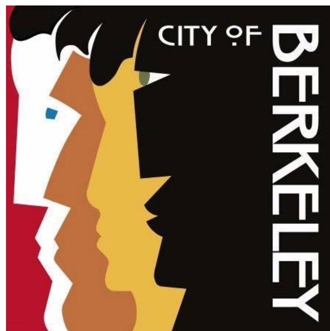
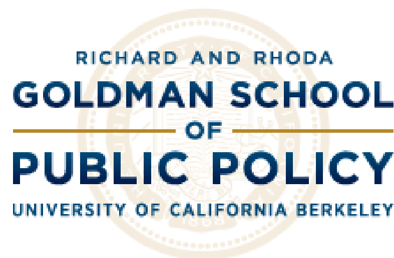
Smart Practices in Public Private Partnerships for Affordable Housing Development at Berkeley BART Stations





Matthew Ebert

Goldman School of Public Policy

University of California, Berkeley

14 May 2021

The author conducted this study as part of the program of professional education at the Goldman School of Public Policy, University of California at Berkeley. This paper is submitted in partial fulfillment of the course requirements for the Master of Public Policy degree. The judgements and conclusions are solely those of the author and are not necessarily endorsed by the Goldman School of Public Policy, by the University of California, or by any other agency.

Table of Contents

Executive Summary 3

I. Introduction 4

II. Public Private Partnerships Definition 4

III. Background 5

A. Federal Housing Programs 5

B. California Regulatory Environment 7

IV. PPP "Smart" Practices – Affordable Housing Finance 9

A. Affordable Housing Finance Basics 9

B. Low Income Housing Tax Credit (LIHTC) Program 10

C. Criticisms of LIHTC 11

D Philanthropy in Affordable Housing Development 13

Philanthropy Basics 14

Philanthropy Misunderstandings 14

Facebook - The Partnership for the Bay's Future (PBF) 15

PBF - Bay's Future Fund 15

PBF – Community Housing Fund 16

Google Endeavor 16

Crowdfunding 17

V. BART & City of Berkeley– Transit Oriented Development Plan 18

A. Zoning Standards 18

B. Affordability Goals and Site Characteristics 18

C. Proposal Assessment Criteria 19

D. Vision and Leadership 21

VI. Recommendations 22

VII. Methods/Acknowledgements 23

VIII. Works Cited 24

Executive Summary

The most relevant public private partnerships in affordable housing development are found in the finance of the construction and operation of a project through federal tax credits. Tax credit financing is what enables deed-restricted affordability levels to be set, and also requires assembling a complex combination of funding contributors, including municipal contributions from Berkeley. Tax credit financing allows rent levels to be set below market rate because it does not have to be repaid.

The major partners in affordable housing are the property owner, BART, and the development team. The role of Berkeley is diminished because AB2923 gives administrative control of the process to BART. With the contribution of significant funding, the City of Berkeley is in a position to secure increased public benefits, and dedicated municipal funding helps developers to leverage outside financing. Community benefits include the proportion of affordable units, the depth of affordability, proportion of units for family dwellings, auto and bicycle parking, open space, commercial development, and project design parameters like setbacks.

Berkeley's role is to build a shared community vision, help streamline entitlements, contribute bond funding to obtain community benefits, leverage other funds, and support predevelopment. It is also important to understand and appreciate the contributions, risks, concerns, and responsibilities of the many partners.

Key Recommendations:

The City of Berkeley needs to engage in a process to determine the appropriate mix and depth of affordability for the BART housing developments.

The City of Berkeley should work with state legislators and BART to make sure that the California Housing Finance Agency will be prepared to provide bond and tax credit financing for the Berkeley BART station development projects.

Development proposals should consider the feasibility of using prefabricated building techniques to lower total development costs.

I. Introduction

On Tuesday, April 27, 2021, The Berkeley City Council unanimously voted to set aside $53 million to support the development of affordable housing at the Ashby and North Berkeley BART stations. Mayor Jesse Arreguín noted that this allocation represents the "largest investment ever in an affordable housing project in the City's history."[1] This vote also conforms with the minimum requirements set out in the Memorandum of Understanding (MOU) between the City of Berkley and BART that was approved on December 10, 2019.[2] The MOU requires that the City of Berkeley "set-aside funding sufficient to assure BART, in its sole discretion, that at least 35% of the housing units proposed to be constructed at the BART Properties would be deed-restricted to low, very low and/or extremely low affordable housing."[3] This allocation of funds from both Measure O bonds and the Housing Trust Fund is based on a calculation by the consultant Street Level Advisors of the estimated subsidy necessary to reach the 35% affordable minimum benchmark.[4] The vote was the culmination of many months of collaboration between BART and the City, including the efforts of the Community Advisory Group which was created "to represent a broad cross-section of the community and provide input to the Planning Commission on the preparation of zoning and site planning parameters for the Ashby and North Berkeley BART."[5] Staff recommendations for development at the Ashby BART station have called for increasing the percentage of affordable units even further, proposing a minimum of 50% affordable units with a stated desire to pursue as much as 100% affordable units.[6] There has been a similar preference articulated to increase the percentage of affordable units at the North Berkeley BART station.

These recent policy decisions signal a strong commitment by the City of Berkeley to the ongoing partnership with BART in support of their Transit-Oriented Development (TOD) Plan to build affordable housing at the Ashby and North Berkeley BART stations. The local financial contribution is crucial in maintaining affordability levels and attracting other necessary funding, and also puts the City of Berkeley in a better position to ensure community benefits are realized. To reach these ambitious goals will require effort and investment from other partners as well. This analysis will consider the practices that generally occur within the affordable housing industry and identify areas of specific focus for the City of Berkeley to consider as the planning process for the projects moves forward.

II. Public – Private Partnerships Definition

Public-private partnerships (PPPs) are a collaboration between government agencies and one or more private sector companies that work together to finance, build, and operate projects with some public benefit. Also called "cross-sector collaboration," a simple way to think of these associations is government working with a contractor and/or cosponsor to provide some product or service to the public. In such a partnership, the entities come to agreement on the specific goals of the project, the specific segment of the population being served, and the operational guidelines by which the outcomes are realized. In the case of the BART stations, these include the number of deed-restricted affordable housing units, the amount of open space, the provision of bicycle and automobile parking, station access, commercial space, and building design.

Government becomes involved in a PPP in order to ensure that the public is served through the provision of an essential service, a necessary commodity, or some desired social outcome that has not been well served by the free market. In the field of affordable housing development, PPPs are formed to finance the construction and management of deed-restricted properties that provide lower rents for people with lower incomes. This fulfills a desired social outcome by helping community members to remain in Berkeley who might otherwise be forced to commute an onerous distance to work in necessary occupations within the City. When such inefficiencies are externalized to individual workers, it not only has negative effects for the person including less time for family, health impacts, and increased stress, there are also spillover effects to the community in the quality of services rendered, the ability of businesses to retain a stable workforce, and increased carbon emissions.[7] Building housing with access to public transportation helps to significantly diminish these effects. Affordable housing also serves vulnerable populations such as the elderly, the disabled, or people struggling to overcome the challenges of homelessness. The community is best served when people with a range of incomes have the opportunity to live amongst one another and contribute to the diversity and cultural wealth of the City as a whole.

PPPs are also subject to criticism and controversy. Privatization of functions considered to be the primary responsibility of government raise concerns about the motivations of providers that operate within a profit model. Skyrocketing costs lead many people to conclude that failures of the market system require a larger government role in the provision of services, while others decry the role of government in what they deem to be the milieu of individuals and private industry. Any time public money is involved, people want to be assured that contracts are awarded fairly and that funds are spent wisely. Private firms may not be accustomed to high degrees of transparency that may undermine their competitiveness. In a highly specialized field, the same people who provide government oversight may seek favor with private industry for future career advancement. Sometimes the involvement of government is credited with fostering the creation of labyrinthine, inefficient networks of bureaucracy. These criticisms arise whenever public and private entities come together to provide public goods within the parameters of a market system, and they are not likely to disappear. They are a part of a continuing debate about the role of government and the virtue of free markets that is at the core of the nation's being. While these issues are worthy of concern, they should not exclude partnerships that strive to be transparent and that ultimately create beneficial outcomes for communities, as the vast majority of affordable housing partnerships have proven capable to accomplish.

