

**REDEVELOPMENT AGENCY OF THE
CITY OF OAKLAND**

RESOLUTION NO. 01-14 C. M. S.



**A RESOLUTION AUTHORIZING A DEVELOPMENT LOAN
IN AN AMOUNT NOT TO EXCEED \$713,000 TO MERCY
HOUSING CALIFORNIA FOR THE SANTANA
APARTMENTS PROJECT LOCATED AT 2220 10TH AVENUE**

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

WHEREAS, on August 14, 2000 the Agency and City issued a Notice of Funding Availability soliciting applications for funding for affordable housing development; and

WHEREAS, Mercy Housing California (the "Developer") is a nonprofit organization devoted to the provision of affordable housing; and

WHEREAS, the Developer proposes to rehabilitate the apartment complex at 2220 10th Avenue in the City of Oakland to provide 30 units of affordable rental housing (the "Project"); and

WHEREAS, the Agency authorized a bridge loan in the amount of \$488,000 (the "Agency Loan") to the previous developer of the site, 2220 Tenth Avenue Associates, on July 15, 1992, to assist in the acquisition and rehabilitation of the Project; and

WHEREAS, the principle and interest due on the Agency Loan is \$169,000; and

WHEREAS, the Developer has requested that the Agency provide partial funding for the Project in the amount of \$713,000; and

WHEREAS, the Developer has requested that the Agency Loan be repaid from the new loan; and

WHEREAS, all Project units will be restricted to rents affordable to low-income households earning no more than 60% of area median income; and

WHEREAS, the Project is consistent with the Agency's Project Development Guidelines, and the Developer meets the Agency's Minimum Developer Qualifications; 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 Central District Redevelopment Project by providing affordable housing opportunities within the community that will enhance the economic viability and redevelopment potential of the Project Area; and

WHEREAS, the Agency 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 Affordable Housing Bond proceeds 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 \$713,000 to Mercy Housing California, or to an affiliated entity approved by the Agency Administrator or his designee, to be used for development of the Project; and be it further

RESOLVED: That a portion of the loan authorized by this Resolution shall be used to pay off the balance of the Agency loan; and be it further

RESOLVED: That the loan shall be for a term of 30 years, with a simple interest rate of 3 percent per year, with repayment to the Agency deferred until the end of the loan term, subject to the availability of other funds for earlier repayment of the loan, or on such other repayment terms and schedule as the Agency Administrator or his designee determines are in the best interests of the Agency and the Project; and be it further

RESOLVED: That the disbursement of the loan funds shall be contingent on the Developer's success in securing commitments for full Project funding not later than 12 months from the date of this Resolution, and this loan authorization shall be withdrawn if the Developer fails to secure such commitments within this period, and shall be subject to such other appropriate terms and conditions as the Agency Administrator or his designee may establish; and be it further

RESOLVED: That loan funds shall come from the Agency's Affordable Housing Bond proceeds; 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 land and/or improvements; and be it further

RESOLVED: That the Agency hereby authorizes the Agency Administrator or his designee in his discretion to subordinate the priority of the Agency's deed of trust and/or recorded restrictions to any lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the Agency Administrator 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 the 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 that this action complies with CEQA because the Project is exempt from CEQA under Public Resources Code Section 21080.14 and Section 15301 of the CEQA Guidelines; and be it further

RESOLVED: That the Agency Administrator or his designee shall cause to be filed with the County of Alameda a Notice of Exemption for this Project; and be it further

IN AGENCY, OAKLAND, CALIFORNIA, MAR - 6 2001, 2001

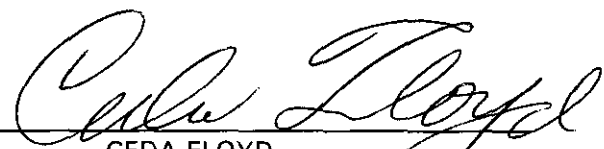
PASSED BY THE FOLLOWING VOTE:

AYES- BRUNNER, CHANG, NADEL, REID, SPEES, WAN AND
CHAIRPERSON DE LA FUENTE - 7

NOES- None

ABSENT- None

ABSTENTION- None

ATTEST: 
CEDA FLOYD
Secretary of the Redevelopment Agency of
the City of Oakland, California