

Housing Advisory Commission

Regular Meeting Thursday, November 6, 2025 7:00 pm	South Berkeley Senior Center 2939 Ellis Street Snow Zhu, Secretary HAC@berkeleyca.gov
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Written communications submitted by mail or e-mail to the Housing Advisory Commission by 5:00 p.m. the day before the meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record.

All agenda items are for discussion and possible action.

Public comment policy: Members of the public may speak on any items on the Agenda and items not on the Agenda during the initial Public Comment period. Members of the public may also comment on any item listed on the agenda as the item is taken up. Members of the public may not speak more than once on any given item. The Chair may limit public comments to 3 minutes or less.

1. **Roll Call**
2. **Land Acknowledgment** (Attachment 1)
3. **Agenda Approval**
4. **Public Comment**
5. **Approval of October 9, 2025 Regular Meeting Minutes** (Attachment 2)
6. **Discussion and Possible Action to Extend Funding Reservations for Housing Trust Fund Projects at 1909-2919 Ninth St (Ashby Lofts) and 2556 Haste St (Supportive Housing in People's Park), 1708 Harmon St (Ephesian Legacy Court), and North Berkeley BART Station – Staff/All** (Attachment 3)
7. **Receive Presentation on 2025 Small Sites Program – Staff/All** (Attachment 4)
8. **Discussion and Possible Action to Release Request for Proposals for Capacity Building for Emerging Nonprofit Affordable Housing Developers – Staff/All** (Attachment 5)
9. **Discussion and Possible Action to Approve the 2026 Housing Advisory Commission Meeting Calendar – All/Staff** (Attachment 6)
10. **Update on Council Items (Future Dates Subject to Change)**
 - a. Affordable Housing for Artists (12/2/2025)
 - b. Housing Advisory Commission FY 2026 Work Plan (12/2/2025)

- c. Loan Modifications for Existing Housing Trust Fund Projects: Margaret Breland Homes (2577 San Pablo Avenue) and Mable Howard Apartments (3250 Sacramento Street) (12/2/2025)
- d. Loan Modification Requests for Housing Trust Fund Projects at 1139 Hearst Avenue, 3253 Adeline Street, and 1471 Addison Street, and Update Interest Rates and Accrued Interest on Housing Trust Fund Loans (12/2/2025)

11. Announcements/Information Items

12. Future Items

13. Adjourn

Attachments

- 1. Land Acknowledgment
- 2. Draft October 9, 2025 Regular Meeting Minutes
- 3. Kelly deWolfe, HHCS, Funding Reservation Extension for Housing Trust Fund Projects
- 4. Asavari Devadiga, HHCS, Small Sites Program Update
- 5. Asavari Devadiga, HHCS, Request for Proposals for Capacity Building
- 6. 2026 Housing Advisory Commission Meeting Calendar

Communications to Berkeley boards, commissions or committees are public record and will become part of the City's electronic records, which are accessible through the City's website. Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to a City board, commission or committee, will become part of the public record. If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the Secretary of the commission. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the Secretary for further information.

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Mark Numainville, City Clerk, (510) 981-6900.

COMMUNICATION ACCESS INFORMATION:

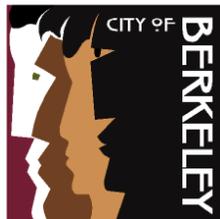


To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at (510) 981-6418 (V) or (510) 981-6347 (TDD) at least three business days before the meeting date.

ATTACHMENT 1

Land Acknowledgement Statement

The City of Berkeley recognizes that the community we live in was built on the territory of xučyun (Huchiun (Hooch-yoon)), the ancestral and unceded land of the Chochenyo (Cho-chen-yo)-speaking Ohlone (Oh-low-nee) people, the ancestors and descendants of the sovereign Verona Band of Alameda County. This land was and continues to be of great importance to all of the Ohlone Tribes and descendants of the Verona Band. As we begin our meeting tonight, we acknowledge and honor the original inhabitants of Berkeley, the documented 5,000-year history of a vibrant community at the West Berkeley Shellmound, and the Ohlone people who continue to reside in the East Bay. We recognize that Berkeley's residents have and continue to benefit from the use and occupation of this unceded stolen land since the City of Berkeley's incorporation in 1878. As stewards of the laws regulating the City of Berkeley, it is not only vital that we recognize the history of this land, but also recognize that the Ohlone people are present members of Berkeley and other East Bay communities today. The City of Berkeley will continue to build relationships with the Lisjan Tribe and to create meaningful actions that uphold the intention of this land acknowledgement.