III. Background

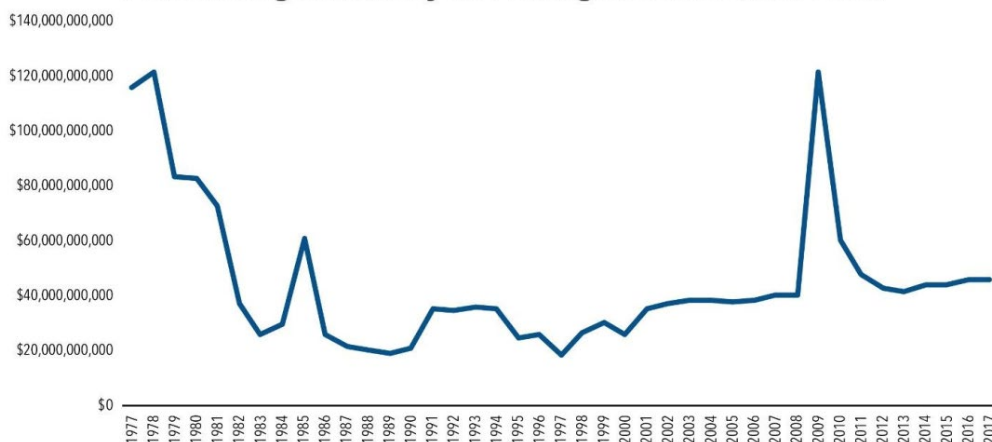
A. Federal Housing Programs

The history of U.S. government intervention in the provision of affordable housing began with FDR's New Deal. The National Housing Act of 1934 established the Federal Housing Administration (FHA) "to encourage improvements in housing standards and conditions."[8] The

FHA established mortgage insurance programs with low down payments and long-term mortgages that made home ownership feasible for poorer families.[9] The U.S. Housing Act of 1937 established public housing for poor people, managed by state-run public housing agencies.[10] The federal government provided the funding to build housing that was available to people for a set fraction of their income (at first 25 percent, then 30 percent), and also funded local housing agencies to manage and maintain the properties. These methods of providing housing helped millions of families to obtain secure housing and build wealth but were also riddled with racist practices. New housing projects were frequently built in "blighted" areas from which immigrant families or people of color had been pushed out, and housing projects were segregated by race through the 1970s.[11] In his book, *Color of Law*, Richard Rothstein details a shameful sort of PPP in which explicit government policies and de facto segregation from practices like redlining combined to eliminate eligibility for African Americans in both rental and home ownership markets. Those policies, and the constant decline of funding to adequately maintain housing projects, led to substandard public housing with increasingly poor outcomes. The provision of public housing by the government, instead of being seen as a necessary support for people in need, increasingly came under criticism as a system that trapped people into a cycle of dependency.

The federal government eventually shifted away from the direct provision of housing and towards market-based solutions. Starting in the late 1950s, Congress created programs that leveraged private investment to build affordable housing by providing subsidies or low interest rates to private landowners.[12] The Department of Housing and Urban Development (HUD) was created in 1965 and began providing subsidies to public housing agencies. In 1973, President Richard Nixon ceased spending on new housing construction. The Housing and Community Development Act of 1974 provided funding for affordable housing development through block grants for local housing agencies and vouchers for use in the rental market.[13] Between 1978 and 1983, the HUD budget was reduced from $83 billion to just over $18 billion in constant dollars.[14]

Federal Budget Authority for Housing Assistance (1977-2017)



Note: Adjusted to constant 2017 dollars using CPI-U. The 2009 American Recovery and Reinvestment Act included a major one-time increase for housing assistance. Source: OMB Historical Table 5.1 - Budget Authority by Function and Subfunction

The federal budget authority for housing assistance programs has fallen sharply in past decades and remained stagnant. There was a spike in 2009 with federal assistance in response to the economic crisis caused by housing speculation.[15]

Then, the Tax Reform Act of 1986 established the Low Income Housing Tax Credit (LIHTC), which provides tax credits to investors in the development of affordable, deed-restricted rental housing. Tax credits are an indirect way for the federal government to contribute funding to affordable housing development. Rather than spend federal funds outright on new construction, tax credits incentivize investment of private capital in housing projects. Those investors then are able to subtract the tax credit amount from the total they would have had to pay in taxes. These changes in policy at the federal level worked to create the affordable housing industry as it exists today—an industry where private capital is employed to help finance the construction of rent-restricted housing for public benefit. The most significant PPP in the development of affordable housing is this tax credit financing mechanism.

The other part of the financing mechanism that complements the tax credit market is the private activity bond market. The federal government authorizes state housing authorities to issue private activity bonds, the revenue from which is issued as loans to developers to help finance affordable housing and for other "qualified purposes."[16] The bonds are tax-exempt, which incentivizes investors to accept a lower rate of return. This lower rate makes capital less expensive and contributes to the feasibility of projects with deed-restricted rents. The amount of tax-exempt bonds issued is determined by a "volume cap" based on the state's population size. Bond funding for multifamily rental housing is matched with tax credits to provide the largest share of affordable housing finance available.

B. California Regulatory Environment

California has recognized the need for affordable housing and has made legislative efforts to address the stagnation of development that has occurred when local jurisdictions opposed projects that they deem inappropriate for their communities. In 1982, the Housing Accountability Act (HAA) gave the State of California authority to limit the ability of local government to restrict the development of new housing consistent with objective local development standards.[17] Developments generally, and affordable developments in particular, are often opposed by local communities resistant to change. These people are colloquially called "NIMBYs" for Not In My Back Yard, and the HAA has been referred to as "the anti-NIMBY law."[18] The findings and declarations in the HAA helped to frame the lack of housing and unaffordability in California as a crisis that requires aggressive government intervention. The Act was amended in 2017 to strengthen its provisions, including awarding attorney's fees to a successful plaintiff in a case appealing a decision by a municipality. An example of the law being applied occurred when an Alameda County judge reversed a decision to deny a permit to develop three homes in place of one at 1310 Haskell in Berkeley.[19] The judge ruled that since the project was substantially in compliance with existing code and was not detrimental to the community, denial of the permit violated the HAA. Even with this outcome favoring development, the delay of the project and

expenses related to it are an example of how local jurisdictions can create a disincentive to housing development.

In the past few years there has been a concerted push to introduce more legislation in California to address the housing crisis. Legislation has addressed a wide array of housing issues, including protection against rent increase and evictions, banning discrimination against housing voucher holders, expanded density bonuses for affordable housing near transit, promoting development of accessory dwelling units, streamlining affordable housing funding applications, and providing for ministerial approval of affordable housing projects.[20] In 2018, Senate Bill 35 (SB 35) required local entities which are not meeting their Regional Housing Needs Allocation (RHNA) goals to streamline the approval of multifamily housing projects that satisfy specific criteria by providing for a ministerial process which circumvents a more cumbersome discretionary review, limits the amount of time that local government has to review the project to 90 days, and exempts qualified projects from the California Environmental Quality Act (CEQA).[21] This process avoids potentially expensive delays. That same year, the City of Berkeley denied construction entitlements to an affordable housing development invoking SB 35 at the Spenger's Fresh Fish Grotto Restaurant parking lot at University Avenue and Fourth Street.[22] On April 20, 2021, the California Court of Appeal ruled in favor of the developer, finding that the project met the City's objective standards and all requirements of SB 35. The Court further upheld the constitutionality of the law and validated California's interest to supersede local authority to remedy the housing crisis.[23] These court decisions point the way forward for more affordable housing development and make it plain that these laws promoting housing growth will be upheld.

The legislation that has set the stage for development of the BART parking lots is Assembly Bill 2923 (AB 2923), signed into law at the end of 2018. AB 2923 requires BART to establish guidelines to support development at BART-owned properties of at least a quarter of an acre within half a mile of a BART station, and for local jurisdictions to set zoning to match these standards. The law also sets baseline standards for residential density, building height, floor area ratio, and parking, and requires at least 20 percent of the residential units constructed to be affordable to very low and low-income households (earning roughly 30 – 80 percent of area median income) for at least 55 years.[24] Achieving a certain level of density is an important factor in making a project financially feasible. The law prohibits local jurisdictions from lowering the maximum allowable stories of a building below seven but allows a maximum to be set higher. The law is expected to produce over 20,000 new homes by 2040 and help to reduce traffic congestion and air pollution by developing them right next to transit stations. Like SB 35, AB 2923 allows for a streamlined ministerial entitlement process that prevents development projects from being delayed by challenges when residential mixed use projects satisfy zoning requirements.

IV. PPP "Smart" Practices – Affordable Housing Finance

The primary public private partnerships in affordable housing development take place in the complex combination of financing sources that make it possible to build and manage deed-restricted housing with lower net income from rents than is feasible to support standard construction debt. The federal government, working with state agencies, provides tax credits to encourage private equity investment in affordable housing development, and also supports tax-exempt bonds issued by states and municipal governments. Because the equity investment from tax credits is money that the developer does not have to repay, it replaces a portion of traditional construction financing. A combination of public, private, and philanthropic capital is blended to cover development costs. The City of Berkeley plays a role by contributing development capital through municipal bonds and the Housing Trust Fund, managing entitlements, and by actively participating in the community vision process. Before considering the role of the City of Berkeley, a review of affordable housing finance will provide necessary context.

