

Health, Housing &
Community Services

Public Works

Planning

Finance



Proposed Berkeley Way Project

Berkeley City Council - September 13, 2018

Proposed Housing Uses

89

Affordable:
studio, 1- & 2-
BR apartments

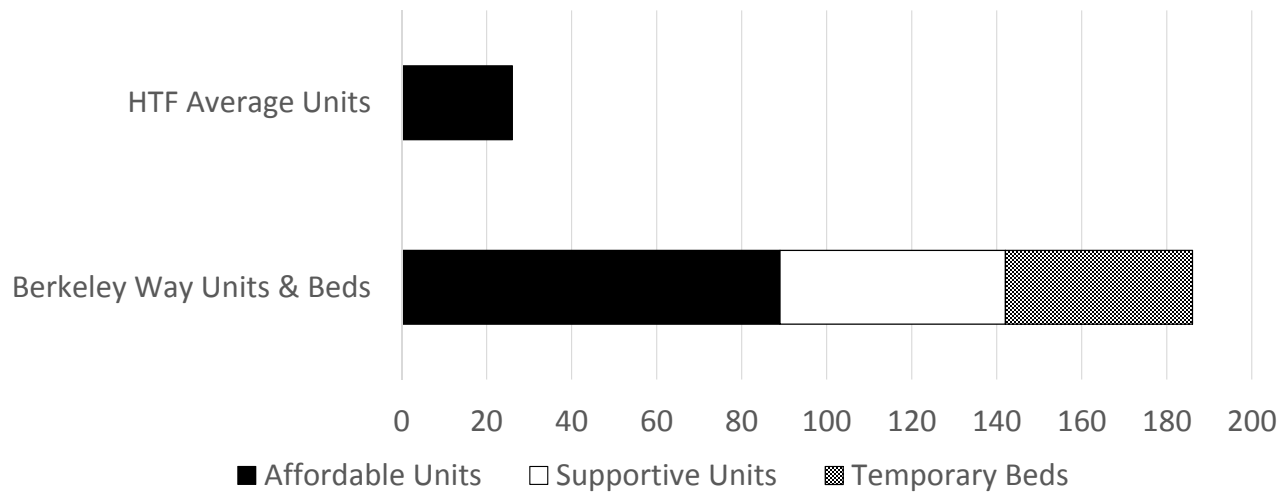
53

Supportive:
studios for
homeless adults

44

Temporary:
beds for
veterans (12) &
homeless adults

Berkeley Way will provide much more housing than typical for HTF



No Feasible Parking Option

	Existing	2016 Proposal	<u>Alt. 1</u> No parking	<u>Alt. 2</u> Minimize loss of City revenue	<u>Alt. 3</u> Balanced Hybrid Approach
Type of parking	Surface lot	1 story below grade	N/A	1 story above grade with stack parking and valets	1 story below grade with stack parking and valets
Number parking spaces	112	70	0	105	129
Time to redesign/ delay to AHSC funding	N/A	N/A	15 weeks	29 – 49 weeks	TBD (≥15 weeks & potentially limited delay to entitlement)
Impact to businesses/ street parking demand	N/A	+5%	+11%	+1%	-2%
Impact to upper floors	N/A	No	No	Yes	No
Impact to City General Fund (opportunity cost)	None	-\$39M	-\$28M	-\$47M	-\$39M
Ability to finance construction (Est. Berkeley Way debt service ratio)	N/A	0.44	N/A	0.55	0.73
Annual cash flow change/risk to City bond rating	\$0	-\$1,200,000	-\$665,000	-\$1,487,000	-\$1,910,000
Overall	No Project	Infeasible	Least financial risk	Loss of 25 units and major shelter operations impacts	Not operationally or structurally feasible
Fatal Flaw	No	Negative cash flow	No	Negative cash flow	Negative cash flow

Possible Timelines

2019 AHSC APPLICATION

Requires very fast redesign to exclude parking

Must satisfy all SB35 approval requirements

Requires additional City fund reservation of \$14M by Jan 2019

City funds needed at construction start as early as December 2019

2019 ALTERNATIVE FINANCING PLAN

Funding availability and timeline depend on outcome of November election and State implementation

