



Office of the City Manager

CONSENT CALENDAR
February 10, 2026

To: Honorable Mayor and Members of the City Council
 From: Paul Buddenhagen, City Manager
 Submitted by: Scott Gilman, Director, Health, Housing, and Community Services
 Subject: Extending Reservations for Housing Trust Fund Projects

RECOMMENDATION

Adopt a resolution to:

1. Extend the duration of the previously approved funding reservations and reserve Housing Trust Fund funds and other currently available affordable housing funds, including local Measure O Bond funds, Measure U1 funds, Affordable Housing Mitigation Fees (AHMF), and State funds for the following projects:
 - Ashby Lofts (2909-2919 Ninth Street) at \$850,000
 - Supportive Housing in People's Park (2556 Haste) at \$14,359,593
 - Ephesian Legacy Court (1708 Harmon) at \$14,531,301; and
 - North Berkeley BART Project at \$21,500,000.
2. Authorize the City Manager or designee to execute all original or amended documents or agreements to effectuate these actions.

SUMMARY

City Council previously approved funding reservations for the following four affordable housing projects:

- Ashby Lofts (2909-2919 Ninth)
- Supportive Housing in People's Park (2556 Haste)
- Ephesian Legacy Court (1708 Harmon)
- North Berkeley BART Project

Pursuant to Housing Trust Fund (HTF) policy, funding reservations for each project was limited to 24 months. All have advanced since their last funding reservation approval but faced typical development delays. Health, Housing, and Community Services (HHCS) staff recommend extending each funding reservation for an additional 24 months to maintain momentum toward completion.

All four projects have demonstrated measurable progress but require additional time to complete financing and development steps. Extending the HTF funding reservations for

another 24 months will ensure that they are able to remain on track toward development.

FISCAL IMPACTS OF RECOMMENDATION

The attached resolution would extend the duration of existing funding reservations, which established a 24- month deadline. Therefore, the recommendations in this report have no additional fiscal impact.

The funding reservations include Affordable Housing Mitigation Fee (Fund # 120), Measure O (Fund # 512), Measure U1 (Fund # 016) and Permanent Local Housing Allocation funds (Fund # 302).

CURRENT SITUATION AND ITS EFFECTS

The funding reservations for the projects described in this report have been previously approved. On December 12, 2023, City Council adopted Resolution No. 71,131-N.S., which extended reserved funding for the Ashby Lofts and SHiPP projects. On June 13, 2023, City Council adopted Resolution No. 70,889-N.S., which reserved funding for Ephesian Legacy Court, and on June 25, 2024, the Council adopted Resolution No. 71,428-N.S., which reserved funding for the NBB project.

Each of the resolutions reserved funds for a period of no more than 24 months from the resolution date, which is a standard HTF program practice to ensure that City funds are not indefinitely committed to projects that are not moving forward.

Since the resolutions were adopted, all four projects have made progress on development milestones. Due to delays in the project schedules that are not unusual in affordable housing development, staff recommend extending the duration of the HTF funding reservations for each project for an additional 24 months.

BACKGROUND

Ashby Lofts

Ashby Lofts is a 54-unit, affordable housing property at 2909-2919 Ninth Street occupied by low and very low-income households, including households with special needs. Renovation of the property was initially funded through the 2021 HTF Request for Proposals process, with Council approval on December 14, 2021 (Resolution 70,135-N.S.). In December 2023, City Council extended the funding of \$850,000 awarded to Satellite Affordable Housing Associates (SAHA) for the renovation of Ashby Lofts (Resolution 71,131-N.S.). To address remaining repair needs, SAHA applied for funding through the City of Berkeley's most recent Rehabilitation Request for Proposals in March 2025 and was awarded \$2,868,571 by Council on June 24, 2025 (Resolution 71,846-N.S.).

SAHA is pursuing a tax credit resyndication in January 2026. The project is anticipated to be more competitive than in prior tax credit application rounds due to changing regulations on federal tax credits, and due to securing a renewal of the existing Housing

Assistance Payment contract with the Berkeley Housing Authority. If tax credits are not awarded, the project will move forward with a reduced scope. Staff recommend extending the existing funding reservation to support its rehabilitation needs.

