



Office of the City Manager

CONSENT CALENDAR
November 18, 2025

To: Honorable Mayor and Members of the City Council
 From: Paul Buddenhagen, City Manager
 Submitted by: Scott Gilman, Director, Health, Housing & Community Services
 Subject: Golden Bear Homes Partnership Transfer

RECOMMENDATION

Adopt a resolution:

1. Approving the transfer of the Managing General Partner role for Golden Bear Homes, LP from Bay Area Community Services (BACS) to Hearthstone Housing Foundation (Hearthstone); and
2. Approving BACS' assignment and Hearthstone's assumption of BACS' obligation under the loan and regulatory agreements for Golden Bear Homes; and
3. Authorizing the City Manager or designee to execute all original or amended documents to effectuate this action.

CURRENT SITUATION AND ITS EFFECTS

Memar Properties, Inc (MPI) is seeking City approval to change the ownership partnership of Golden Bear Homes, a City-funded Homekey project. Golden Bear Homes, LP is currently made up of MPI (as the administrative general partner) and BACS (as the Managing General Partner), with MPI providing property management and operational support, and BACS providing compliance oversight and supportive services to residents. BACS is interested in increasing organizational capacity for other existing and upcoming projects and intends to exit the partnership.

MPI identified Hearthstone as their preferred replacement partner. Hearthstone is a nonprofit organization that has operated since 1992. It has managed a total of 270 rental projects in its organizational lifetime. Hearthstone's current portfolio includes 177 low-income rental housing projects, including many Homekey projects that serve Extremely Low-Income households. The majority serve formerly homeless households, people with disabilities, or senior households. Hearthstone currently manages 11 rental projects in the Greater Bay Area and 3 rental projects in Alameda County, one of which is a Homekey project.

Hearthstone will be responsible for securing welfare exemption from the County annually and overseeing compliance with all regulatory agreements. Additionally, on-site wraparound supportive services for the 43 formerly homeless individuals, previously

provided by BACS, will be provided by the Housing Consortium of the East Bay (HCEB). HCEB is partnering with MPI on University Homes, which is also a Homekey project, and manages 7 other projects serving very low-income and vulnerable populations in the Greater Bay Area. Both Hearthstone and HCEB are qualified to step into their proposed roles at Golden Bear Homes.

Since Golden Bear Homes received funding from the State of California Housing and Community Development's (HCD) Homekey program, HCD will also need to approve the change in ownership. Pending City and HCD approval, MPI estimates the transfer can happen within a few months (likely early 2026). Health, Housing, and Community Services staff will work with the Golden Bear Homes team on the transfer and amending City documents to reflect the updated partnership.

FISCAL IMPACTS OF RECOMMENDATION

There are no expected fiscal impacts. The City entered into a loan agreement with Golden Bear Homes, LP for \$8.46 million in capital and operations subsidy funding to support the project. Currently, there are no expected additions to this loan.

BACKGROUND

On December 14, 2021, Council approved three resolutions (70,136- N.S., 70,137- N.S., and 70,138 – N.S.) reserving \$8,463,535 in affordable housing funds for the Golden Bear Homes permanent supportive housing project at 1620 San Pablo as proposed by a partnership between MPI and BACS. These resolutions also authorized City staff to take actions needed for the City's participation in the State of California's HCD Homekey program, including entering into standard agreement with the HCD. The reservation described came from City affordable housing funds, including general funds received pursuant to Measure P, and Permanent Local Housing Allocation funds.

Golden Bear Homes, LP completed an initial phase of rehab focused on accessibility upgrades in December 2022 and achieved full occupancy in January 2023. The team recently completed the second and final phase of construction work, including landscaping and installation of a modular unit with community and services space.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There will be no environmental impacts related to the transfer, and the project will remain as housing for homeless adults.

RATIONALE FOR RECOMMENDATION

Golden Bear Homes, in its current configuration, is no longer compatible with BACS' organizational priorities. Transferring the Managing General Partner role to Hearthstone, whose mission includes prioritizing housing and providing supportive services to homeless, will support the ongoing operation of Golden Bear Homes as permanent supportive housing for formerly homeless adults.

ALTERNATIVE ACTIONS CONSIDERED

None considered.

CONTACT PERSON

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

Attachment:

1: Resolution

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

AUTHORIZING THE OWNERSHIP TRANSFER OF GOLDEN BEAR HOMES, LP
FROM BAY AREA COMMUNITY SERVICES TO HEARTHSTONE HOUSING
FOUNDATION

WHEREAS, in 2021, the City of Berkeley (City) provided a development loan to Golden Bear Homes, LP to acquire and rehabilitate Golden Bear Homes, located at 1620 San Pablo Ave, Berkeley, CA, and operate the property as permanent supportive housing for formerly homeless individuals; and

WHEREAS, Golden Bear Homes, LP is comprised of Memar Properties, Inc. (MPI) as the administrative general partner providing property management and operational support and Bay Area Community Services (BACS) as the Managing General Partner providing compliance oversight and supportive services; and

WHEREAS, BACS is interested in increasing its organizational capacity for existing and upcoming projects and wishes to exit Golden Bear Homes, LP; and

WHEREAS, in early 2025, MPI began exploring the option to transfer the Managing General Partner role of Golden Bear Homes to another entity with the experience and mission to provide housing with supportive services to extremely low-income households; and

WHEREAS, in July 2025, MPI submitted a letter to the City requesting transfer of the Managing General Partner for Golden Bear Homes, LP from BACS to Hearthstone Housing Foundation (Hearthstone) with supportive services provided by Housing Consortium of the East Bay; and

WHEREAS, the City's existing Development Loan Agreement with Golden Bear Homes, LP requires City approval of any transfers, including partnership transfers.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City approves the transfer of the Managing General Partner role for Golden Bear Homes, LP from BACS to Hearthstone Housing Foundation.

BE IT FURTHER RESOLVED that the Council approves BACS' assignment and Hearthstone Housing Foundation's assumption of BACS' obligations under the loan agreement and regulatory agreement for Golden Bear Homes.

BE IT FURTHER RESOLVED 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.