



Berkeley Housing Authority

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Office of the Executive Director

Item 7B

NEW BUSINESS July 17, 2025

To: Honorable Chairperson and Members of the Berkeley Housing Authority Board

From: James Williams, Executive Director

Subject: Allocation of Project Based Section 8 Vouchers pursuant to Request for Proposal (RFP) 25-01, 24 CFR Part 983.51(b)(1) for the following developments, 40 PBVs to Ephesian Legacy Court LP for Ephesian Legacy Court, Ephesian Legacy Court 1708 Harmon Street, Berkeley, CA 94703, 5 PBVs to St. Paul Terrace LP for St Paul Terrace 2024 Ashby Ave., Berkeley, CA 94705, and 16 PBVs to East Bay Asian Local Development Corporation (EBALDC) for Durant Homes 2330 Durant Ave, Berkeley, CA 94704.

RECOMMENDATION

1. Accept the Evaluation Committee’s recommendation to adopt four resolutions awarding Project-Based Vouchers (PBV) to affordable housing projects consisting of new construction and substantial rehabilitation projects, as follows:

(a) 40 PBVs to Ephesian Legacy Court LP for Ephesian Legacy Court, Ephesian Legacy Court 1708 Harmon Street, Berkeley, CA 94703, new construction, senior housing, and homeless or imminently homeless and with supportive services

- i. Operating Expenses are \$10,932 per unit/year which is in line with similar projects;
- ii. This project would serve disadvantaged populations in the Berkeley community.

(Attachment 1) (This Project received the highest score from the Evaluation Committee)

(b) 5 PBVs to St. Paul Terrace LP for St Paul Terrace 2024 Ashby Ave., Berkeley, CA 94705, new construction, multi-family housing, homeless or imminently homeless and families receiving supportive services

- i. Operating Expenses per unit/year is \$10,838, which is in line with similar projects;
- ii. This project would serve disadvantaged populations in the Berkeley community.

(Attachment 2) (This Project received the second highest score from the Evaluation Committee)

(c) 16 PBVs to East Bay Asian Local Development Corporation (EBALDC) for Durant Homes 2330 Durant Ave, Berkeley, CA 94704, new construction, multi-family, homeless or imminently homeless receiving supportive services

- i. Operating Expenses per unit/year is \$13,534, which is in line with similar projects;

ii. This project would serve disadvantaged populations in the Berkeley community.

(Attachment 3) (This Project received third highest score from the Evaluation Committee)

BACKGROUND

Pursuant to 24 CFR Part 983.51(b)(1), the BHA opened an RFP for PBVs for rental housing substantial rehabilitation or new construction rental units within the jurisdictional limits of the City of Berkeley, CA (<https://bha.berkeleyca.gov/sites/default/files/documents/BHA%20PBV%20RFP%20Application%20IR.pdf>).

The RFP was publicly noticed and disseminated on March 28, 2025. Proposals were due May 30, 2025 at 8 a.m., and a three-person Evaluation Committee convened. The Evaluation Committee recommends an award of vouchers to three of the five proposers, which met and exceeded BHA’s scoring threshold for recommendation of at least 60%. BHA received a total of five applications, three applications for new construction and two applications for existing projects, as summarized in the table below:

Proposer	Project Location	Type of Project	Vouchers Requested
Ephesian Legacy Court LP	Ephesian Legacy Court, Ephesian Legacy Court 1708 Harmon Street, Berkeley, CA 94703	New Construction	40
St. Paul Terrace LP	St Paul Terrace 2024 Ashby Ave., Berkeley, CA 94705	New Construction	5
East Bay Asian Local Development Corporation (EBALDC)	Durant Homes 2330 Durant Ave, Berkeley, CA 94704	New Construction	16
752 Shattuck, LLC (Panoramic Interests)	CITYSPACE® 1752: The Northside 1752 Shattuck Avenue, Berkeley, CA 94709	Existing Project	7
Oxford Plaza Recap, L.P. (a limited partnership with Resources for Community Development as General Partner)	Oxford Plaza Recap 2175 Kittredge Street, Berkeley CA 94704	Existing Project	24
Total (75 available)			92

The proposal submitted by 752 Shattuck, LLC (Panoramic Interests) is ineligible for an award of project-based vouchers for CITYSPACE® The Northside 1752 located at 1752 Shattuck Avenue, Berkeley, CA 94709 under a category of existing housing.

