



Housing Advisory Commission

HOUSING ADVISORY COMMISSION

AGENDA

Special Meeting Thursday, May 5, 2022 7:00 pm	Mike Uberti, Secretary HAC@cityofberkeley.info
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PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH VIDEOCONFERENCE AND TELECONFERENCE

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this meeting of the Housing Advisory Commission will be conducted exclusively through teleconference and Zoom videoconference. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, there will not be a physical meeting location available.

To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device use: <https://us06web.zoom.us/j/89275292644>. If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon on the screen.

To join by phone: Dial US: 1-669-900-6833 and Enter Meeting 892 7529 2644. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

Written communications submitted by mail or e-mail to the Housing Advisory Commission by 5:00 p.m. the day before the meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record. City offices are currently closed and cannot accept written communications in person.

All agenda items are for discussion and possible action.

Public comment policy: Members of the public may speak on any items on the Agenda and items not on the Agenda during the initial Public Comment period. Members of the public may also comment on any item listed on the agenda as the item is taken up. Members of the public may not speak more than once on any given item. The Chair may limit public comments to 3 minutes or less.

1. **Roll Call**
2. **Agenda Approval**
3. **Public Comment**
4. **Approval of the April 7, 2022 Special Meeting Minutes** (Attachment 1)
5. **Discussion and Possible Action on St. Paul Terrace (2024 Ashby) Development Funding** – Housing Trust Fund Subcommittee/Staff (Attachment 2)
6. **Update on Council Items (Future Dates Subject to Change)**

7. Announcements/Information Items

8. Future Items

9. Adjourn

Attachments

1. Draft April 7, 2022 Special Meeting Minutes
2. Jenny Wyant, HHCS, St. Paul Terrace Development Funding Recommendation

Communications to Berkeley boards, commissions or committees are public record and will become part of the City’s electronic records, which are accessible through the City’s website. Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to a City board, commission or committee, will become part of the public record. If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the Secretary of the commission. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the Secretary for further information.

Written communications addressed to the Housing Advisory Commission and submitted to the Commission Secretary will be distributed to the Commission prior to the meeting. This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Mark Numainville, City Clerk, (510) 981-6900.

COMMUNICATION ACCESS INFORMATION:



To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at (510) 981-6418 (V) or (510) 981-6347 (TDD) at least three business days before the meeting date.



HOUSING ADVISORY COMMISSION
Thursday, April 7, 2022

Housing Advisory Commission

Time: 7:03 pm
Held via Video and
Teleconference

Secretary – Mike Uberti
HAC@cityofberkeley.info

DRAFT MINUTES

1. Roll Call

Present: Nico Calavita, Sara Fain, Xavier Johnson, Libby Lee-Egan, Mari Mendonca, Debbie Potter, Ainsley Sanidad, and Leah Simon-Weisberg.

Absent: Alexandria Rodriguez (unexcused).

Commissioners in attendance: 8 of 9

Staff Present: Mike Uberti

Members of the public in attendance: 11

Public Speakers: 5

2. Agenda Approval

Action: M/S/C (Mendonca/Calavita) to approve the agenda.

Vote: Ayes: Calavita, Fain, Johnson, Lee-Egan, Mendonca, Potter, Sanidad, and Simon-Weisberg. Noes: None. Abstain: None. Absent: Rodriguez (unexcused).

3. Public Comment

There were no speakers during public comment.

4. Approval of the February 3, 2022 Special Meeting Minutes

Action: M/S/C (Potter/Simon-Weisberg) to accept the February 3, 2022 Special Meeting Minutes.

Vote: Ayes: Calavita, Fain, Johnson, Lee-Egan, Mendonca, Potter, Sanidad, and Simon-Weisberg. Noes: None. Abstain: None. Absent: Rodriguez (unexcused).

