

**REDEVELOPMENT AGENCY
AND THE CITY OF OAKLAND
AGENDA REPORT**

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 JUN 10 PM 5:53 of the City/Agency Administrator

ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: June 22, 2010

RE: **A Report and Three Resolutions Regarding Redevelopment Agency Affordable Housing Development Activities: A Resolution Authorizing an Affordable Housing Development Loan in an Amount not to Exceed \$4,000,000 to EAH, Inc. for the Cathedral Gardens Project Located at 668 21st Street; a Resolution Authorizing an Affordable Housing Development Loan in an Amount not to Exceed \$5,597,000 to Related Companies of California and Acts Community Development Corporation Jointly for the 94th and International Apartments Project; and a Resolution Amending Resolution No. 2010-0033 C.M.S. to Change the Source of Funds for an Affordable Housing Development Loan to Amcal Multi-Housing, Inc. for the MacArthur Apartments Project**

SUMMARY

This report provides recommendations and three resolutions that would (a) award \$4,000,000 in funding for the Cathedral Gardens project; (b) award \$5,597,000 for the 94th and International project (with two different potential funding sources); and (c) revise the source of funds for the MacArthur Apartments project to make these awards possible. Cathedral Gardens and 94th and International are the two highest ranked projects among those that were not funded in the most recent annual affordable housing Notice of Funding Availability (NOFA) funding round because funds were not available at that time.

On March 16th, 2010 funding commitments for thirteen projects submitted through the annual NOFA process were approved by the City Council and the Redevelopment Agency. After the staff report for the NOFA was finalized, two existing affordable housing developments were acquired by private investors who did not require Agency funding. As a result, the recommendation to fund the San Antonio Terrace project was withdrawn and prior funding commitments for Foothill Plaza were terminated. At the time the NOFA report was presented, it was anticipated that this would make available an additional \$5,670,000 in Redevelopment Agency affordable housing funds, and staff indicated that it would return at a later date with recommendations for allocating these funds.

However, since that time, projected revenue from tax increment for Fiscal Year 2009-10 has declined even further than anticipated due to downward property tax assessments and repayments required due to previous overpayment of tax increment from Alameda County. As a

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result, the amount of housing development funds now available to be awarded to new projects is \$4,457,976.

Staff is recommending the award of \$4,000,000 in Agency funding for Cathedral Gardens, the highest ranked project not funded in the NOFA process. Staff is also recommending an award of \$5,597,000 in Agency funding funds to 94th and International, the second ranked unfunded project. Funding for 94th and International will come from one of two potential funding combinations; 1) from funds that could become available from termination of a prior funding commitment to the Hill-Elmhurst senior housing project; or 2) from a combination of unused Central City East Low and Moderate Income Housing Funds originally set-aside for a single-family home rehabilitation program and non-housing taxable bond funds for the Coliseum Redevelopment Project Area which would be repaid from next year's affordable housing NOFA funds. If the second funding scenario is utilized, the project's funding award would be contingent on a successful tax credit funding award in 2010.

A portion of the newly available funds are restricted for use only in the Central City East Redevelopment Project Area under that Project Area's Redevelopment Plan. In order to use the funds for projects elsewhere in the city, staff has included a resolution to substitute Central City East funds as the funding source for the MacArthur Apartments, a project located in Central City East that received an award of city-wide funding because no Central City East funds were available to allocate to the project through the 2009-10 NOFA. This will free up unrestricted funds that can be used for either the Cathedral Gardens project or the 94th and International Apartments project.

FISCAL IMPACTS

In order to free up funding that can be used for projects outside of Central City East (including Cathedral Gardens), staff proposes to modify the funding source for the MacArthur Apartments project. Council previously approved that the entire \$3,850,000 would come from the Low Mod Operations Fund (9580), 2006 Housing Bond Project (P209310). It is now proposed that \$1,834,471 would come from the 2006 Housing Bond Fund (9584), 2006 Housing Bond Project (L290410). There would be no change to the total commitment for MacArthur Apartments. Only the funding sources are being modified.

