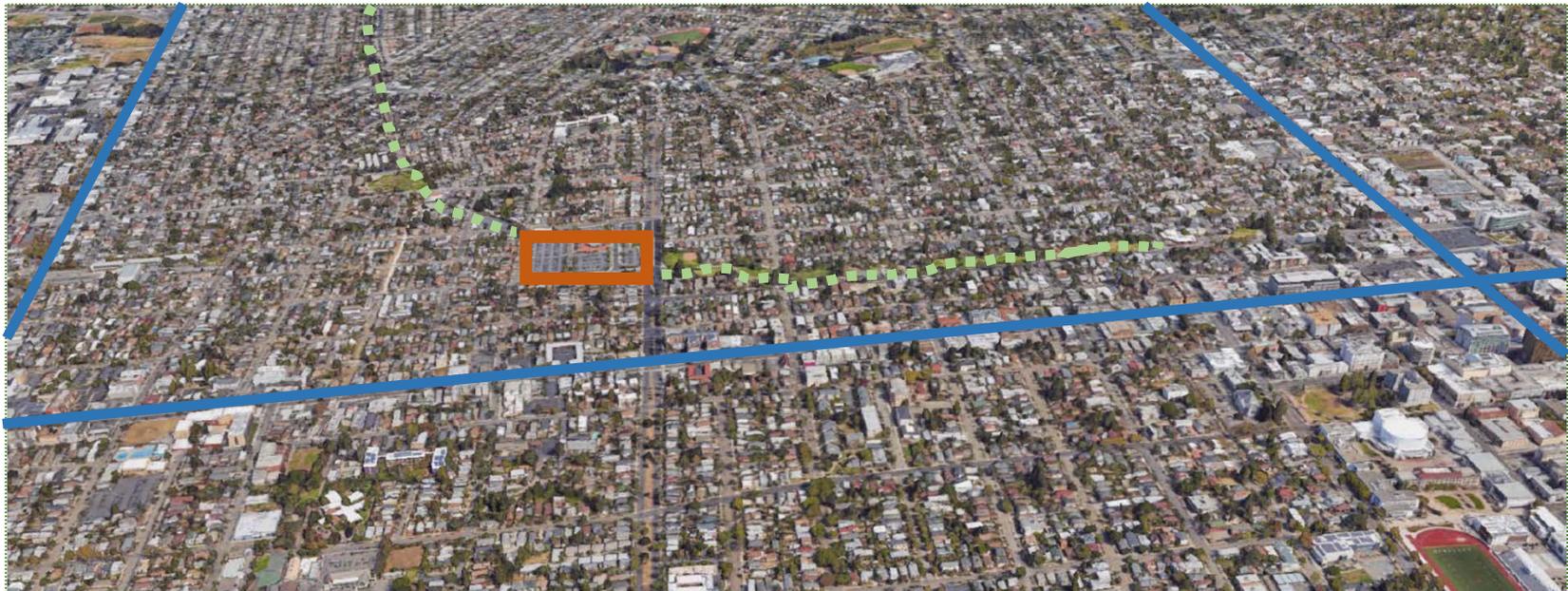
Considerations

- Mixed-use residential
- Affordable housing & supportive services
- Community-serving retail
- Placemaking
- Community facilities
- Station access





QUESTIONS?



DISTRIBUTED DECEMBER 16, 2017



Office of Councilmember Linda Maio
City of Berkeley, District 1

POTENTIAL FOR HOUSING ON THE NORTH BERKELEY BART STATION

Dear Resident,

Housing on the North Berkeley BART parking lot has been coming up at more and more gatherings, especially as our housing crisis deepens and housing near transit is so desirable.

North Berkeley and the Ashby stations have both been discussed as possible sites at meetings where transit-oriented development comes up.

To be clear, there are no proposals in the hopper at this time, but building on these lots has been discussed.

As your Councilmember, I want to be sure neighbors are aware and can participate if and when anything moves forward.

Toward that end I am requesting that you provide my office with your preferred contact information or send me an email at Imaio@cityofberkeley.info or call my office at 981-7110. In this way I can keep you abreast of any proposals that emerge.

Thank you.

Mayor Jesse Arreguin, Councilmember Linda Maio, and BART Director Rebecca Saltzman invite you to a

COMMUNITY MEETING

about the suitability of the main
North Berkeley BART parking lot
as a site for housing.

THURSDAY, MARCH 15, 7-9 PM

Berkeley Adult School
Multi-Purpose Room
1701 San Pablo
(enter from Curtis/Francisco)

BART will present the site's suitability for housing, given the presence of the tunnel, and will discuss transit-oriented development, followed by questions and discussion.