5. Discussion and Possible Action on a Housing Preference Policy

Public Comment: 5

Action: M/S/C (Simon-Weisberg/Johnson) to recommend City Council take the following actions:

- Adopt a policy to establish the following preferences for new affordable housing created via the City's Housing Trust Fund and Below Market Rate programs:
 - Displacement due to eminent domain for BART construction (first priority, separate lottery)
 - Displaced from Berkeley due to foreclosure since 2005 (one point)
 - Families with children (one point)

- Homeless or at risk of homelessness (one point)
 - Ties to redlined areas (one point)
 - Ties to redlined areas – historical (one point)
 - Displaced from Berkeley due to eviction within the past seven years (one point); and
- Share the research that informed these recommendations with the City’s reparations consultant; and
 - Fund a study to document the City of Berkeley’s history of discriminatory actions as well as its actions to regulate or fail to regulate discrimination in the housing market. This work should be sourced to local community organizations advancing racial justice initiatives in the community; and
 - Adopt an ordinance to remove credit checks and eviction history from applications for housing.

Vote: Ayes: Calavita, Fain, Johnson, Lee-Egan, Mendonca, Potter, Sanidad, and Simon-Weisberg. Noes: None. Abstain: None. Absent: Rodriguez (unexcused).

6. Update on Council Items (Future Dates Subject to Change)

7. Announcements/ Information Items

8. Future Items

9. Adjourn

Action: M/S/C (Calavita/Fain) to adjourn the meeting at 10:05 pm.

Vote: Ayes: Calavita, Fain, Johnson, Lee-Egan, Mendonca, Potter, Sanidad, and Simon-Weisberg. Noes: None. Abstain: None. Absent: Rodriguez (unexcused).

Approved:

_____, Mike Uberti, Secretary

Health Housing and
Community Services Department
Housing & Community Services Division

MEMORANDUM

To: Housing Advisory Commission

From: Jenny Wyant, Senior Community Development Project Coordinator

Date: May 5, 2022

Subject: **St. Paul Terrace Development Funding Recommendation**

Recommendation:

The HTF Subcommittee recommends that the Housing Advisory Commission recommend that City Council reserve an additional \$8,551,040 for Community Housing Development Corporation's St Paul Terrace (2024 Ashby), conditioned on obtaining the project's planning entitlements within 24 months.

Current Situation and Effects:

On April 18, 2022, the Housing Trust Fund Subcommittee of the Housing Advisory Commission voted to approve the recommendation listed above. M/S/C Mendonca/Johnson. Ayes: Johnson, Mendonca, Potter. Noes: None. Abstain: None. Absent: None.

The funding recommendation is based on balancing the City's goals of supporting this project so it is competitive for state funding, and leveraging the City's limited housing resources to maximize the public benefit.

Community Housing Development Corporation (CHDC) submitted a request for \$13 million in development funding for St. Paul Terrace (2024 Ashby Avenue). This request is in addition to predevelopment funding previously awarded, for a total proposed City subsidy of \$16,698,960.

CHDC initially applied for development funding for St. Paul Terrace and another project, Ephesians Legacy Court (1708 Harmon Street), through the 2021 Housing Trust Fund Request for Proposals (HTF RFP) process. On December 14, 2021, with Resolution 70,135, City Council approved the HTF RFP funding recommendations. There were not sufficient funds available through the HTF RFP to fund both CHDC requests in their entirety. Instead, in that same resolution, City Council approved allowing CHDC to submit a revised proposal based on whichever project they deemed most ready to move

A Vibrant and Healthy Berkeley for All

2022 Housing Trust Fund St. Paul Application and Funding Recommendation
May 5, 2022

forward first. That project could apply for up to approximately \$13 million in funds that were not allocated through the HTF RFP. Some or all of that funding would likely come from the third issuance of Measure O bond funds, which is currently projected for 2025. CHDC decided St. Paul was further along in predevelopment and submitted their revised proposal.

Project Overview

CHDC is partnering with St. Paul AME Church to develop affordable housing on the church's property. The proposed project would have 50 units serving households earning between 20%-60% AMI. The number of units was reduced from 52 in order to provide more 1-bedrooms and fewer studios, which are generally less desirable. CHDC aims to reserve approximately 10 units for formerly homeless households, though their ability to do so depends on securing operating subsidy through project-based vouchers from the Berkeley Housing Authority.