A total of \$4,457,976 will then be available from the following budgeted sources:

- \$1,441,315 from the Agency's Low and Moderate Housing Fund (9580), Housing Development Organization (88929), Housing Development project (P209310),
- \$718,785 from the Agency's 2000 Housing Bond Fund (9583), Housing Development Organization (88929), 2000 Housing Bond project (P151710) and Foothill Plaza project (P151793), and
- \$2,297,876 from the Agency's 2006 Housing Bond Fund (9584), Housing Development Organization (88929), 2006 Housing Bond project (L290410).

Staff proposes to allocate \$4,000,000 of this funding for the Cathedral Gardens project.

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For the 94th and International project, if the Hill-Elmhurst senior housing project's funding commitment expires this summer (as discussed later in the report), \$5,597,000 of these funds will be used for 94th and International. Funds from this project would come from the following:

- \$2,489,700 from the Low and Moderate Income Housing Fund (9580), Housing Development Organization (88929), Hill-Elmhurst Senior project (L327910), and
- \$3,107,300 from the 2000 Housing Bond Fund (9583), Housing Development Organization (88929), Hill-Elmhurst Senior project (P151772).

If the Hill-Elmhurst Senior funds are not available, other funds available to fund this project include:

- \$457,976 from the Agency's Low and Moderate Housing Fund (9580), Housing Development Organization (88929), Housing Development project (P209310),
- \$1,400,000 from the Central City East Low and Moderate Housing Fund (Low and Moderate Income Housing Fund (9580), Residential Lending Services Organization (88939), Central City East Homeownership project (L284810). These funds would be swapped with city-wide Agency Low and Moderate Income Housing funds already awarded for the Eldridge Gonaway Apartments project, which received a NOFA funding award in 2009 in the Low and Moderate Income Housing Fund (9580), Housing Development Organization (88929), Eldridge Gonaway project (L380310). These city-wide funds could then be used for 94th and International.
- \$3,739,024 from non-housing taxable bonds in Coliseum Redevelopment Project Area Tax Allocation Bonds, Series 2006 (Taxable) Fund (9456), Capital Improvement Project, Economic Development Organization (94800), Coliseum Land - Taxable Bond Project (T315820). These funds will be replaced with Agency 2010-2011 affordable housing NOFA funds when those Agency funds become available.

BACKGROUND

Foothill Plaza and San Antonio Terrace

Subsequent to the drafting and publication of the NOFA funding recommendations, a new for-profit development entity, Renaissance Housing Partners, secured site control of Foothill Plaza and San Antonio Terrace, two affordable housing properties previously owned by affiliates of Oakland Community Housing, Inc. (OCHI). Both projects were in default on loans obtained from the California Housing Finance Agency (CalHFA). Renaissance purchased the defaulted loans from CalHFA (at a significant discount), and will foreclose on the senior deeds of trust and take title to the properties (they have already completed this process for Foothill Plaza). Although previously recorded deeds of trust and regulatory agreements are wiped out in the foreclosure process (eliminating the existing affordability restrictions and all City and Agency financing), Renaissance has agreed to record new Regulatory Agreements with CalHFA, restricting the properties to households at 60% of Area Median Income (AMI) for the remaining

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term of the previous agreement. Renaissance has indicated that it will not seek City or Agency funding for these properties.

Staff reported this information as part of its presentation of NOFA recommendations to the Community and Economic Development Committee on March 9, 2010, and at the City Council on March 16, 2010, and withdrew the recommendation to provide \$2,760,000 for San Antonio Terrace. When combined with previous Agency funding commitments of \$2,910,000 for the Foothill Plaza project, which have now been terminated, the total amount that would have been available was \$5,670,000. However, as discussed below, recent reductions in FY 2009-10 tax increment remittances by Alameda County has reduced the available amount.

FY 2009-10 NOFA Funding Recommendations

As presented in the original NOFA report, of the twenty-two applications received through the annual housing Notice of Funding Availability process, seven projects were not initially funded due to insufficient funds available. The ranking of these projects and the amounts requested are shown below.

