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APPROVED AS TO FORM AND LEGALITY:

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. 82650 C.M.S.

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**A RESOLUTION AMENDING RESOLUTION NO. 78595  
C.M.S. TO INCREASE THE AMOUNT OF AN AFFORDABLE  
HOUSING DEVELOPMENT LOAN TO SATELLITE HOUSING  
FOR THE ST. ANDREW'S MANOR HOUSING PROJECT  
LOCATED AT 3250 SAN PABLO AVENUE BY \$500,000 FOR  
A TOTAL CITY LOAN AMOUNT OF \$1,248,300**

**WHEREAS**, Resolution No. 78595 C.M.S. dated June 1, 2004, authorized an affordable housing development loan in an amount not to exceed \$748,300 to Satellite Housing (the "Developer"), a non-profit developer of affordable housing, to rehabilitate the St. Andrew's Manor affordable rental project at 3250 San Pablo Avenue in the City of Oakland (the "Property") to continue to provide 60 rental units of housing to serve seniors (the "Project"); and

**WHEREAS**, on September 4, 2009, the City and the Redevelopment Agency of the City of Oakland jointly issued a Notice of Funding Availability ("Rehabilitation NOFA") soliciting applications for funding the preservation and rehabilitation of existing affordable rental housing; and

**WHEREAS**, the Developer submitted a proposal in response to the Rehabilitation NOFA for additional funds to rehabilitate the Property; and

**WHEREAS**, the Project has a commitment of state Multi-family Housing Program funds but has experienced delays and a funding gap due to the state's freeze on bond-funded commitments and the changing bond market; and

**WHEREAS**, all units at the Property are rented at prices affordable to households earning no more than 60% of area median income; and

**WHEREAS**, the City of Oakland's Consolidated Plan for Housing and Community Development indicates that there is a need for creating, preserving and maintaining decent, safe and habitable affordable rental housing, and has identified this activity as a priority; 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 City is the Lead Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, per the CEQA Guidelines, this Project is exempt from environmental review; and

**WHEREAS**, funds will be available from the HOME Investment Partnership Program in fiscal year 2010-11 to assist the Project; now, therefore, be it

**RESOLVED:** That Resolution No. 78595 C.M.S. is hereby amended to increase the amount of the City loan by \$500,000 for a total loan of \$1,248,300 to Satellite Housing or to an affiliated entity approved by the City Administrator or his or her designee, to be used for rehabilitation of the Project; and be it

**FURTHER RESOLVED:** That \$500,000 will be allocated from 2010-11 HUD-HOME Fund (2109), Housing Development Organization (88929), HOME Housing Development Project (G172111) for this loan after the 2010-11 fiscal year funds are available; and be it

**FURTHER RESOLVED:** That the loan shall be contingent on the availability of sufficient funds in the HOME Program Development Fund to cover the City loan of \$1,248,300; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered this environmental determination, and the City Council 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 Sections 15332 (Infill Development) and 15183 (Projects Consistent with Zoning and General Plan) and meets the relevant criteria for these exemptions; and be it

**FURTHER RESOLVED:** That the City 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 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 all loan funds (including the loan previously authorized as well as the additional amount authorized by this Resolution) shall be reserved for a period of no more than twelve 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 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 the City Administrator is authorized to extend the term of any existing City loans on the Property up to 55 years, consolidate the existing loans with the new loan authorized by this Resolution, modify other terms and conditions of the existing City loans to be consistent with the terms and conditions of any new funding for the Project, and negotiate and execute loan documents with respect to existing City loans; 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 16 2010, 2010

**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  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California