



Office of the City Manager

CONSENT CALENDAR  
June 30, 2026

To: Honorable Mayor and Members of the City Council  
 From: Paul Buddenhagen, City Manager  
 Submitted by: Scott Gilman, Director, Health, Housing & Community Services Department  
 Subject: North Berkeley BART Affordable Housing Projects – Additional  
 Predevelopment Funding and Ownership Change

RECOMMENDATION

Adopt a Resolution:

1. Approving the change of the owner and controlling agency for North Berkeley BART projects from BRIDGE Housing Corporation (BRIDGE) to East Bay Asian Local Development Corporation (EBALDC) or their affiliate and Insight Housing (Insight) or their affiliate;
2. Reapproving the funding reservations for the North Berkeley BART (NBB) affordable housing projects as follows:
  - a. \$9,010,000 for the NBB Lot A Permanent Supportive Housing (PSH) project;
  - b. \$11,563,636 for the NBB Lot B EBALDC project; and
  - c. \$5,926,364 for the NBB Lot D EBALDC project;
3. Approving an increase of \$3,358,072 in predevelopment advances, for a total of \$8,358,072 from the previously authorized NBB funding reservation, to support predevelopment activities for the affordable housing projects as follows:
  - a. \$2,464,233 for the NBB Lot A PSH project; and
  - b. \$4,132,816 for the NBB Lot B EBALDC project;
  - c. \$1,761,023 for the NBB Lot D EBALDC project; and
4. Authorizing the City Manager or designee to execute all original or amended documents to effectuate this action.

SUMMARY

The City allocated funding for the NBB projects to BRIDGE to build affordable housing at the site. BRIDGE is exiting the projects and one of the other developers on the NBB team is replacing BRIDGE as lead developer. The recommendation seeks Council approval to replace BRIDGE. The recommended action would also approve an additional advance of predevelopment funding and reapprove the total development funding for the NBB projects.

FISCAL IMPACTS OF RECOMMENDATION

There are no expected fiscal impacts of the ownership change and there are no new funds recommended. Council approved a total funding reservation of \$26.5 million for the NBB affordable housing projects, which includes \$6.5 million in Affordable Housing Mitigation Fees (AHMF, Fund #120) and \$20 million in Measure O funds (Fund #512).

Council previously approved advancing \$5 million from the funding reservation to support predevelopment activities. The request for an additional \$3,358,072 in predevelopment funding would also be an advance from the existing \$26.5 million reservation and does not represent new funds. The additional predevelopment funds would be a combination of AHMF and Measure O funds.

CURRENT SITUATION AND ITS EFFECTS

In 2022 and in partnership with the City, the BART Board of Directors selected a team of developers to build market rate and affordable housing at the North Berkeley BART site. The development team included one market rate developer – AvalonBay Communities – and three affordable housing developers: BRIDGE, EBALDC, and Insight. BRIDGE recently decided to exit the deal, as BRIDGE and BART were at an impasse regarding key business terms, and multiphase development no longer aligns with BRIDGE's business plan and organizational priorities. BRIDGE was the developer or co-developer of three out of the four NBB affordable projects. EBALDC is stepping in as the lead developer and is taking over the NBB projects previously under BRIDGE's purview. BART and EBALDC executed an option for the land which includes BART's approval of the transfer from BRIDGE to EBALDC.

The City entered into a \$5 million predevelopment loan with North Berkeley Housing Partners L.P., an affiliate of BRIDGE, to support predevelopment activities for the three affordable housing projects advancing in NBB Phase I. EBALDC will assume the role of managing general partner of that entity. The predevelopment loan will be split into three individual loans, one for each phase I project.

