



## Kriss Worthington

Councilmember, City of Berkeley, District 7  
2180 Milvia Street, 5<sup>th</sup> Floor, Berkeley, CA 94704  
PHONE 510-981-7170, FAX 510-981-7177, EMAIL  
kworthington@ci.berkeley.ca.us

### WORKSESSION

December 1, 2015

*(Continued from October 27, 2015)*

To: Honorable Mayor and Members of the City Council  
From: Councilmember Kriss Worthington

Subject: Housing Advisory Commission referral: Revise or Waive Housing Trust Fund Guidelines on Predevelopment Funds to Facilitate More Viable Applications to Upcoming Funding Cycles

#### RECOMMENDATION:

Refer to the Housing Advisory Commission to revise or waive Housing Trust Fund Guidelines on predevelopment funds to facilitate more viable applications to upcoming regional, state and federal funding cycles.

#### BACKGROUND:

A recent Daily Cal headline reported: "7 East Bay cities, excluding Berkeley receive more than \$28 million in affordable housing grants." If Berkeley does not take action, we run the risk of missing out on multiple regional, state and federal funding cycles which Berkeley could apply if we had affordable housing funding applications eligible within the limited time deadlines. California's Affordable Housing and Sustainable Communities program is just one of multiple new and ongoing revenue possibilities. In addition, the recently funded National Housing Trust Fund is another new funding mechanism. A modest investment from a local jurisdiction has the capability to leverage significant resources to come to Berkeley. This could lead to millions of dollars of extra funds coming to Berkeley to create both jobs and affordable housing

Increasing the amount and availability of predevelopment funds sends a clear message to our local affordable housing producers that we will actively assist in facilitating their efforts. Adopting this entrepreneurial approach to invest in this important priority can increase our effectiveness at addressing this urgent need. Providing substantial predevelopment assistance significantly increases the likelihood of Berkeley projects advancing sufficiently to be seen as competitive, thus more likely to prevail.

There are multiple city revenue stream possibilities which might eventually be contributing to the Affordable Housing Trust Fund. These include pending private projects choosing to pay the Affordable Housing Mitigation fees, a potential Significant Community Benefit fee and windfall high rents tax, possibly a portion of occupancy tax on short term rentals, and a possible General Fund grant or loan. Some of these may

never come to fruition and others may be delayed by months or years. If Berkeley waits until those funds are available, numerous funding cycles may have already been conducted without our fullest possible participation.

ALTERNATIVE ACTION: The City Council could choose to do nothing and allow multiple rounds of grant applications to pass without trying to do more to assist new Berkeley projects to compete.

FINANCIAL IMPLICATIONS:

Predevelopment assistance could be available for \$150,000 to \$250,000 each for 3 projects and \$50,000 to \$100,000 each for two smaller projects.

ENVIRONMENTAL SUSTAINABILITY:

Consistent with Berkeley's Environmental Sustainability Goals and no negative impact.

CONTACT PERSON

Councilmember Kriss Worthington            510-981-7170