A. Affordable Housing Finance Basics

It is important to understand what is meant by the term "affordable." In community development, "affordable housing" has a specific meaning. It refers to deed-restricted, publicly-subsidized housing. Within a project, the percentage of affordable units refers to ratio of the number of deed-restricted units divided by the total number of units. There is also a measure of the "depth" of affordability. The depth is expressed as a fraction of area median income (AMI), and rents are set at 30 percent of that income.[25] Extremely Low Income refers to people earning 30 percent of AMI or less. Next is Very Low Income (30 – 50 percent AMI), Low Income (50 -80 percent AMI), then Moderate Income (80 – 120 AMI). The Moderate Income level is generally not considered to be in the "affordable" class and is often referred to as "workforce" housing.
The assembly of capital from various sources to support a development project is called the "capital stack." One developer referred to it as "lasagna" because it can be sticky and messy to peel back the layers.[26] Assembling the capital stack is one of the primary responsibilities of the developer in the partnership. The capital stack in an affordable housing project is mostly made up of equity and debt, along with less significant in-kind contributions such as waived fees or land lease reductions. Equity in affordable housing development is provided almost exclusively through tax credits, although it can also include contributions made by the developer. Equity from tax credits does not have to be repaid. Debt in affordable housing development comes from standard bank loans and loans from philanthropic housing funds that are repaid from operating income (rents) from the project. Contributions from tax-exempt bonds are considered a form of "soft debt" that are not necessarily repaid by the project. In every affordable housing project, there is an amount available from bonds and tax credits, then another amount that can be borrowed from a bank that is repaid from the net operating income earned from rents. In the case of some permanent supportive housing, there is no rental income at all. The difference between these available funds and the amount needed for the total development costs is referred to as the "gap finding." Financing to fill this gap comes from a number of different sources, especially philanthropic funds designed to support affordable housing development.

B. Low Income Housing Tax Credit (LIHTC) program

The Low Income Housing Tax Credit (LIHTC) is the federal government's primary method for incentivizing private investment in the development and preservation of affordable rental housing.[27] The program allocates tax credits to state-run housing finance agencies on a per-capita basis. There are two different types of tax credits: a 4 percent credit designed to provide up to a 30 percent subsidy, and a 9 percent credit designed to provide up to a 70 percent subsidy.[28] Developers are automatically eligible for the four percent tax credits when 50 percent or more of the development is financed with tax-exempt bonds. Developers sell the tax credits, which are realized over a ten-year period, in exchange for equity financing from outside investors. The 9 percent tax credits are competitive, cannot use other federally subsidized financing, and are drawn from the state's annual allocation authority. These tax credits generally support permanent supportive housing and other deeply affordable housing units (less than 30 percent AMI).

The California Tax Credit Allocation Committee (TCAC) is the state agency that awards tax credits in partnership with the California Housing Finance Authority (CalHFA) and the California Debt Limit Allocation Committee (CDLAC), which is responsible for allocating bond funds. In 2020, TCAC awarded $210.2 million in competitive nine percent tax credits to 103 proposed housing projects in California from a total of 204 applications.[29] Because tax credits are referred to in annual terms, that tax credit allocation represents over $2 billion in private equity investment. The nine percent program supported the development of a total of 6,884 affordable rental housing units, with 89 percent of those units newly constructed.[30] The four percent program awarded $301.7 million in annual federal tax credit (valued at over $3 billion) to 181 proposed housing projects.[31] This program generally supports a mix of new construction and rehabilitated housing units.

Tax Committee-Awarded Tax Credits by Bay Area County From 2015 Through 2019[32]

COUNTY	HOUSEHOLD POPULATION	TAX COMMITTEE SUPPORTED LOWER- INCOME UNITS	TAX COMMITTEE TAX CREDITS IN DOLLARS—FEDERAL*	TAX COMMITTEE TAX CREDITS IN DOLLARS—STATE*	TAX COMMITTEE TAX CREDITS IN DOLLARS—TOTAL*	UNITS PER 1,000 HOUSEHOLD POPULATION
Alameda	1,624,962	5,723	$113,385,054	$12,495,728	$125,880,782	3.5
Contra Costa	1,140,146	4,683	54,921,166	1,739,142	56,660,308	4.1
San Francisco	865,218	8,505	203,958,957	2,077,872	206,036,829	9.8
San Mateo	764,823	1,361	28,926,679	6,141,804	35,068,483	1.8
Marin	253,957	221	4,693,114	0	4,693,114	0.9

* amounts reflect initial annual outlay; tax credits are dispersed over ten years (e.g., for actual equity, multiply by 10).

TCAC makes funding allocation decisions through a formal and transparent scoring process called the Qualified Allocation Plan (QAP). QAPs evaluate whether a development meets federal and state affordability requirements and scores a project on qualities such as environmental impacts, access to public transit, the contribution of other financers such as local municipal bond funds, and benefits to underserved communities.[33] In the LIHTC program, there is a minimum

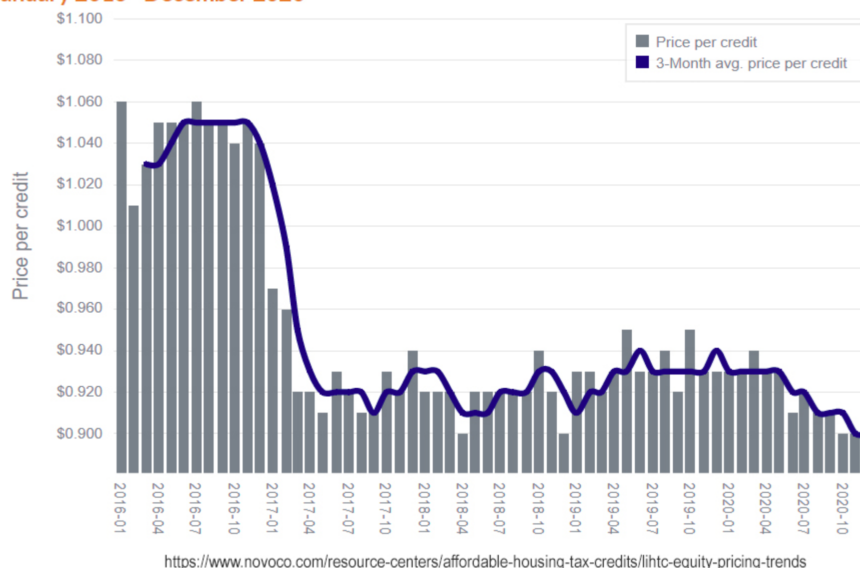
requirement that each project will provide 20 percent of units for households at 50 percent of area median income (AMI) or 40 percent of units at 60 percent AMI. Developers may average the incomes of residents of a development to meet their required level of affordability, but only when all residents are below 80 percent AMI. Developments must maintain their level of affordability for 30 years of operation, but often will provide for a longer term or larger percentage of deed-restricted units (often up to 100 percent) either to compete for the more lucrative nine percent tax credits or because they participate in programs with a longer term requirement. For example, the affordability term requirement imposed by AB 2923 is 55 years.

A simplified example will help to illustrate how this works. If a new construction project has eligible costs of $1 million, and qualifies for the 9 percent tax credit, a 70 percent subsidy equaling $700,000 worth of tax credits is allocated. At the appropriate interest rate, that $700,000 would have been worth $900,000 in ten years. The investor receives 9 percent of the qualified basis each year for ten years, and therefore is able to realize the full value of the investment as dollar-for-dollar savings of taxes that do not have to be paid. Similarly, 4 percent of the qualified basis over ten years would repay a 30 percent subsidy of $300,000. In practice, it does not work out so simply. In order to raise capital with the tax credits, a developer may partner directly with an investor, but more often partners with a tax credit syndicator that manages a tax credit fund for multiple investors. These investors pay some fraction of the value of the tax credits. The amount investors are willing to pay for tax credits is related to specific factors of the project such as risk and the characteristics of the other financing partners. If a tax credit investor pays ninety cents for every dollar of tax credits, they receive an 11.1 percent return on their investment (.10 "profit" divided by .90 "investment"). That margin is basically federal money that pays for the fees of the syndicator and a profit margin for the investor, and therefore does not go directly to the development costs of the project.

