

HOMELESS TO HOUSED

Terwilliger Center for Housing



CASE STUDY: BERKELEY WAY



BERKELEY, CALIFORNIA

LOCATION:

2012 Berkeley Way
Berkeley, California

OPERATOR:

BFHP and BRIDGE
Housing

PROJECT TYPE:

Multi-functional Campus
(Affordable Housing,
Emergency Shelter,
Transitional Housing, and
Permanent Supportive
Housing)

COST:

Approximately
\$120 million

COMPLETION:

Currently under
construction and
projected to be
completed by the
end of 2022

SIZE:

161,639 square feet

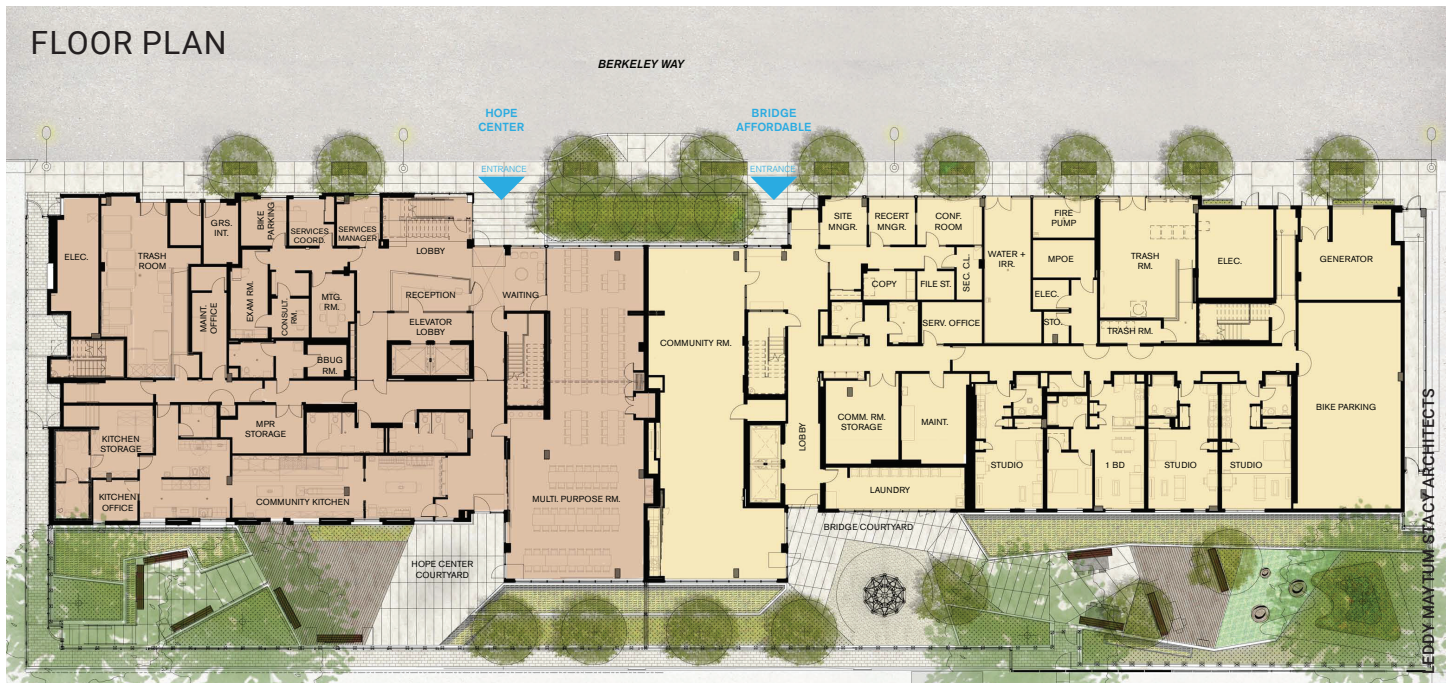
OWNER:

Berkeley Food and
Housing Project (BFHP)
and BRIDGE Housing

PARTNERS:

BFHP and BRIDGE Housing (developer), city of
Berkeley, California, Leddy Maytum Stacy Architects





Both sections are physically connected yet serve distinct needs.

