

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

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OFFICE OF THE CITY CLERK
OAKLAND
2006 JAN 15 PM 4:4

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION No. 2004-08 - C.M.S.

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$2,548,500 TO AFFORDABLE HOUSING ASSOCIATES, INC. FOR THE CALAVERAS TOWNHOMES PROJECT LOCATED AT 4856-4868 CALAVERAS AVENUE AND CONSOLIDATING AN EXISTING \$1,310,000 SITE ACQUISITION LOAN WITH THE DEVELOPMENT LOAN, FOR A NEW TOTAL DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$3,858,424

WHEREAS, on August 8, 2003, 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, Affordable Housing Associates, Inc. (the "Developer"), a nonprofit organization devoted to the provision of affordable housing, submitted a proposal in response to the NOFA; and

WHEREAS, Developer proposes to construct a twenty-eight (28) unit townhome development on the site acquired with the Site Acquisition Loan (the "Project") in the City of Oakland; and

WHEREAS, seventeen Project units will be sold at prices affordable to households earning no more than 80% of area median income; and

WHEREAS, eleven Project units will be sold at prices affordable to households earning no more than 100% of area median income; and

WHEREAS, the Redevelopment Agency previously authorized a \$1,310,000 site acquisition loan (Resolution No. 00-55 C.M.S.) to the Developer for the Project (the "Site Acquisition Loan") and Developer is requesting additional funds in the amount of \$2,548,424 for the development of the Project; and

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 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

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, by agreement with 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, funds are available from the Agency's Low and Moderate Income Housing Fund and the 2000 Affordable Housing Set-Aside Bond funds to cover the loan; now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or his designee to provide an additional loan in an amount not to exceed \$2,548,500 to Affordable Housing Associates, Inc., or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for development of the Project; and be it further

RESOLVED: That the additional loan funds shall be allocated as follows: \$1,548,500 from the Low and Moderate Income Housing Fund, Housing Development Project - Central District (Fund 9580, Project P209310) and \$1,000,000 from the 2000 Affordable Housing Set-Aside Bond funds (Fund 9583, Project P151710); and be it further

RESOLVED: That the loan is contingent on the availability of sufficient funds in the Low and Moderate Income Housing Fund and the 2000 Affordable Housing Set-Aside Bond Fund to cover the loan; and be it further

RESOLVED: That the Agency hereby authorizes the Agency Administrator or his designee to convert the Site Acquisition Loan to the Developer into a long-term development loan and to consolidate it with the Agency's development loan authorized by the Resolution into a single development loan for a total amount not to exceed \$3,858,424, under the terms described below; 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 at his or her 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 a portion of the loan, represented by the difference between the development cost of the Project unit or units and the total net sales proceeds from Project unit or 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 the 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 will be reserved for a period of no more than twelve months 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 his or her designee in his or her 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 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 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 has independently reviewed and considered this environmental determination, and the Agency 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 Section 15280 (lower-income housing projects) and to Section 15332 (infill development projects) of the CEQA Guidelines; and be it further

RESOLVED: That the Agency 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 Agency hereby appoints the Agency Administrator and his or her 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 17 2004

IN AGENCY, OAKLAND, CALIFORNIA, _____, ~~2004~~

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND CHAIRPERSON DE LA FUENTE, - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST 

CEDA FLOYD
Secretary of the Redevelopment Agency
of the City of Oakland