Housing Advisory Commission

HOUSING ADVISORY COMMISSION

DRAFT MINUTES

Regular Meeting Thursday, October 9, 2025 7:02 pm	South Berkeley Senior Center 2939 Ellis Street Snow Zhu, Secretary HAC@berkeleyca.gov
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1. Roll Call

Present: Sarah Bell (arrived at 7:04 pm), Syrak Micael, Debbie Potter, David Shere (arrived at 7:04 pm), Leah Simon-Weisberg, and Alfred Twu.

Absent: Karen Haycox (excused), Sean Vaughn Scott (unexcused).

Staff Present: Lourdes Chang, Mike Uberti, and Snow Zhu.

Commissioners in attendance: 6 of 7.

Members of the public: 3

Public Speakers: 0

2. Land Acknowledgement

3. Agenda Approval

Action: M/S/C (Potter/Twu) to approve the agenda.

Vote: Ayes: Micael, Potter, Simon-Weisberg, and Twu. Noes: None. Abstain: None.
Absent: Bell, Haycox, Shere, Scott.

4. Public Comment

There were zero speakers during public comment.

5. Approval of September 4, 2025 Regular Meeting Minutes

Action: M/S/C (Bell/Twu) to approve the September 4, 2025 Regular Meeting minutes.

Vote: Ayes: Bell, Micael, Potter, Shere, Simon-Weisberg, and Twu. Noes: None. Abstain: None. Absent: Haycox, Scott.

7. Discussion and Possible Action: Loan Modification Requests for Housing Trust Fund Loans at 2577 San Pablo Avenue (Margaret Breland Homes) and 3250 Sacramento Street (Mable Howard Apartments)

Action: M/S/C (Simon-Weisberg/Twu) to recommend City Council to:

1. Approve the transfer of two existing Housing Trust Fund (HTF) properties – Margaret Breland Homes and Mable Howard Apartments - to Berkeley Senior Recap, L.P. (Partnership), a newly formed ownership entity for the purpose of applying for Low-Income Housing Tax Credits (LIHTC). An affiliate of Resources for Community

Development will serve as the Managing General Partner, with a tax credit investor to be identified at the close of the construction loan.

2. Approve the addition of the future tax credit investor limited partner to enter Berkeley Senior Recap, L.P. at the construction closing as required by the LIHTC program.

3. Approve the extension of the City's current loan terms to new 55-year periods, and conversion of the current interest rates of 6% to the Applicable Federal Rate (AFR) as determined at the month of the construction loan closing (currently about 4.8%)

4. Authorize the City Manager or their designee to execute all documents required to effectuate these actions, including amendments to existing loan agreements.

Vote: Ayes: Bell, Micael, Potter, Shere, Simon-Weisberg, and Twu. Noes: None. Abstain: None. Absent: Haycox, Scott.

8. Receive Presentation on Displacement Prevention and Housing Preservation

9. Update on Council Items (Future Dates Subject to Change)

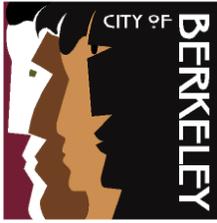
10. Announcements/Information Items

11. Future Items

12. Adjourn

Action: M/S/C (Simon-Weisberg/Shere) to adjourn at 8:51 pm.

Vote: Ayes: Bell, Micael, Potter, Shere, Simon-Weisberg, and Twu. Noes: None. Abstain: None. Absent: Haycox, Scott.