Prop 1: \$4B in bonds for housing programs and veterans' home loans

Prop 2: \$2B in bonds for homelessness prevention housing

2020 AHSC APPLICATION

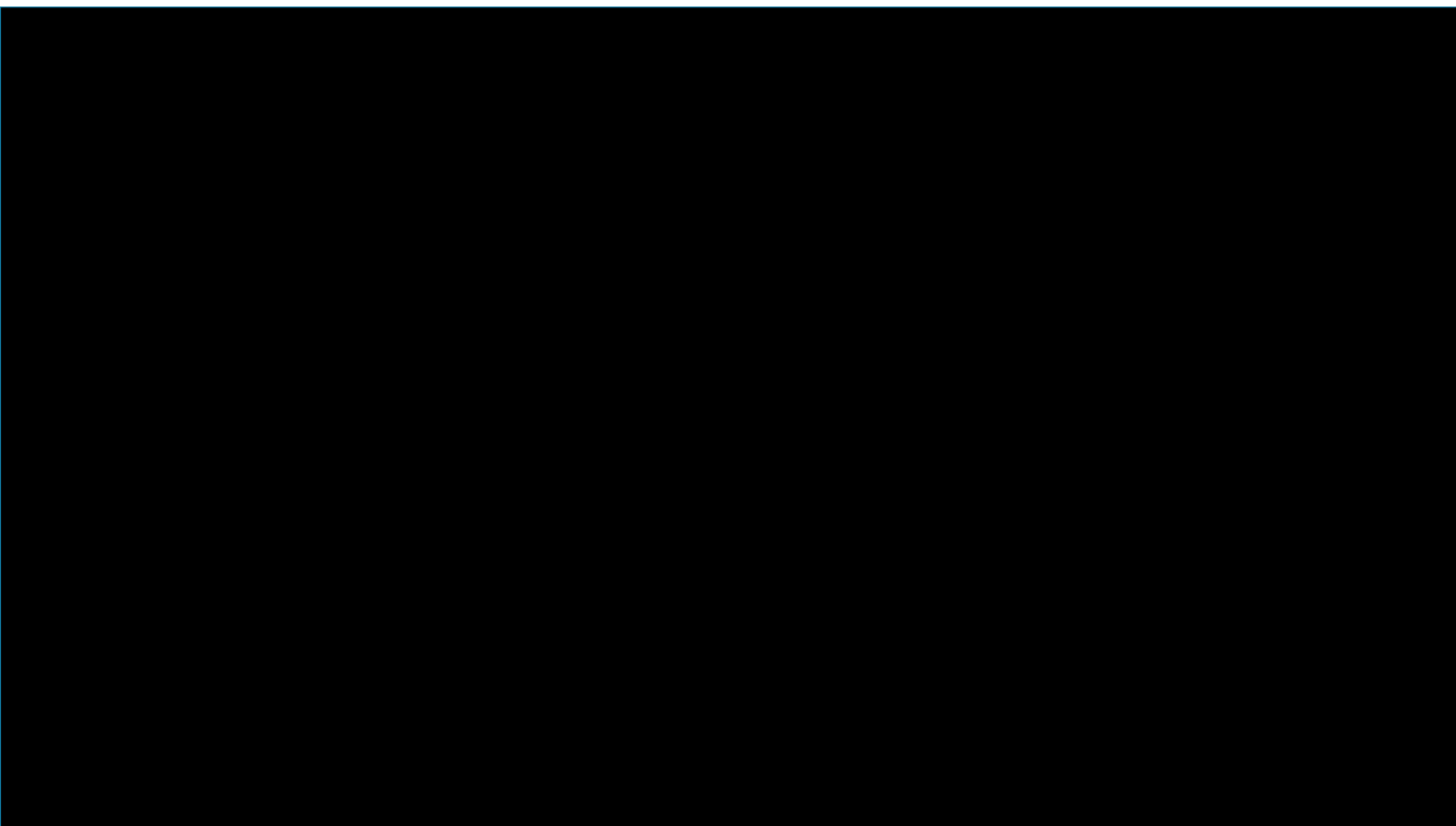
Requires redesign, permitting approvals, and funding reservations by January 2020

More likely to experience cost increases

City funds needed at construction start as early as December 2020

Questions





No Feasible Parking Option

	Existing	2016 Proposal	Alt. 1 No parking	Alt. 2 Minimize loss of City revenue	Alt. 3 Balanced Hybrid Approach
Type of parking	Surface lot	1 story below grade	N/A	1 story above grade with puzzle lifts stack parking and valets	1 story below grade with puzzle lifts stack parking and valets
Number parking spaces	112	70	0	155 105	200 129
Time to redesign/ delay to AHSC funding	N/A	N/A	15 weeks	29 – 49 weeks	TBD (≥15 weeks & potentially limited delay to entitlement)
Impact to businesses/ street parking demand	N/A	+5%	+11%	-4% +1%	-8% -2%
Impact to upper floors	N/A	No	No	Yes	No
Impact to City General Fund (opportunity cost)	None	-\$39M	-\$28M	-\$17M -\$47M	-\$21M -\$39M
Ability to finance construction (Est. Berkeley Way debt service ratio)	N/A	0.44	N/A	1.74 0.55	1.17 0.73
Annual cash flow change/risk to City bond rating	\$0	-\$1,200,000	-\$665,000	-\$506,000 -\$1,487,000	-\$619,000 -\$1,910,000
Overall	No Project	Infeasible	Least financial risk	Loss of 25 units and major shelter operations impacts	Not operationally or structurally feasible
Fatal Flaw	No	Negative cash flow	No	Negative cash flow	Negative cash flow