FY 2009-10 NOFA: Unfunded Projects

Rank*	% Score	Project Name/Developer	Project Type	Council District	Recommended Amount
3	72.4 %	Cathedral Gardens (EAH/Oakland Housing Initiatives)	Rental -- Family, New Construction	3	\$4,000,000
5	70.8%	94th & International (Related Companies/Acts CDC)	Rental -- Family, New Construction	7	\$5,597,000
7	68.8%	Lakeside Senior (Satellite Housing)	Rental -- Senior, New Construction	3	\$4,000,000
8	67%	9507 Edes (Habitat for Humanity)	Ownership -- Family, New Construction	7	\$2,525,000
9	64.8%	Red Star (Oakland Housing Investors, LP)	Rental -- Family, New Construction	3	\$1,500,000
13	60%	Fruitvale Point (Foundation for Aff Hsg/Sunfield Devt)	Rental -- Family, New Construction	5	\$2,500,000
14	49.6%	Amber Tree (EBALDC)	Rental -- Family, Rehabilitation	5	\$2,900,000

* Note that projects ranked 4th, 6th, 10th, and 12th in the NOFA process were approved for funding because they were projects in the pipeline that were requesting additional funds, either to complete construction, or to make them more competitive for tax credit financing. These include Altenheim Phase II, 62nd Street Condos, 720 E. 11th Street, and St. Joseph Family. The 11th ranked project, the California Hotel, already had other (non-NOFA) funds budgeted, which were approved in a separate accompanying report.

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KEY ISSUES AND IMPACTS

Reductions in Anticipated Affordable Housing Development Funds

In October, 2009 the Agency's budget for FY 2009-10 was amended to reflect anticipated declines in tax increment revenue due to estimated reductions in assessed valuation by the County. Staff has recently received updated reports indicating even further reductions in the tax increment, which will reduce deposits to the Low and Moderate Income Housing Fund by \$1,326,355 (a portion of which is unrestricted funding with the remainder affecting the Central City East and West Oakland areas).

In addition, Alameda County recently notified the Agency that tax increment overpayments had occurred for the Oak Center Redevelopment Project Area and the County's remittance of tax increment funds from the second installment of annual property taxes was reduced by approximately \$2,500,000, of which \$613,541 will come from the Low and Moderate Housing Fund. After the above adjustments, the total amount of Agency housing NOFA funds available to allocate is now \$4,457,976.

Funding Set-Aside for Central City East Redevelopment Project Area

Redevelopment plans for the Central City East (CCE) and West Oakland Redevelopment Areas require that affordable housing funds generated from those areas must be spent only on projects within each respective project area, and each area's implementation plan sets forth percentages of funds to be devoted to particular program areas. Housing funds generated by the other redevelopment project areas are not geographically restricted by redevelopment law or the redevelopment plan, and may be used City-wide.

The MacArthur Apartments project, which is located in the CCE area, was funded with unrestricted city-wide funds because at the time no CCE funds were available. With the cancellation of funding for San Antonio Terrace and Foothill Plaza, additional CCE funds are now available. Reallocating these funds to MacArthur Apartments will free up unrestricted funds that can be allocated to projects located anywhere in the city.

Hill-Elmhurst Senior Housing Funding Commitment

The Hill-Elmhurst senior housing project received an Agency funding commitment of \$6,032,000 in March, 2007. The project's financing plan relies on HUD 202 senior housing funds, a very competitive federal source. The project has twice been unsuccessful in applying for these funds, and currently has a third application pending. Awards are expected to be announced by HUD sometime in June. The developer, Christian Church Homes, has agreed that if this third HUD 202 funding application is not approved, the project is not financially feasible and the Agency funding commitment can be withdrawn. It is hoped that this year's application will be successful, but if it is not, an additional \$6,032,000 would then become available this summer after HUD announces its decisions.

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PROJECT DESCRIPTIONS

Cathedral Gardens

Cathedral Gardens, sponsored by EAH, Inc., was the next highest ranked NOFA project. Therefore, staff is recommending a \$4,000,000 Agency funding commitment for Cathedral Gardens. The project, located at 668 21st Street (the old site of the St. Francis de Sales Cathedral), would provide 100 units of family rental housing in two newly constructed buildings and one renovated building. The property has already received \$5,250,000 from the Oakland Housing Authority to purchase the site. With this and other anticipated sources of funds, the Agency's per unit subsidy for this project would be \$40,000 per unit. The project includes large family units (thirty-one 3-bedroom units), twelve units for households with special needs, and common areas and services for the residents.

