

AHB board strategic planning subcommittee update

Mosaic Urban Development has started Task 1: discovery phase of the strategic plan. They sent the following questions to the subcommittee (Chris Schildt, Ali Kashani, and Max Levine). The subcommittee met and discussed the questions, with input from our Acting ED Rachel Gonzales-Levine. Below are the responses from the subcommittee. We wanted to share with the full board to receive the full board's input on them.

i. AHB, Inc.'s relationship with BHA and the strategic use of Project Based Vouchers/Housing Choice Vouchers and Disposition proceeds

What are key trends, industry forces, demographic changes, market opportunities and HUD constraints that shape strategic roles that AHB can take?

Key trends: Extremely expensive rental market in the Bay Area. Concerns about gentrification and displacement.

Industry forces: There is significant capacity already in Berkeley (SAHA, RCD, BRIDGE, etc.)

Demographic changes: Increase in homelessness, increased awareness and resources from state to address homelessness. This is an important strategic focus area for us in these formative years, that can shape our role in this ecosystem. However, we need to keep in mind the need for more intensive social services with this population. Currently, the HUD vouchers for homeless populations are creating competition for our other voucher holders, and also are turning off smaller, mom and pop landlords from our program.

Market opportunities: We could start with a small acquisition project, partner with an agency like BACS to provide services, and use BHA vouchers to fund the project. There's currently a 6-month window of opportunity for acquisition of projects.

HUD constraints: We need to look at this now that we have MTW status

What do you desire the relationship between AHB and BHA to be? Is BHA willing to leverage its control of resources (including PBVs) to create opportunities for BHA?

AHB and BHA are the same board (and currently same staff). AHB can engage in development. BHA can provide subsidy in the form of vouchers. Yes, BHA is willing to leverage PBVs to create opportunities for BHA. When AHB is a bit more stable with staff and a few projects under our belt, then BHA may be willing to leverage proceeds.

ii. BHA's relationship with the City of Berkeley

To what extent do we need to consider the City's vision of what they want AHB to be?

So far, the city has been very supportive of AHB. Not sure they have a vision of AHB separate from our own.

Is the City willing to provide any sort of preferential status to AHB as a BHA-sponsored development entity?

We hope so. BHA has a strong relationship with the city and with the mayor's office in particular. The city has been very supportive of AHB.

Should there be a City representative on the AHB Board?

The AHB board is the same as the BHA board, which is appointed by the city council (from recommendation by the Mayor). We wouldn't need a city staff person on the board, which we're not sure we're even allowed.

iii. New and existing local, state, federal funding opportunities

What City (or County-allocated) funding sources could AHB compete for? Does the City have a plan for accessing health resources that can be used for supportive housing, such as CCE and HHAP?

City housing trust funds are a clear opportunity. The city is actively pursuing CCE and HHAP for project Homekey, from our understanding. There is also Measure W funds we expect to be able to access in the coming years for homeless housing.

What is the affordable developer ecosystem in Berkeley? Who are working on or pursuing affordable housing projects? Which have approached the Authority for PBVs?

The majority of our PBVs have gone to SAHA and RCD, with only one "for profit" developer (Related Cos, whose "Berkeley 75 LP" purchased our former Public Housing units in 2014 and spun them to the PBV program); we also have two local land trusts that have a few PBVs: Northern California Land Trust, and new to us: Bay Area Community Land Trust. BRIDGE received some PBVs for 2012 Berkeley Way, as well as being the sponsor for Berkeley Food & Housing Project's supportive housing units in the same building (to open Summer of 2022). Most recently Community Housing Development Corporate have expressed that they will be applying in the next BHA RFP (planned for August/September).

iv. Gaps in development of affordable housing in Berkeley

What relationship do you want to have with affordable developers in Berkeley? Competitive relationship and/or Potential partners?

The nature of the business is competitive. We would be happy to partner with nonprofit developers on projects, particularly larger ones such as BRIDGE, where we can bring vouchers.

v. Strategic development opportunities

What types of housing do you feel are not being produced adequately that AHB may have the opportunity to develop? Are there housing typologies (such as small sites, co-housing) or populations (such as re-entry housing, ELI, tribal) that are not being developed?

The greatest need is for permanent supportive housing. Emancipated youth are in high need of housing. Large family (3+ bedrooms) is also a need and not being developed, though that may be something we pursue later.

What opportunities does HUD's acceptance of the MTW application create for AHB to pursue?

We see three opportunities: (1), an opportunity for AHB to do small site acquisition rehab, though there are concerns about staffing. (2) a partner on the BART development projects. (3) possibly a Fiarcloth to RAD conversation

How will AHB prioritize preservation of existing affordable housing (whether naturally-occurring or expiring-use) vs creation of new affordable units?

We are inclined to consider starting with acquisition first, probably small sites (less than 15 units), market units.

What roles – co-developer, JV partner, soft debt lender, etc – does AHB want to pursue? What is BHA's interest in leveraging its resources (including but not limited to PBVs) to enable AHB to take on these roles?

AHB could begin with a small site acquisition, develop some experience and generate fees, and then as we build up our capacity and knowledge take on larger acquisitions. We are interested in large projects and a joint venture partnership, but we have to wait for opportunities there. With smaller sites, we can be more proactive.