The project at 2012 Berkeley Way is a city of Berkeley–sponsored redevelopment of a city-owned surface parking lot in downtown Berkeley that will create three distinct projects—an 89-unit affordable family housing development; a 53-unit permanent supportive housing development; and a homeless shelter plus transitional housing—in one unified building. This is the largest PSH project for people experiencing homelessness in Berkeley, and the three projects are located in separate air rights parcels.

Berkeley Way is an inventive mixed-use development that serves a range of pressing housing needs in Berkeley. BRIDGE Housing, a 501(c)(3) nonprofit developer, partnered with Berkeley Food and Housing Project (BFHP), a local homeless shelter operator and services provider, to build a new shelter and transitional housing facility for BFHP and additional family affordable housing owned and operated by BRIDGE in a mixed-income development at a city-owned property.

Details regarding the distinct project components include the following:

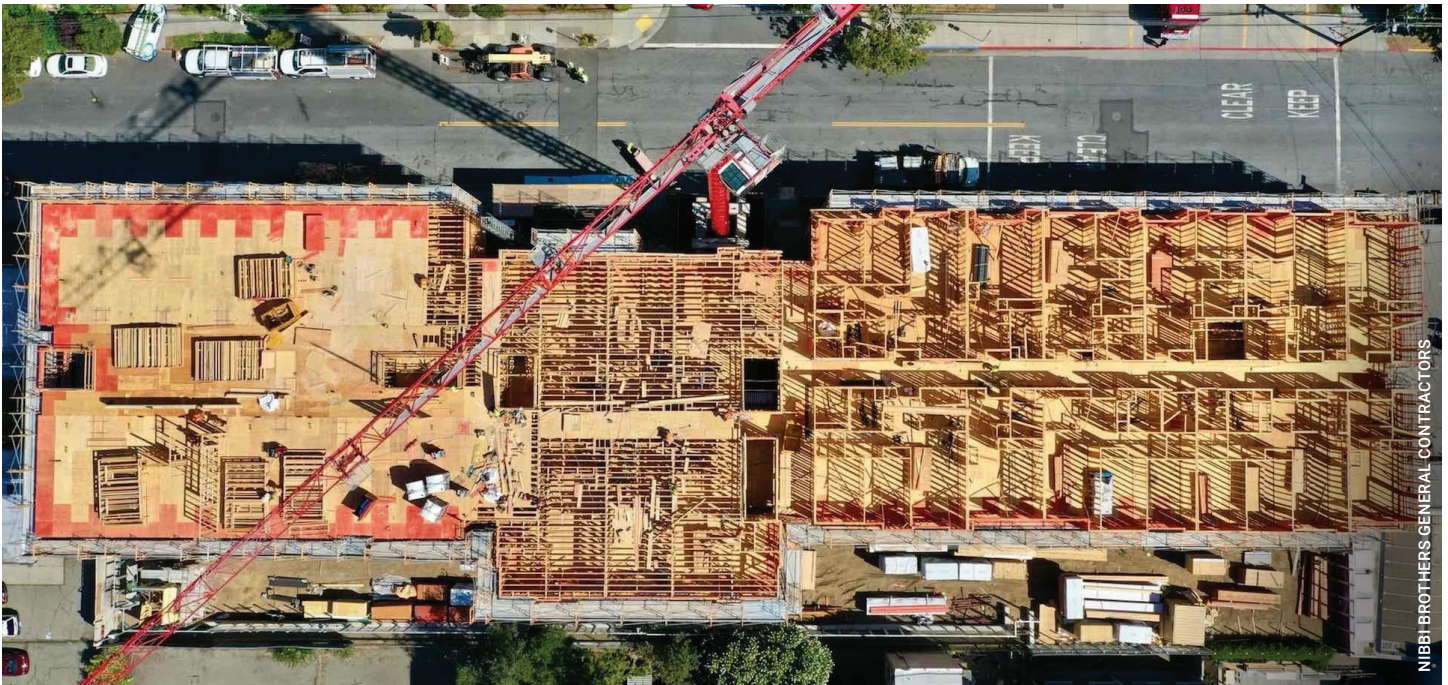
- BRIDGE Berkeley Way affordable development: 89 units of affordable family housing (50 and 60 percent of AMI) developed by BRIDGE. The unit mix includes studios, and one- and two-bedroom apartments. The ground floor will have shared amenities such as a community room and laundry room, as well as management and services offices and utilities.