The proposal submitted by Oxford Plaza Recap, L.P. is ineligible for an award of project-based vouchers for Oxford Plaza Recap located at 2175 Kittredge Street, Berkeley CA 94704 under a category of existing housing.

The RFP by its own terms provides that projects with existing PBV allocations are ineligible to apply for additional vouchers under RFP 25-01. Disregarding the express prohibition against an award of vouchers to projects with existing allocations is not recommended.

The Evaluation Committee will consider with BHA's Ad-Hoc Committee and Bord about whether to issue a new RFP without such limitations in the amount of the PBVs not awarded as part of RFP 25-01.

In April 2025, BHA issued letters to notify developers previously awarded PBVs but not yet put under an AHAP contract within 24-months from the date of the BHA's prior PBV award to the development, reclaiming unused PBVs.

BHA's Administrative Plan allow staff to at least annually determine if there is voucher/ funding capacity available to issue PBVs and make a recommendation to the Board for consideration. HUD allows housing authorities to assign Project-based voucher assistance to 20% of total vouchers allocated, which in BHA's case is 403, plus an additional 10% (201) for certain population categories allowed by the Housing Opportunity Through Modernization Act (HOTMA), such as homeless or those receiving supportive services, for a total of 604. Currently, BHA has 418 PBVs under HAP contract.

A three-person evaluation committee convened on July 10, 2025, consisting of affordable housing experts and executives from local housing authorities. Applications were reviewed, scored, and recommendations based on review appear as resolutions included in this report. Attachment 1 is a chart summarizing the application submissions.

BHA, and housing authorities locally, have generally allocated a maximum of between 20% to 25% of a development's units to be project-based. During the last PBV non-competitive award process, the Board also recommended a similar allocation since an award of at least 25% of the projects to be project-based was financially necessary, as well as feasible for BHA to support.

After applying exemptions for populations not counted against the percentage of PBV-assisted units, no developers applied for greater than 25% of their approved projects to be project-based.

Staff believes that an allocation of up to 25% of total units for new construction applicants is an equitable and fair way to distribute the remaining PBVs. It is true that awarding a maximum of 25% will require that developers obtain additional funding from other sources to make up for the tax credit equity loss caused by the economic downturn. It also leaves 65 PBVs remaining for future allocations including important low-income housing development projects that may come up in the near future.

Below is an excerpt from BHA's Administrative Plan regarding 25% general unit cap:

17-II.F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT 25 Percent per Project or 25 Units Cap [24 CFR 983.56(a), FR Notice 11/24/08, HUD Notice 2017-21 Implementation Guidance: Housing Opportunity Through Modernization Act of 2016 (HOTMA)]

In general, BHA may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV

assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than 25 percent of the number of dwelling units (assisted or unassisted) or a total of 25 units in the project (whichever is greater). Exceptions to 25 Percent per Project Cap [24 CFR 983.56, FR Notice 1/18/17, PIH 2017-21]

Exceptions are allowed and PBV units are not counted against the 25 percent or 25 units per project cap if: Units exclusively serving elderly families; Units housing households eligible for supportive services available to all families receiving PBV assistance in the project. Units in projects that are in a census tract with a poverty rate of 20% or less are subject to a higher 40% cap.

RATIONALE FOR RECOMMENDATION

The recommendation for award of Project Based Vouchers is based on BHA's desire to increase the number of stable, affordable units that will provide crucial housing options for eligible households, as well as a commitment to alleviating homelessness in Berkeley. BHA has an opportunity to provide subsidy for housing those with the highest need, in secure units that will be available for up to 40 years.

