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Approved as to Form and Legality


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING AFFORDABLE HOUSING DEVELOPMENT LOANS AS FUNDS BECOME AVAILABLE IN A TOTAL AMOUNT NOT TO EXCEED \$13.1 MILLION DOLLARS, WITHOUT RETURNING TO COUNCIL, FOR THE FOLLOWING PROJECTS: 285 12TH STREET, 95TH AND INTERNATIONAL, FRIENDSHIP SENIOR RENTAL HOUSING, FRUITVALE STUDIOS, OAK HILL/NOVA, AND WEST GRAND AND BRUSH.

WHEREAS, City Council Resolutions No. 87018 C.M.S. and No. 87019 C.M.S, passed on December 18, 2017, authorized the City Administrator or his or her designee to provide affordable housing development loans to several projects that applied for funding through the 2017-2019 Notice of Funding Availability (NOFA); and

WHEREAS, a total of 24 applications were submitted under the NOFA for New Construction of Affordable Rental Housing and for Multifamily Housing Rehabilitation and Preservation for a total request of \$94,173,080 in City funds; and

WHEREAS, only 11 projects were awarded funding for a total amount not to exceed \$23 million; and

WHEREAS, requests for funds and the need to invest in City projects greatly exceeded the amount of City funds available; and

WHEREAS, a project pipeline was established to fund projects in the queue as additional funds become available; and

WHEREAS, additional funds are now available to appropriate from housing development loan repayments deposited into the Affordable Housing Trust Fund (1870), the Low and Moderate Income Asset Fund (2830) and the HUD HOME investment Partnership Program Fund (2109), as well as revenue from the Jobs/Housing Impact

Fees, and the Affordable Housing Impact Fees; and

WHEREAS, City Council adopted in June 19, 2018 the Fiscal Year 2018-19 Midcycle Budget which appropriated and allocated \$9 million of excess bond proceeds held by the Oakland Redevelopment Successor Agency to affordable housing development activities; and

WHEREAS, the County of Alameda has made funds from the Alameda County General Obligation Bond for Housing (Measure A1) available from the Regional Pool of such funds; and

WHEREAS, the County of Alameda requires that all projects that receive funds under the Countywide housing bond receive local match funds and approval from the local jurisdiction; and

WHEREAS, staff is seeking to prioritize the funding of projects in the pipeline that are applying to the Alameda County Bond Measure A1 Regional Pool funds; and

WHEREAS, for those projects receiving federal funds, execution of loan documents or other documents legally committing the City to fund the projects shall be expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA"), as certified by the City Administrator or his or her designee; now, therefore, be it

RESOLVED, That the City Council hereby authorizes the City Administrator or his or her designee to provide loans as affordable housing funds become available, without returning to Council, in a total amount not to exceed \$13.1 million dollars, to the developers named on Attachment A, or to affiliated entities of those developers approved by the City Administrator or his or her designee, to be used for development of those new construction and rehabilitation projects also listed on Attachment A to this Resolution; and be it

FURTHER RESOLVED, That the funding for the loans shall be allocated from the Low and Moderate Income Housing Asset Fund (2830), the Affordable Housing Trust Fund (1870), Jobs/Housing Impact Fee deposited in to the Affordable Housing Trust Fund (1870), Affordable Housing Impact Fees deposited in to the Affordable Housing Trust Fund (1870), the HUD HOME Investment Partnership Program (2109), the Central District Projects bond fund (5610), the Central District TA Bonds Series 2009T (5613), the Central District TA Bonds Series 2006T (5614) and/or the Central City East TA Bonds Series 2006A-T (5643); and be it

FURTHER RESOLVED, That the making of each loan shall be contingent on the availability of sufficient funds in the Low and Moderate Income Housing Asset Fund, the Affordable Housing Trust Fund, the HUD HOME Investment Partnership Program fund, the Central District Projects bond fund, the Central District TA Bonds Series 2009T, the Central District TA Bonds Series 2006T, and the Central City East TA Bonds Series 2006A-T; and be it

FURTHER RESOLVED: That each 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 each 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 each loan shall be secured by a deed of trust on the project land and/or improvements; and be it

FURTHER RESOLVED: That loan funds shall be reserved for a period of no more than 24 months from the date of the commitment letter, and shall be subject to reprogramming at the end of such 24 month period unless the developer has secured commitments for full project funding or provided other assurances of adequate project funding that the City Administrator or his or her designee deems sufficient within his or her discretion, within the reservation period; and be it

FURTHER RESOLVED: That the making of each 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 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 each 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 the City Council has independently reviewed and considered the environmental determinations, and the City Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that the action with respect to each project complies with CEQA either because the project is exempt from CEQA, or, based on an initial study and the mitigation measures identified therein, the project as mitigated will not have a significant adverse impact on the environment, as the CEQA determination is further set forth in Attachment A to this Resolution; 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 or Notice of Determination for each project as appropriate; 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 be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee to determine funding allocations, conduct negotiations, execute documents, administer the loans, extend or modify the repayment terms, and take any other action with respect to the loans, funding allocations, and the projects consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, GIBSON MCELHANEY, AND
PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

Attachment A

New Construction and Rehabilitation NOFA 2017-19 Pipeline

Project/(Developer)	Affordable Units	AMI Level	City Award Amount
Oak Hill /NOVA Apartments (Affirmed Housing Group, Inc.)	57	20% AMI	\$1,600,000
285 12th Street (East Bay Asian Local Development Corporation)	59	20% to 60%	\$2,000,000
95th and International (Related Companies, Inc. & ACTS)	45	30% to 50%	\$6,868,659
Friendship Senior Rental Housing (Community Housing Development Corporation & Friendship Community Development Corporation)	50	20% to 60%	\$2,000,000
West Grand & Brush (East Bay Asian Local Development Corporation)	59	20% to 60%	\$96,900
Fruitvale Studios (Allied Housing, Inc.)	24	20% to 50%	\$500,000