

Measure O

Berkeley City Council Work Session

January 15, 2019

Guiding Principles

Build on existing programs, council referrals and staffing

Match funds to project sponsor capacity to deliver housing results

Leverage state, federal, and other funds to the greatest extent possible

Promote equitable benefits

\$135 million
General
Obligation
Bond

All funding **restricted** to affordable housing capital projects

Development hard costs
(i.e. materials and construction)

Soft costs
(i.e. architecture and legal fees)

Delivery costs
(i.e. loan administration costs)

Current Commitments & Pipeline

\$29.5M Commitment

- \$23.5M - BRIDGE-BFHP: Berkeley Way (\$9.5M Measure O eligible)
- \$6M - SAHA: Oxford Senior

- Total = \$15.5M Measure O eligible, needed by December 2019 or later

Predevelopment Pipeline

- BACLT: 1638 Stuart St – funded at \$50,000
- RCD: 2001 Ashby (CCFCU) – applied for \$368,000

Opportunity Sites

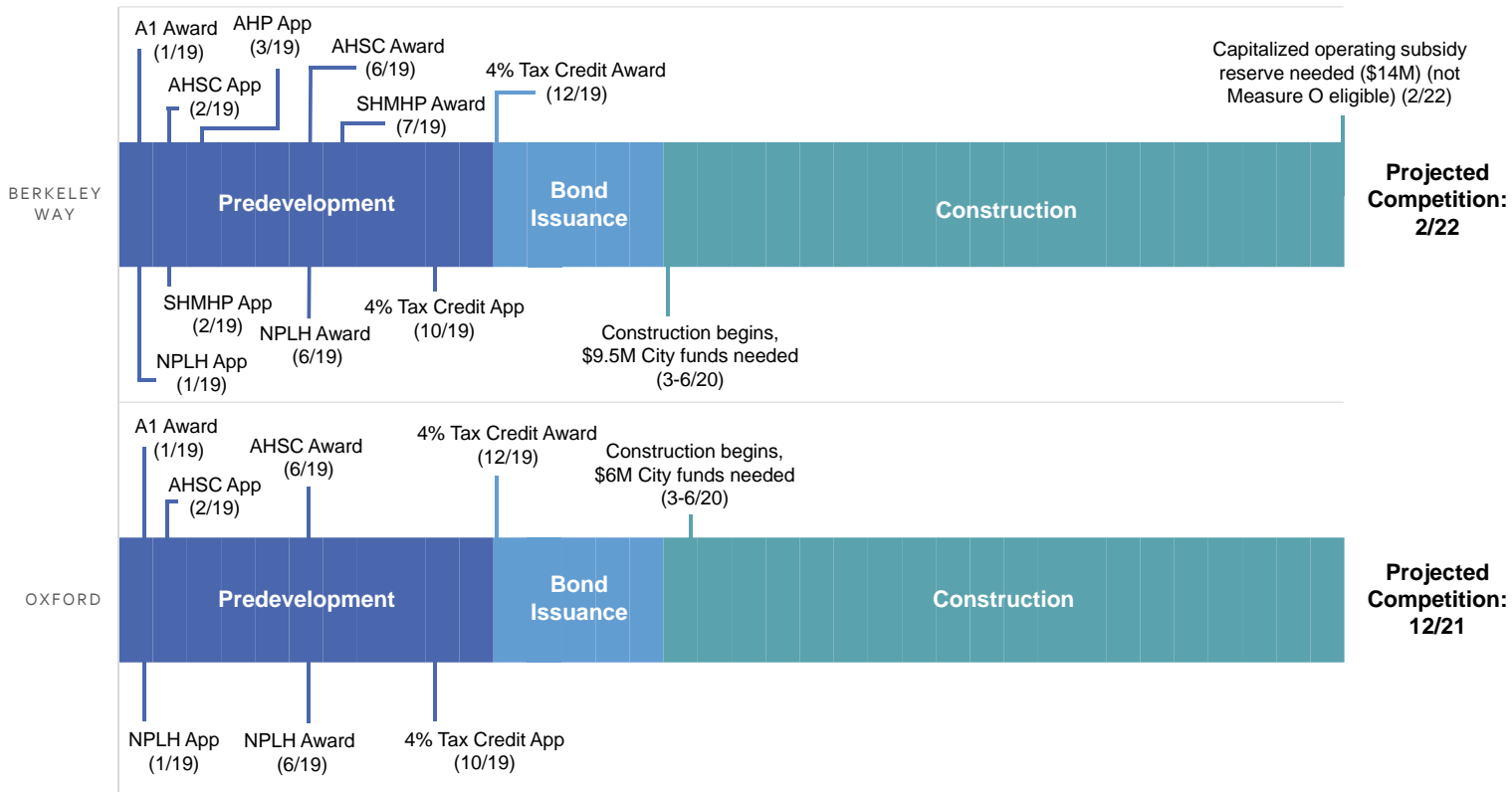
BART Owned

- North Berkeley BART

City Owned

- West Berkeley Service Center
- 1001, 1007, & 1011 University
- Ashby BART (air rights)