Hosted by

Mayor Jesse Arreguin // mayor@cityofberkeley.info // 510.981.7100

Councilmember Linda Maio // lmaio@cityofberkeley.info // 510.981.7110

BART Director Rebecca Saltzman // Rebecca.Saltzman@bart.gov // 510.464.6095

March 15, 2018

7 - 9pm

*Informational Meeting
on the Potential for
Housing at North Berkeley BART*

Mayor Jesse Arreguin
Councilmember Linda Maio
BART Director Rebecca Saltzman

Note: There is no proposed project for this site.

State of Housing in Berkeley

Mayor Arreguin & Councilmember Maio

BART Presentation

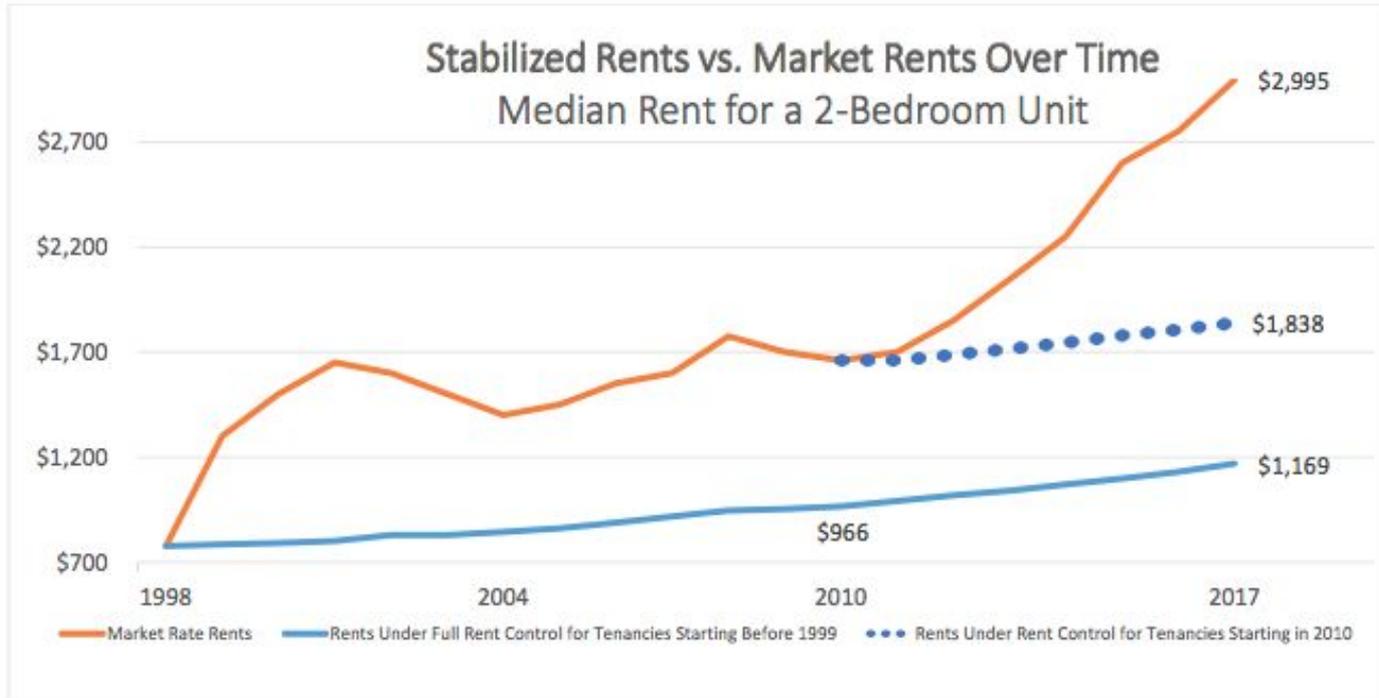
Director Saltzman & BART Staff

Possible Next Steps

Open Discussion &
Collected Comments

State of Housing in Berkeley

Rent controlled units



New market rate rentals



\$2,950 - \$4,550+

Studio - 2bd 1 - 2ba 471 - 1,101 sqft...
Parker



\$2,625 - \$4,420+

Studio - 2bd 1 - 2ba 470 - 860 sqft+
Varsity Berkeley



\$3,150 - \$6,720+

1 - 2bd 1 - 3ba 629 - 1,578 sqft+
Stonefire Berkeley



\$3,771 - \$10,573+

1 - 2bd 1 - 3ba 746 - 1,706 sqft+
Berkeley Central

“Affordable Housing” Bay Area, as per HUD - Family of 4

Monthly Rent

Median Income	\$115,000	\$2,882
Low Income	\$92,250 (80% of Med)	\$2,306
Very Low Income	\$69,200 (60% of Med)	\$1,730

State Legislation *Proposed*

Senate Bill 827

Overrides Existing Zoning in Certain Areas

Assembly Bill 2923

Enables BART to Establish Zoning

BART Director Rebecca Saltzman

BART PRESENTATION

*North Berkeley Site Features
Transit-Oriented Development*

What could happen next?