94th and International Apartments

The 94th and International Apartments, sponsored by Related Companies of California and Acts Community Development Corporation is the next highest ranking application. This project would provide 54 units of family rental housing and 3,000 square feet of retail space on a one-block site currently containing five existing underutilized buildings which would be demolished. The project includes large family units (seventeen 3-bedroom units) as well as common areas and services for the residents. The project is requesting a per unit subsidy of \$103,000 per unit.

The 94th and International Apartments is part of a larger mixed-use redevelopment project that entails four phases of development, containing a total of approximately 12,000 square feet of retail/commercial space and 400 units of rental and for-sale mixed-income housing. As proposed, the larger mixed-used project would have a substantial transformative affect on the surrounding neighborhood, which is urgently in need of revitalization.

California Environmental Quality Act Review

Prior to a definitive commitment of funds, all City and Agency projects must be reviewed for possible environmental impacts per the California Environmental Quality Act, or CEQA. The 94th and International project has been found to qualify for the infill development exemption. At the time of the writing of this report Cathedral Gardens is anticipated to qualify for a CEQA exemption as an affordable housing development. Final versions of a few required studies are still pending, but are anticipated to be complete and approved by the final date of Agency funding approval. If the CEQA exemption is found not to be appropriate, the item will be pulled from the Agenda and further CEQA review may be required. *Attachment A* summarizes the information supporting these determinations.

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SUSTAINABLE OPPORTUNITIES

The housing development projects recommended for funding will address the “3 E’s” of sustainability in the following ways:

Economic: These projects will expand the affordable housing inventory in Oakland and generate construction and professional services jobs. Providing families with affordable housing will free up household disposable income to be spent on other goods and services in Oakland.

Environmental: The recommended projects will meet or exceed the green building standards developed by StopWaste of Alameda County and must be GreenPoint Rated. Each of these proposals will provide housing on vacant or underutilized sites and are near public transit. By developing in already built-up areas, these infill projects reduce the pressure to build on agricultural and other undeveloped land. Sites near mass transit enable residents to reduce dependency on automobiles and further reduce any adverse environmental impacts of development.

Social Equity: Affordable housing is a means of achieving greater social equity. Oakland’s neighborhood-level environment will be improved by replacing underused and sometimes blighted buildings and lots with new homes and residents. The proposed developments will provide affordable rental housing for low and very low-income families. Social services, such as computer centers for residents, are a component of each rental development, and further build social equity.

DISABILITY AND SENIOR CITIZEN ACCESS

The State’s Title 24 and the Americans with Disabilities Act require consideration of persons with disabilities in design and construction of housing. In all rental units and some ownership housing types, those requirements include accessible facilities. Furthermore, developers will be required to devise a strategy to effectively market housing units to the disabled community and present this strategy in their Affirmative Fair Housing Marketing Plan.

RECOMMENDATIONS AND RATIONALE

Staff recommends that Cathedral Gardens receive a commitment of Agency funding in the amount of \$4,000,000. This is the highest ranking project not funded in the NOFA, and will provide 100 units of housing with an Agency subsidy of \$40,000 per unit, which is highly competitive for new construction projects. Sufficient funding exists to fully fund this project.

Staff also recommends that 94th and International receive a commitment of Agency funding, with this project funded in one of two ways. 1) If the Hill-Elmhurst funds become available, these funds would immediately be reallocated to the 94th and International project, or 2) If the Hill-

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Elmhurst senior project does receive Section 202 funding and that project can move forward, the 94th and International project would then be funded from a combination of \$457,976 available affordable housing funds, \$1,400,000 of unused Central City East (CCE) Low and Moderate Housing Funds originally set-aside for a single-family home rehabilitation program, and \$3,739,024 of non-housing taxable bond funds for the Coliseum Redevelopment Project Area which would be repaid from next year's affordable housing NOFA funds. Because 94th and International is located in the Coliseum Redevelopment Project Area, the CCE funds would be used for the Eldridge Gonaway project, which received a funding commitment of \$1,655,000 (and approval from the CCE Project Area Committee) in 2009, and the city-wide funds from the Eldridge Gonaway project will be used for 94th and International. If the second funding scenario is utilized, the project's funding award would be contingent on a successful tax credit funding award in 2010. If the project does not receive tax credits this year, it would be able to resubmit in the 2010-11 NOFA funding round.

Finally, as discussed above, staff recommends that the funding source for the MacArthur Apartments project be changed from citywide to Central City East funds in order to make unrestricted funding available for projects not located in Central City East (such as either Cathedral Gardens or 94th and International).

