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Deputy City Attorney

2012 AUG 30 AM 11:38

# OAKLAND CITY COUNCIL

RESOLUTION NO. 84038 C.M.S.

**RESOLUTION AMENDING A \$1,517,000 LOAN TO EAST 14<sup>TH</sup> STREET HOUSING ASSOCIATES FOR THE HISMEN HIN-NU TERRACE AFFORDABLE HOUSING PROJECT TO 1) EXTEND THE MATURITY DATE FROM JUNE 7, 2019 TO JUNE 7, 2043, 2) CONVERT THE LOAN INTO A RESIDUAL RECEIPTS LOAN, AND 3) REDUCE THE INTEREST RATE FROM 6% TO 3%**

**WHEREAS**, in 1989, the Redevelopment Agency of the City of Oakland loaned \$1,517,000 to an affiliate of the East Bay Asian Local Development Corporation (“EBALDC”), East 14<sup>th</sup> Street Housing Associates, LP, for the development of the 92 unit Hismen Hin-nu Terrace affordable housing project, per Redevelopment Agency Resolution No. 89-19 CMS; and

**WHEREAS**, there is presently an existing loan and repayment agreement between the Redevelopment Agency and the developer, and said loan will come due in full on June 7, 2019; and

**WHEREAS**, the Oakland City Council adopted Resolution No. 83680 C.M.S. on January 10, 2012, electing to retain and assume the housing assets and functions of the Redevelopment Agency pursuant to Health & Safety Code Section 34176 upon Redevelopment Agency dissolution; and

**WHEREAS**, the Redevelopment Agency dissolved on February 1, 2012; and

**WHEREAS**, this loan is a housing asset retained and assumed by the City; and

**WHEREAS**, the tax credit compliance period expired in 2010 and EBALDC is pursuing a refinance opportunity in order to ensure the long term financial health of Hismen Hin-nu Terrace and EBALDC; and

**WHEREAS**, the City recognizes that extending the loan maturity date and modifying loan terms will ensure the long term financial health of Hismen Hin-nu Terrace and EBALDC; and

**WHEREAS**, the City recognizes that reconfiguring the loan as a residual receipts loan will allow 50% of the cash flow to return to the City, with the remaining 50% to support the property; now, therefore be it

**RESOLVED:** That the City Council hereby authorizes an amendment to the \$1,517,000

loan to East 14<sup>th</sup> Street Housing Associates, LP, for the development of the Hismen Hin-nu Terrace affordable housing project to reduce the current 6% interest rate to 3% simple interest; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes a further amendment to the loan to extend the time for repayment until June 7, 2043, and convert the loan into a residual receipts loan; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee is authorized to negotiate and enter into amendments to the loan documents and to take any other actions with respect to this loan consistent with this Resolution and its basic purposes.

— OCT 02 2012

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

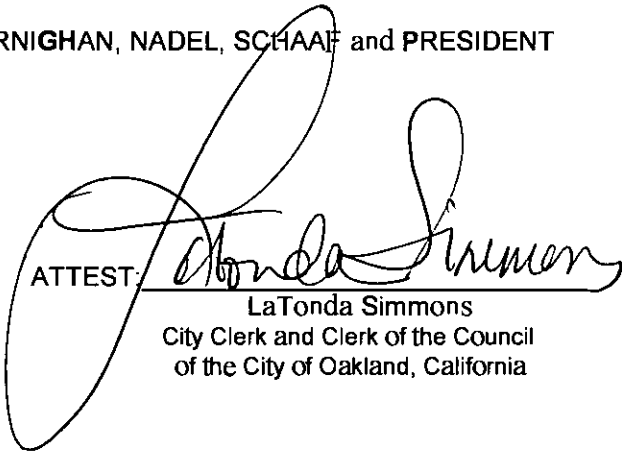
PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and PRESIDENT REID 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

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