- BFHP Hope Center Development comprising two components in separate air rights parcels:
 - » BFHP Hope Center PSH: 53 units of permanent supportive housing (all studios affordable at 20 percent of AMI) in an air rights parcel on floors three to six, with ground-floor supportive services suite, lounge areas, laundry room, and storage.
 - » BFHP Hope Center shelter and transitional housing: 32 temporary shelter beds for adult homeless men plus 12 transitional beds for homeless veterans in an air rights parcel comprising the second floor and parts of the first floor. The first floor contains a large community kitchen and multipurpose room in addition to the uses previously noted.

Each project component will be owned and operated by a separate entity. The building will have on-site renewable energy and is expected to achieve a GreenPoint-rated multifamily score of Platinum. The project is currently under construction and projected to be completed by the end of 2022.

The Partnership

This project is a joint development between the Berkeley Food and Housing Project and BRIDGE Housing, with Leddy Maytum Stacy Architects realizing the design of this unique campus. In addition, supportive services will be provided by LifeLong Medical and Berkeley Mental Health.



Simultaneous construction aided project feasibility.

Costs and Financing

BRIDGE Housing secured the majority of the \$120 million needed to fund this project from public and private sources, including the following:

- City of Berkeley: committed \$27 million to the project, which does not include the value of the land;
- Alameda County Affordable Housing: Bond Measure A1;
- State of California programs: No Place Like Home (NPLH), Affordable Housing Sustainable Communities (AHSC);
- Tax credit equity; and
- Proceeds from a private capital campaign.

The project broke ground on July 7, 2020, and construction is expected to be complete in 2022.

Innovations: What Worked

This unique project aims to ensure housing affordability in downtown Berkeley as well as introduce a mix of affordable, low-income, and permanent supportive housing in the same development. This complex series of programs is united in one building, designing a comprehensive program despite distinct air rights. In addition, the building is designed to host on-site renewable energy systems.

Challenges

Ensuring that this project supports the city's very low-income, disabled, and chronically homeless population through innovative integration of housing and onsite services, such as legal assistance, disability transportation assistance, senior recreational and social services, and food pantry services, is a complex endeavor and one that requires careful and consistent partnership from all entities involved. The vital goal to find housing and a permanent stable solution for the city's estimated 1,000 people experiencing homelessness will be a constant test for this development.

Outcomes

The project's goal is to create a continuum of affordable and very low-income housing that is integrated into a vibrant downtown community with easy access to transit and services.

Achieving this critical goal ensures that a solution to homelessness becomes part of the community's vibrancy.

HOMELESS TO HOUSED: PROJECT PRO FORMA

NAME: Berkeley Way and The Hope Center

SPONSOR: BRIDGE Housing & Berkeley Food and Housing Project

LOCATION: 2012 Berkeley Way, Berkeley, California

NUMBER OF UNITS/RESIDENTS SERVED: 186 UNITS AND BEDS

BRIEF DESCRIPTION OF TYPE: The 161,639 square foot Berkeley Way and The Hope Center take a comprehensive approach to addressing the housing affordability and homelessness crises in Berkeley, CA by combining an 89-unit affordable housing development (Berkeley Way), with an innovative homeless housing development (The Hope Center Permanent Supportive and Temporary Housing) of 53 permanent supportive housing units, a 32 shelter beds + 12 transitional beds for homeless veterans, a full commercial kitchen and a supportive services suite under one roof. The project components are owned, operated, and financed separately, and proformas for each project are found on subsequent pages.