ACTIONS REQUESTED OF THE REDEVELOPMENT AGENCY

The Community and Economic Development Agency requests that the Agency accept the recommendations described in this report and adopt the following resolutions:

1. Reallocate previously awarded funding for the MacArthur Apartments project to use Central City East funds and free up unrestricted funds.
2. Provide a commitment of \$4,000,000 in Agency Low and Moderate Income Housing funds to the Cathedral Gardens project.

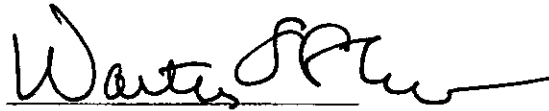
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3. Provide a commitment of \$5,597,000 in Agency Low and Moderate Income Housing funds to the 94th and International project, with two potential funding options.

Respectfully submitted,

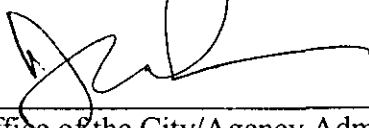


Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by: Michele Byrd, Deputy Director
Housing & Community Development

Prepared by: Diana Downton
Housing Development Coordinator,

APPROVED AND FORWARDED TO THE COMMUNITY
AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City/Agency Administrator

Attachments

Attachment A: CEQA Environmental Determinations

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ATTACHMENT A

CEQA ENVIRONMENTAL DETERMINATIONS

All applications for NOFA funds include a "CEQA Preliminary Study" as an exhibit. For the two projects recommended here, staff is relying both on these studies and on the more advanced environmental review underway with the Planning Department. The preliminary studies provided staff with professional review of each project's potential impact in several critical environmental categories.

CEQA Housing Development staff and Planning staff concluded that the projects recommended are exempt from CEQA for the following reasons:

94th and International is exempt per CEQA Guidelines Sections 15332 (Infill Development) and 15183 (Consistent with Zoning and General Plan). This project meets the relevant criteria for these exemptions in that the proposed activity:

- occurs on a site of less than five acres within city limits
- will not affect habitat for rare or threatened species
- will have no significant effect on traffic or noise, or on air or water quality
- occurs on a site adequately served by public utilities
- will be consistent with zoning and the general plan.

None of the exceptions from these exemptions, as detailed in the Guidelines, apply.

Cathedral Gardens is expected to be found exempt per CEQA Guidelines Sections 15192 and 15194 (Affordable Housing) and 15183 (Consistent with Zoning and General Plan). CEQA staff is confident this finding will be made prior to the committee date, and will withdraw this recommendation if it is not. Cathedral Gardens meets the relevant criteria for these exemptions in that:

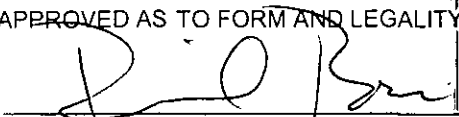
- the project meets the affordable housing threshold criteria of Section 15192
- the project site is not more than five acres in area
- the project site is located within an urbanized area with a density of at least 5,000 persons per square mile
- the site has been previously developed for qualified urban uses, and immediately adjacent parcels are similarly developed
- the project consists of 100 or fewer units with affordability restricted per the requirements of Sections 50053 and 50079.5 of the Health and Safety Code
- the project will be consistent with zoning and the general plan.

None of the exceptions from these exemptions, as detailed in the Guidelines, apply. Historic preservation plans for the rectory building at the site will be consistent with CEQA.

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2010 JUN 10 PM 5:53

APPROVED AS TO FORM AND LEGALITY:


Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

**A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING
DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED
\$4,000,000 TO EAH INC. FOR THE CATHEDRAL GARDENS
PROJECT LOCATED AT 668 21ST STREET**

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

WHEREAS, EAH Inc., a nonprofit organization devoted to the provision of affordable housing ("Developer"), submitted a proposal in response to the NOFA; and

WHEREAS, the Developer proposes to develop a 100-unit rental housing project at 668 21st Street in the City of Oakland known as Cathedral Gardens (the "Project"); and

WHEREAS, the City's Consolidated Plan for Housing and Community Development indicates that there is a need for 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, at least 99 Project units will be rented at prices affordable to 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 Threshold Developer Criteria; and