C. Criticisms of LIHTC

The main criticism of LIHTC projects is that they are very complex to put together. One developer referred to LIHTC as "obsolete."[34] While this may be hyperbole, it certainly points out that this public-private partnership method of finance has evolved into a process that is cumbersome to manage and which makes it prohibitively difficult to produce affordable housing. The Terner Center for Housing Innovation determined that between 2008 and 2019, 80 percent of LIHTC projects required between four and eight funding sources, with an additional 9 percent requiring more than eight sources.[35] Every additional funding source adds complexity and cost to a project, especially considering that deadlines and program requirements among sources are not well aligned. Each additional source of funding on a project is associated with an increased cost of $6,400 per unit, or about 2 percent.[36] Although most of the rising costs of construction are attributable to hard costs like labor and materials, the costs related to the complexity of LIHTC projects are relevant enough to suppress the number of completed affordable units.[37]

Market conditions and shifting demand in the bond and tax credit markets can reduce funds available for development. As the graph below illustrates, the value of tax credits has generally been decreasing. The steep drop in value is attributable in part to the 2017 JOBS Act which



lowered corporate tax rates and reduced demand for tax credits. The more recent drop beginning April 2020 may be attributable to the Covid-19 pandemic. These fluctuations can present challenges to developers struggling to assemble the complex funding necessary for affordable housing projects.

While the allocation of 4 percent LIHTC is regularly portrayed as non-competitive and readily available to qualifying projects, this does not appear to be the case in practice. In late April 2021, the California Debt Limit Allocation Committee (CDLAC) was only able to grant 46 of 121 applications in its round of bond funding, affecting 14 affordable housing projects in San Jose, San Francisco, and Oakland who did not receive funds.[38] The change is attributed to increased demand for affordable housing funding in the Bay Area, and also to a new allocation process that gives preference to projects that need less funding.[39] In a report released on November 17, 2020, the California State Auditor found that the Debt Limit Allocation Committee "let roughly $2.7 billion in bond resources expire from 2015 through 2017."[40] The report said that "the committee failed to publicly disclose and struggled to explain" the mismanagement of their core responsibility.[41] These bonds are required to fund at least half of the eligible development costs of a 4 percent LIHTC project and could have funded thousands of affordable housing units. The report further cited the lack of a comprehensive and coordinated state affordable housing plan, the lack of communication between the Debt Limit Allocation and Tax Credit Allocation Committees, and separate processes with "misaligned and inconsistent requirements" that are "redundant in several respects."[42] Another reason for the shortage of affordable homes cited in

the report is that local "jurisdictions can still undermine affordable housing development by using lengthy and uncertain approval processes" despite state law targeted on streamlining the entitlement process. Recommendations from the Auditor include creating an interagency workgroup to revamp the program, better enforcement of streamlining standards in local jurisdictions, and eliminating the Debt Limit Allocation Committee and transferring its authority and responsibilities to the Tax Credit Allocation Committee.[43]

In Minnesota, a consolidated Request For Proposal (RFP) application process has made it much easier to coordinate among various state and federal funding resources for affordable housing development projects.[44] The process brings together multiple funders regularly from outside public institutions and has helped these funders to coordinate and communicate among themselves about priorities. As California state housing finance agencies are re-organized, they should look to the Minnesota model to improve coordination and communication so that development projects can find the funding they need to be fully realized.

Several sources have cited the absence of reliable data collection form the process of LIHTC financing that make program analyses difficult to achieve. The California Auditor stated in her report that "the State does not have the data to determine how much affordable housing it has supported with its financial resources."[45] A study from the Urban Land Institute mentions that "the lack of standardized, granular data on financed properties over time makes it difficult to analyze exactly who benefits from living in LIHTC units."[46] The Terner Center concluded that "the state should continue to support data collection and research in the housing sector" and "to support California's Department of Housing and Community Development (HCD) as it builds its Regional Housing Needs Assessment (RHNA) and Housing Element data infrastructure."[47] In order to collect data to conduct their analyses, the Terner Center at times was required to extract data from PDF-formatted documents, requiring a great amount of effort. Improving data collection practices across complex LIHTC programs will be a difficult task not only because of complexity and management issues within California but also differences among housing authorities from state to state.

D. Philanthropy in Affordable Housing Development

At an online convention for the Partnership for the Bay's Future philanthropic fund on March 31, 2021, a senior director of investments at LISC Bay Area stated that the philanthropic fund is "not a replacement for federal investment" in affordable housing development.[48] If anything, philanthropic funds are a complement. Philanthropists contribute to affordable housing finance by providing capital to designated funds which then provide loans with low interest rates and flexible repayment conditions to a developer to help build or preserve affordable housing. Philanthropists also provide grants for general operating costs or capacity building to nonprofit organizations that work in housing policy advocacy and research. For the purposes of this analysis, the focus will be on the role of philanthropists in the finance of new affordable housing construction.

Philanthropy Basics

The world of philanthropy can be difficult to comprehend. A mélange of donors consisting of individuals and corporations contribute money to address various social causes. Gifts can range from small contributions to endowments of over $1 billion. An endowment is a gift of a large amount of money that is set aside in a trust or private foundation as a means of generating interest income to support an organization. The large initial gift, called the principal, does not usually get spent. In such a restricted endowment, the principal is held in perpetuity and the interest earnings are spent according to the specifications of the donor. The use of capital in a fund designed to provide loans for affordable housing development is similar in that capital is not spent until it is exhausted. The capital outlay from the philanthropist is held in the trust or foundation and distributed as loans to developers who must pay it back with interest. The money is not a gift to developers. In this way, money retained in the fund can be loaned repeatedly to support numerous projects over time. These are also called "revolving funds."

In the affordable housing industry, contributions from philanthropic funds are typically used to help provide "gap funding" for a developer who is assembling financing to build affordable housing from many sources. The "gap" in funding is between the amount available from standard bank loans and public sources and the total amount needed to successfully complete the construction project. Often this funding is used to finance a project in its initial phases while more permanent funding can be acquired. The challenge of meeting the terms and timelines of these various interested partners and funding organizations is part of the specific expertise that a nonprofit developer brings to the partnership of public and private entities working together on an affordable housing project. With generally low interest rates, philanthropic housing funds keep the cost of capital low and help to make a housing development project more feasible.

Philanthropy Misunderstandings

Confusion about how private affordable housing funds function is exacerbated by imprecise accounts in the media. Articles that discuss Facebook's contribution to its newly-founded Partnership for the Bay's Future use the word "spend" to describe their contribution. One article has the headline, "Facebook will spend $1 billion to address California's affordable housing crisis."[49] Another states, "Facebook anticipates spending all $150 million by 2026" when referring to the Partnerships' Community Housing Fund.[50] While Bloomberg News reports that Google will "invest" $2 billion of land and money, and that "$250 million will fund incentives for developers" to build affordable housing units, it then reports a "$500 million donation to preserve and produce more affordable housing" from "the Partnership for the Bay's Future, a consortium of Bay Area philanthropists that includes Facebook CEO Mark Zuckerberg."[51] Accounts like this can be misleading since the consortium of philanthropists have made a donation to the restricted revolving fund, but that fund is not making a donation to a development project. In reference to the Community Housing Fund, Facebook Chief Financial Officer David Wehner is more precise. He writes, "We expect to fund at least five projects across the eligible counties in the next 12 months and plan to distribute all $150 million by 2026."[52] Wehner makes sure to mention that "the effort is the direct result of collaboration with key partners" including a $5 million contribution from the nonprofit Destination: Home, and that the

fund is managed by "Local Initiative Support Corporation, the largest community development organization in the country."[53] It is important to recognize that every development fund is a partnership of several public and private entities, and efforts are made to give them their due whenever possible.

Facebook - The Partnership for the Bay's Future (PBF)

In order to better understand how these philanthropic funds are structured, it is helpful to review an instructive example. PBF began in 2019 with an investment by the Chan Zuckerberg Initiative, which was itself founded by Facebook CEO Jeff Zuckerberg and his wife, Priscilla Chan. Additional investments were made by:

- Genentech
- Local Initiative Support Corporation (LISC)
- Corporation for Supportive Housing (CSH)
- Capital Impact Partners
- Morgan Stanley
- Kaiser Permanente
- San Francisco Foundation
- First Republic Bank
- Silicon Valley Community Foundation
- JPMorgan Chase

There are national, regional, and local partners on that list, and each brings some combination of capital, expertise, and community connection into the partnership. For example, LISC is a Community Development Financial Institution (CDFI) founded by Ford Foundation in 1980. LISC is the group that manages the funds for PBF. A CDFI is a privately-owned bank that provides accessible financial services and economic development for poorer communities.

Loan funds are available from PBF under two main program titles: the Bay's Future Fund and the Community Housing Fund. Each has its own parameters and focus. Projects are financed on a first come, first served basis, until funds are fully allocated. Development projects are assessed using a numerous criteria such as percent and depth of affordability, access to transit, and the experience and capacity of the developer. PBF also has created a $40 million regional housing policy fund to support policy initiatives with an emphasis on strengthening low-income tenant protections.

