



Office of the City Manager

CONSENT CALENDAR
November 30, 2021

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Paul Buddenhagen, Deputy City Manager
 Subject: Grant Approval: San Francisco Foundation support for 100% affordable housing at BART stations

RECOMMENDATION

Adopt a Resolution authorizing the City Manager or her designee to apply for and if awarded, accept a \$50,000 grant from the San Francisco Foundation to support efforts to make the BART housing projects 100% affordable.

FISCAL IMPACTS OF RECOMMENDATION

The grant funds will be deposited and expensed from the One-Time Grant: No Capital Expenses Fund and will be appropriated in the First Amendment to the FY 2022 Annual Appropriations Ordinance.

CURRENT SITUATION AND ITS EFFECTS

The City of Berkeley has provisionally reserved \$53 million to support the minimum goal of 35% affordable housing at each of the two BART housing sites currently being planned. The San Francisco Foundation grant would support hiring a part time consultant to create a plan, in collaboration with multiple partners, to secure the funding needed to maximize project goals of developing 100% affordable housing at the Ashby and North Berkeley BART sites.

BACKGROUND

The redevelopment of the Ashby and North Berkeley BART stations provides a rare opportunity for the City of Berkeley and BART to collaborate to build new and much needed permanently affordable housing. There are no other publicly-owned sites of this size adjacent to a regional transit station that can make significant progress towards the City's housing needs and also achieve multiple City and BART objectives to reduce greenhouse gas emissions and provide public space and other desired community amenities.

On December 19, 2019 the Berkeley City Council authorized the Mayor and City Manager to execute a Memorandum of Understanding between the City of Berkeley and the Bay Area Rapid Transit District to establish a process for cooperatively pursuing the implementation of Assembly Bill 2923 at the Ashby and North Berkeley BART Stations.

The council also authorized the establishment of a Community Advisory Group (CAG), with members recommended by the Council and appointed by the Mayor and Councilmembers Kesarwani and Bartlett, for the purposes of providing input to the Planning Commission. CAG supported a goal of 100% affordable housing at both BART development sites.

On April 27, 2021, after considerable community engagement, the Berkeley City Council voted to provisionally reserve \$40 million of the City's Measure O bond funds as part of the \$53 million City subsidy needed to achieve 35% affordable housing at the Ashby and North Berkeley BART sites. Additionally, council provisionally reserved at least \$13 million in future Affordable Housing Mitigation Fees, and/or a new source of revenue to be identified no later than 2024, in order to cover the balance of \$53 million City subsidy currently estimated to be needed for 35% affordable housing at the Ashby and North Berkeley BART sites. Finally, the city council signaled support for a goal of maximizing affordable housing up to 100% at either or both BART sites.

The City engaged Street Level Advisors, a housing economics firm, to analyze the amount of affordable housing subsidy and likely required timing (or phasing) to achieve the MOU minimum threshold of 35% (at low, very low and/or extremely low income levels) and higher levels of affordable housing at the BART sites, including up to 100% affordable. Significantly more city subsidy would be necessary to increase affordability levels.

The San Francisco Foundation grant contemplated by this council item would provide support to the City in developing additional strategies of increasing financial support for greater affordability levels for the BART projects.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Would support Climate Action goals by providing more affordable housing along transit corridors.

RATIONALE FOR RECOMMENDATION

Increasing affordability levels for new housing developments are in line with City values and council direction. This grant supports the efforts to increase affordability at the BART housing projects that are being planned.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

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Attachments:

1: Resolution

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

SAN FRANCISCO FOUNDATION GRANT APPLICATION AND ACCEPTANCE OF FUNDING

WHEREAS, the City Council and BART Board unanimously adopted a Memorandum of Understanding (MOU) in December 2019 and January 2020, respectively, related to future development at the Ashby and North Berkeley BART sites; and

WHEREAS, On April 27, 2021, the Berkeley City Council voted to provisionally reserve \$40 million of the City's Measure O bond funds as part of the \$53 million City subsidy needed to achieve 35% affordable housing at the Ashby and North Berkeley BART sites; and

WHEREAS, At the April 27, 2021 meeting the Berkeley City Council provisionally reserved at least \$13 million in future Affordable Housing Mitigation Fees, indicated support for a goal of maximizing affordable housing up to 100% at either or both BART sites; and

WHEREAS, the San Francisco Foundation grant of \$50,000 would support the City's efforts to increase affordability at the two BART projects by developing a plan to realize the goal.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to apply for, and if awarded, accept a \$50,000 grant from the San Francisco Foundation to hire a consultant(s) to work with staff and the community to develop a plan to increase affordability at the BART housing projects.