WHEREAS, the Project will increase and improve the supply of low and moderate income housing available in 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 redevelopment project areas in the City of

Oakland by providing affordable housing opportunities within the community that will 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 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 \$4,000,000 to EAH 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 \$983,339 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 \$718,785 shall be allocated from the 2000 Housing Bond Fund (9583), Housing Development Organization (88929), 2000 Housing Bond project (P151710) and Foothill Plaza Project (P151793) for this loan; and be it

FURTHER RESOLVED: That \$2,297,876 shall be allocated from the 2006 Housing Bond Fund (9584), Housing Development Organization (88929), 2006 Housing Bond project (L290410) 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 \$4,000,000; 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 land and/or improvements; and be it

FURTHER RESOLVED: That the loan funds shall be reserved for a period of no more than 24 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 Developer 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 hereby authorizes the Agency Administrator or his or her designee in his or her discretion to subordinate the priority of any of the Agency'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 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 the Agency has independently reviewed and considered this environmental determination and has found and determined that the project meets criteria for exemption under Section 15192 and 15194 (affordable housing projects) and Section 15183 (consistent with zoning and general plan) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the Agency Administrator or his designee shall file a Notice of Exemption, and an Environmental Declaration under the California Fish and Game Code (Section 711.4) with the County of Alameda; and be it

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or his designee 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, and copies will be placed on file with the Agency Secretary,

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND
CHAIRPERSON BRUNNER

NOES-

ABSENT-

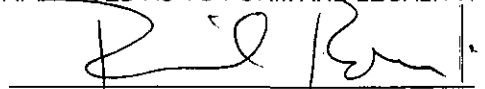
ABSTENTION-

ATTEST: _____
LaTonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland, California

FILED
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OAKLAND

2010 JUN 10 PM 5:53

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

**A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING
DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED
\$5,597,000 TO RELATED COMPANIES OF CALIFORNIA AND
ACTS COMMUNITY DEVELOPMENT CORPORATION
JOINTLY FOR THE 94TH AND INTERNATIONAL
APARTMENTS PROJECT**

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

WHEREAS, Related Companies of California and Acts Community Development Corporation (jointly, the "Developer") submitted a proposal in response to the NOFA; and

WHEREAS, the Developer proposes to develop a 54-unit rental housing project at 94th Avenue and International Boulevard in the City of Oakland known as the 94th and International Apartments project (the "Project"); and

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

WHEREAS, the Project is located in the Coliseum Redevelopment Project Area; and

WHEREAS, at least 53 Project units will be rented at prices affordable to 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 Threshold Developer Criteria; and

WHEREAS, the Project will increase and improve the supply of low and moderate income housing available in 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 redevelopment project areas in the City of Oakland by providing affordable housing opportunities within the community that will enhance the economic viability and redevelopment potential of the project areas; 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, the Hill-Elmhurst senior affordable housing project has applied for a third time for HUD Section 202 funds and if the application is not successful the project will no longer be financially feasible; and

WHEREAS, funds may become available from the Agency's Low and Moderate Income Housing Fund to assist the Project if the Agency funding commitment in the amount of \$6,032,000 for the Hill-Elmhurst senior housing project expires due to financial infeasibility; and

WHEREAS, if funds do not become available from the expiration of the Hill-Elmhurst senior housing project, funds are available from the Low and Moderate Income Housing Fund and the Coliseum Redevelopment Project Area Tax Allocation Bonds, Series 2006 (Taxable) Fund; 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; 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 \$5,597,000 to Related Companies of California and Acts Community Development Corporation, 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 if the Agency loan commitment for the Hill-Elmhurst senior housing project expires, \$2,489,700 shall be allocated from the Low Mod Operations Fund (9580), Housing Development Organization (88929), Hill-Elmhurst Senior project (L327910) for this loan; and be it

FURTHER RESOLVED: That if the Agency loan commitment for the Hill-Elmhurst senior housing project expires, \$3,107,300 shall be allocated from the 2000 Housing Bond Fund (9583), Housing Development Organization (88929), Hill-Elmhurst Senior project (P151772) for this loan; and be it

FURTHER RESOLVED: That if funding is not available from the expiration of the Hill-Elmhurst senior housing project's funding commitment, \$457,976 shall be allocated from the Low Mod Operations Fund (9580), Housing Development Organization

