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OAKLAND

APPROVED AS TO FORM AND LEGALITY:

2009 FEB 26 PM 3:04



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. 81845 C.M.S.

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$3,850,344 TO BRIDGE HOUSING CORPORATION FOR THE ST. JOSEPH'S FAMILY PHASE IIB PROJECT LOCATED AT 2647 INTERNATIONAL BOULEVARD AND APPROPRIATING \$3,850,344 IN FY 2009-2010 HOME INVESTMENT PARTNERSHIP GRANT FUNDS

WHEREAS, the City'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, on September 2, 2008, the City and the Redevelopment Agency of the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

WHEREAS, BRIDGE Housing Corporation ("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 58-unit family rental development at 2647 International Boulevard in the City of Oakland (the "Project") known as the St. Joseph's Family Phase IIB Project; and

WHEREAS, at least 57 Project units will be rented at prices affordable to households earning no more than 60% of area median income; and

WHEREAS, Developer is also requesting additional funds from the Redevelopment Agency in the amount of \$3,019,656 to come from the 2000 Affordable Housing Set-Aside Bond, 2006 Affordable Housing Set-Aside Bond, and Low and Moderate Income Housing Fund for development of the Project; and

WHEREAS, the Project is consistent with the City's Project Development Guidelines, and Developer meets the City'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; and

WHEREAS, 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 by that Mitigated Negative Declaration and a Finding of No Significant Impact adopted by the City on December 19, 2007, for the Project; and

WHEREAS, none of the circumstances necessitating additional CEQA review of the Project are present; and

WHEREAS, execution of loan documents or other documents legally committing the City to fund this Project shall be expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA"), as certified by the City Administrator or his or her designee; and

WHEREAS, the City anticipates receiving an annual formula grant of HOME Investment Partnership Program funds in an amount sufficient to provide \$3,850,344 for housing development activities; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan in an amount not to exceed \$3,850,344 to BRIDGE Housing or to an affiliated entity approved by the City Administrator or his or her designee, to be used for development of the Project; and be it

FURTHER RESOLVED: That the City Council hereby appropriates the sum of \$3,850,344 to the HOME Investment Partnership Fund (2109); and be it

FURTHER RESOLVED: That \$3,850,344 will be allocated from the 2009-10 HUD-HOME Fund (2109), Housing Development Organization (88929), HOME Housing Development Project (G172111) for this loan after the 2009-10 fiscal year funds are available; and be it

FURTHER RESOLVED: That the loan shall be contingent on the City's receipt of HOME Investment Partnership funds from HUD for FY 2009-10 in an amount sufficient to provide this loan; and be it

FURTHER RESOLVED: That the combined total of the City and Agency loans for the Project shall not exceed \$6,870,000; and be it

FURTHER RESOLVED: That the loan shall be contingent on the availability of sufficient funds in the HOME Program Development Fund, the Low and Moderate Income Housing Fund, the 2000 Affordable Housing Set-Aside Bond, and the 2006 Affordable Housing Set-Aside Bond to cover both the City loan of \$3,850,344 and the Redevelopment Agency development loan of \$3,019,656; and be it

FURTHER RESOLVED: That the loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in his or her discretion, with repayment to the City 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 City Administrator or his or her designee determines are in the best interests of the City and the Project; and be it

FURTHER RESOLVED: That as a condition of the loan, the City 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 shall be reserved for a period of no more than eighteen months from the date of this Resolution, and the making of the loan shall be contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the City Administrator or his or her designee deems sufficient within his or her discretion, within this reservation period; and be it

FURTHER RESOLVED: That if the Project is unable to secure commitments for full Project funding due to delays of state financing that are out of the control of the Developer, the City Administrator or his or her designee may extend the reservation period for Project funding within his or her discretion; 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 City Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That execution of loan documents or other documents legally committing the City to fund this Project are expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator or his or her designee; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of any of the City's recorded interests in the Project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the City 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 City's investment in the Project in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; and be it

FURTHER RESOLVED: That all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it

FURTHER RESOLVED: That the City Council hereby appoints the City Administrator and his or her designee as agent of the City 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 COUNCIL, OAKLAND, CALIFORNIA, MAR 17 2009, 2009

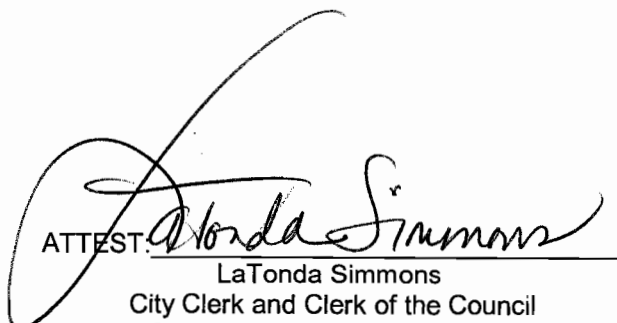
PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT BRUNNER - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST: 
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California