

HUB

Preliminary Proposal for Community Benefits

2128 Oxford St. & 2132-2154 Center St.

January 20, 2021

This document outlines a preliminary set of benefits for consideration by community members and decision-makers. Based on their feedback, the project team will refine the benefits package to best meet community needs and desires.

AFFORDABLE HOUSING

The project would contribute approximately \$10 million into the Affordable Housing Trust Fund.¹ The City has been exceptionally productive in leveraging these funds and partnering with affordable housing developers to build below-market rate housing. Additionally, the project will replace the 16 existing rent-controlled units with 16 units which would be affordable to Extremely Low and Very Low Income households. Notably, State law only requires that half of the replaced units be affordable to Extremely Low and Very Low Income households, based on HUD Comprehensive Housing Affordability Strategy



Bridge/BFHP Housing Project - built using Housing Trust Fund monies.

income levels in the City of Berkeley. Moreover, the project would help to reduce Berkeley and the region's housing crisis, by adding 283 units in a transit-oriented service-rich location. This would help the City make progress toward meeting the City's Regional Housing Needs Assessment (RHNA) target.

The City of Berkeley's history of success with the use of the housing trust fund is evident all over Berkeley. From an empirical perspective, the HTF has proven to be a far, far better generator of affordable housing units than through the process of inclusion in otherwise market rate projects. In otherwise market rate projects, the tenants of BMR units also are not provided services as they are in projects built using HTF monies. That includes funding for the Bridge Housing/Berkeley Food and Housing project right in the Downtown.

Berkeley's recent history is an excellent measure of the potential for developing BMR units using the HTF. The construction of one of the City's HTF funded projects demonstrates this fact. 2142 Martin Luther King, Jr. Way was constructed by Satellite Affordable Housing Associates (SAHA) and completed in 2019. It contains 42 permanently affordable and service enriched units. The City of Berkeley provided

¹ Based on changes in the City's Affordable Housing Mitigation Fee and in-lieu requirements that went into effect in 2017, these fees are well in excess of what was envisioned by the Downtown Area Plan, C-DMU district, and Resolution 67,172.

a \$2MM local grant from the HTF to help the project secure the balance of financing necessary for the project.

As currently proposed, the HUB project would be required to provide approximately 50 BMR units as a part of its affordable housing mitigation requirement. Those units would not be service enriched. The proposed \$10MM housing mitigation fee has the potential to fund close to 200 permanently affordable and service enriched apartments using the SAHA example, above. As a result, the Berkeley community on aggregate can expect not just 283 new student-oriented apartments next to BART and the UC Berkeley Campus, but also provide seed funding for an additional 200 BMR units. Then the City benefits with well over 400 new units, approximately 40% of which could be permanently affordable and service enriched.

RETAIL ASSISTANCE

The project sponsor is providing relief to the current businesses in the existing buildings along Center Street and along Oxford Way. Many of those businesses have already relocated or are in the process of doing so. Importantly, each commercial tenant will be offered the right to return to a commercial in the new building when it is completed and at terms similar to but better than their current terms. Each of the commercial tenants are at market rent currently, that will not change. However, each of those tenants has been on month to month leases since prior to the current owner's acquisition of the property. Tenants that choose to return to the new building will enjoy the opportunity to participate in longer term leases. The relocation assistance and rights to return once the development is completed will include the following:



- \$15K lump sum payment per tenant for moving costs.
- Real estate technical assistance from the Core Spaces real estate team and from the Downtown Berkeley Association.

GREEN BUILDING AND SUSTAINABILITY

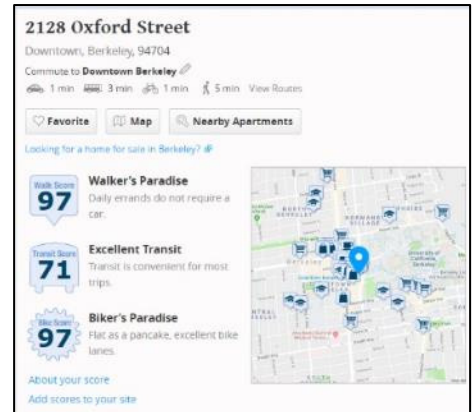
The project anticipates achieving LEED Gold or equivalent standards, through building and resource efficiency. The project is proposed with all-electric systems and with up-to-date Green Building Code compliance.² It proposes bird safe glass on key facades and design features including overhangs and recesses that create shadows and reduce the potential for bird



² These requirements were not in effect or envisioned by the Downtown Area Plan, C-DMU district findings, and Resolution 67,172; therefore, these project benefits are in excess of community benefit requirements.

strikes. The project includes on-site stormwater management, where none exists today, along with low-flow fixtures that reduce per capita water use.

It should also be noted that the project's exceptional transit/walking/biking location is a significant environmental factor. The site receives 97's for walking and biking, and a 71 for transit. The transit number seems low given the outstanding access the project enjoys (see below). This transit and housing density connection is a very strong component of the project's overall sustainability.



PUBLIC IMPROVEMENTS/CENTER ST. PUBLIC PLAZA

The project would contribute to the Streets and Open Space Improvement Fund to expand pedestrian and open space infrastructure in the Downtown. Alternatively, the project team is interested in supporting an improvement on Center St., specifically. The Downtown Area Plan identified a conceptual plan for a street closure on Center Street to allow for an expanded public plaza. Although a full street closure is no longer feasible due to the valet parking entrance to the new hotel, a partial street closure may be feasible. If desired, the project sponsor could contribute to a plaza that allows for outdoor seating, gathering, flexible performance space, while still allowing bicycle, pedestrian, and emergency vehicle access in the form of a woonerf. Depending on the desired outcome, major improvements may include grading, drainage, curbs, gutters, pavers, and maintenance costs.



ALTERNATIVE TRANSPORTATION

The project site is ideally located for a student-oriented housing project. It is across the street from the main entrance of the UC Berkeley campus. It is one block from the Downtown Berkeley BART station. Numerous AC Transit and UC transit busses have stops at or within a block of the project site. The site is proximal to full services, including grocery shopping, for residents. As noted above the site is considered a walk/bike "paradise."



Capitalizing on its exceptional transit access, the project would provide unlimited local bus transit passes/Clipper Cards or equivalent, to each unit and employee, unbundled parking, and on-site parking for carshare spaces.



Over 300 bike (and other personal mobility devices) parking spaces are proposed, along with a bike repair facility. Due to the project's location within Downtown Berkeley, most trips from the project site are expected to be walking trips.

ROOFTOP RESTAURANT/BAR

On previous buildings taller than 75 feet proposed Downtown, community members and decision-makers have expressed clear interest in rooftop access. For instance, the upper-level restaurant at the new Center Street hotel site was a result of public feedback. As an option, the project team is proposing a rooftop restaurant/bar on level 17 in lieu of top-floor dwelling units. The restaurant/bar would be accessible to customers from the community at-large via a dedicated entrance and elevator, accessed from Center Street. This would provide an opportunity for community members to take advantage of amazing views at level 17, as patrons of the restaurant/bar, and generate economic development benefits as a major Downtown attraction.



UNION LABOR

The project is committed to a Project Labor Agreement with all member trades of the Alameda County Building and Construction Trades Council. This Agreement will establish a commitment to union labor, including stipulations for apprentices and training. Based on actual labor costs, this Agreement represents at least an approximate 15% premium over construction costs, well above the 5% threshold stated in City Council Resolution 67,172.