Health Housing and
Community Services Department
Housing & Community Services Division

MEMORANDUM

To: Housing Advisory Commission

From: Kelly deWolfe, Community Development Project Coordinator

Date: November 6, 2025

Subject: **Funding Reservation Extension for Housing Trust Fund Projects**

Recommendation:

Recommend to City Council to extend the duration of the previously approved funding reservations for Housing Trust Fund (HTF) projects by adopting a resolution to:

1. Reserve Housing Trust Funds and other currently available affordable housing funds, including local Measure O Bond funds, Measure U1 funds, Affordable Housing Mitigation Fees (AHMF), and State funds for the following projects:
 - Ashby Lofts (2909-2919 Ninth Street) at \$850,000;
 - Supportive Housing in People's Park (2556 Haste) at \$14,359,593;
 - Ephesian Legacy Court (1708 Harmon) at \$14,531,301; and
 - North Berkeley BART Project at \$21,500,000.
2. Authorize the City Manager or designee to execute all original or amended documents or agreements to effectuate these actions.

Current Situation and Its Effects:

The City Council previously approved HTF funding for the following affordable housing developments: Ashby Lots, Supportive Housing in People's Park (SHiPP), Ephesian Legacy Court, and North Berkeley BART (NBB) projects, described further below in this report. On December 12, 2023, City Council adopted Resolution No. 71,131-N.S., which

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*Funding Reservation Extension
October 21, 2025*

extended reserved funding for the Ashby Lofts and SHiPP projects. On June 13, 2023, City Council adopted Resolution No. 70,889-N.S., which reserved funding for Ephesian Legacy Court, and on June 25, 2024, the Council adopted Resolution No. 71,428-N.S., which reserved funding for the NBB project.

Each of the resolutions reserved funds for a period of no more than 24 months from the resolution date, which is a standard HTF program practice to ensure that City funds are not indefinitely committed to projects that are not moving forward. Since the resolutions were adopted, all four projects have made progress on development milestones. Due to delays in the project schedules that are not unusual in affordable housing development, staff recommend extending the duration of the HTF funding reservations for each project for an additional 24 months. The funding amounts, type of funding, and sources are described in the table below.

Name of Project	Funding Source	Amount	Reservation Expiration Date	Recommended Extension Date
Ashby Lofts	State funds*	\$850,000	December 2025	January 2028
SHiPP - Development	Measure O, AHMF, State funds*	\$14,359,593	December 2025	
Ephesian Legacy Court	AHMF, Measure O, Measure U1	\$14,531,301	June 2025	
NBB - Development	AHMF, Measure O	\$21,500,000	June 2026	

*State funds include funds from the State Permanent Local Housing Program and Prohousing Incentive Program.

Background:

This section provides a brief background for the four affordable housing developments.

Ashby Lofts

Ashby Lofts is a 54-unit, affordable housing property at 2909-2919 Ninth Street occupied by low and very low-income households, including households with special needs. In December 2023, City Council extended the funding of \$850,000 awarded to Satellite Affordable Housing Associates (SAHA) for the renovation of Ashby Lofts. In recent years, the project has suffered water intrusion damage and has addressed immediate safety needs. However, the project is still in need of repairs. To address these needs, SAHA applied for funding through the City of Berkeley’s most recent

*Funding Reservation Extension
October 21, 2025*

Rehabilitation Request for Proposals in March 2025 and was awarded \$2,868,571 by Council on June 24, 2025. SAHA is pursuing a tax credit resyndication in January 2026. The project is anticipated to be more competitive due to changing regulations on federal tax credits, and due to securing Project Based Vouchers (PBVs). If tax credits are not awarded, the project will move forward with a reduced scope. Staff recommend extending the existing funding reservation to support its urgent rehabilitation needs.

Supportive Housing in People's Park

Supportive Housing in People's Park (SHiPP) is a new construction project with 119 affordable apartments serving previously unhoused individuals earning between 10% and 50% of the area median income. City Council extended funding reservations of \$10,909,593 in development funds and \$3,450,000 in operating subsidies (\$14,359,593 total) for the project. Of the development funds, \$3,000,000 may be made available to the project for predevelopment uses.

