

MEMORANDUM OF AGREEMENT RE NORTH BERKELEY AND ASHBY TRANSIT-ORIENTED DEVELOPMENTS

This Memorandum of Agreement (“**MOA**”) is entered into on this 30th day of June, 2022, by and between the San Francisco Bay Area Rapid Transit District (“**BART**”) and the City of Berkeley (“**City**”) (collectively the “**Parties**”) to cooperatively pursue transit-oriented development (“**TOD**” or “**the Projects**”) at the North Berkeley and Ashby BART stations. This MOA is made in furtherance of the Memorandum of Understanding between BART and City, signed on March 3, 2020 (“**MOU**”, attached hereto as Exhibit A), and the Joint Vision and Priorities Document approved by the City on June 2, 2022 and by BART on June 9, 2022 (“**JVP**,” attached hereto as Exhibit B), which addressed TOD projects at the North Berkeley and Ashby BART Stations. These projects are individually referred to respectively as the “**North Berkeley Project**” and “**Ashby Project**,” and collectively as the “**Projects**.” This MOA primarily addresses the North Berkeley Project. The Parties anticipate amending this MOA to address additional issues specific to the Ashby BART Project.

This MOA is not intended to cover all issues that may arise between BART and the City with respect to the Projects, but is intended to provide the Parties and potential developers a basic understanding as to how the Project negotiation and entitlement processes will proceed; the objectives and minimum requirements for the Projects in terms of design, affordability, and infrastructure; and the anticipated City and BART contributions to the Projects.

RECITALS

- A. In 2020, the Parties entered into the MOU to identify their shared vision and priorities for development of TODs at the North Berkeley and Ashby BART stations, to provide clarity on the process and timelines for pursuing development, and to begin to identify the roles and responsibilities of the City and BART in that process. Among other things, the MOU called on the City to establish a Community Advisory Group, reserve funding to support affordable housing development at the sites, and to adopt zoning for the sites consistent with AB 2923.
- B. On April 27, 2021, the Berkeley City Council unanimously adopted Resolution 69,833-N.S. which, in part, provisionally reserves \$53 million of City-controlled funds as the subsidy needed to achieve 35% affordable housing at the Ashby and North Berkeley BART sites, allows for a portion of the funding to be considered for predevelopment, and directs the Berkeley City Manager (“**City Manager**”)

to investigate a new bond measure that could fund housing and/or housing related infrastructure needs at the two BART Stations and in the Adeline Corridor, or in the City as a whole, and to establish a timeline and community process for said bond measure, with a goal of maximizing affordable housing (up to 100%) at either or both sites.

- C. On June 28th, 2022 the Berkeley City Council adopted a new Chapter 23.202.150 in its Zoning Ordinance, as part of the City of Berkeley Municipal Code, adding a “Residential - BART Mixed Use (R-BMU)” zoning district, as well as additional conforming amendments to the General Plan and other sections of the Municipal Code in order to ensure that the provisions are comprehensively and consistently incorporated into its Zoning Ordinance, to govern development at the North Berkeley and Ashby BART stations.
- D. On June 2, 2022, the Berkeley City Council approved the JVP, and on June 9, 2022, the BART Board approved the JVP. The JVP expresses the City and BART’s shared, high-level expectations for future development of both the Ashby and North Berkeley BART Stations. This document will be incorporated into BART’s future Requests for Qualifications (“**RFQs**”) for development of the Ashby and North Berkeley Station development, and will help guide the process from developer selection through project construction. Further negotiations will occur pertaining to the potential solicitation at the Ashby BART Station.
- E. With the above milestones completed, the purpose of this MOA is to clarify the processes that BART and/or the City will pursue from this date forward in seeking to realize construction of the North Berkeley Project, as well as to set out certain agreements with respect to the Ashby Project.
- F. As part of the work funded by a San Francisco Foundation Breakthrough Grant (“Equitable Black Berkeley”), the City of Berkeley is contracting with Creative Development Partners to support an innovative reparative approach to financing with a goal of increasing affordable housing, and supporting BART and the City to meet the goals of the JVP developed with input from the City’s Community Advisory Group (CAG).
- G. Outstanding issues remain to be addressed prior to advancing development of the Ashby Project, including, but not limited to, ensuring a new permanent location for the Berkeley Flea Market can be provided, the City’s option to acquire air rights for the Western Parking Lot, the potential reconfiguration of Adeline

Street, the design and funding of station infrastructure, and the role of BART and the City in the developer solicitation process. It is anticipated that an amendment to this MOA, as well as completion of related agreements and documentation, will be needed in order to advance solicitation of a developer for the Ashby Project.

MUTUAL AGREEMENT OF THE PARTIES

I. Relationship to MOU

- A. This MOA amends and expands upon the MOU (Exhibit A) between the Parties to reflect changes in the anticipated project schedule and encompass topics not addressed in the MOU. The MOU remains in effect and its terms are only changed to the extent specifically noted in this MOA, or where provisions of this MOA are in direct conflict with provisions in the MOU, in which case the provisions of this MOA shall prevail. Terms of the MOU that are not in conflict with this MOA shall remain in effect.

II. Timeline for the Projects

- A. The Summary Table below reflects activities for the Projects anticipated to take place after the date of this MOA. It supersedes the Activities and Timelines Summary Table in section III of the MOU. BART and the City agree that the milestones and associated dates may be revised upon mutual written agreement of the City Manager or her designee and of the BART General Manager ("**General Manager**") or his designee. If the Parties do not complete an activity or a milestone by the date provided for said activity or milestone, and if the parties cannot identify a mutually acceptable later date for completion of the activity or milestone, then either Party may, upon 30 days' written notice to the other Party, terminate this agreement as it applies to the Station to which the activity or milestone relates.

B. Activities and Timelines Summary Table

Activity	Lead Party	Milestone	Outside Date
1. Developer(s) Solicitation – North Berkeley Project	BART	RFQ Release for North Berkeley Project and Notice of Funding Availability for City Predevelopment Funding	July 1, 2022

2. Developer(s) Selection – North Berkeley Project	BART Board of Directors	Identified development team (selected by a panel with equal City and BART representation), with demonstrated capacity (as outlined in the RFQ), to complete affordable housing projects representing at least 35% of anticipated housing for the entire site. If the milestone is not met, the City may rescind the \$500k in predevelopment funding available through the RFQ.	June 30, 2023
3. Execution of an Exclusive Negotiating Agreement (“ENA”) – North Berkeley Project	BART	ENA signed with Developer	No later than 9 months after Developer selection
4. City Affordable Housing Funding - Predevelopment Funding – Both Projects	City	Council award of predevelopment funds (if requested) to Developer	No later than 60 days after Developer Selection for each respective Station
5. Adoption of Objective Design Standards – Both Projects	City	Objective Design Standards adopted by City Council	No later than 9 months after ENA execution for each respective Station assuming both parties meet the terms outlined in Section IV.F below
6. Affordable Housing Strategy – Both Projects	City	Identify additional funding streams, if any and finalize City affordable housing funding plan	June 30, 2023

7. City Application - Both Projects	Development team	Development team must submit a complete application for a Master Development Permit, or for at least one affordable housing building's entitlements/permit	No sooner than 9 months and no later than 3 years from execution of ENA for each respective Station
8. Project Financing	Development team	For each affordable housing project, development team must secure complete project financing. If this milestone is not met, the City may rescind the development funding reservation for that project.	December 31, 2031

III. Phasing and Funding for Affordable Housing for the North Berkeley Project

The Parties will strive to deliver new housing within 10 years to reflect the urgency of the climate and housing crises, acknowledging that housing, including affordable housing, may be developed in multiple phases over a number of years.

The Parties have committed to working together proactively to maximize the number of permanently affordable, deed-restricted housing units at the North Berkeley site, dependent on timely identification of sufficient funding and balanced with other JVP goals and BART infrastructure needs. The RFQ, ENA and other transaction documents will reflect the following agreement as a requirement: At a minimum, the North Berkeley Project shall include regulated affordable units comprising at least 35% of the new housing units to be developed at the site, inclusive of any bonus units granted as part of a density bonus application, at the affordability levels in the JVP, as described below. Affordability restrictions shall run for the duration of the ground lease(s) for all affordable housing components of the Project, which leases shall have a minimum duration of 65 years, and for any extensions thereto. In addition to the terms of said ground leases, the affordability restrictions will be enforceable by the City pursuant to regulatory agreements between the City and the developer(s).

Affordability Levels in the JVP:

- 1) At least 35% of new housing must be affordable to households earning an average of up to 60% of Area Median Income ("AMI").
- 2) At least 20% of the required 35% affordable units must be affordable to households earning no more than 30% of AMI ("Extremely Low Income" or "ELI", and

- 3) Additional affordable units aside from the ELI units should prioritize low income (80% of AMI) and very low income (50% of AMI) households but may include some housing restricted to households with moderate incomes (up to 120% of AMI), provided that the moderate-income units have rents that are still below market and shall not include City subsidy.