1. BART & City discuss development scenarios within BART guidelines
2. If City wishes to proceed:
City determines its own development guidelines/zoning

All deliberations occur within public process.

Comments, Questions



Housing Advisory Commission

WORKSESSION

January 15, 2019

(Continued from November 27, 2018)

To: Honorable Mayor and Members of the City Council
 From: Housing Advisory Commission
 Submitted by: Igor Tregub, Chairperson, Housing Advisory Commission
 Subject: North Berkeley BART Site Recommendations

RECOMMENDATION

Adopt guidelines for the development of the North Berkeley BART site to develop as many housing units as possible and include as many affordable units as financially feasible, with an emphasis on addressing the City's underserved Regional Housing Need Allocation (RHNA) targets.

FISCAL IMPACTS OF RECOMMENDATION

None explicitly. However, a significant number of units allowed on-site, can lead to a large share of affordable units to be cross-subsidized by market rate, therefore requiring less public subsidy for below-market rate units by the City.

CURRENT SITUATION AND ITS EFFECTS

In reaction to pending state bills preempting municipal control on housing development, Mayor Jesse Arreguin and Councilmember Linda Maio, along with BART president Rebecca Saltzman held a meeting on North Berkeley BART development in March. Afterwards, on May 15th, the Mayor and Councilwoman Maio directed the City Manager to assist in future events which would render ideas related to housing on the site per-BART district's guidelines.

On July 11, 2018, in line with the general direction of these preliminary initiatives, the Housing Advisory Commission voted unanimously to logistically plan for affordability on the BART site by creating a subcommittee with the sole directive of capturing public feedback. On July 24, 2018, shortly after the subcommittee's creation, Councilwoman Maio submitted an informational item on a guideline for process for developing the site in the fall.

The subcommittee's jurisdiction pertained to recommending to council a composition of affordability on the site. There were three choices: An exclusively market-rate project with sufficient fee payment to the housing trust fund, a mixed-income project featuring market-rate units cross-subsidizing substantial amounts of below-market rate units, and a site composed entirely of below-market rate units. A public meeting was held at the

West Berkeley library with representatives of numerous community groups in North Berkeley having submitted emails and spoken testimony regarding their preferred option.

Of the 23 emails (disregarding duplicate senders), 12 recommended a mixed-income project composing of market-rate and below-market rate units. Of this group, one email stated to have represented 20 North Berkeley BART neighbors. Six stated the subcommittee was premature or should not make a decision. Three endorsed the subcommittee without stated preference, and two noted parking concerns.

Among in-person speakers, five neighbors supported a mixed-income project with maximized density, two believed the subcommittee to be premature, one spoke in favor of an entirely below-market rate project, one opposed any high-rise, and one spoke about parking concerns.

Regardless of what public feedback returned to the subcommittee, the powers of the Housing Advisory Commission was relegated only to affordability on the site, and suggest means in which the Council could fulfil that affordability.

The subcommittee voted to eliminate the market-rate on-site only option and forward the remaining options to the Housing Advisory Commission:

Action: M/S/C (Lewis/Owens) The HAC will choose between recommending to the Berkeley City Council a mixed-income project and a 100% BMR project, while encouraging the greatest degree (% of units) of inclusionary units and depth of affordability (aka AMI) overall at North Berkeley BART site.

Vote: Ayes: Lewis, Owens, and Tregub. Noes: none. Abstain: none. Absent: none.

At its September 6, 2018 meeting, following an additional round of public feedback and letters proportionally similar in opinion to the subcommittee, the HAC adopted the following recommendation:

Action: M/S/C (Wolfe/Owens) to recommend to the City Council to adopt guidelines for the development of the North Berkeley BART site to develop as many housing units as possible and include as many affordable units as financially feasible, with an emphasis on addressing the City's underserved Regional Housing Need Allocation (RHNA) targets.

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

It should be noted with respect to concerns of prematurity, that the recommendations and scope taken by the commission have already been examined by the BART district, as of 2017. See page 22 of BART's 2017 transit-oriented development guidelines: https://www.bart.gov/sites/default/files/docs/BART_TODGuidelinesFinal2017_compressed.pdf

BART has recommended that North Berkeley BART station compose of several hundred units, with a site composition of 100% below-market housing, presumably low-income tax credit housing requiring city subsidy. Additionally, Ashby BART station is recommended to be composed of over 1000 units, with a mixed-income composition. BART TOD officials have also communicated that these are without City input and are preliminary guidelines that are non-binding at the moment.

