



Office of the City Manager

February 6, 2025

To: Honorable Mayor and Members of the City Council
From: Paul Buddenhagen, City Manager
Re: Measure O Update

This memo gives an overview of the City's implementation thus far of Measure O, a 2018 ballot measure dedicated to increasing affordable housing.

Measure O has thus far guided \$109M toward an array of projects that will create at least 1,000 new affordable apartments and 44 shelter beds. This includes five completed projects, one project under construction, and a healthy pipeline of new construction projects in various stages of predevelopment and planning. Due to the robust Housing Trust Fund project pipeline, the City is on track to nearly double the number of restricted affordable units in its portfolio since 2018, largely thanks to the impact of Measure O. This powerful expansion of City investment in affordable housing will help low- and middle-income households in Berkeley.

Building permanent affordable housing is complex, challenging and takes significant time. Affordable housing financing in California requires nonprofit developers to braid together funding from multiple sources. County, state, and federal sources usually require committed local funding – making the City's investment a critical first step for most of these multi-year developments. City staff also use these funds to help project sponsors leverage funding from outside sources. None of this would be possible without highly skilled, creative staff who navigate a labyrinth of regulations, government agencies and nonprofits. Guided by our work, every Measure O dollar multiplies more than 4x.

Permanent affordable housing is just one of the City's strategies to address the statewide housing crisis, which is at an extreme in the Bay Area. Measure O helps create a more inclusive Berkeley, expanding affordability for neighborhoods across the City and making them available to a broader group of people.

BALLOT MEASURE

Measure O provides \$135 million of funding from bond revenue to pay for affordable housing projects. Berkeley voters passed Measure O in November 2018 with 77.5% approval. The original ballot question read:

Shall the measure to issue \$135 million in bonds to create and preserve affordable housing for low-income households, working families, and individuals including teachers, seniors, veterans, the homeless, and persons with disabilities; subject to citizen oversight and independent audits, be adopted?

PROGRESS ON AFFORDABLE HOUSING PROJECTS

Affordable housing projects funded by Measure O are providing housing for low- and middle-income members of the Berkeley community.

Completed Projects

Five projects are complete, creating 240 new units of affordable housing and modern shelter space with 44 beds.

[Jordan Court](#)¹ opened in North Berkeley in spring of 2022. This project created 34 affordable studio units for low-income seniors, with 12 set aside for formerly homeless seniors. Jordan Court serves households earning between 20% and 60% of the area median income (AMI). (Measure O funding: \$3.5 million, fully disbursed)

[Berkeley Way](#)² opened in Downtown Berkeley in October 2022, and includes three sub-projects that received \$13,820,423 in Measure O funding:

- The Hope Center homeless shelter has 32 beds for homeless individuals and 12 transition beds for homeless veterans. (Measure O funding: \$6.9 million, including \$6.7 million in loans already disbursed.)
- The Hope Center permanent supportive housing has 53 apartments for people with disabilities or other special needs who would benefit from support services. This project serves households earning up to 30% AMI. (Measure O funding: \$6.7 million, with all but \$10,000 disbursed)
- The Berkeley Way Apartments has 89 units of affordable housing, consisting of studios, one- and two-bedroom apartments for households earning between 50-60% AMI. (Measure O funding: \$179,000, with all but \$18,000 disbursed)

¹ <https://berkeleyca.gov/your-government/our-work/capital-projects/jordan-court>

² <https://berkeleyca.gov/your-government/our-work/capital-projects/berkeley-food-and-housing-project-bfhp-hope-center>

[The Grinnell³](#) (formerly known as Blake Apartments) in West Berkeley was completed in June 2024 and has 63 units of housing, consisting of studios and one- and two-bedroom apartments. The Grinnell serves households earning between 30-60% AMI. (Measure O funding: \$7.3 million, fully disbursed)

In Progress Projects

Two additional projects are in progress (either under construction or in predevelopment with site acquisition completed) and will create 141 units of affordable housing:

[Maudelle Miller Shirek Community⁴](#) in South Berkeley will have 87 units of housing, consisting of studios as well as one-, two-, and three-bedroom apartments. The units will be affordable to households earning between 20-80% AMI. The project is under construction, with anticipated completion in Fall 2024. (Measure O funding: \$12.9 million, including \$11.2 million disbursed)