FINANCIAL IMPLICATIONS

Once the projects are complete and the 61 units are housing program participants, BHA will benefit from an increase in its lease-up and HAP budget utilization rate, and administrative fee earnings of up to \$118,950 per year as adjusted by inflation.

CONTACT PERSON

James Williams, Executive Director, 981-5485

Attachments:

1. Summary Chart of RFP Proposal Submissions;
2. Resolution awarding 40 PBVs to Ephesian Legacy Court, Ephesian Legacy Court located at 1708 Harmon Street, Berkeley, CA 94703;
3. Resolution awarding 5 PBVs to St. Paul Terrace LP for St. Paul Terrace located at 2024 Ashby Ave., Berkeley, CA 94705; and
4. Resolution awarding 16 PBVs to East Bay Asian Local Development Corporation (EBALDC) for Durant Homes located at 2330 Durant Ave, Berkeley, CA 94704.

PROPOSALS

Proposer	Project Location	Type of Project	Population(s) To Be Served (HOTMA CATEGORY)	Vouchers Requested	Evaluation Committee Voucher Award Recommendation
Ephesian Legacy Court LP	Ephesian Legacy Court, Ephesian Legacy Court 1708 Harmon Street, Berkeley, CA 94703	New Construction	Seniors, and homeless or imminently homeless and with supportive services	40	40
St. Paul Terrace LP	St Paul Terrace 2024 Ashby Ave., Berkeley, CA 94705	New Construction	Homeless or imminently homeless and families receiving supportive services	5	5
East Bay Asian Local Development Corporation (EBALDC)	Durant Homes 2330 Durant Ave, Berkeley, CA 94704	New Construction	Homeless or imminently homeless receiving supportive services	16	16
752 Shattuck, LLC (Panoramic Interests)	CITYSPACE ® 1752: The Northside 1752 Shattuck Avenue, Berkeley, CA 94709	Existing Project	Disabled with supportive services made available	7	0
Oxford Plaza Recap, L.P. (a limited partnership with Resources for Community Development as General Partner)	Oxford Plaza Recap 2175 Kittredge Street, Berkeley CA 94704	Existing Project	Families receiving Supportive Services; and Housing for Persons with AIDS (HOPWA)	24	0
Total (75 available)				92	61

BERKELEY HOUSING AUTHORITY
RESOLUTION NO.2025-_____

APPROVING AN ALLOCATION OF 40 PROJECT-BASED VOUCHERS TO EPHESIAN LEGACY COURT LP FOR EPHESIAN LEGACY COURT, EPHESIAN LEGACY COURT 1708 HARMON STREET UPON SATISFACTORY COMPLETION OF ALL HUD REQUIREMENTS AND APPROVALS, INCLUDING SUBSIDY LAYERING AND ENVIRONMENTAL REVIEWS, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT TO ENTER INTO AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENT CONTRACT (AHAP) PRIOR TO CONSTRUCTION, AND A HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT ONCE CONSTRUCTION IS COMPLETE AND INSPECTED

WHEREAS, the Berkeley Housing Authority's (BHA) Administrative Plan requires staff, at least annually, to determine if there is voucher/funding capacity available to issue an allocation of Project-based vouchers, and make a recommendation to the Board;

WHEREAS, BHA has voucher capacity under the additional 10% availability under HOTMA for special categories;

WHEREAS, the BHA issued an RFP for Project-based vouchers for new construction and substantial rehabilitation which occurred on March 28, 2025, to which Ephesian Legacy Court LP submitted an application;

WHEREAS, a three-person evaluation committee convened on July 10, 2025, consisting of affordable housing experts and executives from local housing authorities;

WHEREAS, the evaluation committee scored the application submissions and recommended an award of the total number of units requested, by each eligible proposer consistent with BHA's Administrative Plan and Bay area-wide housing authority practice;

