



Office of the City Manager

ACTION CALENDAR

October 27, 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: Ashby BART East Lot Developer Selection for Exclusive Negotiation and Reservation of Predevelopment Funding

RECOMMENDATION

Adopt two Resolutions that enable the City to move forward into negotiation and predevelopment with a selected development team for the Ashby East Lot Transit Oriented Development (TOD) project, located at the intersection of Woolsey St. and Tremont St., directly east of the Ed Roberts Campus, by:

1. Authorizing the City Manager or designee to negotiate and enter into an Exclusive Negotiating Rights Agreement (ENRA) and any required amendments with Satellite Affordable Housing Associates (SAHA), Habitat for Humanity East Bay/Silicon Valley, and Deborah D. Matthews Consulting (collectively, "the SAHA Team").
2. Authorizing the City Manager or designee to negotiate and enter into an ENRA and any required amendments with the alternative developer, Related California and the Kelsey (collectively, "the Related Team"), in the event that the ENRA with the SAHA Team is terminated or if the City does not enter into a ENRA with the SAHA Team.
3. Approving the reservation of \$1 million of Affordable Housing Mitigation Fees (Fund 120) to the SAHA Team or their affiliate(s) to support master planning and predevelopment activities related to the development of affordable housing at the Ashby East Lot BART site.
4. Affirming that the City's Housing Trust Fund Guidelines will apply to the use of funds to support master planning and predevelopment activities related to the development of affordable housing at the Ashby East Lot BART site.
5. Authorizing the City Manager or designee to execute all original or amended documents or agreements in accordance with the intent of this Resolution.

SUMMARY

Council approved the release of a Request for Proposals (RFP) and Notice of Funding Availability (NOFA) by Resolution No. 72,152-N.S. on March 10, 2026. The goal of the RFP was to identify the best qualified team to enter into an ENRA with the City to proceed with predevelopment work on a project at the Ashby East Lot, which is currently owned by the San Francisco Bay Area Rapid Transit District (BART). Priorities for the site are outlined in the Joint Vision and Priorities document, along with the Exchange Agreement that were adopted by the City Council (Ordinance 7,939-N.S.) The City received six responses to the RFP, and a panel composed of seven reviewers unanimously identified the SAHA Team as the best qualified to proceed. Approving the attached resolution would allow the City Manager to negotiate and execute an ENRA but does not obligate the City to any further development activities.

FISCAL IMPACTS OF RECOMMENDATION

Negotiating and administering the ENRA will require staff time. The SAHA Team will be required to pay an exclusivity fee of \$100,000 and additional fees estimated at \$445,000 to reimburse City staff time and work carried out under consultant contracts. The SAHA Team submitted an initial deposit of \$25,000 with their East Lot proposal, and the ENRA includes a payment schedule for the remaining funds.

As part of the RFP, the Department of Health, Housing, and Community Services (HHCS) offered a NOFA to consider a request for a related predevelopment loan of up to \$1,000,000, consistent with the Housing Trust Fund Guidelines. The approved Team may also be eligible for an additional \$7,000,000 to be used as development funds at a later date, consistent with Resolution No. 69,833-N.S. that reserved City housing funds for the Ashby East Lot.

CURRENT SITUATION AND ITS EFFECTS

On April 9, 2026, HHCS released an [RFP](#)¹ for the Ashby East Lot. The RFP required applicants to respond with a proposal to develop housing that included, at a minimum, the following:

- 35% of units affordable to households earning an average of 60% of the Area Median Income or below;
- 300 bedrooms;
- A minimum threshold of developer experience; and
- A team member with demonstrated Universal Design experience.

Each team had to provide a detailed proposal that outlined the design, concept, narrative, and financial assumptions for their envisioned project. The narrative had to

¹ <https://cityofberkeley.app.box.com/s/yuimxthkha5d3xt3qrjwsz6riqqk9oof/file/2193170915488>

include the proposal's alignment with community and City priorities, such as providing a vision for a reparative framework, meeting City design guidelines for the site, and a creative approach to Universal Design. The seven areas and their maximum possible scores in the panel review were Preliminary Development Concept and Proposed Project (25 points), Development Team Experience (15 points), Development Team Fit (10 points), Roles and Responsibilities (10 points), Financial Offer (20 points), Team Interview (12 points), and Public Presentation (8 points).

