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Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND
RESOLUTION No. 2011-0012 C.M.S.

AN AGENCY RESOLUTION AMENDING RESOLUTION NO. 2008-0020 C.M.S. TO INCREASE THE AMOUNT OF AN AFFORDABLE HOUSING DEVELOPMENT LOAN TO AFFORDABLE HOUSING ASSOCIATES FOR THE FAIRMOUNT APARTMENTS PROJECT AT 401 FAIRMOUNT AVENUE BY \$300,000 FOR A TOTAL AGENCY LOAN AMOUNT OF \$3,700,000

WHEREAS, Resolution No. 2008-0020 C.M.S. dated March 4, 2008 authorized an affordable housing development loan in an amount not to exceed \$3,400,000 to Affordable Housing Associates (the "Developer"), a nonprofit organization devoted to the provision of affordable housing, for rehabilitation of the Fairmount Apartments project (the "Project"), a 31-unit rental housing project located at 401 Fairmount Avenue in the City of Oakland; and

WHEREAS, on September 3, 2010, 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, the Project has almost completed construction and the Developer has diligently moved it forward, but the Project has faced construction delays and a budget gap due to financing problems caused by the housing market crash, unforeseen conditions in the existing building, and significant thefts during construction which required schedule acceleration to meet project deadlines; and

WHEREAS, Developer submitted a proposal in response to the NOFA for additional funds; 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 is the Responsible Agency and 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, none of the circumstances necessitating additional CEQA review of the Project are present; and

WHEREAS, funds are available from the Low and Moderate Income Housing Fund to assist the Project; now, therefore, be it

RESOLVED: That Redevelopment Agency Resolution No. 2008-0020 C.M.S. is hereby amended to increase the amount of the Agency loan by \$300,000 for a total loan amount not to exceed \$3,700,000; and be it

FURTHER RESOLVED: That the additional funding shall be allocated from the Low and Moderate Income Housing Fund (9580), Housing Development Organization (88929), Housing Development Program project (P209310) for this loan; and be it

FURTHER RESOLVED: That the loan shall be contingent on the availability of sufficient funds in the Low and Moderate Income Housing Fund ; and be it

FURTHER RESOLVED: That the Redevelopment 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 securing the loan to the liens or encumbrances of other private or governmental entities providing financial assistance to the Project; provided, however, that the Agency's affordability restrictions shall not be subordinated in priority to other liens or encumbrances with the exception of preexisting liens or encumbrances, refinancings of preexisting liens, or the liens or encumbrances

of other governmental entities providing affordable housing assistance to the Project; and be it

FURTHER RESOLVED: That the loan as increased shall be subject to the same terms and conditions as those set forth in the original authorizing resolution as amended.

MAR 3 2011

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

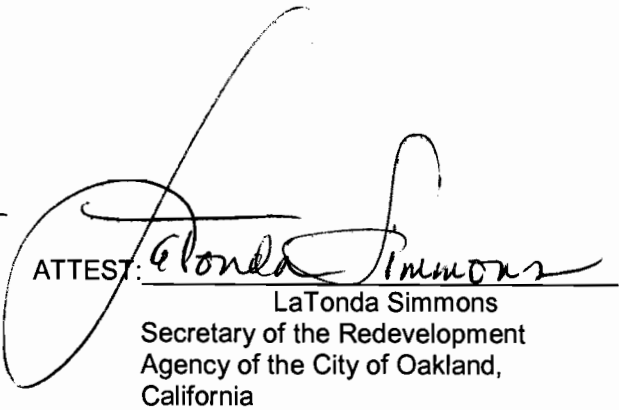
AYES- ~~BRUNNER, DE LA FUENTE~~, BRUNNER, ~~DE LA FUENTE~~, KAPLAN, KERNIGHAN, NADEL, SCHAAF, AND CHAIRPERSON REID -6

NOES- 0

ABSENT- 0

ABSTENTION- 0

Excused- Brooks, De La Fuente -2

ATTEST: 
LaTonda Simmons
Secretary of the Redevelopment
Agency of the City of Oakland,
California