Supportive Housing in People's Park

Supportive Housing in People's Park (SHiPP) is a new construction project with 119 affordable apartments serving previously unhoused individuals earning between 10% and 50% of the area median income. City Council extended funding reservations of \$10,909,593 in development funds and \$3,450,000 in operating subsidies (\$14,359,593 total) for the project. Of the development funds, up to \$3,000,000 may be made available to the project for predevelopment uses.

This project was entitled by the University of California, Berkeley (UCB) in September 2021; however, the project encountered legal challenges related to the Environmental Impact Report which disrupted the project schedule. As a result of the increased risks and uncertainties associated with the delays, the original developer, Resources for Community Development, decided to reallocate its limited nonprofit resources to other developments and exit the project. The legal challenges and need to identify a new nonprofit developer caused a significant delay in the project's timeline.

Since this transition of the original developer out of the project, UCB was granted legal approval to proceed with the project in 2024. The City and UCB have worked with the State to extend the reservation of the funding commitment from the State of California Department of Housing and Community Development (HCD) No Place Like Home program until June 2026.

UCB signed an exclusive negotiating agreement with Satellite Affordable Housing Associates (SAHA) in December 2025 and anticipates signing an acquisition agreement by February 2026. Because of the key advancements made in moving this project forward, staff recommend extending the funding reservation of the project, which will allow additional time for UCB and SAHA to complete negotiations and to apply for additional funding sources for the project, including tax credits and Project Based Vouchers (PBVs) in 2026.

The Housing Advisory Commission recommended extension and contended that having a developer in place is critical. The Housing Advisory Commission recommended that the selected developer (anticipated as SAHA) provide a presentation to the Commission, and that the Commission and City Council be provided updates on the project on a regular basis.

Ephesian Legacy Court

Ephesian Legacy Court is a new construction project that will provide 79 affordable housing units for low-income and very-low-income seniors, including those experiencing homelessness. The project is located at 1708 Harmon Street and is proposed by

Community Housing Development Corporation of North Richmond (CHDC) in partnership with Ephesian Church of God in Christ.

In 2023, CHDC received planning entitlements and secured \$14.5 million in City's HTF funding for the project. CHDC also secured State funds under the Multifamily Housing Program, and 40 PBVs. The project was awarded 4% tax credits in December 2025, which will require construction to start in mid-2026. The project will need its reservation extended to meet that timeline.

North Berkeley BART Project

The NBB project includes four affordable housing developments at the North Berkeley BART station, for which the City allocated a total of \$26,500,000. The projects are being developed by BRIDGE Housing Corporation (BRIDGE), East Bay Asian Local Development Corporation (EBALDC), and Insight Housing and include family and permanent supportive housing (PSH) units.

Council approved \$2,000,000 in predevelopment funds on December 13, 2022 (Resolution 70,643-N.S.) and July 25, 2023 (Resolution 70,991-N.S.). In June 2024, City Council adopted Resolution No. 71,428-N.S. to reserve the remaining \$24.5M of funding for the three projects in the first phase of development. Of that, \$3,000,000 was made available for predevelopment activities (for a total of \$5,000,000), and \$21,500,000 is reserved for the projects but not yet encumbered.

Since this award, there has been progress in securing additional financing on the projects, including a successful award by BRIDGE of over \$49 million in State Affordable Housing and Sustainable Communities (AHSC) funding for the BRIDGE project and a successful negotiation with the Berkeley Housing Authority, resulting in the award of 15 and 50 PBVs to EBALDC and Insight, respectively, for the two affordable housing projects with PSH units. The project teams are also pursuing tax credits and other funding sources to fill development funding gaps for the projects and need an additional extension to reach their funding goals. If the tax credit applications are successful, the first NBB project could break ground in Fall 2026. To allow for additional time for the developers to obtain the rest of the funding for the NBB project, staff recommend extending the funding reservation.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

The housing developments will address environmental sustainability in the design and scopes of the projects. The Ephesian Legacy Court, North Berkeley BART, and SHiPP projects will be built to third-party green building standards (either LEED Gold or GreenPoint Gold). The Ashby Lofts renovation project will incorporate energy efficiency and sustainability measures into the scope as feasible.