WHEREAS, Ephesian Legacy Court will provide long term housing consistent with the goal of creating affordable units for Seniors, and homeless or imminently homeless and with supportive services qualifying for Section 8 rental assistance;

WHEREAS, Ephesian Legacy Court LP plans to break ground on this project by July 2027 at the latest;

WHEREAS, Ephesian Legacy Court LP agrees that prior to construction start: an Environmental Review must be performed; a Subsidy Layering Review must be conducted; agrees to hire a Davis-Bacon wage monitor; and an Agreement to Enter into a Housing Assistance Payment Agreement (AHAP) must be signed with BHA including all subject compliances therein as outlined by HUD;

WHEREAS, post-construction, inspections of units must take place; signing of HAP contract, and, a BHA intake process of applicants must occur; and

WHEREAS, HUD regulations allow housing authorities to execute initial master HAP terms for up to 20 years, with an option to extend after that period expires.

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

FURTHER BE IT RESOLVED, that the Executive Director is hereby authorized to allocate 40 Project Based Vouchers to Ephesian Legacy Court LP for Ephesian Legacy Court, for an initial term of 20 years, subject to the satisfaction of conditions precedent to be provided by BHA as required by the U.S. Department of Housing and Urban Development (HUD).

FURTHER BE IT RESOLVED, that the Executive Director is hereby authorized to execute an Agreement to Enter into a Housing Assistance Payment Contract (AHAP) prior to construction, and a Housing Assistance Payment (HAP) Contract once construction is complete and project inspected.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on July 17, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: _____
James Williams, Secretary

BERKELEY HOUSING AUTHORITY
RESOLUTION NO.2025-_____

APPROVING AN ALLOCATION OF 5 PROJECT-BASED VOUCHERS TO EPHESIAN LEGACY COURT LP FOR ST. PAUL TERRACE LP, ST PAUL TERRACE 2024 ASHBY AVE UPON SATISFACTORY COMPLETION OF ALL HUD REQUIREMENTS AND APPROVALS, INCLUDING SUBSIDY LAYERING AND ENVIRONMENTAL REVIEWS, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT TO ENTER INTO AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENT CONTRACT (AHAP) PRIOR TO CONSTRUCTION, AND A HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT ONCE CONSTRUCTION IS COMPLETE AND INSPECTED

WHEREAS, the Berkeley Housing Authority's (BHA) Administrative Plan requires staff, at least annually, to determine if there is voucher/funding capacity available to issue an allocation of Project-based vouchers, and make a recommendation to the Board;

WHEREAS, BHA has voucher capacity under the additional 10% availability under HOTMA for special categories;

WHEREAS, the BHA issued an RFP for Project-based vouchers for new construction and substantial rehabilitation which occurred on March 28, 2025 to which St. Paul Terrace LP submitted an application;

WHEREAS, a three-person evaluation committee convened on July 10, 2025, consisting of affordable housing experts and executives from local housing authorities;

WHEREAS, the evaluation committee scored the application submissions and recommended an award of the total number of units requested, by each eligible proposer consistent with BHA's Administrative Plan and Bay area-wide housing authority practice;

WHEREAS, St. Paul Terrace will provide long term housing consistent with the goal of creating affordable units for Homeless or imminently homeless and families receiving supportive services, qualifying for Section 8 rental assistance;

WHEREAS, St. Paul Terrace LP plans to break ground on this project by July 2027 at the latest;

WHEREAS, St. Paul Terrace LP agrees that prior to construction start: an Environmental Review must be performed; a Subsidy Layering Review must be conducted; St. Paul Terrace LP agrees that an Agreement to Enter into a Housing Assistance Payment Agreement (AHAP) must be signed with BHA including all subject compliances therein as outlined by HUD;

WHEREAS, post-construction, inspections of units must take place; signing of HAP contract, and, a BHA intake process of applicants must occur; and

WHEREAS, HUD regulations allow housing authorities to execute initial master HAP terms for up to 20 years, with an option to extend after that period expires.

