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Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND
RESOLUTION NO. 2011-0015 C.M.S.

A RESOLUTION AUTHORIZING A PRESERVATION AND REHABILITATION LOAN IN AN AMOUNT NOT TO EXCEED \$1,250,000 TO EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION FOR THE MADISON PARK APARTMENTS PROJECT LOCATED AT 100 9TH STREET, AND AUTHORIZING LOAN EXTENSIONS AND/OR CHANGES IN TERMS FOR EXISTING AGENCY LOANS FOR THE PROJECT

WHEREAS, on September 3, 2010, the Redevelopment Agency and 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, East Bay Asian Local Development Corporation ("Developer"), a nonprofit developer of affordable housing, submitted a proposal in response to the Rehabilitation NOFA to rehabilitate the Madison Park Apartments affordable rental project at 100 9th Street in the City of Oakland (the "Property") to continue to provide 98 units of housing to serve families; and

WHEREAS, the Redevelopment Agency has made previous affordable housing development loans for development of the Property, and the Property is subject to recorded long-term rent and occupancy restrictions enforceable by the Agency; 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 located in the Central District Redevelopment Project Area; and

WHEREAS, the Project is consistent with the Agency's Project Development Guidelines, and the Developer meets the Agency's Threshold Developer Criteria; and

WHEREAS, the Project will ensure the protection and preservation of the supply of existing 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 continue to benefit the redevelopment project areas in the City of Oakland by maintaining affordable housing within the community which will continue to 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, per the CEQA Guidelines, this Project is exempt from environmental review; 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 to assist the Project; now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or his or her designee to provide a loan in an amount not to exceed \$1,250,000 to East Bay Asian Local Development Corporation or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for rehabilitation of the Project; and be it

FURTHER RESOLVED: That \$1,250,000 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 \$1,250,000; 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 15301 (Existing Facilities) 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 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 shall be secured by a deed of trust on the Project; 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 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 if the Project is unable to secure commitments for full Project funding due to delays in state financing that are out of the control of the Developer, the Agency Administrator or his or her designee may approve an extension of time for Project funding at his or her discretion; 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 Administrator is authorized to extend the term of any existing Agency 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 Agency 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 Agency loans; 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, refinancings of preexisting liens, or encumbrances or the liens or encumbrances of other governmental entities providing affordable housing assistance to 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; and be it

FURTHER RESOLVED: That all loan documents shall be reviewed and approved by Agency Counsel for form and legality prior to execution.

IN AGENCY, OAKLAND, CALIFORNIA, MAR 3 2011, 2011

PASSED BY THE FOLLOWING VOTE:

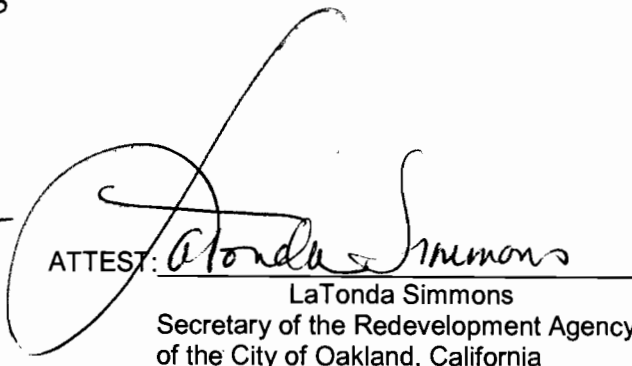
AYES- ~~BROOKS~~, BRUNNER, ~~DE LA FUENTE~~, KAPLAN, KERNIGHAN, NADEL, SCHAAF, AND CHAIRPERSON REID -6

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