While the aforementioned goals are established in the JVP and the City and BART have policies regarding affordable housing requirements, any project receiving the City's Housing Trust Fund ("HTF") funding must meet the HTF Guidelines, which require that 40% of any City subsidized units be affordable to households earning up to 60% of AMI, and an additional 20% of City subsidized units to be affordable to households earning up to 30% of AMI. BART's TOD policy also provides a priority for affordable units that serve very low income (<50% AMI), low income (51-80% AMI) and/or transit-dependent populations.

A. BART Land Discount

In order to facilitate the provision of deeply affordable housing, BART will provide the selected developer with a discount on land costs. In keeping with BART's *Framework for Financial Return from Affordable Housing*, higher levels of discount will be available to projects that provide more units at lower income levels. BART shall require the selected developer for the North Berkeley Project to utilize this land discount solely for the benefit of the affordable components of this Project. For the avoidance of doubt, the Parties acknowledge that this Section III.A applies to the North Berkeley Project only. The City and BART will address the BART discount on land costs for the Ashby Project at a later time.

B. City Funding

The City will make available a total of \$53 million in affordable housing funds, including up to \$4 million in predevelopment funds, for the Projects, and allocate funding to the Projects subject to each project's compliance with the Objective Design Standards (consistent with conditions in Section IV below), affordability requirements, project milestones (including without limitation the milestones noted in Section II.B above), and other requirements to be set forth in the funding agreements between the City and developer.

City will work to ensure an equitable distribution of City subsidy funding. It is anticipated that up to 50% of the City subsidy funds will be invested at the North Berkeley Project. However, if differences in timing of the Projects, the availability of outside subsidy, planned affordability levels or other factors result in a greater need for funding at one site than the other, the City may, in consultation with BART, choose to allocate the funding differently. A minimum of \$20 million in City subsidy funds will be available to be invested at the North Berkeley Project, subject to Council approval of an

HTF Program application. City acknowledges that the Minimum Requirements for housing affordability may not be achievable without this allocation.

The anticipated sources of City funding are as follows:

- 1) **Measure O Funding:** The City has reserved \$40 million in Measure O funding. It is the City's intention to invest up to \$20 million of these funds in the North Berkeley Project unless a different funding allocation is determined as noted above.
- 2) **Affordable Housing Mitigation Fees:** In addition, the City has reserved \$13 million in additional funding for the North Berkeley and Ashby sites from future Affordable Housing Mitigation Fee revenue, or from an alternative source of funding to be identified by the City by June 30, 2023, inclusive of any funds invested in predevelopment. It is the City's intention to invest up to 50% of this total (\$6.5 million) at the North Berkeley site.
- 3) **Potential Future Bond Measure:** The City Manager is investigating a new bond measure, as described above in Recital B, which if passed by the voters could provide additional City funds to increase the provision of affordable housing within the projects.

C. Predevelopment Funding

As authorized by City Council, the City will reserve up to \$2 million in predevelopment funding for the North Berkeley site from its HTF to enable nonprofit affordable housing developers to undertake predevelopment expenses. The predevelopment funding described in this Section III.C will only be available to nonprofit affordable housing developers, but shall be available whether the nonprofit is the lead developer or a member of a development team. In the event that there is a joint venture, the City will review the joint venture operating agreement and organization chart for the sole purpose of confirming the roles and relationship of the venture partners and the period of time the joint venture will be in force. The predevelopment funding will be made available in two phases:

1. **Phase 1 predevelopment funding** is available during the RFQ process to support a non-profit developer to fund early predevelopment costs. The RFQ will jointly serve as an application for this Phase I predevelopment funding from the City. Following developer selection by the BART Board of Directors, the City will consider approval of up to \$500,000 total for eligible non-profit developers requesting this funding. Disbursement of the Phase 1 predevelopment funding will be conditioned upon execution of an ENA, the terms of which are consistent with the requirements of this MOA.
2. **Phase 2 project-specific predevelopment funding** consistent with the HTF Guidelines and implementing procedures, including site planning, infrastructure

planning, access planning, engineering, architecture and financing expenses (but excluding land acquisition costs). Following the submittal of an affordable housing proposal and financing plan (including a project pro forma), an eligible developer may then request the remaining predevelopment funds (up to \$1.5 million), which the City will recommend the Council approve if it determines the developer's proposal and financing plan are feasible and meet funding agreement conditions. Disbursement of the Phase 2 predevelopment funding will be conditioned upon execution of an ENA, the terms of which are consistent with the requirements of this MOA.

City predevelopment funding will, via the mechanism of the Predevelopment Loan Agreement between the City and the developer, be secured by the work products created by the developer, which shall become the property of the City if the developer defaults. As to other shared costs, predevelopment funding may be used to pay for no more than the pro-rata share attributable to the portion of the project restricted to serving tenants with incomes up to 120% of AMI plus any associated manager's units based on net rentable square footage. For Phase 1, the pro rata share will be determined based on the percentage of housing up to 120% AMI per the selected developer's preliminary development concept. Phase 2 can only fund predevelopment costs that are directly tied to a standalone 100% affordable development.

The Parties will work together to ensure that the submittal requirements and selection process provide an opportunity for the City to evaluate potential applications for eligibility for predevelopment and development subsidy from the City's HTF and Measure O bond proceeds prior to selection. The City agrees to accept the executed ENA as proof of site control for purposes of committing predevelopment funds. The terms and conditions for disbursement of City predevelopment funds will be established in a Predevelopment Loan Agreement between the City and the developer/borrower.

The Predevelopment Loan Agreement may require that developer reimburse the City for disbursed predevelopment loan funds if entitlement milestones are not met per Section II Table B., or if the proposed project is inconsistent with any Objective Design Standards then in force, or other terms and conditions of the Predevelopment Loan Agreement.

D. Development Funding for the Projects

The Parties expect funding for affordable housing development to come from City subsidies (Measure O and HTF), a developer contribution associated with any market rate development, and other sources. The affordable housing developer will be responsible for

identifying and leveraging available funding sources, including state and federal funding programs.

BART and the City require that development submittals in response to the developer solicitations include a preliminary development concept. This shall include a preliminary phased development timeline, the desired dates for receiving and drawing on funding commitments from the City, and the anticipated completion of affordable housing. The phased development timeline will include concurrency requirements to ensure that affordable units are constructed prior to or concurrently with any market-rate housing component. No market rate housing will receive its notice to proceed until an affordable housing project receives its notice to proceed. In the event there are multiple phases of market rate or affordable housing, the phasing plan shall be approved to ensure consistency with the JVP goal of affordable housing being built along with market rate housing.

The City will award development subsidy loan funds remaining after the award of any predevelopment funding based on detailed proposals provided by the selected affordable housing developer. The final commitment of development funding reserved for the North Berkeley site will be awarded based on compliance with the Objective Design Standards – Provided the Objective Design Standards satisfy the requirements in Section IV - and the City's HTF Guidelines and the terms and conditions of the funding agreement described below.

The City's development funds shall be subject to the terms of a funding agreement with the affordable housing project developer and shall be contingent on compliance with the Minimum Requirements, attached hereto as Exhibit C, as well as the requirements set forth in the funding agreement, including the following:

- 1) The project must comply with EIR mitigation measures and relevant City of Berkeley standard conditions of approval.
- 2) The project must abide by any applicable requirements to give preference for residents of Berkeley who are facing displacement (or who have been displaced from Berkeley in the past due to economic or discriminatory reasons).
- 3) The development team must comply with project-labor provisions required of City of Berkeley projects.
- 4) The development team must comply with the City's local hire policies (Community Workforce Agreement, First Source), and submit a plan for compliance that is acceptable to the City, including additional measures the team will include to increase local hire outcomes.

The award of City development funds will be conditioned upon entitlement and construction milestones established in the reservation resolution and funding agreement adopted by City Council, consistent with the approved application for funding. The City Council may grant the City Manager authority to extend timelines within established parameters.

The City's contribution of affordable housing funding cannot be used to fund the units required by the City's inclusionary requirements and shall be applied towards any affordable housing units in excess of the City's inclusionary requirements at the time of entitlement. The developer of any market rate component of the project must comply with the inclusionary requirement without City subsidy and will be expected to demonstrate how they are satisfying the City's inclusionary requirements.

E. Performance Milestones

The City's commitment to the use of funds for North Berkeley site is conditioned on the milestones shown in Section II. Table B. If either BART or the development team fails to meet the milestones in Table B, as may be extended as provided herein, the City would then have the option to release the site's portion of the reserved funds for use in other affordable housing projects elsewhere in the city.

F. Revised Affordable Housing Strategy for the Projects

The City of Berkeley will pursue its best efforts to secure additional local affordable housing subsidy to increase the proportion of affordable housing provided at the Projects, whether through the issuance of another voter-approved affordable housing bond and/or other financing mechanisms.

As referenced above in Table II. B, Activity 6, the City reserves the right to, by June 30, 2023, identify additional funding streams to increase the total affordable housing proportion for the Projects to be higher than 35% of units.