Development Pro Forma

	TOTAL	PER RES./UNIT
USES OF FUNDS		
Acquisition of Land and/or Building	\$208,677.00	\$1,121.92
Architectural, Engineering and entitlement costs	\$5,946,631.00	\$31,971.13
Permits and fees	\$6,010,698.00	\$32,315.58
Construction costs	\$72,741,491.00	\$391,083.28
Legal and professional costs	\$887,013.00	\$4,768.89
Additional equipment and related costs	\$897,873.00	\$4,827.27
Development fees	\$3,895,821.00	\$20,945.27
Interest during construction	\$2,307,836.00	\$12,407.72
Capitalized Operating Reserves	\$21,473,576.00	\$115,449.33
Cost of Issuance / Soft Loan Fees	\$4,065,604.00	\$21,858.09
Total Uses, Capital Cost	\$118,435,220.00	\$636,748.49
SOURCES OF FUNDS		
City	\$27,397,143.00	\$147,296.47
County	\$19,637,332.00	\$105,577.05
State	\$27,293,561.00	\$146,739.58
Equity	\$33,618,184.00	\$180,742.92
Permanent Debt	\$7,739,000.00	\$41,607.53
FHLB-AHP	\$880,000.00	\$4,731.18
Philanthropic Capital, Government Grants or similar	\$1,870,000.00	\$10,053.76
Total sources	\$118,435,220.00	\$636,748.49

Operating Pro Forma

	TOTAL	PER RES./UNIT
BERKELEY WAY AFFORDABLE HOUSING		
Annual Revenue	\$1,529,880.00	\$17,189.66
Annual Expense	\$1,456,916.00	\$16,369.84
THE HOPE CENTER PERMANENT SUPPORTIVE HOUSING		
Annual Revenue	\$1,176,945.00	\$22,206.51
Annual Expense	\$1,176,945.00	\$22,206.51
THE HOPE CENTER TEMPORARY HOUSING		
Annual Revenue	\$1,103,455.00	\$25,078.52
Annual Expense	\$1,103,455.00	\$25,078.52
Total Revenue	\$3,810,280.00	\$64,474.70
TOTAL EXPENSES	\$3,737,316.00	\$63,654.87
NET REVENUE	\$72,964.00	\$819.82

HOMELESS TO HOUSED: PROJECT PRO FORMA

NAME: Berkeley Way Affordable Housing

SPONSOR: BRIDGE Housing Corporation

LOCATION: 2012 Berkeley Way, Berkeley, California

NUMBER OF UNITS/RESIDENTS SERVED: 89 affordable housing units

BRIEF DESCRIPTION OF TYPE: Berkeley Way Affordable Housing development is a 104,525 square foot building that contains studio, one-bedroom, and two-bedroom apartments for tenants at 50 and 60 percent of AMI. The ground floor offers shared amenities such as community and laundry rooms as well as management and service offices and utilities.

Development Pro Forma

	TOTAL	PER RES./UNIT
USES OF FUNDS		
Acquisition of Land and/or Building	\$71,172.00	\$799.69
Architectural, Engineering and entitlement costs	\$3,661,232.00	\$41,137.44
Permits and fees	\$4,120,568.00	\$46,298.52
Construction costs	\$41,205,177.00	\$462,979.52
Legal and professional costs	\$210,393.00	\$2,363.97
Additional equipment and related costs	\$192,283.00	\$2,160.48
Development fees	\$2,031,001.00	\$22,820.24
Interest during construction	\$1,686,237.00	\$18,946.48
Capitalized Operating Reserves	\$434,805.00	\$4,885.45
Cost of Issuance / Soft Loan Fees	\$2,540,347.00	\$28,543.22
Total Uses, Capital Cost	\$56,153,215.00	\$630,935.00
SOURCES OF FUNDS		
City	\$2,705,006.00	\$30,393.33
County	\$11,921,959.00	\$133,954.60
State	\$11,279,500.00	\$126,735.96
Equity	\$21,627,750.00	\$243,008.43
Permanent Debt	\$7,739,000.00	\$86,955.06
FHLB-AHP	\$880,000.00	\$9,887.64
Philanthropic Capital, Government Grants or similar	\$0.00	\$0.00
Total sources	\$56,153,215.00	\$630,935.00
Operating Pro Forma		
	TOTAL	PER RES./UNIT
ANNUAL REVENUE		
Revenue from residents	\$1,337,015.00	\$15,022.64
Revenue from resident-related sources (vouchers, etc.)	\$192,865.00	\$2,167.02
Draw from project capitalized reserves	\$0.00	\$0.00
Draw from state capitalized reserves	\$0.00	\$0.00
Total revenue	\$1,529,880.00	\$17,189.66
ANNUAL EXPENSES		
Property operations		
Administrative	\$264,738.00	\$2,974.58
Operating & Maintenance	\$229,288.00	\$2,576.27
Utilities	\$159,239.00	\$1,789.20
Insurance and Taxes	\$233,168.00	\$2,619.87
Services	\$43,680.00	\$490.79
Debt Service	\$448,604.00	\$5,040.49
Other	\$78,199.00	\$878.64
Total expenses	\$1,456,916.00	\$16,369.84
NET REVENUE	\$72,964.00	\$819.82