[1740 San Pablo⁵](#) in West Berkeley will have 54 affordable homes for families earning between 30% and 60% AMI, including three units reserved for artist households. (Measure O funding \$7.5 million, including \$6.1 million disbursed)

Projects in Predevelopment

Several projects have Measure O funding reserved but construction has not yet begun:

[Berkeley Unified School District \(BUSD\) Workforce Housing Development⁶](#) will have 110 apartments affordable to households earning between 30% and 120% AMI, with leasing preference for BUSD employees. Construction start is anticipated in 2025. (Measure O funding: \$24.5 million)

City Council reserved \$40 million in Measure O funding to support the development of affordable housing at the Ashby and North Berkeley BART (NBB) sites. Ashby is still in the planning stages; the selected nonprofit affordable housing developer(s) will have access to up to \$20 million in Measure O.

The City and BART partnered to select a team of developers for NBB, three of which are nonprofit affordable housing developers. The \$26.5 million City subsidy (including \$20 million in Measure O) will be split between the following projects:

- NBB BRIDGE Phase 1 Project will have 120 units of family housing, serving incomes between 30% and 70% AMI.
- NBB EBALDC Project will have 45 units of family housing (up to 70% AMI),

³ <https://berkeleyca.gov/your-government/our-work/capital-projects/grinnell>

⁴ <https://berkeleyca.gov/your-government/our-work/capital-projects/maudelle-miller-shirek-community>

⁵ <https://berkeleyca.gov/your-government/our-work/capital-projects/1740-san-pablo-avenue>

⁶ <https://berkeleyca.gov/your-government/our-work/capital-projects/berkeley-unified-school-district-busd-workforce-housing>

plus 15 units of permanent supportive housing (up to 30% AMI).

- NBB BRIDGE Insight PSH Project will have 85 units of permanent supportive housing (up to 30% AMI) serving formerly homeless households.

A fourth NBB affordable project will be subsidized by the market rate developer partnering on the site development.

Additionally, Council approved funding reservations for the following projects that will likely include some Measure O funds. The final mix of funding sources will be determined prior to loan closing, based on available funding at that time.

- Supportive Housing in People's Park
- St. Paul Terrace
- Ephesian Legacy Court

Net Measure O funds received by the City to date are \$76,682,000. All of these funds have been committed or reserved for projects. The City will issue the remaining \$57 million when there is debt capacity and developments are ready for the funding. The next issuance is anticipated in 2025.

POLICIES GUIDE FUNDING

The City has made Measure O dollars available through the Housing Trust Fund Program, which is subject to Council-approved Guidelines as well as administrative criteria and funding source restrictions. These Guidelines have been in place since 1990 and are updated from time to time. The most recent update was adopted by Resolution No. 69-683-N.S. on January 19, 2021.⁷ In addition to staff's work on housing developments, the City's Housing Advisory Commission, made up of community members appointed by Councilmembers and the Mayor, reviews projects and makes recommendations to the full City Council about expenditure of the City's affordable housing dollars.

Development of affordable housing is traditionally divided into several phases:

- **Predevelopment:** Project sponsors design the development, engage with the community, apply for financing from multiple sources, obtain a use permit, apply for a building permit, then finally enter into financing agreements and pay for the building permit. Permits and financing are finalized.
- **Construction:** Staff continue to monitor the developments, disburse City funds, and help resolve issues that may arise.
- **Lease-up:** This phase starts about 6 months before Construction finishes. Sponsors begin the Lease-Up phase by clarifying all tenant screening

⁷ <https://berkeleyca.gov/community-recreation/affordable-housing-berkeley/housing-trust-fund>

criteria, marketing the housing through community partners, accepting applications, screening tenants, preparing lease and when the building is complete, working with tenants as they move in.

- **Operations:** The development is occupied and leasing up apartments when someone moves out. Staff monitor Operations for 55 years.

The City's affordable housing development funds are most often reserved early in the predevelopment process. This allows project sponsors to successfully compete for state and federal funds.