RATIONALE FOR RECOMMENDATION

Extending these funding reservations will allow the projects to continue progress and pursue new sources that will leverage City funds. All four projects meet local needs and

priorities by adding new affordable housing units to the City's inventory and improving the City's existing affordable housing stock.

ALTERNATIVE ACTIONS CONSIDERED

Staff did not identify another approach that is consistent with the City's Strategic Plan priority to support the development of affordable housing.

CONTACT PERSON

Kelly deWolfe, Community Development Project Coordinator, HHCS, 510-981-5424

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

EXTENSION OF FUNDING RESERVATIONS FOR HOUSING TRUST FUND
PROJECTS

WHEREAS, the City Council established a Housing Trust Fund (HTF) program to assist in the development and expansion of housing affordable to low- and moderate-income persons who either work or reside in the City of Berkeley, and authorized the City Manager to implement the HTF program; and

WHEREAS, there is a great need for affordable and special needs housing in the City of Berkeley as stated in the General Plan Housing Element and the City of Berkeley's Consolidated Plan; and

WHEREAS, City Council adopted HTF Guidelines (the "Guidelines") as revised on January 19, 2021, and authorized the City Manager to implement the HTF Program in accordance with the Guidelines; and

WHEREAS, on November 8, 2016, Berkeley voters passed Measure U1, a \$4 million annual business tax measure, the proceeds of which support, in part, the development of affordable housing and homelessness prevention programs; and

WHEREAS, on November 6, 2018, Berkeley voters passed Measure O, a \$135 million bond measure to support the development and preservation of affordable housing; and

WHEREAS, on December 2021, the City Council adopted Resolution 70,135-N.S. to reserve \$850,000 for Satellite Affordable Housing Associates' Ashby Lofts project (2909-2919 Ninth Street); and

WHEREAS, on December 12, 2023, the City Council adopted Resolution No. 71,131-N.S. which extended the reservation of \$850,000 for Satellite Affordable Housing Associates' Ashby Lofts project (2909-2919 Ninth Street) and \$14,359,593 for the Supportive Housing in People's Park project for a period of no more than 24 months from the resolution date; and

WHEREAS, on June 13, 2023, the City Council adopted Resolution No. 70,889-N.S. which reserved \$14,531,301 for Community Housing Development Corporation's Ephesian Legacy Court project (1708 Harmon) for a period of no more than 24 months from the resolution date; and

WHEREAS, on June 25, 2024, the City Council adopted Resolution No. 71,428-N.S. which reserved \$24,500,000 for the North Berkeley BART project for a period of no more than 24 months from the resolution date; and

WHEREAS, on June 25, 2024, the City Council adopted Resolution No. 71,428-N.S. which authorized no more than \$3,000,000 of the \$24,500,000 reservation available for predevelopment activities at the North Berkeley BART project.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council approves extending the following funding reservations from currently available affordable housing funds such as Affordable Housing Mitigation Fee (Fund # 120), Measure O (Fund # 512), Measure U1 (Fund # 016) and Permanent Local Housing Allocation funds (Fund # 302):

- Satellite Affordable Housing Associates' Ashby Lofts (2909-2919 Ninth Street) for \$850,000
- Supportive Housing in People's Park (2556 Haste) for \$14,359,593
- Community Housing Development Corporation's Ephesian Legacy Court (1708 Harmon) for \$14,531,301
- The North Berkeley BART project for \$21,500,000

BE IT FURTHER RESOLVED that all development and predevelopment loan funds shall be reserved for a period of no more than 24 months from the date of this Resolution, contingent on the developers' obtaining all required land use approvals and securing commitments for full project funding that the City Manager or designee deems sufficient within the reservation period.

BE IT FURTHER RESOLVED that the making of each loan shall be contingent on and subject to such other appropriate terms and conditions as the City Manager or designee may establish.

BE IT FURTHER RESOLVED that the City Manager or designee be authorized to refinance existing HTF loans (including any accrued interest) into new loans with terms consistent with the HTF Guidelines.

BE IT FURTHER RESOLVED that the City Manager, or designee, is hereby authorized to execute all original or amended documents or agreements to effectuate this action; a signed copy of said documents, agreements, and any amendments will be kept on file in the Office of the City Clerk.