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

FURTHER BE IT RESOLVED, that the Executive Director is hereby authorized to allocate 5 Project Based Vouchers to St. Paul Terrace LP for St. Paul Terrace, for an initial term of 20 years, subject to the satisfaction of conditions precedent to be provided by BHA as required by the U.S. Department of Housing and Urban Development (HUD).

FURTHER BE IT RESOLVED, that the Executive Director is hereby authorized to execute an Agreement to Enter into a Housing Assistance Payment Contract (AHAP) prior to construction, and a Housing Assistance Payment (HAP) Contract once construction is complete and project inspected.

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Ayes:

Noes:

Abstain:

Absent:

Attest: _____
James Williams, Secretary

BERKELEY HOUSING AUTHORITY
RESOLUTION NO.2025-_____

APPROVING AN ALLOCATION OF 16 PROJECT-BASED VOUCHERS TO EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION (EBALDC) FOR DURANT HOMES 2330 DURANT AVE UPON SATISFACTORY COMPLETION OF ALL HUD REQUIREMENTS AND APPROVALS, INCLUDING SUBSIDY LAYERING AND ENVIRONMENTAL REVIEWS, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT TO ENTER INTO AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENT CONTRACT (AHAP) PRIOR TO CONSTRUCTION, AND A HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT ONCE CONSTRUCTION IS COMPLETE AND INSPECTED

WHEREAS, the Berkeley Housing Authority's (BHA) Administrative Plan requires staff, at least annually, to determine if there is voucher/funding capacity available to issue an allocation of Project-based vouchers, and make a recommendation to the Board;

WHEREAS, BHA has voucher capacity under the additional 10% availability under HOTMA for special categories;

WHEREAS, the BHA issued an RFP for Project-based vouchers for new construction and substantial rehabilitation which occurred on March 28, 2025, to which East Bay Asian Local Development Corporation (EBALDC) submitted an application;

WHEREAS, a three-person evaluation committee convened on July 10, 2025, consisting of affordable housing experts and executives from local housing authorities;

WHEREAS, the evaluation committee scored the application submissions and recommended an award of the total number of units requested, by each eligible proposer consistent with BHA's Administrative Plan and Bay area-wide housing authority practice;

WHEREAS, Durant Homes will provide long term housing consistent with the goal of creating affordable units for Homeless or imminently homeless receiving supportive services, qualifying for Section 8 rental assistance;

WHEREAS, East Bay Asian Local Development Corporation (EBALDC) plans to break ground on this project by July 2027 at the latest;

WHEREAS, East Bay Asian Local Development Corporation (EBALDC) agrees that prior to construction start: an Environmental Review must be performed; a Subsidy Layering Review must be conducted; East Bay Asian Local Development Corporation (EBALDC) agrees to hire a Davis-Bacon wage monitor; and an Agreement to Enter into a Housing Assistance Payment Agreement (AHAP) must be signed with BHA including all subject compliances therein as outlined by HUD;

WHEREAS, post-construction, inspections of units must take place; signing of HAP contract, and, a BHA intake process of applicants must occur; and

WHEREAS, HUD regulations allow housing authorities to execute initial master HAP terms for up to 20 years, with an option to extend after that period expires.

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

FURTHER BE IT RESOLVED, that the Executive Director is hereby authorized to allocate 16 Project Based Vouchers to East Bay Asian Local Development Corporation (EBALDC) for Durant Homes, for an initial term of 20 years, subject to the satisfaction of conditions precedent to be provided by BHA as required by the U.S. Department of Housing and Urban Development (HUD).

FURTHER BE IT RESOLVED, that the Executive Director is hereby authorized to execute an Agreement to Enter into a Housing Assistance Payment Contract (AHAP) prior to construction, and a Housing Assistance Payment (HAP) Contract once construction is complete and project inspected.

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