HOMELESS TO HOUSED: PROJECT PRO FORMA

NAME: The Hope Center Permanent Supportive Housing

SPONSOR: BRIDGE Housing Corporation

LOCATION: 2012 Berkeley Way, Berkeley, California

NUMBER OF UNITS/RESIDENTS SERVED: 53 permanent supportive units

BRIEF DESCRIPTION OF TYPE: The Hope Center Permanent Supportive Housing comprises 42,889 square feet in The Hope Center building that offers affordable studio units at 20 percent of AMI. Units are located on building levels three through six, and amenities such as a supportive services suite, lounge areas, laundry room, and storage are located on the ground floor.

Development Pro Forma

	TOTAL	PER RES./UNIT
USES OF FUNDS		
Acquisition of Land and/or Building	\$103,508.00	\$799.69
Architectural, Engineering and entitlement costs	\$1,683,864.00	\$41,137.44
Permits and fees	\$1,423,507.00	\$46,298.52
Construction costs	\$25,006,521.00	\$462,979.52
Legal and professional costs	\$471,804.00	\$2,363.97
Additional equipment and related costs	\$580,921.00	\$2,160.48
Development fees	\$759,794.00	\$22,820.24
Interest during construction	\$621,599.00	\$18,946.48
Capitalized Operating Reserves	\$10,288,243.00	\$4,885.45
Cost of Issuance / Soft Loan Fees	\$1,155,203.00	\$28,543.22
Total Uses, Capital Cost	\$42,094,964.00	\$630,935.00
SOURCES OF FUNDS		
City	\$7,727,630.00	\$30,393.33
County	\$6,362,839.00	\$133,954.60
State	\$16,014,061.00	\$126,735.96
Equity	\$11,990,434.00	\$243,008.43
Permanent Debt	\$0.00	\$86,955.06
FHLB-AHP	\$0.00	\$9,887.64
Philanthropic Capital, Government Grants or similar	\$0.00	\$0.00
Total sources	\$1,176,945.00	\$630,935.00
Operating Pro Forma		
	TOTAL	PER RES./UNIT
ANNUAL REVENUE		
Revenue from residents	\$191,531.00	\$15,022.64
Revenue from resident-related sources (vouchers, etc.)	\$795,127.00	\$2,167.02
Draw from project capitalized reserves	\$190,287.00	\$0.00
Draw from state capitalized reserves	\$0.00	\$0.00
Total revenue	\$1,529,880.00	\$17,189.66
ANNUAL EXPENSES		
Property operations		
Administrative	\$408,869.00	\$7,714.51
Operating & Maintenance	\$162,336.00	\$3,062.94
Utilities	\$102,879.00	\$1,941.11
Insurance and Taxes	\$186,883.00	\$3,526.09
Services	\$220,117.00	\$4,153.15
Debt Service	\$46,461.00	\$876.62
Other	\$49,400.00	\$932.08
Total expenses	\$1,176,945.00	\$22,206.51
NET REVENUE	\$0.00	\$0.00

HOMELESS TO HOUSED: PROJECT PRO FORMA

NAME: The Hope Center Temporary Housing	SPONSOR: BRIDGE Housing Corporation
LOCATION: 2012 Berkeley Way, Berkeley, California	NUMBER OF UNITS/RESIDENTS SERVED: 44 beds
BRIEF DESCRIPTION OF TYPE: The Hope Center Temporary Housing comprises 14,225 square feet and offers shelter and transitional housing; 32 temporary shelter beds for adult homeless men plus 12 transitional beds for homeless veterans. These beds are located on the second and part of the first floor of The Hope Center building. The first floor also contains a large community kitchen and a multipurpose room in addition to a supportive services suite, lounge area, laundry room, and storage.	