EBALDC and Insight requested an additional \$3,358,072 to be advanced as predevelopment funds. The funds will be used for architectural, engineering, and other predevelopment costs for both the residential projects and the site infrastructure. The funds will allow EBALDC and Insight to pursue additional financing, including highly competitive state funding and low-income housing tax credits for the projects. City staff will work with EBALDC and Insight to set disbursement milestones, including capping disbursements for each project until tax credit financing is secured. If the additional funding is approved for a total predevelopment advance of \$8,358,072, the funds will be allocated as follows:

- \$2,464,233 for the NBB Lot A PSH project (to be co-developed by Insight and EBALDC (or alternative City-approved developer);
- \$4,132,816 for the NBB Lot B EBALDC project (to be developed by EBALDC);

- \$1,761,023 for the NBB Lot D EBALDC project (to be developed by EBALDC)

The predevelopment schedule for the site mitigates the City’s risk by tying disbursement of City funding to key project financing milestones. Predevelopment risk reduces as each project advances into construction. The City’s predevelopment funding is matched through other sources, including Bay Area Housing Finance Agency predevelopment funding, Regional Early Action Planning (REAP) funding through BART, Affordable Housing and Sustainable Communities reimbursements, and developer contributions.

The total City subsidy per project has not changed since Council allocated development funding in June 2024. The recommended Council action includes restating the funding reservations for each project for clarity as the project names and developers have changed. Effective January 1, 2026, local agencies are required to satisfy noticing requirements for certain contracts for services that meet the criteria outlined in Government Code Section 3504.1 as amended by AB 339. This project does not meet the criteria in Government Code Section 3504.1 and is exempt from the noticing requirement.

**BACKGROUND**

The City originally made \$2 million of the total funding reservation for North Berkeley BART available for predevelopment (through Resolutions No. 70,643-N.S. and 70,991-N.S.). Due to the complexity of the site and the need for the affordable housing developers to cover their share of master planning costs, the development team requested an additional advance of \$3 million, which was approved by Council in June 2024 with Resolution 71,428-N.S. The total estimated predevelopment cost for phase I is approximately \$16 million. There are limited sources of funding for predevelopment, and the nonprofit developers were able to secure non-City sources for nearly half of the total predevelopment need.

EBALDC is qualified to step into the lead developer role and has both affordable housing and transit-oriented development experience. EBALDC owns and operates over 35 buildings serving more than 2,300 households, and manages a pipeline of 20 affordable housing, commercial, mixed-use, and mixed-income projects in Alameda and Contra Costa counties. BART is currently working closely with EBALDC on the redevelopment of the Lake Merritt BART site, including developing two new multifamily affordable housing projects.

*NBB Phase I Projects Overview*

Project Name	NBB Lot A PSH	NBB Lot B EBALDC	NBB Lot D EBALDC
Former Name	NBB BRIDGE Insight PSH Project	NBB BRIDGE Phase I Project	NBB EBALDC Project
Developer	Insight + EBALDC (or alternative City-approved developer)	EBALDC	EBALDC

Project Name	NBB Lot A PSH	NBB Lot B EBALDC	NBB Lot D EBALDC
Total Units	85	124	60
Housing Type	Permanent supportive housing for formerly homeless individuals	Family housing	Family housing
Affordability (% of Area Median Income)	30-50% AMI	30-70% AMI	20-60% AMI

Predevelopment Funding Summary			
Predevelopment Loan (\$5M)	\$2,058,157	\$2,538,892	\$402,951
Proposed Additional Advance (\$3.4M)	\$406,076	\$1,593,924	\$1,358,072
Total Predevelopment	\$2,464,233	\$4,132,816	\$1,761,023

Total City Subsidy (Including Predevelopment)			
Total City Subsidy	\$9,010,000	\$11,563,636	\$5,926,364
Total City Subsidy/Unit	\$106,000	\$93,255	\$98,773

EBALDC and Insight are actively pursuing state funding to round out their phase I projects’ capital stacks, with applications pending for the Affordable Housing and Sustainable Communities program, Homekey+, and tax credits. If successful, the first project could start construction in late 2026 or early 2027. The fourth affordable project (to be developed by EBALDC) is planned for Phase II, as the subsidy would come from Avalon Bay’s market rate developer contribution.

**ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS**

There will be no environmental impacts related to the partnership change, and the project will remain affordable rental housing for individuals and families.