PBF - Bay's Future Fund

The Bay's Future Fund is a $500 million loan fund comprised of different loan "products" designed to provide gap funding for developers of affordable housing at a broad scale of "depth" of affordability—from extremely low income (at or below 30 percent AMI) to "workforce" housing (80 to 150 percent AMI). As of December 2020, the Bay's Future Fund had closed 16 deals for a total of 1,391 units and $108 million invested.[54] These loans are available to experienced nonprofit or for-profit "mission-aligned" affordable housing developers or qualified organizations with an experienced partner, and they can be used for the acquisition of property, predevelopment, or construction. They are essentially a bridge loan that allows a developer to operate prior to securing long-term permanent financing, known in the industry as "mini-permanent" loans. The loans have a 36 month term, and loans made in 2020 must mature (be fully repaid) by August 1, 2030. Each has a competitive interest rate with a typical range of four to five percent.

Product	Loan amount	Income target	Loan-to-Value
Faith Based and Community Non-Profit	Up to $3 million	0 - 150% AMI	Up to 100%
Supportive Housing	Up to $5 million	0 – 30% AMI at least 10% of units; remaining units not to exceed 80% AMI	Up to 150%
Affordability Preservation and Prevention	Up to $6 million	Maximum 20% units at 80 – 120% AMI; remaining units not to exceed 80% AMI	Up to 100%
Workforce Housing	Up to $7.5 million	Maximum of 20% of units at or below 80% AMI; maximum 80% of units at 80 – 150% AMI	Up to 100%

The “loan-to-value” ratio is the amount of the loan divided by the assessed value of the property.

PBF - Community Housing Fund

The Community Housing Fund is a $150M loan fund designed to support projects with at least twenty percent of tenants at 30% AMI or below. The fund supports loans for different purposes from predevelopment to permanent financing and has flexible underwriting to help create a structure that best fits individual project needs. The term of the loan is to 18 years with maturity not to exceed 2038, and the interest is set at a fixed two percent rate.

Product	Loan Amount	Income target	Loan-to-Value
Community Housing Fund	Up to $15 million	at least 20% of units at 30% AMI or below	Up to 100% for acquisition or predevelopment; up to 150% for construction

These loan products available from PBF are typical of similar funds constructed to provide gap funding and initial support to affordable housing development projects throughout the industry.

Google Endeavor

In 2019, Google pledged $1 billion to support affordable housing in the Bay Area. Google proposed to repurpose at least $750 million of their land over ten years for development of at least 15,000 new homes at all income levels in the Bay Area, including housing options for middle and low-income families. The other $250 million was pledged to an investment fund called Google Endeavor to incentivize the construction of affordable housing. By July 2020, Google Endeavor had allocated a total of $115 million from the fund, supporting the creation of around 24,000 new affordable housing units by 2029.[55]

The first project supported by Google Endeavor was the Kelsey Ayer Station in San Jose, a 115-unit residential project. Their $5.3 million predevelopment loan joins over $30 million in public funds committed by the City of San Jose, Santa Clara County, California Department of Housing & Community Development, and the California Housing Finance Agency.[56] The entire project is expected to cost $75 million.[57] Initial seed funding for the project to purchase the property was

provided by the Chan Zuckerberg Initiative. The affordability mix includes 26 market-rate units, 33 units at 80 percent AMI, 34 units at 60 percent AMI, and 20 units at 20 percent AMI. Twenty-eight units are reserved for people with "intellectual and developmental disabilities."[58] The project is also close to light rail—a characteristic that funders find attractive. The applicants are also seeking to have the project reviewed under SB 35, the state law for streamlining entitlements from local jurisdictions.

Crowdfunding

One novel approach to raising funds for projects is the idea of crowdfunding. Crowdfunding refers to the practice of pooling a large number of small donations to raise significant amounts of capital for investment in some venture or project. Historically, LIHTC and real estate investments were restricted to wealthy, accredited investors, defined as individuals earning $200,000 or more annually or holding at least $1 million in assets, not including their private homes.[59] As a result, most credits were purchased by widely held C corporations.[60] In 2012, the JOBS Act eased regulations and allowed small investors to participate in equity capital contributions to private companies.[61] The thinking is that bringing individuals into a LIHTC investor pool could help stabilize pricing, energize the market for tax credits, help expand financing of smaller projects and underserved communities, and diversify the investor pool.[62] In regular practice, such real estate investments are considered equity and because of higher risk demand a higher rate of return. In affordable housing development practice, interest rates may be much lower, and the investment is treated like a loan, much like capital contributed by philanthropic funds. Once people have committed capital to a crowdfunding campaign, they may not be able to extract it until after a set term.

One example of this method of fundraising for affordable housing development is the Building Opportunity Fund in Seattle, implemented by nonprofit developer Bellwether Housing, the largest nonprofit affordable housing provider in Seattle. The project partnered with the online company Wefunder, which sells promissory notes with an annual interest rate of 2 percent.[63] These "impact investment" loans have 15-year terms with an opportunity to cash out every five years. At the end of each 15-year term, investors can opt to roll their loans over into a new fund. Amazon agreed to match employee gifts to the fund dollar for dollar through September 2019. In this way, Bellwether hoped to raise $9 million toward the total development cost of $257 million to build 750 affordable housing units (30 - 60 percent AMI). If they were to reach that fundraising goal for what they term "impact investments," it would have represented 3.5 percent of the total development cost, with 73.5 percent of the cost provided by "traditional funding sources" (most likely tax credits and bonds) and another 20.2 percent from state and local sources.[64] The cost per unit was expected to be $342,667, or less than half the cost of an affordable housing unit in Berkeley. As of February 2020, the Building Opportunity fund had raised $302,021 from 121 investors, or 3.4 percent of their fundraising goal.[65]

V. BART & City of Berkeley: Transit Oriented Development

A. Zoning Standards

As the partner who ultimately decides on a property development team, BART has an important coordination role to play in the future of affordable housing at the Berkeley BART stations. AB 2923 requires BART to set standards for zoning including residential density, parking, building height, and floor area ratio (FAR), which refers to the total housing area compared to the buildable land area. AB 2923 references BART's existing Transit Oriented Development (TOD) Plan from 2017 in establishing baseline zoning standards for their various properties throughout the Bay Area. For Ashby and North Berkeley BART Stations, both of which are considered Urban Neighborhood / City Center properties, the standards are as follows:[66]

Allowable Residential Density	75 dwelling units per acre or higher
Allowable Height	7 stories or higher
Allowable Floor Area Ratio (FAR)	4.2 FAR or higher
Minimum Vehicle Parking	Zero (no minimum requirement allowed)
Maximum Residential Vehicle Parking	0.5 space per unit or lower
Maximum Office Vehicle Parking	1.6 per 1000 square feet or lower
Shared or Unbundled Vehicle Parking	Allowed (neither prohibited nor required)
Minimum Secure Bicycle Parking	1 space per residential unit or higher

Developers who enter an exclusive negotiating agreement with BART to develop housing on a property may apply for expedited approval from local cities and counties if the project is at least 50 percent residential, a minimum of 20 percent of proposed housing is affordable at 30 – 60 percent AMI, the height is within one story of the tallest approved height, and the construction plan meets required labor standards.[67] This means that any development proposal at 5 stories or less would be subject to a potentially prohibitive review process.

B. Affordability Goals and Site Characteristics

BART has committed to ensuring that no less than 35 percent of units built on their land overall are affordable, with an overall goal of building at least 7,000 affordable dwelling units on its land by 2040.[68] The MOU between the City of Berkeley and BART establishes this minimum of 35 percent affordable units (30 – 60 percent AMI) for the stations in Berkeley, although the Adeline Corridor Plan calls for at least 50 percent affordable housing units at a range of income levels including "moderate" (80 – 120 percent AMI). Moderate income is generally not considered to be in the "affordable" class. The draft BART Station Development Joint Vision and Priorities document that outlines criteria for development goes even further. It states that the partners "should strive for a goal of 100% deed-restricted affordable housing" at the Ashby BART station with a minimum of 50 percent of the total housing units at 60 percent AMI or less, with at least 20 percent at less than 30 percent AMI. The same document sets the goal for affordable housing

units at North Berkeley BART at 35 percent of units below 60 percent AMI, with 10 percent of those below 30 percent AMI.[69]

BART has identified North Berkeley and Ashby Stations as top ranked residential sites when determining the market readiness of development across their entire system.[70] This is an improvement on previous assessments made by BART on the market readiness of Berkeley stations generally. For local support, however, Ashby is recognized as a top ranking site while North Berkeley is not.[71] This reflects a difference in perception of the neighborhoods surrounding each station. A development profile performed by BART in 1972 mentions the existence of active neighborhood groups and single family dwellings near North Berkeley BART, and mentions people being "vocal about maintaining the existing character of the neighborhood."[72] The profile further suggests that the area would be "an attractive one for new residential development" except for "its present low-density zoning." This nearly 50-year-old profile illustrates just how entrenched attitudes against higher density housing development are in the North Berkeley area. This stands in contrast with the attitudes about the neighborhood around Ashby BART. The same 1972 profile identifies the demographic mix of the neighborhood as "generally non-white, low-income, and renting" and mentions a plan for a "high-density housing project for low-income families over the station parking lot." It also mentions that the Ashby neighborhood was a "Model Cities Area," which refers to an initiative by HUD "intended to improve coordination of existing urban programs and provide additional funds for local plans."[73] The displacement of African Americans by BART construction is still an issue that arises in discussing plans for development there. The Adeline Corridor today is considered an "Opportunity Zone," a designation which identifies "an economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment."[74] It is uncanny how this older assessment reflects today's attitudes toward the neighborhood. It is also noteworthy that the direct aid program through HUD that was active in the neighborhood in 1972 has been replaced by a tax preference program through the IRS, reflecting the shift in the approach of the federal government towards the provision of public support more generally.

