



Office of the City Manager

CONSENT CALENDAR  
June 24, 2025

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: Funding Reservation for Resources for Community Development's Maudelle Miller Shirek Community Project

RECOMMENDATION

Adopt a Resolution:

1. Reserving an additional \$500,000 for Resources for Community Development's (RCD) Maudelle Miller Shirek Community project from the FY25 available Small Sites Program fund balance.
2. Conditioning the funding on RCD providing information to tenants on City rental assistance programs with any nonpayment eviction notices issued at the project.
3. Authorizing the City Manager or designee to execute all original or amended documents or agreements to effectuate this action.

FISCAL IMPACTS OF RECOMMENDATION

The City's Housing Trust Fund (HTF) Program has a balance of approximately \$5.8M, all of which is expected to be allocated through the active HTF Request for Proposals process supporting occupied affordable projects with critical rehab needs. The only other unallocated HTF resources that can be used are the \$1.4M in unspent HTF resources that were allocated to the Small Sites Program (SSP) in FY25. A total of \$5M in FY25 SSP funds was made available through a competitive process, and approximately \$3.6M was allocated to the City's third SSP project - 2627 California Street, being developed by Bay Area Community Land Trust. This portion of the remaining FY25 SSP funds include fees paid into the Housing Trust Fund (Fund #120).

CURRENT SITUATION AND ITS EFFECTS

In March 2025, Resources for Community Development (RCD) submitted a request for \$1M for Maudelle Miller Shirek Community (MMSC), to help cover a \$1.66M financing gap caused by significant schedule delays, increased cost of construction financing, and other factors outside of the project team's control. The HTF Guidelines allow consideration of funding for at-risk projects outside of a competitive funding process. As

a previously funded project that has not yet completed its conversion to permanent financing, MMSC meets the definition of an at-risk project. Although RCD requested \$1M to help close their financing gap, they indicated \$500,000 was the minimum they need from the City for a successful conversion to permanent financing. Due to the limited availability of City housing funds, staff and the HAC recommend funding at the lower level.

On May 1, 2025, the Housing Advisory Commission (HAC) voted to support staff's recommendation to reserve an additional \$500,000 in funding for MMSC. The HAC also voted to add a condition requiring RCD to include information on City-funded rental assistance programs with any eviction notices issued by RCD to MMSC tenants for nonpayment of rent.

M/S/C: Shere/Alpert. Ayes: Alpert, Bell, Haycox, Micael, Scott, Shere, and Simon-Weisberg. Noes: None. Abstain: None. Absent: Braslaw (unexcused), Potter (unexcused).

#### BACKGROUND

RCD completed construction on MMSC earlier this year and is in the final phases of lease-up. MMSC provides permanently affordable housing for 86 extremely low-, very low-, and low-income households, including 12 apartments dedicated to previously homeless residents. The City has an existing \$17M HTF loan for MMSC, and this is the first project to which the City's preference policy is being applied.

RCD closed MMSC's construction financing in early 2022, but faced delays throughout the project, including a 6-month delay in securing approvals from Alameda County's Department of Environmental Health before construction could even start, a 4-month delay in securing power from PG&E, and delays from the City's approval process for the temporary certificate of occupancy.

Before requesting additional City funds, RCD took steps to reduce costs and increase other funding to the project. RCD and their design team used value engineering to decrease construction costs by approximately \$1M. They also pursued \$1M in funding from the Federal Home Loan Bank's Affordable Housing Program and negotiated \$2M in additional equity from the tax credit equity investor. To help close the gap further, RCD plans to defer a greater portion of their developer fee than initially planned and instead collect that fee from the project's future cash flow.

#### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no direct environmental impacts to the recommended action.

#### RATIONALE FOR RECOMMENDATION

If the City is unable to help fund the gap, RCD may need to consider reductions in operating and services staff and programs that contribute to ensuring a stable and

healthy community. Funding RCD's lower request supports the project while preserving the remaining FY25 SSP funding for future projects.

ALTERNATIVE ACTIONS CONSIDERED

The City could fund RCD at their full request, but that would further diminish the remaining FY25 SSP funds. Staff instead urged RCD to seek alternative funding sources for the remainder of the gap.

CONTACT PERSON

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

Attachments:

1: Resolution

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

APPROVAL OF THE FUNDING RESERVATION FOR THE MAUELLE MILLER  
SHIREK COMMUNITY PROJECT

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

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

WHEREAS, through Resolutions 68,824-N.S., 69,163-N.S., and 69,231-N.S., the City Council voted to reserve a total of \$17,000,000 in housing funds for Resources for Community Development's (RCD) Maudelle Miller Shirek Community (MMSK) project; and

WHEREAS, the City's HTF Guidelines allow funding requests to be submitted at any time for projects at imminent risk, including previously funded projects with funding gaps; and

WHEREAS, in March 2025, RCD requested additional funding for MMSK, a project that meets the HTF Guidelines' definition of at-risk;

WHEREAS, on May 1, 2025, the Housing Advisory Commission recommended Council approve \$500,000 for MMSK; and

WHEREAS, the only currently available housing funds are approximately \$1.4M in HTF resources allocated to the Small Sites Program in FY25 that have not been allocated to a project.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council approves the reservation of \$500,000 for MMSK and that the funds be reserved from the City's available FY25 Small Sites Program funds in the Housing Trust Fund (Fund #120).

BE IT FURTHER RESOLVED THAT as a condition of this funding; RCD is required to provide information to MMSK tenants on City rental assistance programs with any nonpayment eviction notices issued at that property.

BE IT FURTHER RESOLVED THAT funds shall be reserved for a period of no more than 24 months from the date of this Resolution, contingent on RCD obtaining all required approvals and closing the project's permanent financing within the reservation period.

BE IT FURTHER RESOLVED that that the funding reservation is conditioned upon the completion of the environmental review process, except as authorized by 24 CFR, Part

58, and that should HOME and/or CDBG funds constitute a portion of the funding for any project, a final commitment of HOME and/or CDBG funds shall occur only upon the satisfactory completion of the appropriate level of environmental review and also upon the receipt of approval of the request for release of funds and related certification from the U.S. Department of Housing and Urban Development, when applicable. The funding reservation for any of the HOME and/or CDBG funded projects is conditioned upon the City of Berkeley's determination to proceed with, modify, or cancel the project based on the results of subsequent environmental review under the National Environmental Policy Act.

BE IT FURTHER RESOLVED THAT the making of the 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 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.