By the RFP deadline of Tuesday, July 7, 2026, the City received six responses from development teams. All six proposals demonstrated a clear grasp of the objectives of the RFP. The teams were:

- Satellite Affordable Housing Associates, Habitat for Humanity, and Deborah D. Matthews Consulting
- Related California, and the Kelsey
- Eden Housing and Sunflower Hill
- EAH Housing and Habitat for Humanity
- Michael's Development Company and Adeline Alliance East
- Coalition for Responsible Community Development, Creative Development Partners, and Landspire Group

Between August 13th, 2026, and October 7th, 2026, the evaluation panel met six times to review and deliberated over the applications. The panel consisted of seven members, including two City staff from HHCS, one staff member from the Planning and Development Department, one from the City Manager's Office, one BART staff, and two South Berkeley community members appointed by the City Manager.

On August 20th, 2026, based on detailed scoring rubric the panel unanimously recommended to shortlist the following applicant teams:

- Satellite Affordable Housing Associates, Habitat for Humanity, and Deborah Matthews
- Related California and the Kelsey

On September 22nd, 2026, the panel conducted interviews of the shortlisted teams, and on October 1, 2026, the shortlisted teams presented their team qualifications to the public at the South Berkeley Senior Center. The event was attended by over 100 attendees, and a survey was given to the attendees, and received 61 responses. In the survey, SAHA received stronger and more consistent positive feedback, particularly around being a locally based non-profit, community connection, mission alignment, and black equity displacement repair.

On October 5, 2026, the evaluation panel unanimously recommended that the City enter into an ENRA with the SAHA Team. Strengths of the SAHA team include a high-

quality development team, a strong community engagement proposal and development team fit, non-profit community-based leadership, acceptance of the City's ENRA terms, a feasible project that exceeds affordability requirements, commitment to 25% of units for people with disabilities, affordable homeownership opportunity, and a robust reparative framework.

Further, the panel unanimously recommended the Related Team as the alternate development team. In a scenario in which the ENRA with the SAHA team is terminated, the City Manager would be authorized to enter into an ENRA with the team led by Related. The panel scored the team highly. Strengths of the Related Team include a high-quality development team, a high-density development proposal, a feasible project that exceeds affordability requirements, commits 25% of units for people with disabilities, and a well-developed reparative framework.

The table below summarizes the Evaluation Panel's review of the top two scoring development team proposals, organized by the scoring categories. The italicized text includes some details about the *preliminary* development concept and proposed project. Please note that the selected developer will further refine the proposed project through a community process and more detailed planning and financial modeling.

	<u>SAHA Team</u>	<u>Related Team</u>
Preliminary Development Concept and Proposed Project Maximize housing Goal of 35% affordability Prioritize low income, homeownership, 25% for households with disabilities, and reparative framework.	High scoring Meets the minimum density requirements. Exceeds affordability requirements. Offers homeownership. Provides 25% of units for households with disabilities. Strong reparative framework.	High scoring Proposes a higher density, Exceeds affordability requirements. Provides 25% of units for households with disabilities. Includes a reparative framework.
<i>Density</i>	<i>174 Units, 341 Bedrooms</i>	<i>250 Units, 353 Bedrooms</i>
<i>Phases, Types of construction</i>	<i>2 Phases, Multifamily affordable building, homeownership with 12 for-sale townhomes</i>	<i>1 phase – two buildings, one senior rental and one multifamily rental</i>
<i>Affordability</i>	<i>100% affordable, with 48 units at 30% Area Median Income (AMI), 51 at 50% AMI, 62 at 60% AMI and 12 for-sale homes at 70% AMI</i>	<i>100% affordable, with 63 units at 30% Area Median Income (AMI), 83 at 50% AMI, and 102 at 60% AMI</i>
<i>Accessibility</i>	<i>25% Set aside for Residents with Disabilities, Universal</i>	<i>25% Set aside for Residents with</i>

	<u>SAHA Team</u>	<u>Related Team</u>
	<i>design incorporated throughout the design</i>	<i>Disabilities, Universal design incorporated throughout the design</i>
<i>Reparative Framework</i>	<i>Homeownership, economic and programmatic components</i>	<i>Economic components</i>
Quality of Development Team Experience Master Planning, Public Private Partnerships, Design and community engagement.	High-quality team	High-quality team
Development Team Fit Financial Capability of Team, Nonprofit Community Based Organization, Acceptance of City's ENRA terms	Best Fit for the City. Nonprofit led and Accepted City's ENRA terms.	Good fit for the City.
Roles and Responsibilities. Overall qualifications, Project Management, and relationship between parties.	Strong team structure.	Strong team structure.
Financial Offer and Project Feasibility.	Very feasible project.	feasible project.

Anticipated deliverables of the ENRA include:

1. Schematic architectural design documents;
2. Full financial projections;
3. A preliminary services plan and budget;
4. An analysis of parking demand and a corresponding public parking plan; and
5. A community engagement/outreach plan.

Staff will work to negotiate the ENRA and then proceed to work with the selected team as they fulfill the deliverables. The term of the ENRA is anticipated to be one year with certain extensions possible at the City's discretion.