C. Proposal Assessment Criteria

The property development proposals will be assessed by a committee composed of representatives from BART, City of Berkeley, and a financial consultant who will evaluate the capacity of the developer to complete the project.[75] Criteria are based on the BART Station Development Joint Vision and Priorities which are still under development through a process involving the Community Advisory Group (CAG) created to provide input to the City of Berkeley Planning Department. For comparison purposes, these are the criteria cited in the Exclusive Negotiating Agreement for Transit Oriented Development at El Cerrito Plaza Station:[76]

Scoring Criteria:

- Experience with Directly Relevant Projects: includes master-planned and transit-oriented development; public agency partnerships and complex land transactions; community engagement.
- Preliminary Development Concept: addresses BART's goals and objectives for site, while being sensitive to community transition; quantity and depth of affordable housing; demonstration of overall innovation and creativity.
- Financial Capability: Resources available to complete pre-development activities; references from public agencies and lenders.
- Team Member Roles and Responsibilities: Capacity and skills of team to complete pre-development activities; percentage commitment to small business participation.

The factors cited in selecting the winning proposal:

- Significant experience with comparable mixed-use, mixed-income, mid-rise projects, including master planned projects and TOD
- Directly relevant credentials of both the firms and their day-to-day staff in working with public agencies, including BART and the City of El Cerrito
- Preliminary development concept aligned with Specific Plan and BART's Goals & Objectives
- Balancing the provision of affordable housing with a realistic approach to generation of revenue for BART
- Successful community engagement strategies with prior relevant projects, and deep knowledge of the surrounding community.
- Proposed small business participation commitment of 10%.

In an interview, a separate developer indicated their plan for 100% affordable units at El Cerrito Plaza was not adopted. [77] The finalists were two mixed-affordability development proposals.

In their report to the Housing Advisory Commission, Street Level Advisors recommends that the City of Berkeley and BART consider putting in place a “Master Developer” for either or both BART station development sites.[78] They suggest that this role would best be filled by a local affordable housing nonprofit, potentially in partnership with others, to ensure that the mission stays focused on affordable housing. This centering of affordability as a priority reflects the stated shared goals of BART and the City of Berkeley and the vision presented in the Adeline Corridor Plan.

A potential cost-saving factor in affordable housing development is the use of pre-fabrication construction techniques. A permanent supportive housing project at 833 Bryant Street in San Francisco used off-site construction at Factory_OS to help keep down costs and shorten the development timeline, resulting in a per-unit development cost $382,917, or about 25 percent less than average.[79] Total development cost for the project was $60.5 million. The project built 145 smaller units reserved for people coming out of chronic homelessness, plus one unit for the

manager. Other components of their strategy that contributed to their cost savings include using SB 35 to streamline entitlements, and access to unrestricted capital that was later repaid with tax-exempt private activity bonds and LIHTC equity.[80] Factory_OS modular building techniques were also used at Marea Alta, a San Leandro BART TOD housing project with 115 family units at 30 – 55 percent AMI. The project evolved out of an earlier proposal that did not move forward and had subsequently returned LIHTC equity from the 9 percent program. The Marea Alta project occurred before SB 35 went into effect, and any cost benefits from the pre-fabrication technique were not realized because of the expense of delays.[81] The City of San Leandro's financial contribution to the project was a significant factor in its success.

D. Vision and Leadership

An important role of the City of Berkeley has been to provide leadership for creating the vision for the developments at each site. In this regard, it appears that the City has the matter well in hand, and BART has also been an earnest and active partner in conducting outreach and sharing information. The results of the partnership to date include the MOU between the partners, the draft BART Station Development Joint Vision and Priorities document, and the efforts of the Community Advisory Group in their regular public meetings. The involvement of the consultants at Street Level Advisors, including their estimate of needed subsidy and informational videos, has also helped to make the issues at stake more transparent and knowable. As the projects move forward, it will be important to maintain transparency and to communicate with all stakeholders in a frank and honest manner.

The Urban Land Institute has developed "Ten Principles for Successful Public Private Partnerships" that are useful to consider:[82]

1. Prepare Properly for Public/Private Partnerships
2. Create a Shared Vision
3. Understand Your Partners and Key Players
4. Be Clear on the Risks and Rewards for All Parties
5. Establish a Clear and Rational Decision-Making Process
6. Make Sure All Parties Do Their Homework
7. Secure Consistent and Coordinated Leadership
8. Communicate Early and Often
9. Negotiate a Fair Deal Structure
10. Build Trust as a Core Value

The policy environment toward housing development in the City of Berkeley has made a marked shift recently. While this is partly attributable to the imposition of state-wide legislation that diminishes local control over development, the City Council has begun to address historical inequities such as exclusionary zoning, demonstrated a willingness to set affordability goals beyond the minimum required, and voted to approve taller building maximums in the Adeline Corridor. These policy decisions help to signal to funders that any development proposal is less risky and more likely to come to fruition.

VI. Recommendations

The City of Berkeley needs to engage in a process to determine the appropriate mix and depth of affordability for the BART housing developments.

If 100 percent of units at any site were rent-restricted, it would exclude families who did not qualify if their income were too high. It is desirable to have people living in a housing development with a range of affordability depth in order to avoid creating socially separate enclaves of lower income housing. If a resident experiences an increase in income, the level of income required for filling a vacant unit can be adjusted to maintain the overall depth of affordability required under tax credit funding guidelines. It is also desirable to have mixed-income developments because higher income levels will help support bank debt and increase the feasibility of the development.

Since the developments at each location will be comprised of many separate buildings, the City of Berkeley should consider whether there is a demand for a permanent supportive housing development at each location (< 30% AMI). Such a development would contribute to the overall affordability “budget” at each location and could qualify for competitive 9 percent LIHTC equity.

The City of Berkeley should work with state legislators and BART to make sure that the California Housing Finance Agency will be prepared to provide bond and tax credit financing for the Berkeley BART station development projects.

The Ashby and North Berkeley BART station development projects have many desirable characteristics that make them more competitive for crucial federal funding, including proximity to neighborhood benefits, transit-oriented development, and mixed affordability to prevent social silos. Communicating with the state housing finance authority about the timing for financial support may help a developer assemble the necessary funds for successful completion of the projects. Increased demand for affordable housing subsidy from both tax credits and bonds, along with reorganization of the state housing finance apparatus, have changed the status quo and expectations for state administered federal financing.

Development proposals should consider the feasibility of using prefabricated building techniques to lower costs.

Savings from pre-fabrication techniques are best realized when complemented by a streamlined entitlement process. The necessary space for pre-staging pre-fabricated building sections is more available in the earlier stages of the development.

VII. Methods/Acknowledgements

The methods used for this project were straightforward. The author read as much as could be discovered related to the subject, read it, and then read it again. The goal was to become versed well enough with the subject to talk intelligently with people in the industry. That point was reached only after much effort, as subsequent readings allowed more detail to be absorbed. The next most important strategy was to interview knowledgeable people and to ask smart questions. Becoming conversant in affordable housing terminology and practice also led to better search queries which turned up more useful research products. In that regard, the work of the Terner Center for Housing Innovation proved invaluable, with Urban Land Institute materials also proving very insightful. Attending regular meetings of the Community Advisory Group, the City Council, and neighborhood groups also helped to provide a fuller understanding of the issues and stakeholders. Early attempts at finding unique data were frustrated by a clear idea of what such data collection might show when analyzed. At first, the idea was that by analyzing the capital stack from various projects, certain revelations might emerge. After further inquiry, it was sufficient to understand that federal funding mechanisms were the largest contribution, state and local funds came in second, and all others combine to fill the gap. There was also a considerable effort to understand gap funding availability which discovered nothing particularly surprising. There is some seemingly deliberate ambiguity in the definition of investment capital; municipalities may offer "soft" loans that do not necessarily get repaid, and this may occur to some degree with philanthropic funds. It was a challenge not to be drawn too far into the complexities of finance while still arriving at a useful general understanding.