Development Pro Forma

	TOTAL	PER RES./UNIT
USES OF FUNDS		
Acquisition of Land and/or Building	\$33,997.00	\$772.66
Architectural, Engineering and entitlement costs	\$601,535.00	\$13,671.25
Permits and fees	\$466,623.00	\$10,605.07
Construction costs	\$6,529,793.00	\$148,404.39
Legal and professional costs	\$204,816.00	\$4,654.91
Additional equipment and related costs	\$124,669.00	\$2,833.39
Development fees	\$1,105,026.00	\$25,114.23
Interest during construction	\$0.00	\$0.00
Capitalized Operating Reserves	\$10,750,528.00	\$244,330.18
Cost of Issuance / Soft Loan Fees	\$370,054.00	\$8,410.32
Total Uses, Capital Cost	\$20,187,041.00	\$458,796.39

SOURCES OF FUNDS		
City	\$16,964,507.00	\$385,556.98
County	\$1,352,534.00	\$30,739.41
State	\$0.00	\$0.00
Equity	\$0.00	\$0.00
Permanent Debt	\$0.00	\$0.00
FHLB-AHP	\$0.00	\$0.00
Philanthropic Capital, Government Grants or similar	\$1,870,000.00	\$42,500.00
Total sources	\$20,187,041.00	\$226,820.69

Operating Pro Forma

	TOTAL	PER RES./UNIT
ANNUAL REVENUE		
Revenue from residents	\$0.00	\$0.00
Revenue from resident-related sources (vouchers, etc.)	\$848,759.00	\$19,289.98
Draw from project capitalized reserves	\$254,696.00	\$5,788.55
Draw from state capitalized reserves	\$0.00	\$0.00
Total revenue	\$1,103,455.00	\$25,078.52
ANNUAL EXPENSES		
Property operations		
Administrative	\$357,148.00	\$8,117.00
Operating & Maintenance	\$82,242.00	\$1,869.14
Utilities	\$74,554.00	\$1,694.41
Insurance and Taxes	\$18,303.00	\$415.98
Services	\$54,057.00	\$1,228.57
Debt Service	\$517,151.00	\$11,753.43
Other	\$0.00	\$0.00
Total expenses	\$1,103,455.00	\$25,078.52
NET REVENUE	\$0.00	\$0.00

About the Urban Land Institute

ULI is a nonprofit education and research institute supported by its members. Its mission is to shape the future of the built environment for transformative impact in communities worldwide. Established in 1936, the Institute has more than 45,000 members worldwide representing all aspects of land use and development disciplines.

About ULI Homeless to Housed

Homeless to Housed (H2H) recognizes that ULI members are well positioned to help address homelessness. With generous support from a growing number of ULI members, the initiative works to explore real estate solutions to the growing crisis affecting communities everywhere. Core elements of this work include conducting research, promoting cross-sector collaboration, providing local technical assistance through ULI's network of district councils, and sharing knowledge and expertise for addressing housing challenges for individuals and families.

This Case Study was originally published in the 2022 research report Homeless to Housed: The ULI Perspective Based on Actual Case Studies. Driven by the generosity and guidance of Preston Butcher, the report explores the role the real estate community can play in addressing the issue of homelessness. It includes a summary of lessons learned, a blueprint for how to replicate best practices in U.S. communities, and a series of case studies that demonstrate how the development community can be an active partner in addressing the critical shortage of housing in the United States. See the full report:

<https://knowledge.uli.org/en/reports/research-reports/2022/homeless-to-housed>

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Sources

Berkeley Food & Housing Project Hope Center,
<https://bfhp.org/services/hope-center/>.