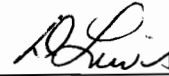


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 FEB 25 AM 9:42

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

2010 - 0036

RESOLUTION No. _____ C.M.S.

**A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING
DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED
\$148,000 TO PAUL WANG ENTERPRISES FOR THE 62ND
STREET CONDOMINIUMS LOCATED AT 1029 62ND STREET**

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

WHEREAS, the City Council approved Ordinance No. 12531 C.M.S. dated September 16, 2003, authorizing a Disposition and Development Agreement ("DDA") for the sale of surplus property at 1027-1029 62nd Street to Paul Wang Enterprises ("Developer") for the development of affordable housing; and

WHEREAS, in 2008, the Developer constructed two affordable four-bedroom detached houses at 1029 62nd Street, known as the 62nd Street Condominiums (the "Project"), which, due to the collapse of the housing market, have not been sold, and have incurred additional costs in construction loan interest, insurance, property taxes, and maintenance; and

WHEREAS, on September 4, 2009, 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 Developer submitted a proposal in response to the NOFA for a subsidy in addition to that already provided pursuant to the DDA; and

WHEREAS, the Project units are and will remain affordable, for at least 45 years, to households with 80% of area median income; 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 has increased and will 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 Agency's Low and Moderate Income Housing Fund 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 \$148,000 to Paul Wang Enterprises, or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for the Project; and be it

FURTHER RESOLVED: That \$148,000 shall be allocated from the Low Mod Operations 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 Agency's Low and Moderate Income Housing Fund to cover the Agency loan of \$148,000; and be it

FURTHER RESOLVED: That the loan shall be for a maximum term of four years, with an interest rate to be determined by the Agency Administrator in his discretion, with repayment to the Agency upon the initial sale of Project units to eligible homebuyers, or on such other repayment terms and schedule as the Agency Administrator or his or her designee determines are in the best interest of the Agency and the Project; and be it

FURTHER RESOLVED: That, in the event the Project's development cost exceeds its total net sales proceeds, the Agency Administrator is authorized, upon the initial sale of Project units, to convert all or a portion of the loan, represented by the difference between the development cost of the Project units and the total net sales proceeds from Project units, into a grant; and be it

FURTHER RESOLVED: That as a condition of the loan, the Agency will require that appropriate restrictions on the sale and resale of Project units 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 twenty four months from the date of this Resolution, and the making of the loan shall be contingent on Developer's success in securing commitments for 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 any of the Agency'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 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 the Agency, in concurrence with the Lead Agency which has independently reviewed and considered this environmental determination, 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 CEQA Guidelines Section 15303 (new construction, small structures), Section 15312 (surplus government property), and Section 15332 (infill housing), and the November 26, 2003 filing of a CEQA exemption to that effect; and be it

FURTHER RESOLVED: That the Agency Administrator and his designee are authorized 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; 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.

IN AGENCY, OAKLAND, CALIFORNIA, MAR 16 2010, 2010

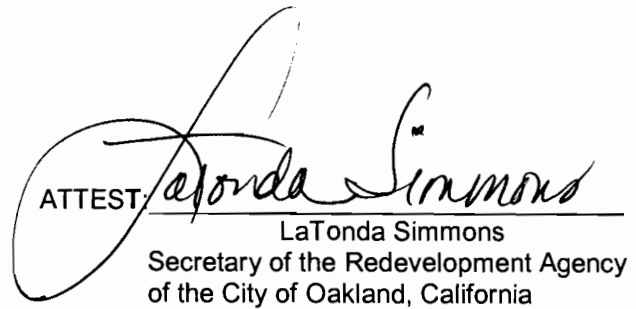
PASSED BY THE FOLLOWING VOTE:

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

NOES- 0

ABSENT- 0

ABSTENTION- 0

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