There are areas that warranted further consideration but were not addressed in the interest of a narrower focus. One example of this is the bond market. There are affordable housing projects that avoid tax credit financing altogether and instead use different kinds of bond financing. It seemed that in practice, bond financing for affordable housing is managed by the state housing finance agency. It was only later in the research process that the recent mismanagement of bond financing at the state level came to the fore. The fact that these issues are current and evolving led to some late changes to this analysis in order to take them into consideration. The various federal grant programs, including HUD rental voucher programs, community development block grants, and other federal grants, were not explored. Another area that deserves some consideration is the potential of affordable housing to build equity for its residents. There are housing models that fall outside the realm of regular practice, such as housing collectives or "social housing" which show positive outcomes, but they were not further explored in this analysis.

The author would like to acknowledge the following individuals for their support of this project: Louis Au Yeung, Scott Bruton, Shuo Chen, Sam Facas, David Garcia, Christina Ismailos, Rick Jacobus, Dan Lindheim, Charles Long, Ashwin Mandakolathur Balu, Larry Rosenthal, Smitha Seshadri, Lars Skjerping, Eve Stewart, Abby Thorne-Lyman, Aaron Tiedemann, Anne Torney, Peter Waller, & Erin Watson Ebert.

VIII. Works Cited

[1] Raguso, Emilie. "In historic vote, Berkeley puts $53M toward affordable housing at BART." Berkeleyside. April 28, 2021 https://www.berkeleyside.com/2021/04/28/in-historic-vote-berkeley-puts-53m-toward-affordable-housing-at-bart

[2] Arreguin, Jesse et al. "Approval of a Memorandum of Understanding between the City of Berkeley and BART on Implementation of State Law AB 2923 at the Ashby and North Berkeley BART Stations and Establishment of a Community Advisory Group." https://www.cityofberkeley.info/Clerk/City_Council/2019/12_Dec/Documents/2019-12-10_Item_31_Approval_of_a_Memorandum.aspx

[3] Ibid.

[4] Jacobus, Rick. "Estimating the Need for Housing Subsidy for the Ashby and North Berkeley BART Stations." Street Level Advisors. January 21, 2021. https://www.cityofberkeley.info/uploadedFiles/Housing/Commissions/2021-02-10%20HAC%20PACKET.pdf

[5] "Ashby + North Berkeley Community Advisory Group (CAG) Resources." City of Berkeley Planning and Development Department, Land Use Planning Division. https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Land_Use_Division/Berkeley_Bart_CAG_Resp_Resources052820(1).pdf

[6] "Joint Vision & Priorities for Transit-Oriented Development for Ashby and North Berkeley BART Stations." City of Berkeley. Working Draft. December 18, 2020. https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Land_Use_Division/2020_12-18_WORKING_DRAFT_Joint%20Vision%20and%20Priorities_HOUSING%20and%20CIVIC%20SPACE.pdf

[7] "Impact of Affordable Housing on Families and Communities: A review of the evidence base." Enterprise Community Partners. 2014. https://homeforallsmc.org/wp-content/uploads/2017/05/Impact-of-Affordable-Housing-on-Families-and-Communities.pdf

[8] "A Brief History of Housing Policy in the U.S." National Nurse-Led Care Consortium. October 29, 2019. https://nurseledcare.phmc.org/advocacy/policy-blog/item/641-a-brief-history-of-housing-policy-in-the-u-s.html

[9] "A Brief Historical Overview of Affordable Rental Housing." National Low Income Housing Coalition. 2015. https://nlihc.org/sites/default/files/Sec1.03_Historical-Overview_2015.pdf

[10] "Public Housing History." National Low Income Housing Coalition. October 17, 2019. https://nlihc.org/resource/public-housing-history

[11] Ibid.

[12] "A Brief Historical Overview of Affordable Rental Housing." National Low Income Housing Coalition. 2015. https://nlihc.org/sites/default/files/Sec1.03_Historical-Overview_2015.pdf

[13] Ibid.

[14] "History of Slashing HUD Budget." Western Regional Advocacy Project. Accessed 5/13/2021.http://weap.org/uploads/fact%20sheets/WRAP-HistoryofSlashingHUDBudgetFactSheet-Final.pdf

[15] Testimony of Diane Yentel, President and CEO, National Low Income Housing Coalition. Presented to the Financial Services Committee, United States House of Representatives. December 21, 2018. https://www.congress.gov/115/meeting/house/108802/witnesses/HHRG-115-BA00-Wstate-YentelD-20181221.pdf

[16] Willis, Mark. "Proposed Legislation Expands Private Activity Bond Recycling." Furman Center, New York University. July 9, 2019. https://furmancenter.org/thestoop/entry/proposed-legislation-expands-private-activity-bond-recycling
[17] Kirkeby, Megan. "Housing Accountability Act Technical Assistance Advisory." State of California, Business, Consumer Services and Housing Agency, Department of Housing and Community Development. September 15, 2020. https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/hcd-memo-on-haa-final-sept2020.pdf
[18] Matarazzo, Andrea A. "California's Anti-NIMBY Statute Protects All Residential Development Projects, Not Just Affordable Housing." Pioneer Law Group. November 18, 2011. https://www.pioneerlawgroup.net/california%E2%80%99s-anti-nimby-statute-protects-residential-development-projects-affordable-housing/
[19] Johnson, Sydney. "Judge moves to forward 1310 Haskell St. development." Daily Californian. July 26, 2017. https://www.dailycal.org/2017/07/26/judge-moves-forward-1310-haskell-st-development/
[20] Garcia, David. "2020 California Legislature Year In Review: A Frustrating End to a Disappointing Year in Housing." Terner Center for Housing Innovation, UC Berkeley. September 18, 2020. https://ternercenter.berkeley.edu/research-and-policy/2020-california-legislature-year-in-review/
[21] Garcia, David and Carol Galante. "California Steps Forward for Housing." Terner Center for Housing Innovation. September 17, 2017. https://ternercenter.berkeley.edu/research-and-policy/california-steps-forward-for-housing/
[22] Golub, Daniel et al. "California Court of Appeal Decides Landmark Housing Case." Holland & Knight LLP via JD Supra. April 27, 2021. https://www.jdsupra.com/legalnews/california-court-of-appeal-sides-with-8056169/
[23] Ibid.
[24] "A Technical Guide to Zoning for AB 2923 Conformance." Bay Area Rapid Transit. June 2020.
https://www.bart.gov/sites/default/files/docs/00_AB2923_TechGuide_Draft_2020Jun_0.pdf
[25] "Grants and Funding: Income Limits." California Department of Housing and Community Development. Accessed May 13, 2021. https://www.hcd.ca.gov/grants-funding/income-limits/index.shtml
[26] Stewart, Eve. Vice President of Real Estate Development, Satellite Affordable Housing Associates. Interview, March 19, 2021.
[27] "An Introduction to the Low-Income Housing Tax Credit." Congressional Research Office. January 26, 2021. https://crsreports.congress.gov/product/pdf/RS/RS22389
[28] Ma, Fiona, California State Treasurer. "California Tax Credit Allocation Committee 2020 Annual Report." April, 2021. https://www.treasurer.ca.gov/ctcac/2020/annualreport/2020-TCAC.pdf
[29] Ibid.
[30] Ibid.
[31] Ibid.
[32] "California's Housing Agencies: The State Must Overhaul Its Approach to Affordable Housing Development to Help Relieve Millions of Californians' Burdensome Housing Costs." Auditor of the State of California. November 2020. https://www.auditor.ca.gov/reports/2020-108/appendices.html