The University of California, Berkeley (UCB) selected the original project developer, Resources for Community Development (RCD) to develop permanent supportive housing at People's Park, in conjunction with UCB's redevelopment of the park and construction of new student housing. While the project was entitled by UCB in September 2021, it encountered legal challenges related to the project's Environmental Impact Report that disrupted the project schedule. As a result of the increased risks and uncertainties associated with the delays, RCD decided to reallocate its limited nonprofit resources to other developments and exit the project. This transition caused a significant delay in the project's timeline.

Since this transition of the original developer out of the project, UCB was granted legal approval to proceed with the project in 2024. In early 2025, UCB negotiated an extension of its funding commitment from the State of California Department of Housing and Community Development (HCD) which provides key operating support from the No Place Like Home program.

UCB is currently negotiating with Satellite Affordable Housing Associates (SAHA) and anticipates signing an agreement by late 2025. Because of the key advancements made in moving this project forward, staff recommend extending the funding reservation of the project, which will allow additional time for UCB and SAHA to complete negotiations and to apply for additional funding sources for the project, including tax credits and PBVs.

Ephesian Legacy Court

Ephesian Legacy Court is a new construction project that will provide 79 affordable housing units for low-income and very-low-income seniors, including those experiencing homelessness. The project is located at 1708 Harmon Street and is proposed by Community Housing Development Corporation of North Richmond (CHDC) in partnership with Ephesian Church of God in Christ.

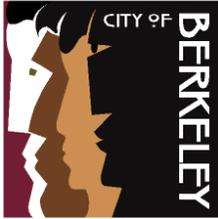
In 2023, CHDC received site entitlement and secured \$14.5 million in City's HTF funding for the project. CHDC also secured State funds under the Multifamily Housing Program. Although CHDC has made progress in obtaining other sources of funding, the project has faced delays in the effort toward multiple applications for the very competitive tax credits and PBVs. To allow for additional time in the predevelopment and development of the project, staff recommend extending its funding reservation. Ephesian has secured 40 PBVs from the Berkeley Housing Authority, which is a significant asset to the project, increasing its viability for funding.

North Berkeley BART Project

The NBB project includes affordable housing developments at the North Berkeley BART station. The NBB Phase 1 projects are being developed by BRIDGE Housing Corporation (BRIDGE), East Bay Asian Local Development Corporation (EBALDC), and Insight Housing and include permanent supportive housing (PSH).

In June 2024, City Council adopted Resolution No. 71,428-N.S. and reserved \$24.5M in funding for the NBB Phase 1 project, EBALDC project, and the NBB BRIDGE-Insight PSH project and of which no more than \$3,000,000 would be available for predevelopment activities.

Since this award, there has been notable progress in securing additional financing on the projects, including a successful award by BRIDGE of over \$49 million in State Affordable Housing and Sustainable Communities (AHSC) funding for the BRIDGE Phase 1 project and a successful negotiation with the Berkeley Housing Authority, resulting in the award of 15 and 50 PBVs to EBALDC and Insight, respectively, for the two affordable housing projects with PSH units. The project teams are also pursuing tax credits and other funding sources to fill development funding gaps for the projects and need an additional extension to reach their funding goals. If their tax credit applications are successful, the first NBB project could break ground in Fall 2026. To allow for additional time for the developers to obtain the rest of their funding the NBB project, staff recommend extending the funding reservation.



Health Housing and
Community Services Department
Housing & Community Services Division

MEMORANDUM

To: Housing Advisory Commission

From: Asavari Devadiga, Community Development Project Coordinator.

Date: November 6, 2025

Subject: **Small Sites Program Update**

Summary

City Council approved the Small Sites Program (SSP) in 2018. As individual loan applications do not require Council approval, Council directed staff to provide the Housing Advisory Commission and Council with program updates. The Department of Health, Housing, and Community Services' (HHCS) / Housing and Community Services Division (HCS) staff shared two informational reports – one in December 2019, after the approval of the first SSP project, Stuart Street Apartments (1638 Stuart) and second in January 2024, after the approval of Solano Avenue Cooperative (1685 Solano). This report includes an update on the SSP and information on the third project awarded SSP loan funds, California Street Apartments (2627 California Street).