IV. AB 2923 Streamlining, Objective Design Standards and JVP for the Projects

A. Entitlement Streamlining

Public Utilities Code section 29010.7(b), codified by the adoption of AB 2923, establishes that TOD projects at BART stations that meet certain minimum requirements will be eligible for streamlining pursuant to Government Code section 65913.4., codified by the adoption of Senate Bill 35 ("SB 35"). To minimize entitlement risk, reduce project

costs and accelerate the entitlement phase of development, the Parties intend that the developers of the Projects shall have the ability to utilize any state laws providing for entitlement streamlining mechanisms included but not limited to AB 2923 and SB 35, to the extent a Project qualifies for streamlined review, such that project entitlements are ministerial and not subject to discretionary review.

B. Community Input and Objective Design Standards

In recognition of the City's significant contribution of funding for the Projects' affordable housing component, the Parties desire to maintain the ability for the City and community to provide effective input as to the character of development proposed at the Projects. The Parties agree that the primary vehicles for City and community input have been the newly adopted section 23.202.150 of the City's Zoning Code and the newly adopted JVP, and additional community input will occur in developing the Objective Design Standards ("ODS"), as addressed in Section V.C, below. The Parties understand and agree that under AB 2923 and SB 35, a development application that qualifies for streamlined review is subject to ODS that have been duly adopted by the City prior to the submittal of the development application consistent with the timeline shown in section II.B, and that such ODS are enforceable as permit conditions by the City, provided the ODS are compliant with conditions in this Section IV.

C. Development of Objective Design Standards

BART will fund, and has retained, a consultant, to be directed by the City, to work with both Parties and community stakeholders to create a set of ODS and bring them to the City Council for adoption. ODS will be created separately for the North Berkeley and Ashby stations, and the process will be generally timed to coincide with developer selection of each Station as referenced in Section II.B above. The Berkeley community, BART, and the selected Developer will be given the opportunity to provide input into the Objective Design Standards to ensure the resulting document is consistent with what can feasibly be developed at each station and aligned with the intent of the JVP.

D. Objective Design Standards Review and Approval

Once a complete draft of Objective Design Standards has been prepared for each site, City staff will bring the draft to the Planning Commission for recommendation and to the City Council for adoption by ordinance. Prior to Planning Commission review, the City will provide BART an opportunity for final review and comment on the final draft of the Objective Design Standards.

E. Requirements for Objective Design Standards

The Parties agree that the intent of the Objective Design Standards is to allow the City, the community, BART, and the developer to have a strong voice in the design quality of the development at both stations. The Parties further agree that the Objective Design Standards shall be consistent with the Zoning and with state law, including but not limited to SB 35, and that they shall be consistent with the sections of the JVP addressing the physical form of the Projects to the extent feasible.

The Objective Design Standards process will include 1) a circulation/access framework, prepared with input from the City and BART; 2) a preliminary set of objective design standards, prepared with input from the City and BART; and 3) a final set of objective design standards completed with additional input from community stakeholders and the selected developer. Main topics in the Objective Design Standards may include but are not limited to:

- Station functionality
- Public realm improvements
- Building form and massing
- Building façade design
- Building placement (i.e. transitions in height/scale)
- Open space and landscape

F. Requirement to Comply

BART's AB 2923 Development Principles, adopted by the BART Board of Directors in August 2020, states that *"if a jurisdiction shares BART's commitment to regional climate, housing, and equity goals – as evidenced by zoning BART property for the highest feasible density, use and height – BART commits to encouraging consistency with that jurisdiction's objective design standards in its development agreements."*

Consistent with the Development Principles, BART agrees that a zoning of a minimum of 75 units per acre and at least 7 stories in height satisfies the Development Principles of this policy. BART agrees to enforce the City's Objective Design Standards through its ENA and other real estate agreements, provided that the resulting ODS are consistent with applicable state law, including but not limited to SB 35, and with all other requirements for the ODS established by this MOA, and so long as they do not diminish the zoning envelope by more than ten percent (10%) below what AB 2923 heights and floor-area-ratio would allow, as calculated based on the maximum square footage that could be built with a reasonable circulation framework and open space provided, utilizing the methodology attached hereto as Exhibit D.

In addition, BART shall, in its ENA, require the developer to make good faith efforts to cooperate with the City in the development of Objective Design Standards so that they can be brought forward for review and approval. In the event the City cannot adopt the ODS within 9 months of execution of the ENA due to occurrences or circumstances beyond the City's reasonable control, including but not limited to, acts of God, fire, strikes or other labor disturbances, riots, civil commotion, war, sabotage, pandemic, failure of the developer to make good faith efforts to cooperate with the City in the development of the Objective Design Standards, or any other cause similar to those herein specified which cannot be controlled by the City, then the City Manager and General Manager may agree to extend the deadline for adoption of the ODS to a mutually agreeable, later date.

V. Developer Selection Process for North Berkeley Project

A. General

To solicit developers or developer teams for the North Berkeley site, BART will issue an RFQ. BART will work closely with the City to draft the RFQ and to evaluate respondents (as outlined in the sections below) and make the developer selection. The City will work with BART to incorporate the eligibility criteria outlined in the HTF Guidelines into the RFQ, to ensure the selected developer team is qualified to deliver on the goal of providing at least 35% affordable housing at the site. The RFQ will also describe the Minimum Project Requirements defined in Exhibit C.

The RFQs will be intended to solicit interested developers or developer teams and to evaluate their experience, ability to successfully deliver a project, general project concept and financial wherewithal. Respondents requesting City funding will be required to provide additional information on the affordable housing projects including a financing plan and pro forma.

B. Selection Committee

A selection committee will be formed by BART staff, consisting of six or eight members, divided equally between City and BART representatives as identified by each respective party.

C. Evaluation Process

Initial responses will be evaluated by the selection committee and a shortlist of up to four teams will be created. Shortlisted teams will be asked to present at a community townhall and may be asked to submit supplemental materials. After the townhall (referenced below in section F) has taken place, shortlisted firms will be interviewed by the selection committee and then the committee will score the teams and present a recommended selection to the General Manager and City Manager. If the General Manager and City Manager are not both in agreement with the recommendation of the selection committee, the Parties agree to meet and confer in good faith to reach agreement, but the General Manager retains sole discretion to make a recommendation to the BART Board of Directors. The City Manager retains sole discretion to make a recommendation to the full Berkeley City Council on the City's predevelopment and development funding award.

D. Predevelopment Funding

The submittals received in response to the RFQ will also serve as applications for affordable housing predevelopment funds from the City, although developer teams comprised solely of one or more for-profit development companies shall not be eligible for such funding, in keeping with City policy. Following developer selection by BART Board of Directors, City staff will bring the selected team's application for predevelopment funding of up to \$500k to the City Council for approval. The selected developer team may apply for an additional \$1.5 million in City predevelopment funds for specific affordable housing projects proposed at the North Berkeley BART site.

E. Selection Criteria

The selection criteria have been derived from the JVP, as well as applicable policies of BART, the City of Berkeley's HTF Guidelines and affordable housing funding policies. Proposals will be evaluated based on depth and quantity of affordable units, among other criteria. The selected development team's responses must demonstrate a commitment to affordable housing, and feasible plans to produce it at these sites. The selected team must have a track record in the production of affordable housing and will need to demonstrate their capacity to deliver on the goal to develop at least 35% affordable housing at the North Berkeley site. The RFQ will emphasize that the development team will be held accountable for making affordability the first priority.

F. Public Involvement in Selection Process

Shortlisted firms will be asked to present their qualifications at an online or in-person townhall hosted jointly by the City and BART, open to the general public. Community members who attend will be offered the opportunity to give structured feedback on a number of aspects of the presentations, but will not be asked to rank or score the respondents overall. This feedback will be assembled by BART and City staff or consultants and transmitted to the selection committee.

VI. BART/City Cooperation on the Projects**A. Commitment to Cooperate**

BART and the City agree that the development of the Projects is both a shared opportunity and a shared responsibility, and commit to working collaboratively throughout the development process.

B. Project Funding

BART and City will proactively work with developers to secure grants (state, federal) and financing for the Projects, which is necessary to realize the public benefits described in this MOA. BART will take priority on use of Infrastructure Infill Grant Program (“IIG”) funding for station access infrastructure. Any available IIG funding not needed for station access costs will be made available for affordable housing infrastructure. BART will source funding for BART ridership replacement parking, and City will support a joint application for IIG funding for this purpose if no other funding sources are available.

C. Parking Strategy

The City will take the lead, working with BART, to identify ways to mitigate impacts of spillover parking, including possible developer requirements. The City will determine its new on-street parking strategy surrounding the Projects by November 1, 2022. The City will implement this plan no later than execution of BART’s first ground lease with developer.

VII. Timeline for Ashby Project and Related Agreements

Development of a TOD project at the Ashby Station will require resolution of a number of items specific to that site, including, without limitation, the City’s option to acquire air

rights for the Western Parking Lot, identification of a new location for Berkeley Community Flea Market, the potential reconfiguration of Adeline Street, the design and funding of station infrastructure, affordable housing requirements, and the role of the City in the RFQ, potential RFP and ENA process. The Parties have been working to resolve these items and will make a good faith effort to complete the aforementioned items by the dates provided below. BART and the City agree that the milestones and associated dates may be revised upon mutual written agreement of the City Manager or her designee and of the BART General Manager ("**General Manager**") or his designee.

