

# OAKLAND CITY COUNCIL

RESOLUTION NO. 76338 C. M. S.

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

**A RESOLUTION AUTHORIZING *AN* ADDITIONAL DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$514,000 TO 2700 ALVINGROOM COURT, L.P. FOR THE ALVINGROOM COURT APARTMENTS PROJECT LOCATED AT 2600-2795 E.C. REEMS COURT**

**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 City issued a Notice of Funding Availability soliciting applications for funding for affordable housing development; and

**WHEREAS**, 2700 Alvingroom Court, L.P. (the "Developer") is a nonprofit organization devoted to the provision of affordable housing; and

**WHEREAS**, the Developer has **been** rehabilitating a 126-unit apartment complex at 2600-2795 E.C. Reems Court in the City of Oakland (the "Project"); and

**WHEREAS**, the City has previously provided a total of \$2,425,500 in loans to the Project **as** authorized by City Council Resolution No. 73189 C.M.S., dated December 27, 1996, Resolution No. 74379 C.M.S., dated July 7, 1998, and Resolution No. 75546 C.M.S., dated February 29, 2000; and

**WHEREAS**, the Developer has requested that the City provide additional funding for the Project in the amount of \$514,000; and

**WHEREAS**, all Project units will be restricted to rents affordable to low-income households earning no more than 80% of area median income; and

**WHEREAS**, the Project is consistent with the City's Project Development Guidelines, and the Developer meets the City's Minimum Developer Qualifications; and

**WHEREAS**, the Project will increase and improve the supply of low and moderate income housing available in the City; and

**WHEREAS**, the City of Oakland is the Lead Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, the Project is consistent with a project that was previously approved by the Planning Department, and 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 were satisfied, and therefore the previous environmental determination applies to this action; and

**WHEREAS**, the City has previously found that the Project will not have any significant adverse impact on the environment, and that the requirements of the National Environmental Protection Act ("EPA") have been satisfied, and therefore the previous environmental determination applies to this action; and

**WHEREAS**, funds are available from HUD HOME funds to assist the Project; now, therefore, be it

**RESOLVED:** That the City Council hereby authorizes the City Manager or his designee to provide additional loan funds in an amount not to exceed \$514,000 to 2700 Alvingroom Court, L.P., or to an affiliated entity approved by the City Manager or his designee, to be used for development of the Project; and be it further

**RESOLVED:** That the additional loan shall be for a term of 30 years, with a simple interest rate of 3 percent per year, with repayment to the City 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 City Manager or his designee determines are in the best interests of the City and the Project; and be it further

**RESOLVED:** That disbursement of the additional loan funds shall be contingent on the Developer's success in securing commitments for full Project funding within 12 months from the date of this Resolution, and this additional 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 City Manager or his designee may establish; and be it further

**RESOLVED:** That the additional loan funds shall come from the HOME Investment Partnership Program funds; and be it further

**RESOLVED:** That as a condition of the 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 the additional loan shall be secured by a deed of trust on the Project land and/or improvements; and be it further

**RESOLVED:** That the City Council hereby authorizes the City Manager or his designee in his discretion to subordinate the priority of the City'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 City Manager 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 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 all loan documents shall be reviewed and approved by the City Attorney for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it further

**RESOLVED:** That the City Council hereby appoints the City Manager and his designee as agent of the City 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.

IN COUNCIL, OAKLAND, CALIFORNIA, MAR 20 2001, 2001

PASSED BY THE FOLLOWING VOTE:

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

NOES- *None*

ABSENT- *None*

ABSTENTION- *None*

ATTEST

*Ceda Floyd*  
CEDA FLOYD  
City Clerk and Clerk of the Council of  
the City of Oakland, California