(88929), Hill-Elmhurst Senior project (P209310) for this loan and that this funding shall be contingent on the Project's receipt of an award of tax credits in 2010; and be it

FURTHER RESOLVED: That if funding is not available from the expiration of the Hill-Elmhurst senior housing project's funding commitment, \$1,400,000 shall be allocated from the Low Mod Operations Fund (9580), Housing Development Organization (88929), Eldridge Gonaway project (L380810) for this loan and that this funding shall be contingent on the project's receipt of an award of tax credits in 2010; and be it

FURTHER RESOLVED: That if funding is not available from the expiration of the Hill-Elmhurst senior housing project's funding commitment, \$3,739,024 shall be allocated from the Coliseum Redevelopment Project Area Tax Allocation Bonds, Series 2006 (Taxable) Fund (9456) Capital Improvement Project, Economic Development Organization (94800) Coliseum Land- Taxable Bond Project (T315820) for this loan which would be repaid from the Low Mod Operations Fund (9580), Housing Development Organization (88929), Housing Development Program project (P209310) when the 2010-2011 funds become available, and that this funding shall be contingent on the Project's receipt of an award of tax credits in 2010; 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 land and/or improvements; and be it

FURTHER RESOLVED: That the loan funds shall be reserved for a period of no more than 24 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 Developer 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 hereby authorizes the Agency Administrator or his or her designee in his or her discretion to subordinate the priority of any of the Agency'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 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 the Agency has independently reviewed and considered this environmental determination, and has found and determined that the Project meets criteria for exemption under Section 15332 (infill projects) and 15183 (consistent with zoning and general plan) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the Agency Administrator or his designee shall file a Notice of Exemption, and an Environmental Declaration under the California Fish and Game Code (Section 711.4) with the County of Alameda; and be it

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or his designee 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, and copies will be placed on file with the Agency Secretary,

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND
CHAIRPERSON BRUNNER

NOES-

ABSENT-

ABSTENTION-

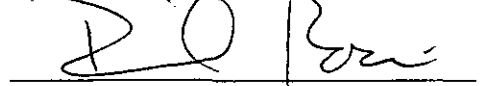
ATTEST: _____

LaTonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland, California

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 JUN 10 PM 5:54

APPROVED AS TO FORM AND LEGALITY:


Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

A RESOLUTION AMENDING RESOLUTION NO. 2010-0033 C.M.S. TO CHANGE THE SOURCE OF FUNDS FOR AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$3,850,000 TO AMCAL MULTI-HOUSING, INC., FOR THE MACARTHUR APARTMENTS PROJECT

WHEREAS, Resolution No. 2010-0033 C.M.S. dated March 16, 2010 (the "Resolution") authorized an affordable housing development loan in an amount not to exceed \$3,850,000 to Amcal Multi-Housing, Inc. (the "Developer") for the MacArthur Apartments housing project (the "Project"), a 32 unit rental housing project located at 9800 MacArthur Boulevard in the City of Oakland; and

WHEREAS, the Resolution allocated \$3,850,000 from the Low Mod Operations Fund for the loan; and

WHEREAS, funds are available from the Agency's 2006 Subordinated Housing Set-Aside Revenue Bonds reserved only for affordable housing within the Central City East Redevelopment Project Area; and

WHEREAS, the Project is located within the Central City East Redevelopment Project Area; and

WHEREAS, funds from the Low Mod Operations Fund committed to the Project could be used for affordable housing developments outside of the Central City East Redevelopment Project Area that have requested funding through the 2009-10 Notice of Funding Availability; now, therefore, be it

RESOLVED: That the Agency hereby amends Resolution No. 2010-0033 C.M.S. to change the source of funds for the loan to the Project as set forth below; and be it

FURTHER RESOLVED: That \$1,834,471 shall be allocated from the 2006 Affordable Housing Set-Aside Bond Fund (9584); Housing Development Organization (88929); 2006 Housing Bond project (L290410), for this loan, and be it

FURTHER RESOLVED: That the original amount allocated from the Low Mod Operations Fund (9580), Housing Development Organization (88929), Housing Development Program project (P209310), for this loan shall be changed from \$3,850,000 to \$2,015,529.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID AND
CHAIRPERSON BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland, California