

FILED
OFFICE OF THE CITY CLERK AND LEGALITY:
APPROVED AS TO FORM AND LEGALITY:

2005 JAN 20 PM 4:00

Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

2005-0012

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$3,000,000 TO EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION AND THE RELATED COMPANIES OF CALIFORNIA JOINTLY FOR THE COLISEUM GARDENS PHASE III HOPE VI PROJECT LOCATED AT 928-998 66TH AVENUE

WHEREAS, on September 13, 2004, 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, East Bay Asian Local Development Corporation, a nonprofit organization devoted to the provision of affordable housing, and the Related Companies of California, a California Limited Liability Company (jointly, the "Developer"), submitted a proposal in response to the NOFA; and

WHEREAS, Developer proposes to develop a 106 unit housing project at 928-998 66th Avenue in the City of Oakland (the "Project"); and

WHEREAS, the Project is the third phase in the Oakland Housing Authority's HOPE VI Coliseum Gardens revitalization project that is scheduled to replace 178 Public Housing units and generate approximately 356 units of affordable housing on various sites that will comply with applicable redevelopment law requirements; and

WHEREAS, The Oakland Housing Authority will develop or cause to be developed a minimum of 178 affordable housing rental units, within three years from the demolition of the Coliseum Gardens public housing units, that are of the same bedroom mix as the demolished units, and will be rented at prices affordable to low-income households earning no more than 50% of area median income; and

WHEREAS, 41 Project units will be rented at prices affordable to households earning no more than 50% of area median income and 64 Project units will be rented at prices affordable to households earning no more than 60% of area median income and; and

WHEREAS, East Bay Asian Local Development Corporation and The Related Companies of California will form a limited partnership, with East Bay Asian Local Development Corporation as the managing general partner; and

WHEREAS, the Agency and City Council previously authorized \$3,000,000 in loan funding to Developer for Phase I of the HOPE VI Coliseum Gardens revitalization, which is currently under construction; 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 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 the June 4, 2003 certification of Mitigated Negative Declaration; 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 her designee to provide a loan in an amount not to exceed \$3,000,000 to East Bay Asian Local Development Corporation and the Related Companies of California, or to an affiliated entity approved by the Agency Administrator or her or his designee, to be used for development of the Project; and be it further

RESOLVED: That loan funds shall come from the Agency's Low Mod Operations Fund (9580), Housing Development Organization (88929) Housing Development Program project (P209310); and be it further

RESOLVED: That the loan is contingent on the availability of sufficient funds in the Low and Moderate Income Housing 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 to be determined by the Agency Administrator in his or her discretion, 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 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 is contingent upon the commitment of the Oakland Housing Authority to develop or cause to be developed a minimum of 178 affordable housing rental units, within three years from the demolition of the Coliseum Gardens public housing units, that are of the same bedroom mix as the demolished units, and will be rented at prices affordable to low-income households earning no more than 50% of area median income; 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 her or his designee in her or his 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 her or his 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, by Resolution No. 2003-07 C.M.S., previously found and determined that this action complies with CEQA; and be it further

RESOLVED: That the Agency hereby appoints the Agency Administrator and her or his 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.

FEB 15 2005

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2005

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE -7

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST: *Latonda Simmons*
LATONDA SIMMONS
Interim Secretary of the Redevelopment Agency
of the City of Oakland