The Parties will incorporate the dates below as part of an amended MOA to be negotiated by the Parties. It is understood that if the Parties are unable to reach resolution on the aforementioned items, and these dates are not met, BART reserves its right to reprioritize its transit-oriented development work plan and advance a different developer solicitation elsewhere in its system in early 2023.

Notwithstanding the foregoing or anything to the contrary contained herein, if the Parties are unable to reach resolution on the aforementioned items or to agree to an amended MOA as contemplated in the first paragraph of this Section VII, this MOA shall continue in full force with respect to those provisions that relate to the North Berkeley Project.

Milestone	Date
Agreement on nature of solicitation and its content for Ashby TOD Project	September 30, 2022
Agreement on process for issuance of Ashby solicitation including schedule, City's role in evaluation, evaluation criteria	
Clear milestones for Equitable Black Berkeley process and agreement on its relationship to RFQ	
Amended MOA for Ashby project to be Approved by City Council and BART Board	November 1, 2022
Resolution of City option for air rights at Ashby BART West lot, and City Council action.	
Agreement on new Flea Market location by City Council which may include some portion of the Adeline right of way to be used for a Flea Market; City Council agreement on roadway reconfiguration for Adeline Street	
Execution of agreements related to air rights	November 30, 2022

Release of Ashby Solicitation (contingent on meeting above milestones)	March 31, 2023
Finalize City affordable housing funding plan including % and level of affordable housing at Ashby	June 30, 2023
City Council adoption of Objective Design Standards for Ashby TOD	No later than 9 months after ENA assuming both parties meet the terms outlined in Section IV.F above
Development Team for Ashby must submit a complete application for a Master Development Permit, or for at least one affordable housing building's entitlements	No later than three years of execution of the ENA
Development team for Ashby must secure complete project financing for affordable housing components	December 31, 2031

VIII. Continuing Community Participation

After its final meeting on December 6, 2021, the Community Advisory Group (“CAG”) has completed its intended function. The Parties agree to continue community participation in the development of the BART stations in a mutually agreed upon framework.

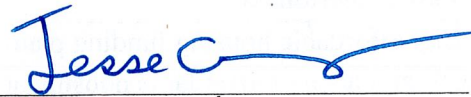
IX. Miscellaneous

Notwithstanding any provision herein to the contrary, nothing in this MOA shall be construed as limiting the discretionary decision-making authority of the City or BART. No party shall be liable for, or shall be entitled to, any monetary damages for breach of this MOA, and each party expressly waives its rights to damages. There are no intended third-party beneficiaries of this MOA, and no third party shall have any enforcement or other rights under this MOA against City or BART.

CITY OF BERKELEY

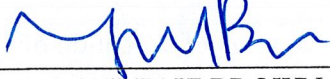


DEE WILLIAMS-RIDLEY
CITY MANAGER



JESSE ARREGUÍN
MAYOR

APPROVED AS TO FORM



FARIMAH FAIZ BROWN
CITY ATTORNEY

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

DocuSigned by:



ROBERT M. POWERS
GENERAL MANAGER

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into on this 3rd day of March, 2020, by and between the San Francisco Bay Area Rapid Transit District ("BART") and the City of Berkeley ("City") to cooperatively pursue transit oriented development ("TOD") and the implementation of Assembly Bill 2923 ("AB 2923") at the Ashby and North Berkeley BART Stations.

RECITALS

- A. BART and the City both acknowledge that the region faces a shortage of affordable homes and a climate crisis that requires a significant reduction in vehicle miles traveled; and
- B. BART and the City have adopted District- and City-wide policies that prioritize creating affordable homes and reducing greenhouse gas emissions; and
- C. Publicly-owned land at the Ashby and North Berkeley BART stations provides a rare opportunity to create more homes, including below-market-rate affordable homes, in a manner that reduces residents' reliance on driving; and
- D. State law AB 2923 (AB 2923, Stats. 2018, Chp. 1000) requires BART to adopt TOD zoning standards for BART-owned property surrounding its stations and requires that the City's local zoning conform with TOD zoning standards by July 1, 2022; and
- E. BART and the City are committed to enabling multiple opportunities for community input and engagement that inform site master planning and zoning; and
- F. The purpose of this agreement is to:
 - 1. Identify a shared vision and priorities for development for BART and the City, and set forth steps needed to pursue this vision and priorities;
 - 2. Clarify the processes that BART and/or the City will pursue to address the activities and timelines outlined below in Section III; and
 - 3. Provide greater clarity for all parties, including BART, the City, and members of the public, on the currently-planned steps, timelines, and the Parties' roles and responsibilities needed in seeking to commence construction of TOD on BART-owned property at both the Ashby and North Berkeley BART Stations.

MUTUAL UNDERSTANDING OF THE PARTIES

I. Framework for Development at Ashby and North Berkeley BART Stations

- A. Goals and objectives for TOD have been established for Ashby and North Berkeley BART stations by the City through two separate processes. Similarly, BART has adopted policies and performance targets guiding its TOD program as a whole. These documents will inform the Parties' respective goals and objectives with regard to TOD at the Ashby Station and North Berkeley Station.
- B. The Draft Adeline Corridor Specific Plan (published in May 2019) sets forth a vision, policies and objectives for the Ashby BART Station area. Specifically, Policy 3.7 of the Plan, shown in Exhibit 1, includes seven objectives relating to affordable housing, public space, development parameters, public art, pedestrian and bicycle connections, transportation and demand management and community engagement. The final adopted plan objectives shall be incorporated into this exhibit when available.
- C. On May 9, 2019, the Berkeley City Council unanimously approved the City's goals and objectives for North Berkeley BART development, which are shown in Exhibit 2. The City's goals focus on community input, station access, affordability, livability and environmental sustainability.

D. The City of Berkeley's General Plan Policy LU-32 — Ashby BART Station states:

Encourage affordable housing or mixed-use development including housing on the air rights above the Ashby BART station and parking lot west of Adeline Street.

A. Consider a joint City/BART development plan for the Ashby BART site to encourage and ensure appropriate development design, density, and parking to accommodate the BART station and transit-oriented development. Development at the Ashby BART station should include multi-family, transit-oriented housing and ground-floor commercial space. If feasible, at least 50% of the housing units should be affordable to low- and very-low-income households. *(Also see Housing Policy T-18.)*

B. Consider revising the zoning for the site to reduce the on-site parking requirements for new housing above the BART station. *(Also see Transportation Policy T-16.)*

E. In 2016, the BART Board adopted three policies which set overall goals for BART's transit-oriented development (TOD) program:

- 1. A TOD Policy (Exhibit 3), setting the goals of creating complete communities, advancing sustainable communities, increasing ridership, capturing the value of transit,

enhancing transportation choice, and increasing affordability with a district-wide affordability target of 35%.

2. An Affordable Housing Policy, which requires a 20% affordable housing minimum for its projects, and favors projects with the greatest depth and quantity of affordable housing (Exhibit 4).
 3. A Station Access Policy (Exhibit 5) to guide access practices and investments through 2025. The policy is designed to support the broader livability goals of the Bay Area, reinforce sustainable communities, increase the share of BART passengers walking and biking to the stations, and enable riders to get to and from stations safely, comfortably, affordably, and cost-effectively.
- F. Together these documents, as well as further engagement of community stakeholders and additional collaboration and activities as set forth in this MOU, lay the groundwork for future development at the Ashby and North Berkeley BART Stations.

II. Scope of Agreement

A. This MOU applies to development of the following properties, henceforth known as the “BART Properties”:

1. Ashby BART Western Parking Lot: Bounded by Ashby Ave, Adeline St, and Martin Luther King Jr Way. Site is owned by BART, with an option to the City to retain the air rights above 10 feet;
2. Ashby BART Eastern Parking Lot: Located on the east side of the station, behind the Ed Roberts campus, which is owned by BART; and
3. North Berkeley BART Main Parking Lot: Bounded by Sacramento, Delaware, Acton and Virginia Streets. Site is owned by BART.

B. In order to ensure that development of the BART Properties is, to the extent possible, consistent with the vision and priorities established by the City and BART, during the TOD planning process outlined in this MOU there will be an opportunity to consider infrastructure enhancements to other areas that are owned by BART or the City. These may include the following (henceforth known as “Surrounding Areas”):

1. North Berkeley BART: auxiliary parking lots owned by BART, and areas owned by the City that abut the Ohlone Greenway;
2. Other public infrastructure (e.g., streets, crosswalks, bicycle paths, on-street parking, stormwater and sewer infrastructure) within a one-mile radius of the BART Properties; and
3. Proposed changes to access and circulation at each Station would be identified through the Station Access Study described in Section III.F of this MOU, as well as through the development master plan or entitlement process. Any such changes would therefore be subject to public review and comment, and to approval by the Parties.

