




Office of the City Manager

INFORMATION CALENDAR

December 12, 2006

To: Honorable Mayor and  
Members of the City Council

From:  Phil Kamlarz, City Manager

Submitted by: Dan Marks, Director, Planning and Development Department

Subject: Fee Deferral: Allston House, 2121 Seventh Street

INTRODUCTION

The purpose of this report is to inform the Council that a request to defer building permit-related fees for renovation of Allston House, 2121 Seventh Street, has been approved by the City Manager. This Information Item provides the Council with the opportunity to call up the item in accordance with Berkeley Municipal Code (BMC) Chapter 19.62.

CURRENT SITUATION AND ITS EFFECTS

As indicated in the attached letter dated November 20, 2006, Affordable Housing Associates (AHA) requests a building permit fee deferral for renovation of Allston House. The fee deferral request is approximately \$50,000. The BMC allows the City Manager to take action on this type of request and requires the City Manager to notify the Council of his/her response to the request. The Council may review the City Manager's action and may grant, wholly or in part, or deny the request.

BACKGROUND

Allston House is a 47-unit project serving families with incomes between 30% and 60% Area Median Income (AMI). The City provided an acquisition and predevelopment loan to the project through the Housing Trust Fund. The project meets the BMC standards for fee deferral.

POSSIBLE FUTURE ACTION

If the City Council disagrees with the decision made by the City Manager to defer fees, the issue can be placed on a future Council agenda for discussion and possible reconsideration.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Minimal. Applicant will repay deferred fees one year after issuance of the building permit.

CONTACT PERSON

Wendy Cosin, Deputy Planning Director, Planning Department, 981-7402

Attachment: November 20, 2006 letter from Affordable Housing Associates



November 20, 2006

Re: Allston House Deferral of Building Permit Fees

Dear Ms. Cosin:

I am writing to request a deferral of all building permits and plan check fees related to Allston House, a 47-unit preservation project for very low and low-income families located at 2121 7<sup>th</sup> St. Specifically, the project will serve families with incomes between 30% and 60% of AMI.

The estimated amount of building permit fees being requested for deferral is approximately \$50,000. Building plans are currently ready for submittal. Government funding applications require that permits be issued before the end of the year. The expected project completion date is November 2007.

The basis for this request is as follows:

1. The Project provides a Public Benefit


As a local nonprofit community housing developer, AHA is dedicated to the creation of long lasting, affordable housing with responsive management of low and very-low income families. This project will serve families with incomes at or below 60% of AMI. As a nonprofit sponsored project, any generated proceeds will be for the sole benefit of public charity, granted such status by Federal and State governments. The City of Berkeley is a supporter of the project and has provided an acquisition and predevelopment loan to the project.

2. Financial Feasibility

By deferring the building permit fees until the end of construction, this will save the project from incurring high interest costs. As an affordable development with a very tight budget, tenant relocation costs, and multiple subsidy layers, every dollar saved improves the feasibility of the project, and enables AHA to better serve our low-income tenants.

We hope you will find the above sufficient basis for granting this project a deferral of building permit fees as soon as possible. Please feel free to contact me at 510-649-8500 x25 should you require additional information. Thank you.

Sincerely,

  
Michael Chao  
Project Manager

Cc: Lourdes Chang  
Steve Barton