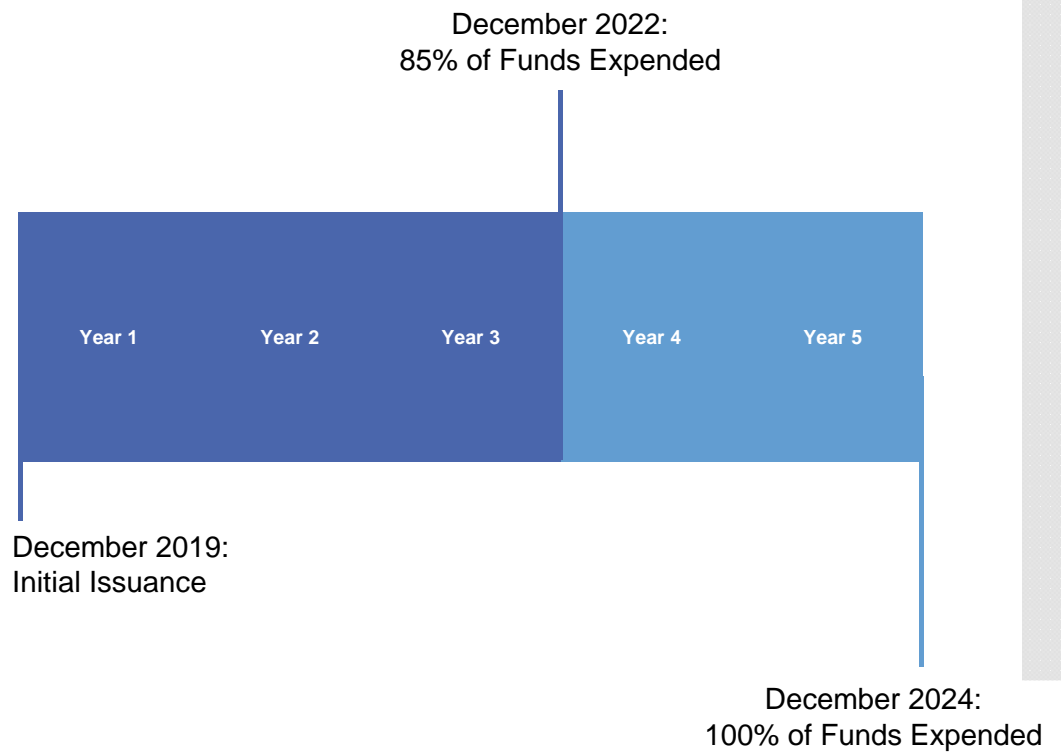
Currently Projected Development Finance Timelines



Bond Issuance

- Initial bond issuance: Estimate up to \$30M in 2019
- 85% of funds from each issuance must be expended within three years
- 100% of funds must be expended within five years
- Coordination with T1 Bonds and City's Debt Ratio
- Timing of issuances will depend the priorities identified by Council

Timing for
Initial
Issuance:
~\$30M



Projected Units & Development Costs

Program	Estimated Units	Program Cost
Housing Trust Fund Expansion	414 - 690	\$115,000,000
Small Sites	31 - 58	\$12,000,000
ADU Conversion	24 - 48	\$4,000,000
Senior/Disabled/ Low-Income Expansion	29-48	\$4,000,000
Total	498 - 844	\$135,000,000

Housing Trust Fund Program

- Multifamily housing construction, acquisition and rehabilitation
- Leverages federal, state and other funding sources
- Larger scale intervention to assist more households
- Recommend updating HTF guidelines

Population Served	Proposed Budget	Estimated Units*	Cost Per Unit
• Up to 60% AMI	• \$115M	• 414 - 690	• \$150,000-\$250,000

*Estimated Units do not reflect potential Workforce Housing Estimates

Small Sites Multifamily Loan

- Acquisition & rehab of 2 to 25 unit properties to preserve affordability
- Builds on initial pilot (launching January 2019)
- Helps revitalize housing stock and preserve affordable housing

Population Served	Proposed Budget	Estimated Units	Cost Per Unit
<ul style="list-style-type: none">• average 80% AMI	<ul style="list-style-type: none">• \$12M	<ul style="list-style-type: none">• 31-58	<ul style="list-style-type: none">• \$200,000- \$375,000

ADU Conversion Loan

- Loan funds to individual homeowners to renovate their property to add an Accessory Dwelling Unit (ADU)
- Builds on Alameda County A1 program
- Improves housing stock, supports aging in place & prevents displacement

Population Served	Proposed Budget	Estimated Units	Cost Per Unit
• Up to 120% AMI	• \$4M	• 24 - 48	• \$75,000- \$150,000

Expand Senior & Disabled Rehabilitation Loan to Low Income Owners

- Loan funds to individual homeowners for rehabilitation
- Builds on existing City program
- Improves housing stock, supports aging in place & prevents displacement

Population Served	Proposed Budget	Estimated Units	Price Per Unit
• Up to 80% AMI	• \$4M	• 29 - 48	• \$75,000-\$125,000

Potential Challenges

HTF

- Will take time to develop pipeline of projects
- Coordinate plans for Housing Opportunity Sites

Small Sites

- Organizational capacity of interested organizations

ADU & Rehab

- Prioritization criteria for equitable distribution of funds
- Require more intensive staffing

Accountability Requirements

All expenditures subject to:

Annual independent financial
audit

Oversight by an independent
oversight committee

Requests for Council Direction

- Will Measure O be referred to a Council policy committee?
- What will be the process for identifying priorities?
- How/when will the Council identify the oversight body specified in the Measure?
- What will the role of the oversight body be?
- If Measure O funds will be used for Housing Trust Fund projects, how will the review be coordinated?
- What are the priorities for staff follow up?



Questions & Discussion