III. Activities and Timelines

Activities and Timelines – Summary Table

Activity	Lead Party	Milestone	Date
1. Community Advisory Process and other community engagement activities	City	Establish a Community Advisory Group to inform site zoning and to facilitate community input on site master planning and zoning	Initiate December 2019
2. Zoning for Ashby and North Berkeley BART Stations	City	<ul style="list-style-type: none"> a. Zoning alternatives proposed b. Draft CEQA document released c. Planning Commission and community review d. Planning Commission approval e. Council zoning approval 	Complete by June 2021
3. BART AB 2923 Guidance Document	BART	<ul style="list-style-type: none"> a. Draft Guidance b. Final Guidance 	<ul style="list-style-type: none"> a. February 2020 b. July 2020
4. City Affordable Housing Funding	City	Decision on set-aside of City funding for affordable housing to Ashby and North Berkeley Stations	December 2020 (pending further definition of zoning and site capacity)
5. Developer Solicitation(s)	BART	Decision on timeline to initiate solicitation of developer(s) (as part of BART's 10-Year TOD Work Plan)	July 1, 2020
6. Station Access Studies	BART	Station Access Studies Completed	Timeline dependent upon Developer solicitation(s) for each station

A. Community Advisory Process and other Community Engagement Activities

1. Pursuant to the Draft Adeline Corridor Specific Plan (Policy 3.7) and the North Berkeley BART Development Goals and Objectives adopted by the City Council on May 9, 2019, an advisory group consisting of members of the community will be created for the purposes of providing input:
 - a. To the City Planning Commission as it considers zoning standards that will be consistent with the City's obligations under AB 2923 for the Ashby and North Berkeley BART station areas; and
 - b. To the City and BART as the Parties establish a joint vision and priorities document ("Joint Vision and Priorities") that will be incorporated in eventual Requests for Proposal/Requests for Qualifications for potential developers of the BART Properties.
2. The City will be responsible for the selection and all logistics and funding for the Community Advisory Process.
3. Contingent on availability of funding, the City will also organize public participation design charrettes that inform predictable form-based design standards that BART will incorporate into guidelines for future development of the BART properties.
4. BART will support the City's efforts by participating in meetings, presenting information, as necessary, and considering input arising from the Community Advisory Process as part of its larger community engagement for AB 2923, TOD and station access studies in the City.

B. Zoning Ashby and North Berkeley BART Stations. As required by AB 2923, the City will pursue rezoning of developable, BART-owned property within 1/2-mile of the Ashby and North Berkeley Stations. The City will be responsible for all logistics and funding required for these rezoning efforts. As the agency responsible for local zoning regulations, the City will work in good faith with BART to coordinate the City's rezoning efforts with BART's development of AB 2923 guidance.

C. BART AB 2923 Guidance. BART and the City understand that AB 2923 requires further clarification related to height, floor-area-ratio, density, bicycle parking minimums, automobile parking minimums and maximums. To address these points of clarification, BART will publish a guidance document offering all affected local jurisdictions information on AB 2923. As the

agency responsible for determining whether local zoning conforms to state law, BART will be responsible for all logistics and funding required for the AB 2923 guidance document. The guidance document will provide guidance on TOD zoning standards for all local jurisdictions as those jurisdictions seek to comply with their obligations under AB 2923.

D. City Affordable Housing Funding Decision

1. The voters of Berkeley recently established three important new sources of funding to support the creation and preservation of affordable housing, keep vulnerable people housed, and rehouse the homeless:
 - a. Measure O provides for issuance of \$135 million in bonds to fund capital expenditures for a variety of types of affordable housing;
 - b. Measure P established a real estate transfer tax on the most expensive one-third of real estate sales with a stated intent to rehouse the homeless and fund the services they need to remain housed; and
 - c. Measure U1 increased the gross receipts tax on most residential rental properties with a stated intent to fund affordable housing and protect Berkeley residents from homelessness.
2. The above measures establish advisory panels which advise the City Council as it makes determinations regarding the allocation of these and other affordable housing monies (such as City Housing Trust Fund resources) and related resources such as public land and inclusionary units.
3. The City will set-aside appropriate funding, including development fees and other above-mentioned sources, to support deed-restricted affordable housing at a range of income levels to meet BART and the City's affordable housing goals at the Ashby and North Berkeley BART Stations (as referenced in Section I).

E. Developer Solicitation(s)

1. Consistent with its standard practice, BART will issue Requests for Qualifications ("RFQ"), Requests for Proposals ("RFP") or both to initiate the process of identifying and recommending potential developers of the BART Properties to the BART Board of Directors. The committee(s) established to evaluate RFQ/RFP submissions will include City Representatives and BART staff as well as an independent financial consultant, who

will evaluate the capabilities of each proposer to deliver the project. The criteria used to select the developer(s) with whom to negotiate will be based on the BART Station Development Joint Vision and Priorities that will take into account community input as outlined in Section III.A.

2. For the Ashby BART Western Parking Lot, which is owned by BART with an option to the City to retain the air rights above 10 feet, and assuming that the City exercises said option, the City and BART will enter into a separate agreement detailing how they will share decision-making authority in the developer solicitation processes.
3. The evaluation committee's role is to make a recommendation to the BART Board of Directors regarding the developer(s) with whom BART will negotiate for the development of TOD. The BART Board of Directors has the sole discretion and authority to determine whether, and with whom, BART will enter into an exclusive negotiating agreement ("ENA") relating to potential TOD development on the BART Properties. It is anticipated that, among other things, the ENA will require the developer to advance the proposed project through the City's entitlement process, lead or participate in a community engagement process, fund a Station Access Study for BART (see below), pay BART an option fee in exchange for exclusive negotiating rights, and reimburse BART for its expenses, including engineering review, outside legal fees, and outside consultant expenses.

F. Station Access Study

1. Per the draft policies in the Adeline Corridor Plan, Council-adopted goals and objectives for development of the North Berkeley BART property, BART's TOD Policy, and the requirements of AB 2923, a Station Access Study must be prepared prior to development of the BART Properties that identifies sustainable access options for both the Ashby and North Berkeley BART Stations in light of potential changes to the BART Properties and surrounding areas resulting from TOD. AB 2923 added Section 29010.6(h) to the California Public Utility Code, which requires BART—with respect to any station where BART commuter parking is reduced as a result of a TOD project on land where TOD zoning standards apply—to develop and fund an access plan that maintains station access for at least the number of customers affected by the reduced number of commuter parking spaces, with specific consideration for customers who live further than one-half mile from the station.
2. The Station Access Studies will evaluate a range of access options that support BART's goals to increase the share of BART patrons who access the stations via modes other than the private automobile, and that maximize the potential number of homes

(including homes restricted to low, very low, and extremely low-income households) on site. In exploring alternatives to parking, the Studies will evaluate whether and how to offer viable, multimodal access to BART for the station catchment areas, and how to ensure that TOD and associated improvements result in an overall increase in the number of people who use the BART Stations. The Studies will identify infrastructure needs on and near BART's property to improve access for riders using all modes, including pedestrians, bicyclists, community members with access and functional needs, shared mobility users, and patrons using public and private transportation.

3. BART will be responsible for all logistics required for the Station Access Studies. BART will fund these Studies in advance, but may require reimbursement for the Studies from a developer or developers pursuant to an ENA with said developer(s). Findings from the Ashby and North Berkeley BART station access studies will be presented to the community.

IV. Zoning and Solicitation Process; Retention of Decision-making Authority by City and BART

- A. To demonstrate its commitment to advancing development at BART property, and in consideration for its inclusion as a high priority in BART's 10-year work plan for development, the City will: 1) complete rezoning of the properties by June 2021, and 2) make a decision by the end of December 2020 to set-aside funding sufficient to assure BART, in its sole discretion, that at least 35% of the housing units proposed to be constructed at the BART Properties would be deed-restricted to low, very low and/or extremely low affordable housing. The City recognizes that meeting this level of affordability will require significant local, state, and federal subsidy. The Planning Commission has a target date of December 2020 to review zoning alternatives as a show of progress towards completion of zoning by June 2021.
- B. To support the City's zoning process, BART agrees to provide guidance that will be applicable to North Berkeley Station and all other stations in the BART system to which AB 2923 applies. BART will work with the City of Berkeley to explore possible approaches to conformance with AB 2923 zoning standards in the context of the built form characteristics of a surrounding lower density neighborhood. The City will consult with BART regarding zoning alternatives for the North Berkeley Station that conform with AB 2923 zoning standards.
- C. It is understood that both BART and the City desire for more work to be completed in support of zoning, such as site master planning or objective design guidelines. At the time of this MOU, the City and BART are actively working to identify additional resources to accelerate this work.

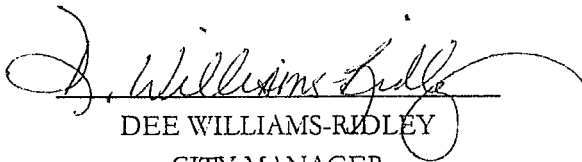
D. The City and BART will meet in December 2020 to review the City's efforts undertaken pursuant to Section III.B and III.D, in order to:


1. Determine whether the City has approved a set-aside of sufficient funding to meet the 35% affordable housing minimum for each station as described in Section IV.A;
2. Negotiate possible additional City participation in the solicitation processes; and
3. Agree upon the timing of the developer solicitations for the BART Properties in December 2020.

E. If the zoning for the Ashby and North Berkeley Stations and the set-aside of City affordable housing funds occurs after the dates indicated for those actions in the timeline in Section IV.A above, BART may re-evaluate the inclusion of these stations in its 10-year work plan. Likewise, if BART does not proceed with developer solicitations for the BART Properties as determined in Section III.D, the City may reallocate affordable housing funding to other projects.

