

AFFORDABLE HOUSING BERKELEY, INC. (AHB)

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Office of the Executive Director

Item 6B
NEW BUSINESS
March 20,2025

To: Honorable Chairperson and
Members of Affordable Housing Berkeley

From: James Williams, Executive Director

Subject: North Berkeley BART Station Development, Phase 1, Parcel D; Formation of Limited Partnership, Formation of Limited Liability Company for Participation as Co-General Partner, and Acquisition, Financing, and Contracting Activity for Development of 60 Unit Affordable Housing Project

RECOMMENDATION

Adopt A Resolution Authorizing the Formation of a Limited Partnership with AHB or an Affiliate of AHB or a Limited Liability Company in which AHB is the Sole Member and Manager, as Co-General Partner, and Acquisition, Financing, and Contracting Activity for the Development of an Approximately 60 Unit Affordable Housing Project Located on Property at the North Berkeley Bart Station Identified as Parcel D

BACKGROUND

Affordable Housing Berkeley, Inc. a California non-profit public benefit corporation (AHB) was created by the Housing Authority of the City of Berkeley (BHA) to benefit and support BHA's mission. The specific charitable and public purpose for which BHA is organized is exclusively to benefit and support BHA and its mission by, among other things (1) acquiring, providing, developing, financing, rehabilitating, owning and operating decent, safe and sanitary housing affordable to persons and households of low income; (2) lessening the burdens of government by assisting BHA in the development, ownership, and management of housing targeted to low-income households; and (3) assisting the BHA in the administration of affordable housing programs and the provision of related services to low-income households who are seeking or receiving such affordable housing programs.

There is a shortage of affordable housing in the City of Berkeley. Approximately 8 acres of publicly owned land at the North Berkeley BART Station provides a rare opportunity to create more below-market rate affordable homes. East Bay Asian Local Development Corporation (EBALDC), BRIDGE Housing Corporation (BRIDGE), Insight Housing, Inc. (Insight), and AvalonBay Communities, Inc. (AvalonBay) were the successful bidders in response to the Bay Area Rapid Transit (BART) Request for Developer Qualifications for Transit-Oriented Development and Notice of Funding Availability for the North Berkeley BART Station. EBALDC, BRIDGE, Insight and AvalonBay will work jointly with BART, the City of Berkeley, and the community to establish, build and manage a feasible development program at the station.

The proposed North Berkeley BART Station Project includes multiple residential buildings and improvements to be developed in two phases. AHB staff recommends participation in a portion of Phase 1 which is described below:

- Parcel A - Insight (Parcel A): Approximately 85 Units of affordable housing for very low income households (anticipated to be 10%-50% AMI) and commercial kitchen of approximately 1000 square feet. To be co-developed by Insight Housing and BRIDGE Housing, or an assignee.
- Parcel D - EBALDC (Parcel D): Approximately 60 Units of affordable housing for low income households (anticipated to be 10%-80%). Anticipated to include accessory commercial space of approximately 819 square feet. To be independently developed by EBALDC, or an assignee.

BHA staff, by separate action of even date herewith, will recommend to the BHA Board of Commissioners for consideration, among other things, approval to undertake the U.S. Department of Housing and Urban Development (HUD) Restore-Rebuild Process for Parcels A and D of Phase 1 of the North Berkeley Bart Transit-Oriented Development for an allocation of vouchers to each project upon satisfaction of all HUD requirements and approvals.

AHB staff recommends AHB benefit and support BHA's mission by partnering with stakeholders to develop affordable housing at the North Berkeley BART Station. Specifically, as to Parcel D in Phase 1, AHB staff recommends AHB form a limited liability company in which AHB is the sole member and manager (NBBS LLC). It is anticipated that the NBBS LLC will enter the limited partnership owner entity (Partnership) as a Co-General Partner. The Partnership will be comprised of East bay Asian Local Development Corporation, (EBALDC) or a to be formed affiliate of EBALDC, and NBBS LLC. Staff recommends that AHB's participation in the Partnership will be pursuant to business terms negotiated by the Executive Director in consultation with AHB's general counsel, which include, at a minimum, reimbursement for project costs, hold/harmless an indemnity provisions in favor of AHB, a meaningful ownership interest in the Partnership, and participation in the Partnership for at least 15 years. The Partnership anticipates acquiring a leasehold interest in that certain BART owned real property located at the North Berkeley BART Station known as Parcel D, in Berkeley, CA (Property), and developing thereon an approximately 60 unit affordable housing project to be rented to and occupied by low income households (Project). Additionally, if approved by the BHA Board of Commissioners, AHB staff deems it in the best interests of the AHB, NBBS LLC and the Partnership to work with BHA in undertaking the HUD Restore-Rebuild process for the Project.

FISCAL IMPACTS OF RECOMMENDATION

No fiscal impact at this time. AHB project costs up to \$400,000 will be reimbursed by the to be formed Partnership, and/or EBALDC.