BACKGROUND

Beginning in 2018, the City and BART collaborated to plan transit-oriented development at the Ashby and North Berkeley BART sites. In 2024, the City and BART agreed that the City would relinquish its air rights over the Ashby West Lot in exchange for sole

ownership of the East Lot. This agreement outlines specific requirements for the East Lot's future use and establishes how the City will select its development partners.

HHCS staff developed a draft framework for soliciting development proposals for the East Lot which served as the basis for the RFP and NOFA. The Ashby East Lot Framework served as an outline that informed the contents of the RFP, the selection process, proposal requirements (or thresholds), as well as City goals for the site. Proposals were evaluated relative to the criteria detailed in the East Lot Framework. The project requirements were established through past Council actions, such as approval of the Exchange Agreement with BART. Key proposal thresholds include:

- At least 35% affordable, of which 20% shall be affordable to Extremely Low Income (ELI) households
- At least 300 bedrooms
- Project must fund the South Berkeley Community Benefits Fund, as described in the Exchange Agreement, to be used at the City's discretion, to benefit the South Berkeley Community
- Project teams must include a team member with demonstrated Universal Design experience and expertise

Project goals were identified in past Council actions, recent community planning efforts, and through a stakeholder meeting HHCS held in the summer of 2025. Key goals include:

- 50% of housing is permanently affordable
- Maximize housing density on the site
- Housing for seniors, families, people with physical or mental disabilities, and/or formerly homeless people.
- Creating homeownership opportunities for households in South Berkeley
- 25% of units for persons with disabilities, who are likely to benefit from proximity to Ed Roberts Campus

Council previously reserved \$26.5 million in Measure O bond funds and Affordable Housing Mitigation Fees to achieve its affordable housing goals at the Ashby BART sites, of which \$8 Million will be available for affordable housing on the East Lot.

The Planning and Development Department developed the Design Standards for the East Lot which were also incorporated into the RFP. The design standards function as the site-specific Objective Design Standards, addressing project design, including requirements for open space, access drives, ADA loading zones, upper-story setbacks, and high-quality building materials. Panelists and consultants evaluated proposals, providing maximum flexibility on the many requirements and goals as possible to encourage creative, financially feasible proposals.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

The proposals put forward by prospective teams anticipate building energy-efficient, sustainable developments. It also advances the City's strategic plan goal of creating affordable housing.

Additionally, creating new infill affordable housing in Berkeley that allows lower income individuals and families to live close to transit will advance the goal of making the City more economically and racially equitable, and reduces greenhouse gas emissions by reducing vehicle-miles-traveled and decreasing reliance on personal vehicles.

RATIONALE FOR RECOMMENDATION

The SAHA Team was unanimously recommended by the evaluation panel that carefully reviewed and discussed the sets of qualifications provided by the shortlisted applicants. Entering into the ENRA with this team will engage their expertise in identifying a feasible project that meets the City's goals while working with stakeholders. An ENRA does not obligate the City to pursue any project, or to proceed with development at all.

ALTERNATIVE ACTIONS CONSIDERED

Council could choose not to pursue an ENRA with the recommended team and instead choose the runner-up team, which was the Related Team. Council could also choose to issue a new, differently structured RFP, or an RFQ.

CONTACT PERSON

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

Attachments:

1: Resolution – Approving a Development Team and Authorizing the City Manager to Enter into an Exclusive Negotiating Rights Agreement with the Satellite Affordable Housing Associates (SAHA) Team

2: Resolution – Reserving Affordable Housing Mitigation Fees(Fund 120) for the Satellite Affordable Housing Associates (SAHA) Team for Predevelopment at the Ashby East BART Site

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

APPROVING A DEVELOPMENT TEAM AND AUTHORIZING THE CITY MANAGER
TO ENTER INTO AN EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT WITH THE
SATELLITE AFFORDABLE HOUSING ASSOCIATES (SAHA) TEAM

WHEREAS, on December 3, 2024, by Ordinance No. 7,939 - N.S, City Council authorized the exchange and future acquisition of the Ashby East Lot located at the intersection of Tremont Street and Woolsey Street, east of the Ed Roberts Campus at the Ashby BART station; and

WHEREAS, Ordinance 7,939-N.S. states in its purpose that the City acquire property at the site of the Ashby BART station, and to further the development of the property in a manner that will, among other objectives that serve the interests of the people of Berkeley, increase the number of affordable housing units in the City of Berkeley in accordance with applicable City-adopted housing plans; and

WHEREAS, on October 28, 2025, Council referred to the City Manager and the Department of Health, Housing, and Community Services (HHCS) the development of a Request for Proposals (RFP) framework for the Ashby East Lot to inform the Request for Proposals, and to select a developer proposing a housing development that met the negotiated requirements according to Ordinance 7,939-N.S., including:

- A minimum of 300 bedrooms
- A minimum of 35% of new housing units, inclusive of density bonus units, must be affordable to households earning an average of 60% of Area Median Income. And at least 20% of those 35% be affordable to Extremely Low-Income Households.
- Contribution to the South Berkeley Fund
- Minimum Developer Team Expertise

WHEREAS, on March 10, 2026, with Resolution No. 72,152-N.S., Council authorized issuance of an RFP for a developer, anticipating working with the selected developer under an Exclusive Negotiating Rights Agreement (ENRA) to identify and evaluate feasible options for development of the site, while obtaining input about community priorities from the Planning and Development Department and other stakeholders; and

WHEREAS, on April 9, 2026, the City issued a Request for Proposals (RFP) and received responses on July 7, 2026; and

WHEREAS, the RFP evaluation panel identified the team led by Satellite Affordable Housing Associates (SAHA) consisting additionally of Habitat for Humanity East Bay/Silicon Valley as co-developer, and Deborah D. Matthews Consulting, as the selected team to proceed to an ENRA for the Ashby East Lot; and

WHEREAS, the RFP evaluation panel identified the team led by Related California consisting additionally of the Kelsey as co-developer, as a strongly qualified fit to develop

on the East Lot and recommended this team as an alternative developer for the Ashby East Lot.

NOW THEREFORE, BE IT RESOLVED that the City Manager or designee is authorized to negotiate and enter into an ENRA and any required amendments with the SAHA Team, consisting of Satellite Affordable Housing Associates, Habitat for Humanity East Bay/Silicon Valley, and Deborah D. Matthews Consulting.

BE IT FURTHER RESOLVED that the City Manager or designee is authorized to negotiate and enter into an ENRA and any required amendments with the alternative developer, Related California and the Kelsey, in the event that the ENRA with the SAHA Team is terminated or if the City is unable to enter into an ENRA with the SAHA Team.

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

RESERVING AFFORDABLE HOUSING MITIGATION FEES (FUND 120) FOR THE
SATELLITE AFFORDABLE HOUSING ASSOCIATES (SAHA) TEAM FOR
PREDEVELOPMENT AT THE ASHBY EAST BART SITE

WHEREAS, the City Council established a Housing Trust Fund Program (HTF) to guide the City's work to assist in the development and expansion of housing affordable to low- and moderate-income persons who either work or reside within the City of Berkeley (City), and authorized the City Manager to implement the 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, the City and BART are collaborating on the development of the Ashby BART East Lot Site, and articulated shared goals in a Memorandum of Understanding, Memorandum of Agreement, Joint Vision and Priorities for Transit-Oriented Development, and Exchange Agreement for Ashby and North Berkeley Stations; and

WHEREAS, the City and BART are committed to achieving a minimum of 35% affordable housing at each BART site; and

WHEREAS, on April 27, 2021, by Resolution No. 69,833-N.S., the City Council reserved \$53 million, to be divided between the two BART sites, as the subsidy needed to achieve 35% affordability, and allowed for a portion of that funding to be considered for predevelopment costs associated with affordable housing; and

WHEREAS, the \$53 million includes \$40 million in Measure O funds, and \$13 million in Affordable Housing Mitigation Fees; and

WHEREAS, in April 2026, the City issued a Request for Proposals (RFP) to select a team to develop new housing at the Ashby East Lot BART site and created an RFP selection panel with representation from the City, community and BART; and

WHEREAS, the RFP included a Notice of Funding Availability for \$1 million available to a nonprofit developer from the selected developer team, to support the development of affordable housing at the Ashby East Lot site; and

WHEREAS, six teams responded to the RFP, including SAHA Team, a team made up of Satellite Affordable Housing Associates (SAHA) Habitat for Humanity East Bay/Silicon Valley and Deborah D. Matthews Consulting]; and

WHEREAS, after a competitive process during which the RFP selection panel scored teams on their qualifications, an interview, and a public presentation, the RFP selection panel recommended the SAHA Team; and

WHEREAS, the City Council approved the SAHA Team on October 27, 2026; and

WHEREAS, the SAHA Team requested \$1 million in predevelopment funding from the City's set-aside of Affordable Housing Mitigation Fee funds.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that it approves the reservation of \$1 million of Affordable Housing Mitigation Fees (Fund 120) to the SAHA Team or their affiliate(s) to support master planning and predevelopment activities related to the development of affordable housing at the Ashby East Lot BART site.

BE IT FURTHER RESOLVED that the City's Housing Trust Fund Guidelines will apply to the use of these funds.

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