[33] Stamm, Everett. "Analysis of the Low-Income Housing Tax Credit Program." Arizona Free Enterprise Club. January 31, 2020. https://azfree.org/wp-content/uploads/2021/01/LowIncomeHousing_PolicyPaper.pdf
[34] Long, Charles . Charles A. Long Properties LLC. Interview, April 29, 2021.
[35] Reid, Carolina. "The Costs of Affordable Housing Production: Insights from California's 9% Low-Income Housing Tax Credit Program." Terner Center for Housing Innovation, UC Berkeley. March 2020. https://ternercenter.berkeley.edu/wp-content/uploads/2020/08/LIHTC_Construction_Costs_2020.pdf
[36] Ibid.
[37] Raetz, H. et al. "The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California." Terner Center for Housing Innovation, UC Berkeley. March 2020. https://ternercenter.berkeley.edu/wp-content/uploads/2020/08/Hard_Construction_Costs_March_2020.pdf
[38] Kendall, Marissa. "Why were the Bay Area's biggest cities denied key housing funds?" East Bay Times. April 28, 2021. https://www.eastbaytimes.com/2021/04/28/why-were-the-bay-areas-biggest-cities-denied-key-housing-funds/
[39]Kendall, Marissa. "Bay Area gets more affordable housing funds. Local mayors warn it's not enough." The Mercury News. April 28, 2021. https://www.mercurynews.com/2021/04/28/bay-area-gets-more-housing-funds-local-mayors-warn-its-not-enough/
[40] "California's Housing Agencies: The State Must Overhaul Its Approach to Affordable Housing Development to Help Relieve Millions of Californians' Burdensome Housing Costs." Auditor of the State of California. November 2020. Pg. 33. https://www.auditor.ca.gov/reports/2020-108/chapters.html#chapter2
[41] Ibid., Pg. 1.
[42] Ibid.
[43] Ibid.
[44] Kneebone, Elizabeth & Carolina K. Reid. "The Complexity of Financing Low-Income Housing Tax Credit Housing in the United States."Terner Center for Housing Innovetion, UC Berkeley. April 2021. https://ternercenter.berkeley.edu/research-and-policy/lihtc-complexity/
[45] https://www.auditor.ca.gov/reports/2020-108/chapters.html#chapter2
[46] Scally, Corianne Payton, Amanda Gold, and Nicole DuBois. "The Low-Income Housing Tax Credit: How It Works and Who It Serves." Urban Land Institute. July 2018. https://www.urban.org/sites/default/files/publication/98758/lithc_how_it_works_and_who_it_serves_final_2.pdf
[47] Reid, Carolina. "The Costs of Affordable Housing Production: Insights from California's 9% Low-Income Housing Tax Credit Program." Terner Center for Housing Innovation, UC Berkeley. March 2020. https://ternercenter.berkeley.edu/wp-content/uploads/2020/08/LIHTC_Construction_Costs_2020.pdf
[48] Rao, Asha. Senior Director of Investments, LISC Bay Area, at the event *Centering Equity in Housing - A Convening* Hosted by the Partnership for the Bay's Future. March 31, 2021. Mar 31, 2021. https://whova.com/portal/equit_202104
[49] Statt, Nick. "Facebook will spend $1 billion to address California's affordable housing crisis." The Verge. Oct 22, 2019. https://www.theverge.com/2019/10/22/20927060/facebook-billion-dollar-pledge-affordable-housing-crisis-california-bay-area

[50] Woollard, Deidre. “Facebook Plans to Build Homes in the Bay Area. Will Tech Solve the Housing Crisis?” The
Dec 11, 2020. https://www.fool.com/millionacres/real-estate-market/articles/facebook-plans-to-build-homes-in-the-bay-area-will-tech-solve-the-housing-crisis/

[51] Bliss, Laura. “How Far Will Google’s Billion-Dollar Bay Area Housing Plan Go?” Bloomberg CityLab. June 19, 2019. https://www.bloomberg.com/news/articles/2019-06-19/what-s-behind-google-s-1-billion-housing-pledge

[52] Wehner, David. Chief Financial Officer, Facebook. “Facebook Invests $150 Million in Affordable Housing for the Bay Area.” Facebook Newsroom. December 9, 2020. https://about.fb.com/news/2020/12/facebook-invests-150-million-in-affordable-housing-for-the-bay-area/

[53] Ibid.

[54] Wu, Cindy and Khanh Russo. “Embedding Racial Equity in Housing and the Launch of the Community Housing Fund.” Partnership For the Bay’s Future. December 14, 2020 https://baysfuture.org/embedding-racial-equity-in-housing-and-the-launch-of-the-community-housing-fund/

[55] Prozan, Rebecca. “A year of work on the Bay Area's housing and homeless crises.” Google Company Announcements. July 23, 2020. https://blog.google/outreach-initiatives/google-org/first-anniversary-bay-area-housing-commitment/

[56] “Ayer Station, San Jose, CA.” The Kelsey. https://thekelsey.org/projects/ayer-station/

[57] Krebs, Eric. “Cooperative Housing Is Redefining ‘Home’ for People with Disabilities.” Reasons to Be Cheerful. September 11, 2020. https://reasonstobecheerful.world/cooperative-housing-is-redefining-home-for-people-with-disabilities/

[58] Meacham, Jody. “Google finances San Jose apartment project out of affordable housing fund.” Silicon Valley Business Journal. Oct 29, 2019. https://www.bizjournals.com/sanjose/news/2019/10/29/google-finances-san-jose-apartment-project-out-of.html

[59] “Frequently asked questions about exempt offerings.” U.S. Securities and Exchange Commission. Accessed May 13, 2021. https://www.sec.gov/smallbusiness/exemptofferings/faq

[60] Kaplan, Heidi and Matt Lambert. “Innovative Ideas for Revitalizing the LIHTC Market.” Board of Governors of the Federal Reserve System. November 10, 2009. https://www.federalreserve.gov/newsevents/pressreleases/files/other20091110a1.pdf

[61] https://www.realtymogul.com/knowledge-center/article/what-investors-should-know-about-jobs-act

[62] “What Investors Should Know About the JOBS Act.” Realty Mogul. Accessed May 13, 2021. https://www.federalreserve.gov/newsevents/pressreleases/files/other20091110a1.pdf

[63] Bicknell, Natalie. “For the First Time Ever, Crowdfunding Will Help Build Affordable Housing in Seattle.” The Urbanist. June 20, 2019. https://www.theurbanist.org/2019/06/20/for-the-first-time-ever-crowdfunding-will-help-build-affordable-housing-in-seattle/

[64] Ibid.

[65] “Bellwether Housing: Seattle nonprofit building 750 new affordable homes.” Wefunder. Accessed May 13, 2021. https://wefunder.com/bellwetherhousing/updates

[66] “A Technical Guide to Zoning for AB 2923 Conformance.” Bay Area Rapid Transit. June 2020. https://www.bart.gov/sites/default/files/docs/00_AB2923_TechGuide_Draft_2020Jun_0.pdf

[67] "AB 2923 Implementation." Bay Area Rapid Transit. Accessed May 13, 2021. https://www.bart.gov/about/business/tod/ab2923
[68] "BART's Transit-Oriented Development Work Plan." San Francisco Bay Area Rapid Transit District. August 2020. https://www.bart.gov/sites/default/files/docs/BART%20TOD_Workplan_FINAL_Spreads_200814%20Reduced.pdf
[69] "Joint Vision & Priorities for Transit-Oriented Development for Ashby and North Berkeley BART Stations." City of Berkeley. Working Draft. December 18, 2020.
[70] "BART's Transit-Oriented Development Work Plan." San Francisco Bay Area Rapid Transit District. August 2020. https://www.bart.gov/sites/default/files/docs/BART%20TOD_Workplan_FINAL_Spreads_200814%20Reduced.pdf
[71] Ibid., Pg. 25.
[72] "Development Profile: Ashby Station & North Berkeley Station." June 1972. Retrieved from Abby Thorne-Lyman, BART TOD Manager, via Twitter, May 13, 2021.
[73] http://www.encyclopedia.chicagohistory.org/pages/832.html
[74] https://www.irs.gov/credits-deductions/opportunity-zones-frequently-asked-questions
[75] "Memorandum of Understanding by and between the San Francisco Bay Area Rapid Transit District and the City of Berkeley to cooperatively pursue transit oriented development and the implementation of Assembly Bill 2923 at the Ashby and North Berkeley BART Stations." December 10, 2019. https://www.cityofberkeley.info/Clerk/City_Council/2019/12_Dec/Documents/2019-12-10_Item_31_Approval_of_a_Memorandum.aspx
[76] "Exclusive Negotiating Agreement for Transit-Oriented Development with Holliday Development and The Related Companies of California, a joint venture, at the El Cerrito Plaza BART Station." November 19, 2020. https://bart.legistar.com/View.ashx?M=F&ID=8920350&GUID=5A599827-232E-4660-BD38-347FFC40DD71
[77] Torney, Anne. Mithun Inc. Interview, February 17, 2021.
[78] Jacobus, Rick. "Estimating the Need for Housing Subsidy for the Ashby and North Berkeley BART Stations." Street Level Advisors. January 21, 2021. https://www.cityofberkeley.info/uploadedFiles/Housing/Commissions/2021-02-10%20HAC%20PACKET.pdf
[79] Decker, Nathaniel. "Strategies to Lower Cost and Speed Housing Production: A Case Study of San Francisco's 833 Bryant Street Project." Terner Center for Housing Innovation, UC Berkeley. February 2021. https://ternercenter.berkeley.edu/wp-content/uploads/2021/02/833-Bryant-February-2021.pdf
[80] Ibid.
[81] Seshardi, Smitha. Executive Vice President, BRIDGE Housing, April 20, 2021.
[82] Corrigan, Mary Beth et al. "Ten Principles for Successful Public Private Partnerships." Urban Land Institute. 2005. https://2os2f877tnl1dvtmc3wy0aq1-wpengine.netdna-ssl.com/wp-content/uploads/2005/01/TP_Partnerships.pdf