Current Situation and its Effects

The City issued its third SSP Notice of Funding Availability (NOFA) in July 2024 and received one application from Bay Area Community Land Trust (BACLT) for the acquisition and renovation of California Street Apartments. BACLT requested \$3,599,348 for the project. BACLT acquired the property site in November 2024 and has completed abatement and mold remediation. BACLT is currently working toward rehabilitation of the property.

BACLT's renovations will address the building envelope, major systems, and unit interiors, based on a scope substantiated by a third-party physical needs assessment. The proposed project meets the Small Sites Program goals by protecting existing tenants from Ellis Act evictions, and restricting units for long-term affordability.

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Contingent upon resident support, BACLT intends to operate the 12-unit property as a non-equity or limited-equity cooperative serving households earning up to 80% of the Area Median Income, with shared responsibilities between the residents and BACLT. In either model, BACLT will retain ownership of the land and lease the improvements to the residents.

The California Street Apartments application is available online at: https://berkeleyca.gov/sites/default/files/documents/California%20Street%20Apartments_Application.pdf. HCS staff's project review is attached.

The City issued its fourth SSP NOFA for \$2.5M in August 2025. The NOFA includes \$1.4M unallocated through the 2024 NOFA process, and \$1.1M in new funding approved by Council for FY26. At the time of drafting of this report, no applications have been received, though two local organizations indicated they are pursuing potential SSP projects.

Background

The Small Sites Program was created in 2018 as an over-the-counter application process with projects approved by the City Manager. SSP proposals do not go to the Housing Advisory Commission or City Council for approval. Projects that meet the program criteria receive funding, if funding is available.

There are no dedicated funds for the Small Sites Program. Staff release NOFAs after Council allocates funds to the program. To date, HHCS/HCS has released four SSP NOFAs and funded three projects.

Summary of SSP NOFAs

SSP NOFA Released	Project Awarded	Units	City Funds (SSP Loan)	SSP Funds Per Unit	Year Rehab Completed
2019	Stuart Street Apartments	8	\$2,102,500	\$263K	2022
2020	Solano Avenue Cooperative	13	\$3,900,000	\$300K	2023
2024	California Street Apartments	12	\$3,599,348	\$300K	TBD
2025	To be updated when available				

If there were multiple proposals, staff would prioritize the application that best meets the goals of the Small Sites Program. The proposals are reviewed based on the Small Sites Program Guidelines, also posted on the City's website: <https://berkeleyca.gov/sites/default/files/2022-04/Housing-Trust-Fund-Guidelines.pdf>.

Small Sites Program Update
November 6, 2025
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Renovations are inherently riskier than new construction, as building deficiencies are often uncovered in the course of the project and may exceed the required construction contingency. To help mitigate the risk, the City requires SSP developers to hire third-party construction managers if they cannot demonstrate sufficient in-house capacity. SSP projects require significant HHCS/HCS staff involvement, relative to new construction projects carried out by higher capacity developers with multiple other lenders and layers of oversight.

Please contact Asavari Devadiga with any questions at adevadiga@berkeleyca.gov.

Attachments:

1. California Streets Apartments Project Review Form

Small Sites Program - Project Review

Applicant:	Bay Area Community Land Trust
Project Name:	California Street Apartments
Project Address:	2627 California Street
SSP Funds Requested:	3,599,348

Project Summary:

BACLT is in the process of acquiring an occupied, 12-unit property at 2627 California Street. The building consists of two studio units, three 1-BR units, six 2-BR units, and one 3-BR unit. BACLT is planning to renovate the property to upgrade the building envelope, major systems, and unit interiors. BACLT will work with the existing residents in transitioning the rental property into either a limited equity housing cooperative (LEHC) or a resident operated nonprofit (RON, a type of non-equity cooperative). BACLT will educate and train residents in cooperative management, and the residents will choose the model they prefer.

Program Objectives:

Are residents at imminent risk of Ellis Act evictions?	yes
Is the property occupied?	yes
Do the existing residents include vulnerable populations (i.e. families with minor children, elderly, disabled, and catastrophically-ill persons)? <i>If yes, describe vulnerable population, below.</i>	yes
Among the existing residents there are three households with elderly people, one with a disabled household member, and one family with minor children.	
Average AMI of current residents:	53%
Subsidy per unit:	299,946
Number of affordable units proposed:	12
Proposed conversion to LEHC?:	yes

California Street Apartments

Developer Experience and Capacity

Developer must have completed one comparable project, and have the demonstrated capacity to undertake the proposed project.