CONTACT PERSON

James Williams, Executive Director, (510) 981-5485

Attachments:

1. Resolution No. 25-02
2. Site Map

**AFFORDABLE HOUSING BERKELEY, INC.
AHB RESOLUTION NO. 25-02**

RESOLUTION NO. 25-02 OF AFFORDABLE HOUSING BERKELEY, INC. (AHB), AUTHORIZING A RESOLUTION FOR THE FORMATION OF A LIMITED PARTNERSHIP WITH AHB OR AN AFFILIATE OF AHB OR A LIMITED LIABILITY COMPANY IN WHICH AHB IS THE SOLE MEMBER AND MANAGER, AS CO-GENERAL PARTNER, AND ACQUISITION, FINANCING, AND CONTRACTING ACTIVITY FOR THE DEVELOPMENT OF AN APPROXIMATELY 60 UNIT AFFORDABLE HOUSING PROJECT LOCATED ON PROPERTY AT THE NORTH BERKELEY BART STATION IDENTIFIED AS PARCEL D

WHEREAS, the Housing Authority of the City of Berkeley ("Authority") is a duly formed housing authority of the State of California, and is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 343310-34334) of the California Health and Safety Code, which include providing low-and-moderate income housing within its jurisdiction, and is governed by its Board of Commissioners;

WHEREAS, the Authority has the authority to provide such housing within the jurisdiction of the City of Berkeley ("City");

WHEREAS, the Authority is a government agency formed to assist in providing affordable housing;

WHEREAS, The United States Department of Housing and Urban Development ("HUD") has established the Rental Assistance Demonstration (RAD) program for the purposes of preserving or replacing affordable housing by providing a way to preserve or replace properties;

WHEREAS, the HUD developed Restore-Rebuild process allows Public Housing Authorities (PHAs) such as the Authority to restore rental assistance subsidies that were lost as public housing was demolished or sold over the years and to use the assurance of long-term subsidy contracts to finance and rebuild new, deeply affordable homes;

WHEREAS, PHAs can build new units up to their existing Public Housing "Faircloth authority" and then convert these units' Public Housing assistance to long-term, project-based Section 8 rental assistance contracts;

WHEREAS, Affordable Housing Berkeley, Inc. a California non-profit public benefit corporation ("Corporation") was created by the Authority. The specific charitable and public purpose for which Corporation is organized is exclusively to benefit and support the Authority and its mission by, among other things (1) acquiring, providing, developing, financing, rehabilitating, owning and operating decent, safe and sanitary housing affordable to persons and households

of low income; and (2) lessening the burdens of government by assisting Authority in the development, ownership, and management of housing targeted to low-income households;

WHEREAS, the Corporation desires to benefit and support the Authority's mission by partnering with stakeholders to develop affordable housing at the North Berkeley BART Station;

WHEREAS, Corporation desires to form a limited liability company in which the Corporation is the sole member and manager (the "NBBS LLC");

WHEREAS, it is anticipated that the NBBS LLC will enter the limited partnership owner entity ("Partnership") as a Co- General Partner;

WHEREAS, the Partnership will be comprised of East Bay Asian Local Development Corporation ("EBALDC") or a to be formed affiliate of EBALDC, and NBBS LLC;

WHEREAS, the Partnership anticipates acquiring a leasehold interest in that certain Bay Area Rapid Transit (BART) owned real property located at the North Berkeley BART Station known as Parcel D, bounded by Virginia Street, Delaware, Sacramento and Acton, in Berkeley, CA ("Property"), and developing thereon approximately 60 unit affordable housing project to be rented to and occupied by low income households ("Project"); and

WHEREAS, the Corporation deems it in the best interests of the Corporation, the NBBS LLC and the Partnership to work with the Authority in undertaking the HUD Restore-Rebuild process for the Project.

NOW THEREFORE, BE IT RESOLVED: The recitals set forth above are true and correct and incorporated herein by this reference.

FURTHER RESOLVED: That the Corporation approves the formation of the NBBS LLC.

FURTHER RESOLVED: That the Corporation authorizes the NBBS LLC to enter the Partnership as the Co- General Partner.

FURTHER RESOLVED: That James Williams, Executive Director, (hereinafter Executive Director) acting alone, shall be authorized and directed to execute any and all documents necessary to form the NBBS LLC, including, but not limited to, Articles of Organization, an Operating Agreement, and any other documents related to the formation of the NBBS LLC and for the NBBS LLC to enter the Partnership (collectively, the "Formation Documents").

FURTHER RESOLVED: That the Executive Director, with the advice and assistance of general counsel, hereby is authorized, empowered and directed, acting alone on behalf of the Corporation as itself and on behalf of the Corporation as the

sole member of the NBBS LLC in its capacity as the co- general partner of the Partnership, to (i) execute any and all necessary documents listed in and/or contemplated by this resolution, including, but not limited to any documents required as part of the HUD Restore-Rebuild process, and (ii) take any and all other actions contemplated by this resolution.

FURTHER RESOLVED: That the Executive Director, acting alone on behalf of the Corporation acting as itself and on behalf of the Corporation as the sole member of the NBBS LLC in its capacity as the co- general partner of the Partnership, shall be authorized to execute and certify any other form of resolution required by any lender, investor, regulator or other third party involved in the transaction, so long as the Executive Director and general counsel to the Corporation determine that the substance of such resolution does not materially conflict with the substance of this resolution.

RESOLVED FURTHER: That to the extent that any actions authorized in this Resolution have already been performed, such actions are ratified and approved.

The foregoing Resolution was adopted by the Board of Directors on March 20, 2025, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: _____
_____, Board Chair