



Office of the City Manager

December 21, 2018

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Subject: Approval of developments at 2012 Berkeley Way and 1601 Oxford Street pursuant to Senate Bill 35

As you know, the City recently received development applications for 2012 Berkeley Way and 1601 Oxford Street. Both applicants requested streamlining pursuant to SB 35, which is a State law that went into effect in 2018 that requires a ministerial approval process for development projects that provide 50% of the proposed residential units at rents affordable to households making 80% of Area Median Income, and that meet several other criteria. “Ministerial approval” means that no hearings are required, no environmental impact review is required, and no right of appeal is available.

Pursuant to SB 35, the City has 60 to 90 days (depending on the size of the project) from the date a project application is submitted to determine if the projects are eligible for ministerial approval.

Staff sent letters to both applicants today informing them that their projects qualify for ministerial review under SB 35 and that the projects are consistent with all applicable zoning standards, and thus both projects have been approved. You can find the 2012 Berkeley Way letter at

https://www.cityofberkeley.info/Planning_and_Development/Zoning_Adjustment_Board/2012_Berkeley_Way.aspx

and the 1601 Oxford Street letter at

https://www.cityofberkeley.info/Planning_and_Development/Zoning_Adjustment_Board/1601_Oxford,_PLN2018-0061.aspx.

Summary of the Project at 2012 Berkeley Way

The Berkeley Way site currently serves as a City-owned parking lot. BRIDGE and Berkeley Food & Housing Project (BFHP) were selected by the City as the development team for this site via a competitive process in 2014.

The project includes 89 affordable housing apartments, 53 permanent supportive housing units, and 44 homeless shelter beds (including 12 beds for veterans). The City entered into a Disposition and Development Agreement with BRIDGE for the site in June 2016 and into a predevelopment loan of \$835,897 on April 18, 2017. Council identified Berkeley Way as its first priority for Housing Trust Fund and Berkeley’s set aside of Alameda County A1 funds on June

13, 2017. The Council reserved another \$3.1 million for Berkeley Way on July 11, 2017. On June 26, 2018, Council reserved \$11 million for the development and on December 4, 2018, Council reserved another \$12.5 million for the project. These funds will leverage significant dollars from non-City sources for the full development project.

The project is seeking several sources of funding from a range of agencies, one of which requires that the project has received final City approval by December 26, 2018.

Staff in the Planning and Development Department and City Attorney's Office evaluated the application and found that the project qualifies for streamlined approval and is consistent with all applicable zoning standards.

Summary of the Project at 1601 Oxford Street

Satellite Affordable Housing Associates (SAHA) proposes a new affordable housing development to be located at 1601 Oxford Street, at the corner of Cedar Street on a portion of the All Souls Episcopal Parish property. The project would include 37 units of housing, including 34 deed-restricted affordable studios for seniors, one two-bedroom manager's unit, and two three-bedroom units for use by church staff.

On October 16, 2018, City Council approved \$6 million for this project.

The project was previewed by an interdepartmental staff roundtable in late 2017 and by the Zoning Adjustments Board (ZAB) at a public hearing in July of 2018. The applicant revised the project in response to comments received and was granted approval by the ZAB on November 8, 2018, based on extensive findings and conditions of approval. An appeal of that approval was filed by several neighbors and interested parties on December 4, 2018. No hearing date has yet been set for Council to hear that appeal.

Like the 2012 Berkeley Way project, the SAHA project is seeking several sources of funding, one of which requires that the project has received final local approval by December 26, 2018. Due to this constraint, SAHA subsequently submitted a request for ministerial streamlined approval pursuant to SB35.

Staff in the Planning and Development Department and City Attorney's Office evaluated SAHA's request and found that the project qualifies for streamlined approval and is consistent with all applicable zoning standards. The pending appeal to Council of the Use Permit that was recently approved by ZAB is therefore no longer viable.

I want to thank staff for their professionalism in conducting the required analyses for both of these projects.

cc: Paul Buddenhagen, Interim Deputy City Manager
Timothy Burroughs, Director, Planning Department
Farimah Brown, City Attorney
Jenny Wong, City Auditor
Mark Numainville, City Clerk
Matthai Chakko, Assistant to the City Manager