Developer Capacity

BACLT is a small, Berkeley-based nonprofit developer. In recent years, the organization has worked to increase its organizational and development capacity, thanks in part to capacity building grants from the City of Berkeley. BACLT grew from one part-time staff person in 2018 to having six staff in 2024. The development team will consist of two BACLT staff: the Organizational Director and Project Manager who have experience in managing projects and cooperatives similar to the proposed project. BACLT will also hire a third-party construction manager to oversee the project renovation, and keeping that consultant on through the renovation process will be a condition of the City's loan.

The organization's financial indicators are mixed. The current ratio is a little low (1.6 compared to the preferred 2.0 or higher), but their cash ratio and days cash (number of days BACLT can fund operations with current resources) are strong. A small organization such as BACLT is more impacted by changes in income and expenses than a larger organization with more financial resources. The City awarded another \$200k in capacity building support for BACLT in FY2025, and BACLT's developer fee will help support the organization's growth.

Developer Experience

Since the approval of the Small Sites Program in 2018, the City has awarded two loans to BACLT for two projects: an 8-unit property at 1638 Stuart and a 13-unit property at 1685 Solano. Both projects are completed and occupied. BACLT faced significant budget challenges with the Stuart project, due to the extremely poor condition of the buildings and inadequate initial estimates for the construction scope and budget. BACLT requested additional funding from the City in 2020, 2021, and 2022 to support the renovation work. The Solano project was partially occupied, and BACLT worked closely with the tenants to coordinate the acquisition and renovation. In addition to the Berkeley projects, BACLT owns two properties in Oakland, including one that is under renovation and substantially complete.

California Street Apartments

Property Eligibility

Total number of units:	12
Do all residential units meet the City's definition of 'dwelling unit'?	yes
Is the majority of the property residential?	yes

Project Scope

Does the proposed renovation meet the health and safety needs of the	yes
Is the renovation scope and budget supported by a physical needs assessment (PNA) of the property?	yes

The property's physical needs assessment (PNA) identified \$874,400 in immediate capital needs, all of which are included in the proposed renovation scope and budget. The rehab scope will involve new roof installation, window replacement, electrical system upgrades, and installation of new drainage. In addition, there will be general upgrade of the units, including new appliances, heaters, kitchen and bath upgrades and flooring. Some longer term scope items identified in the PNA will be addressed during operations, and will be paid for out of the replacement reserves.

Project Budget

Is the proposed City loan leveraged with private financing?	yes
Is the proposed per unit subsidy under the program limits?	yes
Is the acquisition price substantiated by an appraisal showing both the fair market value and the anticipated restricted value?	yes
Are fees charged to the project reasonable?	yes
Is the developer fee less than the program limit of \$80,000 plus \$10,000 per unit, not to exceed 5% of project costs (excluding the developer fee)?	no, see note
Are construction management fees less than \$25,500?	no, see note
Does the renovation budget include state prevailing wage rates?	yes
Construction contingency (must be 15% or higher)	15%
Soft cost contingency (must be 15% or higher)	13%
Do the reserves comply with the following?	
Operating: 25% of budgeted 1st year operating expenses	yes
Replacement: Greater of \$2,000 per unit or the amount necessary to pay replacement costs for the next 10 years, as specified in the PNA.	no, see note
Vacancy: The monthly rent for units (residential and commercial) vacant at acquisition, multiplied by the number of months expected to remain vacant during renovation and lease-up.	yes

California Street Apartments

Developer Fee and Construction Management Fee:

Under the SSP, BACLT is eligible for a \$200k developer fee. BACLT requested \$284k, which is approximately 6% of the total project costs. BACLT also requested a higher construction management fee, to reflect industry standards.

Financing:

The City loan is contingent upon BACLT securing private financing. BACLT provided an LOI from Bay Area LISC, indicating their intent to lend up to \$1,270,000 to the project. BACLT's budgets indicated a need for \$1,499,491 from LISC. BACLT will need to secure its commitment from LISC in the amount needed to make the project feasible.

