

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2019 JUN 27 PM 8:49

Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 87775 = C.M.S.

RESOLUTION AUTHORIZING AN UNSECURED PREDEVELOPMENT LOAN IN THE AMOUNT OF \$650,000 TO OAKLAND AND THE WORLD ENTERPRISES, INC. AND MCCORMACK BARON SALAZAR, OR AFFILIATED ENTITIES, TO SUPPORT THE DEVELOPMENT OF AFFORDABLE HOUSING AT THE 7TH & CAMPBELL PROJECT; AND MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS FOR THIS ACTION

WHEREAS, the City of Oakland owns approximately 0.71 acres of property located at 7th and Campbell Streets in West Oakland (the "Property"); and

WHEREAS, the City and Oakland & the World Enterprises, Inc. ("OAW") are entering into a Disposition and Development Agreement ("DDA"), authorized by City Council Ordinance No. 13450 C.M.S. approved on July 18, 2017, to sell and develop the Property with 60 to 79 units of affordable housing and neighborhood-serving retail that includes employment opportunities for formerly incarcerated individuals; and

WHEREAS, the Oakland City Council awarded \$801,900 in funding from the affordable housing pipeline to OAW and its designated co-developer, Community Housing Development Corporation, Inc. ("CHDC") for this project, per City Council Resolution No. 87019 C.M.S. approved on December 18, 2017, and pursuant to City Council Resolution No. 87132 C.M.S. approved on April 17, 2018, McCormack Baron Salazar, Inc. ("MBS") or its affiliate was approved to be substituted in place of CHDC as OAW's co-developer; and

WHEREAS, City staff has determined that MBS's developer qualifications far exceed the City's minimum development qualifications, and MBS's experience with New Market Tax Credits would be extraordinarily beneficial to the project; and

WHEREAS, the City has been working closely with OAW and MBS to develop and refine the affordable housing development scenarios and financing plan; and

WHEREAS, OAW and MBS are proposing to build 79 units of affordable rental housing, including one unrestricted manager's unit, as well as community-serving retail on

the project site, with an emphasis on furthering economic opportunities for formerly incarcerated individuals; and

WHEREAS, it will be beneficial to the affordable housing development at 7th and Campbell for the project to receive a predevelopment loan so that OAW and MBS will have working capital to undertake predevelopment activities for the project; and

WHEREAS, sufficient funding is available to the City from Measure KK Infrastructure Bond Funds (Fund 5331) to provide the requested predevelopment loan; and

WHEREAS, the City currently owns the parcels associated with the 7th & Campbell project, and it is therefore not possible to secure the predevelopment loan at this time; and

WHEREAS, a Notice of Exemption was filed on July 3, 2017 (NOE) was prepared and approved under the California Environmental Quality Act (CEQA) for the Project; and

WHEREAS, under CEQA Guidelines Section 15062, no subsequent environmental review is required unless the project has changed substantially, the circumstances under which the project would occur have changed substantially, or new information demonstrates that any potential environmental impacts would be substantially more severe than previously demonstrated; and

WHEREAS, none of the circumstances necessitating further environmental review under CEQA Guidelines Section 15062 are present, since the predevelopment loan does not affect the development envelope previously reviewed in the NOE, is not a change in the project that involves any new significant effects or a substantial increase in the severity of previously identified significant effects of under which the project is undertaken have not occurred that will involve new significant environmental effects of a substantial increase in the severity of previously identified significant effects, and no new information has come to light that would involve new or substantially more severe effects of feasible alternatives or mitigation measures; now, therefore, be it

RESOLVED: That the City Council hereby authorizes an unsecured predevelopment loan in the amount of \$650,000 to OAW and MBS, or to an affiliated entity or entities approved by the City Administrator or his or her designee, to support predevelopment work associated with the development of 79 units of affordable housing at 7th & Campbell; and be it

FURTHER RESOLVED: That the funding for this loan shall be allocated from Measure KK Infrastructure Bond Funds (Fund 5331), Org 89929, Project 1003617; and be it

FURTHER RESOLVED: That the loan shall be contingent on the availability of sufficient funds in the from Measure KK Infrastructure Bond Funds; and be it

FURTHER RESOLVED: That the predevelopment loan shall be for a maximum term of 18 months (with a six month extension available at the City Administrator's discretion), with a three percent (3%) interest rate, 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 the City Administrator is hereby authorized to negotiate and execute loan documents for the predevelopment loan and take whatever other action is necessary with respect to the loan consistent with this Resolution and its basic purposes, including amendments to the loan documents; and be it

FURTHER RESOLVED: That the City Council, having independently heard, considered and weighed all the evidence in the record, hereby finds that, in accordance with CEQA Guidelines Section 15062, none of the circumstances requiring preparation of an EIR are present for this action.

IN COUNCIL, OAKLAND, CALIFORNIA,

JUL - 9 2019

PASSED BY THE FOLLOWING VOTE:

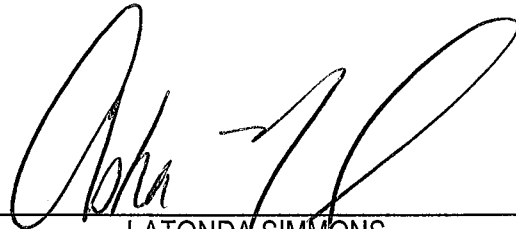
AYES – FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN — 8

NOES – 0

ABSENT – 0

ABSTENTION – 0

ATTEST:



LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California