F. Notwithstanding any other provision in this MOU, nothing herein shall be construed to limit or restrict the discretionary decision-making authority of the City or of BART. The Parties acknowledge that any reference to a project or proposed project in this MOU or in any document that may be created in connection with this MOU does not constitute a Project or Project approval by either Party as those terms are defined in CEQA and discussed in *Save Tara v. City of West Hollywood*, 45 Cal. 4th 116 (2008).

CITY OF BERKELEY


DEE WILLIAMS-RIDLEY
CITY MANAGER


JESSE ARREGUÍN
MAYOR

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

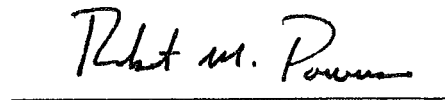

ROBERT POWERS
GENERAL MANAGER

Exhibit B: Joint Vision & Priorities for Transit-Oriented Development for Ashby and North Berkeley BART Stations

Background

The December 10, 2019 Memorandum of Understanding (MOU) between BART and the City of Berkeley calls for the City and BART, with input from the City's Community Advisory Group (CAG) to establish a "joint vision and priorities" document. The goal of this document is to provide a concise statement of the City and BART's shared, high-level expectations for future development of both the Ashby and North Berkeley BART properties.

Per the MOU, this "joint vision and priorities" document will be incorporated into future Request(s) for Qualifications (RFQs) for development of both the Ashby and North Berkeley Station development, and will help guide the process from developer selection through project construction. This City-BART Joint Vision and Priorities document was one of three key outcomes of the CAG process for both North Berkeley and Ashby BART development (along with updated zoning consistent with AB 2923, and the RFQs for developers). This once-in-a-generation opportunity to create vibrant new neighborhoods for Berkeley merits elevated, world-class design for built and landscaped elements, including affordable housing.

Affordable Housing

VISION

New housing at a variety of income levels at both the Ashby and North Berkeley BART Stations will address the City's housing crisis, stem the displacement of residents—especially of the African American community in Berkeley—and support more equitable access to housing for lower-income families and individuals. New housing must also be created quickly to reflect the urgency of the climate and affordability crises, capturing the inherent environmental and equity benefits of walkable, affordable transit-oriented housing in Berkeley's most transit-rich areas. North Berkeley and Ashby will provide a new model for delivering affordable housing in neighborhoods that are rich in infrastructure and strategically located to make regional transit, economic opportunity, and community amenities more broadly and equitably accessible.

Shared Priorities

- A. **Housing Priorities.** Maximize the number of new homes, and especially permanently affordable, deed-restricted homes. We anticipate a range of 500-1200 units at each station with a variety of unit sizes, including units appropriate for multi-generational families/households.
- B. **Urgency.** Deliver new housing, including affordable units, within 10 years, by 2031, to reflect the urgency of the climate, affordability, and housing crises.

- C. **Affordable Housing Goal.** The City and BART will strive to maximize the number of permanently affordable, deed-restricted housing units within the funding that can be identified.
1. Affordable housing may be developed in multiple phases over a number of years.
 2. The amount of affordable housing which can be provided at each site within the 10-year time frame will depend on many outside factors including the availability of state and federal housing resources.
 3. At a minimum, at least 35% of the new units at each site will be restricted affordable housing. It is anticipated that each site could achieve at least 50% affordable housing, subject to the timely availability of financing.
 4. The City and BART will work together to support selected developers in proactively assembling affordable housing subsidies in order to exceed the 35% minimum.
 5. If both sites are able to provide at least 50% affordable housing in a way that is financially feasible, and if additional funding becomes available, the priority for that additional funding would be to maximize the number of affordable units at Ashby station in recognition of the ongoing threat of displacement to the historic community of South Berkeley.
- D. **Income Targets:** At least 35% of new housing at each site must be affordable to households earning an average of up to 60% of Area Median Income (AMI). Of that, at least 20% (or 7% of total units at each site) must be affordable to Extremely Low-income households, those earning up to 30% of AMI. Additional affordable units should prioritize Very Low Income (up to 50% of AMI) households and Low Income (up to 80%) households but may include some housing restricted with households with incomes up to 120% of AMI, consistent with the more specific direction provided in the City-BART Memorandum of Agreement.
- E. **Sequencing.** Affordable housing should be built prior to, or along with, any market rate housing.
- F. **Displacement Prevention.** Affordable housing should provide a preference for residents of Berkeley who are facing displacement, or who have been displaced from Berkeley in the past due to economic or discriminatory reasons.
- G. **Developer Selection.** In the developer selection process, prioritize a nonprofit master developer or a partnership between a private developer and one or more community-based organizations who have experience showing accountability towards equity goals in the City of Berkeley.
- H. **Developer Accountability.** The selected developers must have a demonstrated commitment and feasible plans to produce affordable housing and be willing to be held accountable for making affordability the first priority. Selecting a developer who merely pledges a best effort to provide affordable units would not be sufficient.

- I. **Funding.** BART and the City of Berkeley should proactively seek new, innovative funding solutions to help achieve two truly visionary, equitable, and sustainable projects.
- J. **Clustering and Integration.** Affordable units may be clustered into one or more 100% affordable housing buildings on the BART sites but must be designed in a way that integrates with the larger project and shares comparable design standards and quality.
- K. **Inclusive Housing Design.** The selected developer will prioritize affordable housing for renters with various needs, including but not limited to families, people with physical or mental disabilities, and formerly homeless people.

Priorities for Ashby

- A. **Adeline Corridor Affordable Housing Goal.** Consistent with the Adeline Corridor Specific Plan, the City and BART should strive for a goal of 100% deed-restricted affordable housing, prioritizing extremely low, very-low and low-income affordable housing.
- B. **Residents with Disabilities.** Ashby BART should be developed in a way that prioritizes the inclusion of residents with disabilities, who are likely to benefit from proximity to the Ed Roberts Campus, specifically as part of the development of the East Parking Lot at Ashby Station.
- C. **South Berkeley Preference.** To address past and current displacement, the development should provide a preference to applicants who either currently live in South Berkeley or have been displaced from the community. This preference must be implemented in a way which is consistent with the City's Fair Housing goals and federal law.

Public and Civic Space

VISION

New public and civic space at both Ashby and North Berkeley BART will provide a community anchor, open space amenity, and memorable neighborhood gathering space that is accessible to all. It will be available for programmed community uses and activities, as well as for informal, unprogrammed public use by residents, visitors, and transit riders alike. New public space will maximize greenery (to the extent feasible) and enhance the ability of all community members to walk, roll, and take transit, supporting better station access and healthy, climate-friendly active transportation. North Berkeley will be a nexus of active transportation centered along a major new connection of the Ohlone Greenway. Ashby will be anchored by a market and oriented along a street built for people and multiple modes of transportation.

Shared Priorities

- A. **Maintenance Costs.** New civic space should be maintained by the developer and/or lessee to minimize the ongoing cost of operations and maintenance to BART and the City.
- B. **New Public Space.** Pursue new public space design in a way that delivers on the vision while maximizing the number of on-site affordable housing units.
- C. **Station Access.** Design the public realm to support priorities in the Access section of this document.

Priorities for Ashby

- A. **Hub for African American Life.** Reinforce South Berkeley's historic role as a hub for African American culture and life in the Bay Area.
- B. **Flea Market.** Provide a permanent, viable home for the Berkeley Community Flea Market – offering supportive amenities such as public restrooms, limited office/storage space, electrical and water access and weather protection - in a prominent location.
- C. **Stakeholder Input.** Public space will be designed with input from the Flea Market, Lorin Business Association, neighborhood residents, representatives from the disability community, and other neighborhood stakeholders. Facilities for the Flea Market will be designed in collaboration with the vendors and Community Services United.
- D. **Adeline Design.** Reconfigure Adeline Street to transform a four-lane arterial into a safer space for all modes of transportation, creating a more walkable, vibrant place. Flea Market and/or other public activities may occur on some or all of this portion of Adeline Street.

- E. **Green Space.** Expand the availability of green space for the neighborhood.

Priorities for North Berkeley

- A. **Ohlone Greenway Connection.** The development should include a landscaped (as feasible given BART operational needs) protected bikeway that connects the disjointed ends of the Ohlone Greenway to each other and to BART, providing a primary access route and orientation of the development that enables a prioritized pedestrian and bicycle connection from approximately the southeast corner of the site to the northwest corner of the site and across the streets.
- B. **Public Space Use.** Public space should provide opportunities for both active and passive public use, with strong connections to the station entrance, the Ohlone Greenway, or other public spaces and pedestrian facilities.

- C. **Street Design.** The design of surrounding streets should be considered as a strategy to accommodate public space needs, increase the tree canopy, and improve safety for pedestrians and bicycles. Explore the feasibility of reducing the width and number of traffic lanes in adjacent streets to their original (pre-BART) condition, aligning curbs with adjacent blocks in a manner that builds upon and is consistent with the City and BART's recent Complete Streets and roadway improvement projects in the area. Streets may retain their current width where there is some functional use for the extra space, such as bike lanes and cycle tracks that previously did not exist, and there may be bulb-outs at intersections. Perimeter sidewalks should consider generous pedestrian space and tree canopy.