The Housing Advisory Commission is issuing a near identical report in subject, different in prescription, save for quantifiable density recommendations since that is not within the scope of the commission. However, we can advise affordability recommendations with density guidelines to determine the financial feasibility of those recommendations, like an ordinary RFP.

BACKGROUND

Berkeley is undergoing a severe housing crisis brought about through a shortage of units and a high demand for jobs regionally and locally. North Berkeley BART's parking lot provides an opportunity for substantial levels of housing adjacent to a reliable transit system that currently has capacity for more riders at that station. The North Berkeley BART Station ridership is approximately two-thirds of what the Ashby BART Station handles in terms of daily weekday ridership, making the North Berkeley BART Station an ideal site for future transit oriented development.

Additionally, Berkeley is suffering from a traffic crisis leading to intense congestion during rush hour. It should be noted that in 1950, Berkeley's population was 113,805, and in 2016, the population had increased to 121,240 persons (according to U.S. Census bureau estimates). Therefore the substantial increases in traffic appear to be caused by regional commuting, rather than from the actual increased population. The promotion of transit-oriented housing to help with regional transit demand is one solution.

ENVIRONMENTAL SUSTAINABILITY

A significant portion of the city's greenhouse emissions derive from automobiles, and recent studies have shown that building infill housing adjacent to transit is the best way to minimize emissions and reduce housing costs through increased supply.

RATIONALE FOR RECOMMENDATION

There are only a few sites in the City of Berkeley where it is possible to build denser housing that provides well planned walkability and accessibility. North Berkeley's

parking lot is one of these sites. There are four parcels of considerable space and a BART station which offers two minute trips to Downtown Berkeley, eleven minute trips to Downtown Oakland, and 24 minute trips to Downtown San Francisco. Because low-income individuals are more likely to use transit, it is imperative that any development on the North Berkeley BART site provides as many units as feasible that are affordable to low-income households.

Some members of the Housing Advisory Commission voiced the concern that the City may negotiate with BART to award development rights only to nonprofit housing developers. In turn, these developers will require city subsidies to build and produce units at a density of 75 dwelling units/acre, the minimum required by BART. They therefore recommend that, in order to cross subsidize affordable units, a considerable amount of market rate units also be built to grow the overall total for a mixed-income project. Ideally, the final development project will provide the greatest total number of below-market rate units, particularly those that would be affordable to the underperforming AMI levels within the City.

The Housing Advisory Commission is stating this early as a guideline for affordability for when the Council begins to deliberate with the BART district and the Planning Department. We're aware that BART currently owns the site in its entirety, both air and land rights, and will also have the final say regarding which developers are rewarded that request for process (RFP). RFP procedures are normally a HAC function with City property, but this is not City property.

Some members also voiced concern that if Council were to work with the Planning Department to only zone for an insubstantial or baseline amount of units, that overall numbers of below-market rate housing would be smaller than what's ideal and the mandated inclusionary percentage for the market-rate project would be smaller. If the council devises with Planning a zoning designation that is baseline to the unit minimum, and expects the HAC to recommend a higher inclusionary rate than BART's 20% requirement, it will not only produce less affordable units, but may not be financially feasible. This could result in BART ultimately disregarding City input since they are leasing the land.

Therefore, we advise to the Council, after public feedback and deliberation, that when zoning the property with the Planning Department, the Council should facilitate that the zoning permits flexibility to allow a considerable number of units above BART's unit minimum. A high density project would allow for the Housing Advisory Commission to work with the RFP process on maximizing the total number of affordable units, through cross-subsidizing them with market-rate units. When land-use decisions from planning are decided for the parking lot, the Housing Advisory Commission can return with an inclusionary percentage recommended for the site.

If the new zoning allows for the total unit amount to be considerably larger than BART's baseline, the HAC can recommend a percentage considerably higher than BART's baseline of 20% inclusionary.

ALTERNATIVE ACTIONS CONSIDERED

If the recommendation is not followed, the city can move forward with a baseline amount of density or slightly above BART's land-lease standards and the Housing Advisory Commission will recommend a percentage accordingly.

CITY MANAGER

The City Manager thanks the Commission for their work on this important issue and reaffirms her commitment to partnering with interested parties as a development moves forward.

CONTACT PERSON

Amy Davison, Commission Secretary, HHCS, (510) 981-5406