Contingencies:

BACLT's hard and soft cost contingencies are slightly lower than the 15% required by the SSP. The construction contingency is about \$23k short, and the soft cost contingency is a little over \$6k short. With careful oversight and cost controls, these deficiencies should not impact the feasibility of the project.

Replacement Reserves:

The capitalized replacement reserve is budgeted at \$2K per unit (\$24K), which falls short of the \$36k PNA estimate of what is required for anticipated capital needs in the first ten years of operations.

Operating Proforma

Is there a positive cash flow for 15+ years after project completion?	yes
Do the vacancy rates meet or exceed program requirements (5% residential, 20% commercial)	yes
Do the reserve deposits comply with the following:	
Operating: None unless balance drops below 25% of prior year's operating expenses	TBD
Replacement: The higher of a) the amount needed according to the approved 20-year PNA, or b) \$400 per unit per year (\$350 per unit for projects with 11+ units)	no, see note

Reserve Deposits:

As part of annual compliance monitoring, staff will review the project's reserves to determine whether additional deposits are required.

- The operating budget currently shows no annual deposits to the operating reserve.
- BACLT budgeted \$350 per unit per year for replacement reserve deposits, which is not sufficient to keep up with the projected capital needs identified in the PNA. BACLT plans to supplement the reserve with a property tax refund, and deposits from the project's cash flow.

California Street Apartments

Existing Tenants and Affordability

Have 75% of existing households acknowledged their agreement to participate (in the conversion to restricted affordability and cooperative conversion, if applicable)?

yes

Does the project have an average affordability of 80% of the area median income (AMI)?

yes

Do 66% or more of the existing households income-certify, with incomes averaging up to 80% AMI? Up to 34% of households may be over-income (above 120% AMI) or refuse to certify.

yes

Existing Tenants:

Ten out of 12 units are occupied, with a total of 19 residents. Household sizes vary from 1 to 4 members, and incomes range from 4% of the area median income (AMI) to 100% AMI. All units will be restricted at 80% AMI. The two existing households that are over 80% AMI are eligible to stay, and new residents moving in will need to meet the income qualifications.

Limited Equity Housing Cooperative

Is applicant proposing to convert the property to a limited equity housing cooperative (LEHC)?

yes

Applicant experience with LEHC conversion:

BACLT is proposing some level of resident management (LEHC or RON). BACLT has extensive experience working with resident communities on cooperative conversions, including providing education, technical assistance, and oversight. The existing tenants have expressed support for this effort.

California Street Apartments

Exceptions to the Program Guidelines

Did the Applicant request or does the project require any exceptions to the program guidelines?

yes

Describe exceptions, below.

Developer Fee and Construction Management Fee:
Under the SSP, BACLT is eligible for a \$200k developer fee. BACLT requested \$284k, which is approximately 6% of the total project costs. BACLT also requested a higher construction management fee, to reflect industry standards. Housing staff think both are acceptable, given the amount of project management and oversight required for an acq-rehab project.

Contingencies:
BACLT's hard and soft cost contingencies are 13% instead of the 15% required under the Small Sites Program. While not a significant shortfall, BACLT will need to demonstrate cost control strategies during the renovations to stay within the budget. The City subsidy is nearly at the maximum allowed under the program for a project of this size.

Replacement Reserves:
The construction budget, capitalized replacement reserve, and ongoing replacement reserve deposits are sufficient to address the project's immediate capital needs as identified in the PNA, but not the anticipated repairs that will fall within the first 10-20 years of project operations. BACLT has a plan to supplement the replacement reserve in anticipation of future repair needs, and City staff will review progress towards that goal as part of its annual monitoring.

Funding Recommendation

Fund the project at \$3,599,348, conditioned on BACLT complying with the following:

- Securing a first mortgage in an amount sufficient to complete the project
- Retaining a construction management consultant to oversee the renovations
- Submitting a City-approved relocation plan prior to construction start
- Meeting the City's requirements for converting the property to a cooperative
- Securing CEQA and NEPA approvals, as applicable

Note: Separate from this process, the City will enter into a contract for FY2025 capacity building funds that will include performance standards to support BACLT's continued growth.