**RATIONALE FOR RECOMMENDATION**

After BART selected the NBB development team in 2022, there were dramatic shifts in the real estate market that caused AvalonBay Communities to step back meaningfully from the project. With the recent exit of the lead affordable housing developer, the project has a considerable gap in predevelopment sources, which put secured state funding at risk. Entering into new predevelopment loan agreements with EBALDC and Insight will protect the City’s investment in the affordable housing development at the NBB site. Advancing the additional \$3.4 million for predevelopment will also enable the

projects to move forward toward construction start, providing additional affordable housing stock in Berkeley.

ALTERNATIVE ACTIONS CONSIDERED

None considered.

CONTACT PERSON

Jenny Wyant, Program Manager, HHCS, (510) 981-5228

Asavari Devadiga, Community Development Project Coordinator, HHCS, (510) 981-5426

Attachment:

1: Resolution

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

AUTHORIZING THE PREDEVELOPMENT LOAN AGREEMENTS WITH EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION AND INSIGHT HOUSING OR AFFILIATES AND ADVANCING ADDITIONAL PREDEVELOPMENT FUNDING FOR THE NORTH BERKELEY BART AFFORDABLE HOUSING PROJECTS

WHEREAS, on April 27, 2021, with Resolution 69,833-N.S., City Council approved the funding reservation of \$53 million, to be divided equally between the Ashby BART and North Berkeley BART sites to support the development of affordable housing, and allowed a portion of that funding to be considered for predevelopment costs; and

WHEREAS, the \$26.5 million for the North Berkeley BART (NBB) site includes \$20 million in Measure O funds and \$6.5 million in Affordable Housing Mitigation Fees; and

WHEREAS, on December 1, 2022, the BART Board of Directors selected a development team made up of BRIDGE Housing Corporation (BRIDGE), East Bay Asian Local Development Corporation (EBALDC), Insight Housing (Insight) and AvalonBay Communities (collectively, the North Berkeley Housing Partners); and

WHEREAS, City Council reserved \$2 million in predevelopment funding to BRIDGE or its affiliate for the NBB affordable housing projects with Resolutions No. 70,643-N.S. on December 13, 2022, and 70,991-N.S. on July 25, 2023; and

WHEREAS, the City entered into a predevelopment loan agreement with North Berkeley Housing Partners L.P., an affiliate of BRIDGE; and

WHEREAS, on June 25, 2024, with Resolution 71,428-N.S., City Council allocated the remaining \$24.5 million to the NBB affordable projects, and approved an additional advance of \$3 million for predevelopment; and

WHEREAS, BRIDGE is exiting the North Berkeley BART (projects and EBALDC is replacing BRIDGE as the developer or co-developer on projects formerly under BRIDGE's purview; and

WHEREAS, EBALDC and Insight submitted a request for an additional advance of \$3,358,072 million for predevelopment; and

WHEREAS, this contract is exempt from the noticing requirements set forth in Government Code Section 3504.1.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City approves entering into predevelopment loan agreements with:

- 1) EBALDC or an EBALDC-controlled affiliate for the NBB Lot B project and the NBB Lot D EBALDC project; and
- 2) Insight or an Insight-controlled affiliate and/or EBALDC or an EBALDC-controlled affiliate for the NBB Lot A Permanent Supportive Housing (PSH) project; and

BE IT FURTHER RESOLVED that the Council re-approves the following funding reservations for a total of \$26,500,000 for the North Berkeley affordable housing projects:

- 1) \$9,010,000 for the NBB Lot A PSH project
- 2) \$11,563,636 for the NBB Lot B EBALDC project
- 3) \$5,926,364 for the NBB Lot D EBALDC project; and

BE IT FURTHER RESOLVED that the Council approves an increase of \$3,358,072 in predevelopment advances, for a total of \$8,358,072 from the previously authorized NBB funding reservation, to support predevelopment activities for the affordable housing projects as follows:

- a. \$2,464,233 for the NBB Lot A PSH project; and
- b. \$4,132,816 for the NBB Lot B EBALDC project;
- c. \$1,761,023 for the NBB Lot D EBALDC project; and

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

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 City Clerk.

