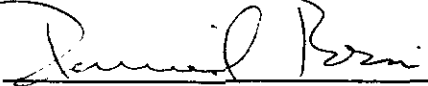


FILED
OFFICE OF THE CITY CLERK
OAKLAND
2004 JAN 15 PM 4:24

APPROVED AS TO FORM AND LEGALITY:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. 78362 C.M.S.

A RESOLUTION AUTHORIZING A \$1,216,600 AFFORDABLE HOUSING DEVELOPMENT LOAN TO SEVEN DIRECTIONS, INC. FOR THE SEVEN DIRECTIONS PROJECT LOCATED AT 2946 INTERNATIONAL BOULEVARD

WHEREAS, the Redevelopment Agency previously authorized a \$3,289,000 loan to East Bay Asian Local Development Corporation and Native American Health Center (together, the "Developers") for a term of 55 years, with simple interest rate of 3 percent per year, to be used to develop a 38 unit housing project known as Seven Directions located at 2946 International Boulevard (the "Project") by Redevelopment Agency Resolution No. 2003-09 C.M.S., dated February 25, 2003; and

WHEREAS, on August 8, 2003, the City and the Redevelopment Agency of the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

WHEREAS, Developers formed a limited partnership, Seven Directions, Inc., and submitted a proposal in response to the NOFA requesting additional funds in the amount of \$1,216,600 to fill a funding gap created due to a change in the financing options for the Project; and

WHEREAS, 37 Project units will be rented at prices affordable to households earning no more than 80% of area median income; 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 consistent with the City's Project Development Guidelines, and Developer meets the City's Threshold Developer Criteria; and

WHEREAS, the Project will increase and improve the supply of low income housing available in the City of Oakland; 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, execution of loan documents or other documents legally committing the City to fund this Project shall be expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA"), as certified by the City Manager or his or her designee; and

WHEREAS, funds are available from the HOME Investment Partnership Program to assist the Project; now, therefore, be it

RESOLVED: That loan funds shall be allocated as follows: \$1,216,600 from HOME Program Housing Development funds (Fund 2109, Project G172111); and be it further

RESOLVED: That the City Council hereby authorizes the City Manager or his or her designee to provide a loan in an amount not to exceed \$1,216,600 to Seven Directions, Inc., or to an affiliated entity approved by the City Manager or his or her designee, to be used for development of the Project; 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 City Manager at 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 Manager 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 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 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 will be reserved for a period of no more than one year from the date of this Resolution, and the loan shall be contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the City Manager or his or her designee deems sufficient within his or her discretion, within this reservation period; 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 City Manager or his or her designee may establish; and be it further

RESOLVED: That the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines, based on the information

provided in the staff report accompanying this Resolution, that this action complies with CEQA because the Project is exempt from CEQA pursuant to Section 15280 (lower-income housing projects) and Section 15332 (infill development projects) of the CEQA Guidelines; and be it further

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

RESOLVED: That the City Council hereby authorizes the City Manager or his or her designee in his or her discretion to subordinate the priority of the City's deed of trust and/or recorded restrictions to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the City Manager 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 all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it further

RESOLVED: That execution of loan documents or other documents legally committing the City to fund this Project are expressly conditioned on compliance with the requirements of NEPA, as certified by the City Manager or his or her designee; and be it further

RESOLVED: That the City Council hereby appoints the City Manager and his or her 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, FEB 17 2004, ~~2004~~

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND PRESIDENT DE LA FUENTE -8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST:



CEDA FLOYD

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