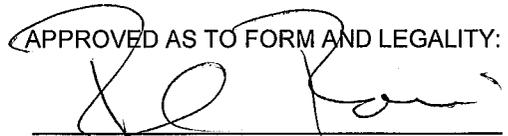


REVISED
7-6-17

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2017 JUL -6 PM 2:34

APPROVED AS TO FORM AND LEGALITY:

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION (1) AUTHORIZING THE PURCHASE OF A HUD-HELD MORTGAGE LOAN SECURED BY E.C. REEMS GARDEN APARTMENTS LOCATED AT 2700 ALVINGROOM COURT (THE "PROPERTY") FOR A PURCHASE PRICE OF UP TO \$4,000,000 PLUS ACCRUED INTEREST, AND (2) AUTHORIZING THE CITY ADMINISTRATOR TO TAKE ACTIONS TO FACILITATE THE PRESERVATION AND REHABILITATION OF THE PROPERTY, INCLUDING CONTRACTING WITH AN INTERIM PROPERTY MANAGEMENT COMPANY, FORECLOSING ON CITY LOANS SECURED BY THE PROPERTY, AND/OR ASSIGNING CITY LOANS OR LIEN RIGHTS ON THE PROPERTY TO AN AFFORDABLE HOUSING ENTITY

WHEREAS, Alvingroom Court L.P., composed of the Corporation for Better Housing (managing general partner), Hope Housing Development Corporation (operating general partner), and Kavigem, Incorporated, is a housing development limited partnership; and

WHEREAS, Alvingroom Court L.P. owns an affordable housing rental housing project in Oakland known as E.C. Reems Garden Apartments, a 126-unit multi-family affordable housing complex located at 2600-2795 Alvingroom Court; and

WHEREAS, the City and/or the Redevelopment Agency has made affordable housing development loans to Alvingroom Court L.P. for the project; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has insured a permanent mortgage loan on the property; and

WHEREAS, the HUD financing is in first position, senior in priority to the City loans; and

WHEREAS, the project is subject to recorded long-term rent and occupancy restrictions enforceable by the City, HUD, and other funding agencies; and

WHEREAS, Alvingroom Court L.P. has ceased to own, manage and operate the project according to the terms and conditions of the City's and HUD's recorded regulatory agreements; and

WHEREAS, the City and HUD have both put the owner in default under their respective loans and regulatory agreements; and

WHEREAS, HUD forwarded the project file to its Property Disposition Department to expedite foreclosure under its deed of trust, which is in senior position to the City's deeds of trust securing the City's development loans; and

WHEREAS, HUD's imminent foreclosure action and subsequent sale to a market-rate developer will extinguish the City's financial interest and recorded regulatory agreement on the project; and

WHEREAS, the City wishes to purchase the HUD loan at the current face-value plus accrued interest; and

WHEREAS, the City wishes to take other actions necessary to facilitate the preservation and rehabilitation of the project, including foreclosing on the City's loans secured by the property or assigning City loans or lien rights to a responsible affordable housing entity chosen by the City Administrator; and

WHEREAS, per the CEQA Guidelines, this action is exempt from environmental review per Section 15301 of the CEQA guidelines (continuing operation of existing facilities); and

WHEREAS, funds are available from the City's Affordable Housing Trust Fund to purchase the HUD loan; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or designee to purchase the HUD-held mortgage loan secured by E.C. Reems Garden Apartments for a purchase price of up to \$4,000,000 plus accrued interest; and be it

FURTHER RESOLVED: That the funding shall be allocated from the Low and Moderate Income Housing Asset Fund (2830), Housing Development Organization (89929), Housing Development Program Project (1000388) and/or the Affordable Housing Trust Fund (1870), Housing Development Organization (89929), Housing Development Program Project (1000386) for this purchase; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to select and contract with an interim property management company to manage and operate E.C. Reems Garden Apartments until the transfer to an affordable housing entity, without returning to Council; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to take other actions to facilitate the preservation and rehabilitation of E.C. Reems Garden Apartments, including foreclosing on City loans secured by the property or assigning City loans or lien rights on the property to an affordable housing entity selected by the City Administrator, without returning to Council; and be it

FURTHER RESOLVED: That the City hereby appoints the City Administrator and/or designee to conduct negotiations, execute documents, and take any other action with respect to the purchase of the HUD loan and the preservation and rehabilitation of E.C. Reems Garden Apartments consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY,
GUILLEN, KALB, KAPLAN, and PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

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