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APPROVED AS TO FORM AND LEGALITY:

  
Agency Counsel

REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND

RESOLUTION No. **2003-10** ~~10~~ C.M.S.

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**A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$1,282,000 TO AFFORDABLE HOUSING ASSOCIATES, INC. FOR OAK STREET TERRACE LOCATED AT 1 109 OAK STREET, AND CONSOLIDATING THIS LOAN WITH AN EXISTING AGENCY SITE ACQUISITION LOAN OF \$790,000, FOR A TOTAL DEVELOPMENT LOAN AMOUNT IN AN AMOUNT NOT TO EXCEED \$2,072,000**

**WHEREAS**, on September 10, 2002, the Redevelopment Agency and the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

**WHEREAS**, Affordable Housing Associates, Inc. ("Developer"), a nonprofit organization devoted to the provision of affordable housing, submitted a proposal in response to the NOFA; and

**WHEREAS**, Developer proposes to develop a 39 unit housing project at 1109 Oak Street in the City of Oakland (the "Project"), known as Oak Street Terrace; and

**WHEREAS**, 38 Project units will be rented at prices affordable to low- and very low-income households; and

**WHEREAS**, the 38 affordable Project units will be reserved for seniors, and all units will be accessible to individuals with disabilities, providing a valuable source of accessible and affordable senior housing; and

**WHEREAS**, the Developer plans to apply for Low Income Housing Tax Credits with the California Tax Credit Allocation Committee and the Federal Home Loan Bank's Affordable Housing Program for additional Project funding, and a local funding award would bolster the competitiveness of the Developer's funding applications; and

**WHEREAS**, the Redevelopment Agency of the City of Oakland previously authorized a \$790,000 site acquisition loan (Resolution #00-55 C.M.S.) to Developer for the Project (the "Site Acquisition Loan"), and Developer is requesting additional funds in the amount of \$1,282,000 for development of the Project; and

**WHEREAS**, the City of Oakland's Consolidated Plan for Housing and Community Development indicates that there is a need for affordable rental housing, and has identified this activity as a priority; and

**WHEREAS**, the Project is consistent with the Agency's Project Development Guidelines, and Developer meets the Agency's Threshold Developer Criteria; and

**WHEREAS**, the Project will increase and improve the supply of low and moderate income housing available in the City of Oakland, is an eligible use of the Agency's Low and Moderate Income Housing Fund under California Health and Safety Code Sections 33334.2 and 33334.3, and will benefit the redevelopment project areas in the City of Oakland by providing affordable housing opportunities within the community that will enhance the economic viability and redevelopment potential of the project areas; and

**WHEREAS**, no other reasonable means of private or commercial financing of the Project at the same level of affordability and quantity are reasonably available to Developer other than the Low and Moderate Income Housing Fund; and

**WHEREAS**, the Agency by agreement with the City is the Lead Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; and

**WHEREAS**, funds are available from the Agency's Low and Moderate Income Housing Funds to assist the Project; now, therefore, be it

**RESOLVED:** That the Redevelopment Agency hereby authorizes the Agency Administrator or his designee to provide a loan in an amount not to exceed \$2,072,000 to Affordable Housing Associates, Inc., or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for development of the Project; and be it further

**RESOLVED:** That loan funds shall come from the Agency's Low and Moderate Income Housing Fund and Affordable Housing Bond Fund; and be it further

**RESOLVED:** That the loan is contingent on the availability of sufficient funds in the Low and Moderate Income Housing Fund and Affordable Housing Bond Fund to cover the loan; and be it further

**RESOLVED:** That the loan shall be for a maximum term of 55 years, with an interest rate of 3 percent per year, with repayment to the Agency from surplus cash flow from the Project and other available funds during the term of the loan with the balance due at the end of the term, or on such other repayment terms and schedule as the Agency Administrator or his or her designee determines are in the best interests of the Agency and the Project; and be it further

**RESOLVED:** That the Site Acquisition Loan shall be consolidated with the new funds authorized by this Resolution into a single development loan, under the terms described above; and be it further

**RESOLVED:** That as a condition of the loan, the Agency will require that appropriate restrictions on Project occupancy, rents and operations be recorded against Project improvements; and be it further

**RESOLVED:** That the loan shall be secured by a deed of trust on the Project land and/or improvements; and be it further

**RESOLVED:** That the loan funds will be reserved for a period of no more than one year from the date of this Resolution, and the loan shall be contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the Agency Administrator or his or her designee deems sufficient within his or her discretion, within this reservation period; and be it further

**RESOLVED:** That the making of the loan shall be contingent on and subject to such other appropriate terms and conditions as the Agency Administrator or his or her designee may establish; and be it further

**RESOLVED:** That the Agency hereby authorizes the Agency Administrator or his or her designee in his or her discretion to subordinate the priority of the Agency's deed of trust and/or recorded restrictions to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the Agency Administrator or his or her designee determines that (1) an economically feasible alternative method of financing the Project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the Agency's investment in the Project in the event of default is reasonably protected, and (3) subordination is in the best interests of the Agency; and be it further

**RESOLVED:** That all loan documents shall be reviewed and approved by Agency Counsel for form and legality prior to execution, and copies will be placed on file with the Agency Secretary; and be it further

**RESOLVED:** That the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action complies with CEQA because the Project is exempt from CEQA pursuant to Section 15280 (lower-income housing projects) and Section 15332 (infill development projects) of the CEQA Guidelines; and be it further


**RESOLVED:** That the Agency Administrator or his or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for the Project; and be it further

**RESOLVED:** That the Agency hereby appoints the Agency Administrator and his or her designee as agent of the Agency to conduct negotiations, execute documents, administer the loan, extend or modify the repayment terms, and take any other action with respect to the loan and the Project consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, FEB 25 2003, 2003

**PASSED BY THE FOLLOWING VOTE:**

- AYES-            BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND CHAIRPERSON DE LA FUENTE *8*
- NOES-            *0*
- ABSENT-        *0*
- ABSTENTION-   *0*

ATTEST:   
 CEIBA FLOYD  
 Secretary of the Redevelopment Agency  
 of the City of Oakland