Typically, the City executes a loan agreement once all permits are ready to issue and full financing has been secured, a process which usually takes years. At times City funds are loaned at site acquisition. As a result, funds may be reserved or committed for years before they are expended. Please see *Attachment 1: Affordable Housing* for details on the Measure O-funded projects, including income ranges served, total City funds, project type, and status.

Measure O has a powerful role. For every dollar in Measure O funding, project sponsors have been able to secure \$4.20 in outside funding from state, regional or private sources.

FUNDS EXPENDED TO DATE

Once Measure O funds are committed to a project, they are typically disbursed on a monthly (or less frequent) schedule when the project sponsor has incurred eligible project expenses as well as satisfied various conditions of the loan agreement. The project sponsor submits an invoice along with documentation of each expense, which is reviewed and approved by multiple City staff before funds are released.

As of 8/12/2024 the City had disbursed \$41,585,898 in Measure O funds through seven development loans as detailed in the attached table. Five are complete (Berkeley Hope Center, Berkeley Hope Center Permanent Supportive Housing, BRIDGE Berkeley Way, Jordan Court, and The Grinnell), one is under construction (Maudelle Miller Shirek Community), and site acquisition has been completed for 1740 San Pablo. These represent a total of 240 units and 44 shelter beds completed with Measure O support to date, 87 units currently in construction, and 54 units in predevelopment.

Additionally, \$143,347 was disbursed to support external legal services for the Berkeley Way projects. The total Measure O funds expended for all purposes is \$41,729,245.

MANAGEMENT AND OVERSIGHT

The Department of Health, Housing, and Community Services manages the affordable housing projects funded by Measure O. Funds are distributed through the Housing Trust Fund, which pools funds for affordable housing construction from a variety of sources and makes them available to developers through one single application process.

The Housing Advisory Commission and City Council review and approve projects to receive Measure O funding. Oversight was previously provided by the Measure O Bond Oversight Committee, which met 10 times from April 2019 - March 2021.

The commission's role is to review requests for funding, make funding recommendations to Council and receive information about the status of funding reservations and commitments. Neither commission produced its own report assessing the status of Measure O.

The City's Finance Department contracted with an outside auditor to audit Measure O expenditures as required by the ballot measure. The first fiscal year including Measure O expenditures ended on June 30, 2021 and was the first year to be audited. The draft audit was completed on September 20, 2023 and had no findings.

Information about Measure O can be found in the [Bond and Revenue Measures and the Capital Projects](#)⁸ sections of [berkeleyca.gov](#).⁹ Members of the public interested in learning more about the allocation and expenditure of Measure O funds can also consult the [Housing Advisory Commission](#), refer to their meeting agendas and documents, or attend their meetings.¹⁰

Attachment: Spreadsheet of Measure O projects

cc: Tasha Tervalon, Interim Deputy City Manager
Sharon Friedrichsen, Interim Deputy City Manager/Budget Manager
Scott Gilman, Director, Health, Housing, and Community Services
Margot Ernst, Manager, Housing and Community Services
Henry Oyekanmi, Director, Finance Department
Matthai Chakko, Assistant to the City Manager
Mark Numainville, City Clerk
Jenny Wong, City Auditor
Farimah Brown, City Attorney

⁸ <https://berkeleyca.gov/your-government/our-work/capital-projects>

⁹ <https://berkeleyca.gov/your-government/our-work/bond-revenue-measures>

¹⁰ <https://berkeleyca.gov/your-government/boards-commissions/housing-advisory-commission>

City of Berkeley
Affordable Housing Projects Supported by Measure O
 Total Authorized Bonds = \$135M