- Developer Capacity (30%). Staff rating: Medium-High. While CHDC technically meets the threshold criteria for experience, they are relying on consultants more experienced with tax credit projects.
- Feasibility (30%). Staff rating: Medium. The project is seeking entitlements under SB35, but CHDC is still finalizing its financing strategy. This revised operating proforma included Project-Based Section 8 vouchers, which are not committed.
- Local Needs and Priorities (25%). Staff rating: High. The project brings new affordable housing to the Adeline Corridor, in close proximity to Ashby BART.
- Readiness to Proceed (15%) Staff rating: Medium. CHDC expects its entitlements in June 2022 (through an expedited SB35 process), which will enable them to pursue state funding later that same month. The project does not have any funding commitments, aside from the City predevelopment funding.

Funding Considerations

CHDC requested a City subsidy for St. Paul Terrace that is significantly higher than what the City has historically funded, at over 44% of the total development costs and \$341k per affordable unit.

CHDC requested a higher subsidy in order to increase the project's likelihood of getting state funding this year, in order to create new affordable housing on the fastest timeline possible.

There are several factors influencing the proposed funding recommendation.

1. Timing and availability of City funds
The full amount of the City funds requested may not be available on the timeline proposed by CHDC. CHDC's proposed schedule assumes securing state funding (IIG) in 2022 and tax credits in 2023. The latter requires construction to start within 180 days of the financing award, which means the project would need to start before City funds are available (estimated in 2025).

2. Leveraging of City funding

The City's Housing Trust Fund Guidelines require City Council approval of City subsidies in excess of 40% of the total project cost. City Council has approved exceptions to this cap for renovation projects that are not competitive for state funds due to preferences for new construction. In the most recent HTF RFPs (in 2019 and 2021), the City funded new construction rental housing projects with City subsidies ranging from 4-29% of total project costs (see attached table with project comparison).

State funds are only 6% of the total proposed sources for St. Paul Terrace, whereas most recent new construction projects have at least 25% of their sources coming from the state (or County, when A1 funds were available). St. Paul Terrace would be eligible for more state funds on a longer timeline.

3. City subsidy per unit

The requested City subsidy for St. Paul Terrace is roughly \$341k/unit. Most new construction projects funded through the 2019 and 2021 HTF RFPs have City subsidies ranging from \$32k - \$198k per affordable unit (see attached table for more details).

The recommendation to fund St. Paul Terrace at an additional \$8.55M is based on a total subsidy of \$12.25M, which is equal to \$250k per affordable unit and 32% of the project's total development costs. This would still be the City's highest subsidy per affordable housing unit to date for a new construction project, but the subsidy is more closely aligned with other recent funding reservations than the requested amount. The City's goal is always to fund affordable housing projects at levels that support their competitiveness for state funding, balanced with the reality of limited City funding.

With a City award at this level, CHDC would need to leverage a greater proportion of state funding than they are currently projecting. CHDC indicated that the project is still feasible at the recommended funding amount. The project may not get all the state funding it needs through the Super NOFA this year, but if CHDC pursues project-based vouchers the project will be more competitive for state sources in subsequent funding rounds. Because the City funds are not projected to be available until 2025, this may not have an impact on the project's timing overall.

New Construction Projects with City Development Funding Reservations (since 2018)

Project Name	St Paul Terrace	Supportive Housing in People's Park	BUSD Workforce Housing	1740 San Pablo	Maudelle	Blake Apartments	BRIDGE Affordable	Hope Center PSH	Jordan Court
Address	2024 Ashby Avenue	2556 Haste	1701 San Pablo	1740 San Pablo	2001 Ashby	2527 San Pablo	2012 Berkeley Way		1601 Oxford
Sponsor	CHDC	RCD	SAHA/Abode	BRIDGE	RCD	SAHA	BRIDGE	BFHP	SAHA
Total Affordable Units	49	118	109	50	86	62	88	52	34
Special Populations Served	homeless	homeless	educators	artists	homeless, disabled	homeless, IDD	n/a	hmls, mentally ill	homeless, seniors
Total City Funds	12,250,000	14,359,593	24,500,000	7,500,000	17,000,000	12,000,000	2,774,925	7,727,630	6,000,000
City funds per affordable unit	250,000	121,691	224,771	150,000	197,674	193,548	31,533	148,608	176,471
City funds as a % of TDC	32%	18%	29%	21%	25%	25%	4%	20%	24%
State/County Funding - # Sources	1	2	2	2	3	2	2	4	2
State/County Funding - % of TDC	6%	37%	11%	33%	27%	28%	37%	38%	33%