Land Use

VISION

Land uses at Ashby and North Berkeley Stations will serve community needs; provide significant amounts of new housing; complement neighborhood businesses, services, and institutions; create a welcoming environment for all; support BART ridership; and improve quality of life for current and future residents. Ground-floor residential and non-residential uses should be pedestrian-oriented and contribute positively to public space and the pedestrian experience.

Shared Priorities

- A. **Overall Mix of Uses.** At both stations, the predominant use will be transit-oriented housing and transit uses, complemented by fully accessible public, green, and recreational space (including for all ages and abilities) and appropriate non-residential uses. Additional priorities for these uses are found in the Affordable Housing, Public and Civic Space, and Station Access and Parking Management sections of this document.
- B. **Non-residential Spaces.** Curate and program any non-residential spaces to provide interest and character, encourage community gathering, support social interactions, and provide unique neighborhood activities and services. Any non-residential uses should be customized to meet the unique needs of each station and neighborhood.

Priorities for Ashby

- A. **Role of Non-residential Uses.** Non-residential uses at Ashby should reinforce the area's historic role as a center of neighborhood commerce, cultural expression, social connection, and economic empowerment.
- B. **Non-Residential Active Frontages.** Non-residential uses should have active frontages oriented towards Adeline Street, Ashby Avenue, and the future Flea Market public space. Ground-floor uses should activate public space and complement the Flea Market, while promoting everyday activities when the Flea Market isn't occurring.

C. **Prioritized Non-residential Uses.** The following types of potential non-residential uses should be prioritized, though not all are anticipated to be present in any one development project¹:

1. The Berkeley Flea Market, and indoor or outdoor spaces related to the Flea Market
2. Businesses and organizations that reinforce the neighborhood's historic role as a center of Black culture and identity
3. Businesses, organizations, or services that are oriented towards, or provide economic opportunity for people in the neighborhood or their descendants who were involuntarily displaced, interned, or historically disenfranchised on the basis of race
4. New uses that expand and complement the role and mission of the Ed Roberts Campus and empower those living with disabilities
5. Spaces for cultural activities, performance, display, community activities, or other uses and amenities that support the area's role as an arts and culture district.

Priorities for North Berkeley

- A. **Role of Non-residential Uses.** Non-residential uses such as retail, services, or indoor community spaces are anticipated to have a limited role at North Berkeley.
- B. **Non-residential Active Frontages.** Non-residential uses that do occur should be oriented with active frontages towards the station entry or other interior areas and/or Sacramento Street.
- C. **Respect Neighborhood Needs.** Non-residential uses that do occur should be focused towards meeting neighborhood needs and complementing the existing range of businesses and services already available nearby.
- D. **Potential Non-Residential Uses.** Non-residential uses may include the following²:
1. Uses that help reduce the need for driving in North Berkeley, such as commuter-focused amenities, childcare, community services, or satellite locations for existing community businesses or organizations
 2. Small-scale walkable retail or café type uses
 3. Space for activities, gatherings, or events.

¹ Specific permitted and prohibited uses for Ashby Station will be identified in the zoning code.

² Specific permitted and prohibited uses for North Berkeley Station will be identified in the zoning code.

Building Form

VISION

New buildings at Ashby and North Berkeley Stations will be beautiful, creatively designed, well-proportioned, create visual and physical connections with the neighborhood through its architectural design and contribute positively to the physical fabric and long-term quality of life of the neighborhood. They will provide elements that neighborhood residents currently enjoy – such as natural light, air, direct outdoor access, variety, quirkiness, walkability, and sociability – in a denser, transit-oriented format that supports BART ridership. Buildings should exhibit a level of architectural diversity that expresses the social, racial, economic, and design diversity that is desired at both stations. Ground-floor spaces and building frontages should activate public space, while providing a sense of place and character to the stations and the surrounding neighborhood.

Shared Priorities

- A. **Height Variation.** AB 2923 does not permit the City's zoning controls to restrict building height below seven stories on the station sites. The City and BART will support variations in building height and form at both stations. It is anticipated that some buildings and some portions of buildings will be shorter than the maximum height in keeping with good urban design practice.
- B. **Context.** Building design should consider the scale and character of the surrounding built environment.
- C. **Location and Orientation.** Locate and design new buildings to enhance public spaces while mitigating impacts on existing neighbors through site orientation, setbacks, lines of sight between buildings, landscape and topography.
- D. **Equitable Design Quality.** Design affordable housing units in a way that integrates with the larger project and shares comparable design standards and quality.
- E. **Small Blocks.** Prioritize site designs with smaller blocks and building footprints instead of larger blocks.
- F. **Architectural Variety.** Design buildings to provide visual interest with variation in height, scale, massing, rooflines, materials, and architectural elements.
- G. **Building Scale.** Provide regular breaks in building forms, as well as both horizontal and vertical detail to respond to the existing neighborhood context and character, particularly at the edges of the site. Provide adequate perimeter space for pedestrian volume and tree canopy/vegetation
- H. **Unit Diversity.** Encourage building forms that allow a diversity of unit sizes, types, and configurations.

- I. **Sunlight.** Seek to configure buildings and include design strategies that allow sunlight to reach public spaces, and design outdoor spaces, outdoor seating and active retail frontages, if provided, to maximize southern, western, and/or eastern exposure.
- J. **Outward-facing Entrances.** For ground-floor housing units, encourage outward-facing entrances with a range of design treatments and access strategies. These could include stoops, front doors, courtyard and forecourt entrances, ramped or at-grade universally accessible entries, outward-facing and visually permeable lobby entrances, and transition spaces from private frontages to public spaces.
- K. **Ground-floor Non-residential Frontages.** For ground-floor non-residential uses, provide frequent windows and doors, visual connection between indoors and outdoors, frontage onto public space, direct access to the pedestrian circulation network, and activation strategies such as outdoor seating, dining, display spaces, public art, and architectural detailing.
- L. **Universal Accessibility.** Preference for building designs with universally accessible units and elevator redundancy to promote accessibility for seniors and those with disabilities.
- M. **BART Entrances.** Ensure that BART entrances are featured prominently and integrated into the overall site plan.
- N. **Integrated Green Space.** Integrate gardens, courtyards, roof terraces, trees, native landscaping, and other green spaces into building architecture and site design.

Priorities for Ashby

- A. **Massing and Height Focus.** Focus density, larger building forms and height towards Adeline Street and Ashby Avenue on the west parking lot parcel, and towards the rear of the Ed Roberts Campus on the east parking lot parcel.
- B. **Active Frontages.** Connect new buildings to Adeline Street and Ashby Avenue with direct pedestrian access, minimal setbacks, and active frontages to complement the existing active uses across the street.
- C. **Site Design.** Ensure that building form, scale, and the overall site plan provide sufficient space for the Flea Market and other civic and community uses.

Priorities for North Berkeley

- A. **Massing and Height Focus.** Focus density, larger building forms and height towards the Ohlone Greenway and the center of the site, as well as towards Sacramento Street.

- B. **Massing Breaks and Step-downs.** Provide massing breaks, step-downs in height, and frequent pedestrian building entrances along Delaware Street, Acton Street, and Virginia Street, with building forms and frontages that create a residential character and scale.
- C. **Active Frontages.** Prioritize active frontages, public space programming, and car-free activities along the Ohlone Greenway.

Station Access

Vision

Station access investments in and around the stations will enhance community vibrancy, safety, equity, and health while improving the quality of the public space and pedestrian experience, both within and beyond the station areas. Priority access investments are those that encourage people to walk, bike, roll, ride transit, and use shared micro-mobility options, while still providing flexibility for changing technologies and trends. Access investments will be distributed equitably to improve the experience for people of all ages, all abilities, and all income levels getting to and moving through the stations.

Shared Priorities

- A. **Housing and Community Benefits.** Favor affordable housing and other community benefits over BART rider parking and TOD resident parking in any physical or financial decision-making.
- B. **Non-Automobile Access.** Increase the share of BART riders who access the stations via modes other than driving alone and parking. Prioritize access improvements in the surrounding neighborhoods and within the station areas that offer safe, comfortable, affordable, cost-effective alternatives for all BART customers, particularly those with mobility challenges. Future access planning should consider the rapid evolution for mobility trends and technologies and consider the adaptability of the station access plans to future foreseeable and unforeseeable mobility patterns and their ability to handle ridership growth without running into capacity constraints.
- C. **Equitable Access.** Provide safe and secure station access options for people of all ages, abilities, races and ethnicities, genders, and income levels.
- D. **Parking Options.** Minimize the need for new structured on-site BART customer parking by maximizing the use of available parking capacity along the corridor (such as Center Street parking garage, shared parking with the TOD or with other sites, and on-street parking management around site perimeters).
- E. **Transportation Demand Management.** Any future development must include aggressive and innovative Transportation Demand Management strategies to reduce the vehicle miles traveled (VMT) and greenhouse gas (GHG)

emissions by residents, visitors, and employees by 20% by complying with BART's Transportation Demand Management program.