Project Name	Project Address	Development Partner	Description	Units ¹	Affordability	Total Measure O Funds Committed or Reserved ²	Measure O Disbursements Through June 2024	Total City Funds Reserved	Projected Sources of Funds ³	Project Status
Projects with Measure O Commitments and Reservations										
BRIDGE Berkeley Way	2012 Berkeley Way	BRIDGE Housing	89 affordable homes and services for low- and very low- income families.	89	50-60% AMI	\$179,494	\$161,544	\$2,774,925	Measure O, HTF	Completed
Berkeley Hope Center	2012 Berkeley Way	Insight Housing / BRIDGE Housing	32-bed homeless shelter, 12 transitional beds for homeless veterans, a community kitchen and wrap-around services for mental health, substance abuse, job training and social activities.	44	0-30% AMI	\$6,909,837	\$6,652,191	\$16,964,507	Berkeley's Housing Trust Fund (HTF), Measure U1 ⁴ (U1), Measure O	Completed
Berkeley Hope Center Permanent Supportive Housing	2012 Berkeley Way	Insight Housing / BRIDGE Housing	53 permanent supportive housing apartments.	53	0-30% AMI	\$6,731,092	\$6,721,092	\$7,727,630	Measure O, HTF	Completed
Jordan Court	1601 Oxford Street	Satellite Affordable Housing Associates (SAHA)	34 affordable studio units for seniors. 12 units will also be set aside for formerly homeless households.	35	20-60% AMI	\$3,501,884	\$3,501,884	\$6,026,927	HTF, Measure O	Completed
The Grinnell (formerly Blake Apartments)	2527 San Pablo Avenue	SAHA	62 affordable apartments for families and individuals. 12 units are prioritized for people with an intellectual or developmental disability.	63	30-60% AMI	\$7,266,032	\$7,266,032	\$12,000,000	Measure O, U1, State Local Housing Trust Fund (LHTF)	Completed
Maudelle Miller Shirek Community	2001 Ashby Avenue	Resources for Community Development (RCD)	86 apartments for families and individuals. 12 units will also be set aside for formerly homeless households.	87	20-80% AMI	\$12,932,000	\$11,225,017	\$17,000,000	Measure O, U1, LHTF	Under Construction
1740 San Pablo Avenue	1740 San Pablo Avenue	BRIDGE Housing	53 new affordable homes for families. 3 units will be set aside for artist households.	54	30-60% AMI	\$7,500,000	\$6,058,137	\$7,500,000	Measure O	Predevelopment
Berkeley Unified School District (BUSD) Workforce Housing Development	1701 San Pablo Avenue	BUSD/SAHA/Abode	109 affordable apartments. Employees of BUSD and their households will have a leasing preference.	110	30-120% AMI	\$24,500,000	-	\$24,500,000	Measure O	Predevelopment
NBB BRIDGE Phase 1	North Berkeley BART Site	BRIDGE Housing	119 affordable apartments for families and individuals.	120	30-70% AMI	\$20,000,000	-	\$11,563,636	Measure O, HTF	Predevelopment
NBB EBALDC Project	North Berkeley BART Site	East Bay Asian Local Development Corporation (EBALDC)	59 affordable homes, including family housing and 15 units of permanent supportive housing	60	0-70% AMI		-	\$5,926,364	Measure O, HTF	Predevelopment
NBB BRIDGE Insight PSH Project	North Berkeley BART Site	BRIDGE Housing + Insight Housing	85 permanent supportive housing apartments	85	0-30% AMI		-	\$9,010,000	Measure O, HTF	Predevelopment
Ashby BART Projects	Ashby BART Site	TBD	TBD	TBD	TBD	\$20,000,000	-	\$26,500,000	Measure O, HTF	Planning
Measure O Impact				>800	New Units	\$109,520,339	\$41,585,897.62	\$147,493,989		
Projects with City Funding Reservations										
Supportive Housing at People's Park	2556 Haste Street	TBD	118 affordable units with 62 units set aside for formerly homeless households.	119	10-50% AMI	FR ⁵	-	\$14,359,593	TBD	Planning
St. Paul Terrace	2024 Ashby Avenue	Community Housing Development Corporation (CHDC)	49 affordable units, including 11 studios, 6 one-bedrooms and 17 two-bedrooms, and 15 three-bedrooms.	50	30-60% AMI	FR ⁵	-	\$12,250,000	TBD	Predevelopment
Ephesian Legacy Court	1708 Harmon Avenue	CHDC	79 one-bedroom units.	80	30-60% AMI	FR ⁵	-	\$18,087,701	TBD	Predevelopment
				249	New Units			\$44,697,294		

¹ total units, including managers' units

² committed = in contract, and reserved = set aside for a particular project

³ the final mix of funds is determined at loan closing

⁴ General Funds generated pursuant to Measure U1

⁵ FR = Funding Reservation that the City Council has approved from currently available affordable housing funds. Final mix of funding to be determined at development loan closing.