Health Housing and
Community Services Department
Housing & Community Services Division

MEMORANDUM

To: Housing Advisory Commission

From: Asavari Devadiga, Community Development Project Coordinator

Date: November 6, 2025

Subject: **Request for Proposals for Capacity Building**

Recommendation:

Recommend that the City Council:

1. Release a Request for Proposals (RFP) for \$400,000 (\$200,000 per year for fiscal years 2027 and 2028) to support capacity building for emerging nonprofit affordable housing developers.
2. Authorize the City Manager or designee to execute all original or amended documents or agreements to effectuate these actions.

Current Situation and Its Effects:

Staff intends to release an RFP for a total of \$400,000 for two years of capacity building grants to encourage and support newer or less experienced nonprofit developers to build capacity to pursue future affordable housing opportunities in Berkeley. The RFP process is intended to result in a recommendation to award funds to one or more qualifying developers, up to a cumulative total of \$200K for each fiscal year (FY). The funds would be awarded from the general funds generated pursuant to Measure U1, and subject to approval by Council in the FY2027 and FY2028 budget processes.

Eligible Applicants

The capacity building funds will be available to nonprofit developers with limited development experience that are actively working on or pursuing new opportunities for affordable housing in Berkeley that could be eligible for City funding under the Housing

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*Release of Capacity Building RFP
October 21, 2025*

Trust Fund (HTF) program or Small Sites Program (SSP). The City's HTF and SSP Guidelines include specific threshold requirements for developer experience in order for the City to consider funding predevelopment or development loans; applicants for the capacity building grants do not need to meet those standards. Applicants can request up to \$200K per fiscal year, however if the City receives multiple applications, the available funds may be allocated to one applicant or divided amongst multiple applicants.

Eligible Uses

Potential uses of the capacity building funds include (but are not limited to) the following:

- Staff development to increase technical knowledge and skills
- Board development to improve organizational systems as well as an understanding of affordable housing development and finance
- Development of internal systems such as operational policies and guidelines that help with staff development and business planning
- Creation of program policies and decision-making tools to assess development opportunities

Evaluation Criteria

Staff will review applications and prioritize funding based on need, the applicant's plan for increasing affordable housing development capacity, whether the applicant is actively working on or pursuing new affordable housing opportunities in Berkeley, and a demonstrated ability to manage governmental grant funding.

Background:

The City has provided operational support to local nonprofit developers through capacity building grants and through Community Housing Development Organization grants to qualified organizations (currently Resources for Community Development and Satellite Affordable Housing Associates). The City issued an RFP for capacity building for developers interested in pursuing SSP projects in 2018, through which Bay Area Community Land Trust (BACLT) was awarded \$50K in capacity building funds. Since then, Council approved subsequent annual allocations to BACLT in amounts ranging from \$100K to \$200K per fiscal year. Issuing a new RFP offers a transparent process and allows other organizations with limited development experience to apply for the funds. The selected applicant(s) will enter into the City's community agency contract and will be required to report on the use of funds and progress towards capacity building goals on a quarterly basis.

2026 Commission Meeting Dates

Name of Commission: Housing Advisory Commission

Commission Secretary: Snow Zhu

2026 Meeting Dates

Month	Meeting Day and Date	Time
January 2026	Thursday, 01/15/26 (3rd Thursday of month)	7:00 pm
February 2026	Thursday, 02/05/26	7:00 pm
March 2026	Thursday, 03/05/26	7:00 pm
April 2026	Thursday, 04/9/26 (2nd Thursday of month)	7:00 pm
May 2026	Thursday, 05/07/26	7:00 pm
June 2026	Thursday, 06/04/26	7:00 pm

Month	Meeting Day and Date	Time
July 2026	Thursday, 07/09/26 (2nd Thursday of month)	7:00 pm
August 2026	No Meeting	
September 2026	Thursday, 09/03/26	7:00 pm
October 2026	Thursday, 10/01/26	7:00 pm
November 2026	Thursday, 11/05/26	7:00 pm
December 2026	No Meeting	