- F. **Parking and Traffic Impacts.** Limit the impacts of parking and driving on residents of the developments and surrounding neighborhoods (such as noise, air quality, GHG, and collisions) through transportation demand management, multi-modal circulation and access planning, infrastructure improvements, parking management, and other best practices.
- G. **Market Rate Pricing for Parking.** Explore parking pricing that is better aligned with market demand as a possible strategy to promote BART rider and on-street parking availability, with consideration of the impacts of parking pricing on low-income residents and BART riders.
- H. **Prioritize Curb Space.** Buses and shuttles will be located to prioritize people with disabilities, active loading of passengers (over waiting vehicles), services available to the public, and the number of people transferring to BART. Different types of passenger loading zones will be incorporated for quick pick-ups and drop-offs, those that need to wait for their passenger, accessible loading areas, ride apps and taxis.
- I. **Wayfinding and Signage.** Provide clear, accessible, adaptable station access signage and wayfinding to facilitate how people get to/from and through the station area consistent with the Metropolitan Transportation Commission's standards.
- J. **BART-related drop-off zones.** Strive to locate BART-related drop-off zones on-site and connections to transit on-site or on 4-lane corridors.

Priorities for Ashby

- A. **Pedestrian & Bicycle Connections.** Provide high-quality, safe pedestrian and bicycle connections to and through the site, including an off-street protected bicycle facility extending along Adeline Street, at least between Ashby Avenue and the intersection with MLK Way, with the potential to extend further through related Adeline improvement efforts.
- B. **Adeline Design.** Reconfigure Adeline Street to transform a four-lane arterial into a safer space for all modes of transportation, creating a more walkable, vibrant place.

Priorities for North Berkeley

- A. **Adjacent Streets.** Consider the role and design of adjacent streets – including Sacramento Street, Delaware Street, Virginia Street, and Acton Street – in multi-modal access planning for the North Berkeley Station.
- B. **Commuter Parking Priority.** Where parking would be provided, maximize parking for commuters over parking for residential and/or potential community, non-profit, or retail uses.

Exhibit C: Minimum Project Requirements for the North Berkeley Project

Housing

- The residential program for the Project should include at least 1,000 bedrooms with a variety of unit sizes.
- At least 35% of the new housing units to be developed at the North Berkeley Project, inclusive of units built to satisfy the City's inclusionary requirement and any units that may be added as a result of a density bonus, shall be affordable or Below Market Rate (BMR) for the duration of BART's ground lease(s) for all affordable housing components of the Project, which leases shall have a minimum duration of 65 years, and for any extensions thereto. In addition to the terms of said ground leases, the affordability restrictions will be enforceable by the City pursuant to regulatory agreements between the City and the developer(s), in accordance with the income targets identified in the JVP as follows:
 - At least 35% of new housing must be affordable to households earning an average of up to 60% of Area Median Income ("AMI").
 - At least 20% of the required 35% affordable units must be affordable to Extremely Low-Income ("ELI") households, those earning up to 30% of AMI.
 - Of the required 35% affordable units, additional affordable units aside from the ELI units should prioritize Very Low Income (up to 50% of AMI) households and Low Income (up to 80%) households but may include some housing restricted to households with moderate incomes (up to 120% of AMI), provided that the moderate-income units have rents that are still below market and shall not include City subsidy.
 - While the aforementioned goals are established in the JVP and the City and BART have policies regarding affordable housing requirements, any project receiving the City's Housing Trust Fund ("HTF") funding must meet the HTF Guidelines, which require that 40% of any City subsidized units be affordable to households earning up to 60% of AMI, and an additional 20% of City subsidized units to be affordable to households earning up to 30% of AMI. BART's TOD policy also provides a priority for affordable units that serve very low income (<50% AMI), low income (51-80% AMI) and/or transit-dependent populations.
- Affordable units shall be constructed prior to or concurrently with any market-rate housing component. No market rate housing will receive its notice to proceed until an affordable housing project gets its notice to proceed. In the event there are multiple phases of market rate or affordable housing, the phasing plan shall be approved to ensure consistency with the JVP goal of affordable housing being built along with market rate housing.
- Affordable units may be clustered into one or more 100% affordable housing buildings on the Property but must be designed in a way that integrates with the larger project and shares the comparable design standards and quality.

Public & Civic Space

- The cost, if any, to BART and the City of operating and maintaining the new civic space must be minimized.
- The project must provide a connection to the Ohlone Greenway.
- Station access improvements must provide options for people of all ages, abilities, races and ethnicities, genders and income levels.
- Neither the City nor BART will be responsible for maintenance of roads and pathways created on the parcels to facilitate the project.

Station Access & Parking

- Affordable housing and other community benefits will be prioritized over on-site BART rider parking and TOD resident parking. The BART Board will establish a maximum amount of on-site BART rider parking for each station.
- Consistent with current Berkeley Municipal Code, project residents will not be able to secure residential parking permits (“RPP”) for City streets, to prioritize new residents utilizing more sustainable transportation options and address concerns from nearby residents about parking spillover.

Additional Minimum Requirements

- The project must comply with all relevant applicable BART and City policies and ordinances to the extent allowable by law. BART’s relevant policies can be found at www.bart.gov/TOD and currently include its Transit-Oriented Development Policy, Affordable Housing Policy, AB 2923 Development Principles, Project Stabilization Agreement Policy for Transit-Oriented Development, and Labor Peace Agreement Policy for Transit-Oriented Development Hotel Operations.
- Developers must show a feasible path to obtaining entitlements by January 1, 2025, and to completion of construction by 2031, and must make best efforts to meet those deadlines.

Exhibit D: Methodology for Establishing Developer Requirement to Comply with Objective Design Standards

BART will require the developer to comply with City's future Objective Design Standards ("ODS") for the North Berkeley BART site utilizing its real estate agreements, provided:

1. The City's adopted zoning for the Project, as it relates to AB 2923, allows a minimum of 75 units per acre, at least 80 feet, and at least 7 stories in height;
2. The ODS will be adopted by the City of Berkeley for the BART property within 9 months of ENA execution as provided for in the MOA
3. The ODS are consistent with the City's Zoning Ordinance;
4. The ODS are consistent with state law including but not limited to SB 35 and, as it relates to parking standards, AB 2923; and
5. The gross square footage allowable under the ODS ("ODS Capacity") is not less than 90% of the baseline square footage allowable under AB 2923 floor to area ratio (FAR) ("AB 2923 Baseline Capacity"), as specified below.

Net Developable Area

Both the ODS Capacity and AB 2923 Baseline Capacity will utilize the same net developable area in their calculations. This is defined as the gross site area of the North Berkeley BART Project, exclusive of the auxiliary lots, and exclusive of surface areas utilized for public site circulation, public civic space, and BART infrastructure. The Net Developable Area will be determined based on the following methodology:

- The Selected Developer's preliminary development concept shall establish the initial concept for the net developable area.
- Within 30 calendar days of ENA execution, both BART and City staff shall provide comments to one another on changes required to ensure the net developable area is compatible with BART and City operational and fire/life safety needs.
- Within 45 calendar days of ENA execution, BART and City staff shall meet to combine their respective comments into a single set of changes to be submitted to the developer. If BART and City staff cannot resolve any conflicts between their comments within this time, the City's Planning Director and BART's Chief Planning & Development Officer shall confer to address any disputes.
- The Selected Developer shall have 30 additional calendar days after receipt of the combined BART and City comments to incorporate them into the final net developable area. Both BART and the City must mutually agree that the Selected Developer has addressed all comments. If the Selected Developer believes that comments would result in an inability to deliver a feasible development, the Selected Developer must notify BART and the City within 15 calendar days of receiving the combined BART and City comments so that the City and BART can confer to resolve any issues.
- The final Net Developable Area shall be used solely for the purposes of calculating AB 2923 Baseline Capacity and ODS Capacity, and shall not bind BART, the City or the Selected Developer in any way to this concept for their final project.

AB 2923 Baseline Capacity

The AB 2923 Baseline Capacity shall be calculated by multiplying the net developable area by 4.2, which is the minimum floor area ratio for Urban Neighborhood/City Center projects required by AB 2923.

ODS Capacity

The ODS Capacity shall be determined by calculating the gross square footage that is allowable on the Net Developable Area under the R-BMU zoning and under the ODS, accounting for square footage that is lost due to required setbacks, stepbacks, massing breaks, or other required features (e.g. fire and life safety requirements). This determination shall be made by a design professional such as a member of the American Institute of Certified Planners (AICP) or licensed architect, to be selected by mutual agreement of BART and the City.

Timing for Determining ODS Capacity

The ODS Capacity must be calculated prior to public release of the final draft ODS, to ensure that there will be transparency to the community about whether BART will require the developer to comply with the ODS.

Other Conditions

BART will not require developer compliance with any increase in parking requirements above the 0.5 spaces per unit required in AB 2923, but will require compliance related to height and massing provided above conditions are met. Square footage for parking will not count towards the ODS Capacity or Baseline Capacity Calculations.

Both Baseline and ODS Capacity will be calculated for the entirety of the Project, and not individual buildings or blocks.