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APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION No. 2004-10-C.M.S.

REVISED

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$1,700,000 TO EAST BAY HABITAT FOR HUMANITY FOR THE EDES AVENUE HOMES PROJECT LOCATED AT 10900 EDES AVENUE AND CONSOLIDATING AN EXISTING \$375,000 SITE ACQUISITION LOAN WITH THE DEVELOPMENT LOAN, FOR A NEW TOTAL DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$2,075,000

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

WHEREAS, East Bay Habitat for Humanity ("Developer"), a nonprofit organization devoted to the provision of affordable housing, submitted a proposal in response to the NOFA; and

WHEREAS, Developer proposes to develop a 26 unit housing project at 10900 Edes Avenue in the City of Oakland (the "Project"); and

WHEREAS, all Project units will be sold to the initial purchasers at prices affordable to low-income households earning no more than 60% of area median income; and

WHEREAS, Developer will provide a zero interest loan to initial purchasers consisting of households earning no more than 60% of area median income therefore foregoing any return at initial sales of the Project units;

WHEREAS, for sales subsequent to the initial sale, the Developer will have the right of first refusal to purchase individual Project units and then to sell at prices affordable to low-income households earning no more than 60% of area median income; and

WHEREAS, if Developer does not exercise its right to purchase a Project unit, then the owner can sell at prices affordable to moderate-income households earning no more than 90% of area median income; and

WHEREAS, the Redevelopment Agency previously authorized a \$375,000 site acquisition loan (Resolution No. 00-55 C.M.S.) to the Developer for the Project (the "Site Acquisition Loan") and Developer is requesting additional funds in the amount of \$1,700,000 for the development of the Project for a total loan in the amount of \$2,075,000; and

WHEREAS, the City of Oakland's Consolidated Plan for Housing and Community Development indicates that there is a need for affordable ownership housing, and has identified this activity as a priority; and

WHEREAS, the Project is consistent with the Agency's Project Development Guidelines, and Developer meets the Agency's Threshold Developer Criteria; and

WHEREAS, the Project will increase and improve the supply of low and moderate income housing available in the City of Oakland, is an eligible use of the Agency's Low and Moderate Income Housing Fund under California Health and Safety Code Sections 33334.2 and 33334.3; and

WHEREAS, no other reasonable means of private or commercial financing of the Project at the same level of affordability and quantity are reasonably available to Developer other than the Low and Moderate Income Housing Fund; and

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

WHEREAS, as set forth in Attachment E to this resolution, 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 in that the Agency and the City have determined that, except for Edes Avenue Homes, for which the Coliseum Area Redevelopment Plan EIR (SCH# 9404B014) will be applied, all of the projects recommended for funding have been determined to be exempt under the California Environmental Quality Act (CEQA); 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 for the Edes Avenue Homes project in that the previously certified Coliseum Area Redevelopment Plan EIR has adequately evaluated the potential environmental impacts identified with residential and commercial redevelopment in the Pippin Pearmain Sub-Area and that none of the circumstances necessitating preparation of a subsequent EIR are present; and

WHEREAS, funds are available from the Agency's Low and Moderate Income Housing Fund to assist the Project; now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or her designee to provide a forgivable loan in an amount not to exceed \$2,075,000 to East Bay Habitat for Humanity, or to an affiliated entity approved by the Agency Administrator or her or his designee, to be used for development of the Project; and be it further

RESOLVED: That the additional loan funds shall be allocated as follows: \$1,700,000 from the Low and Moderate Income Housing Fund, Housing Development Project - Central District (Fund 9580, Project P209310); and be it further

RESOLVED: That the loan is contingent on the availability of sufficient funds in the Low and Moderate Income Housing Fund to cover the loan; and be it further

RESOLVED: That the Agency hereby authorizes the Agency Administrator or his designee to convert the Site Acquisition Loan to the Developer into a long-term development loan and to consolidate it with the Agency's development loan authorized by the Resolution into a single development loan for a total amount not to exceed \$2,075,000, under the terms described below; and be it further

RESOLVED: That Developer will have the right of first refusal to purchase individual Project units and then to sell at prices affordable to low-income households earning no more than 60% of area median income; and be it further

RESOLVED: That if Developer does not exercise its right to purchase a Project unit, then the owner can sell at prices affordable to moderate-income households earning no more than 90% of area median income as a condition of the loan; and be it further

RESOLVED: That the loan shall be for a maximum term of 4 years, with an interest rate to be determined by the Agency Administrator at her or his discretion, with repayment to the Agency if the Project units are not developed and sole to eligible homebuyers, or on such other repayment terms and schedule as the Agency Administrator or his or her designee determines are in the best interests of the Agency and the Project; and be it further

RESOLVED: That as a condition of the loan, the Agency will require that appropriate restrictions on the sale and resale of Project units 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, all required land use approvals, or other assurances of adequate Project funding the Agency Administrator 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 Agency Administrator or his or her designee may establish; and be it further

RESOLVED: That the Agency hereby authorizes the Agency Administrator or his or her designee in his or her discretion to subordinate the priority of the Agency'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 Agency Administrator 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 Agency's investment in the Project in the event of default is reasonably protected, and (3) subordination is in the best interests of the Agency; and be it further

RESOLVED: That all loan documents shall be reviewed and approved by Agency Counsel for form and legality prior to execution, and copies will be placed on file with the Agency Secretary; and be it further

RESOLVED: That the Agency has determined that, except for the Edes Avenue Homes project, for which the Coliseum Area Redevelopment Plan EIR (SCH# 9404B014) will be applied, all of the projects recommended for funding have been determined to be exempt under the California Environmental Quality Act (CEQA); and be it further

RESOLVED: That, with respect to the Edes Avenue Homes project, the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines, based on the information and analysis provided in the staff report and Attachment E ("California Environmental Quality Act Review") accompanying this Resolution, that this action complies with CEQA because based on the previously certified Coliseum Area Redevelopment Plan EIR, it was determined that 26 units of new housing in the Pippin-Pearmain Sub-Area falls well within the projected growth, the Project will not have a significant adverse impact on the environment pursuant to CEQA Section 15162 as set forth in Attachment E; 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 (1) Notice of Determination for the Edes Avenue Homes project and (2) Notice of Exemption with respect to the other projects recommended for funding; and be it further

RESOLVED: That the Agency hereby appoints the Agency Administrator and his or her designee as agent of the Agency 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 AGENCY, OAKLAND, CALIFORNIA, FEB 17 2004, 2004

PASSED BY THE FOLLOWING VOTE:

- AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND CHAIRPERSON DE LA FUENTE → 8
- NOES- 0
- ABSENT- 0
- ABSTENTION- 0

ATTEST 
 CEDA FLOYD
 Secretary of the Redevelopment Agency
 of the City of Oakland

ATTACHMENT E

California Environmental Quality Act Review

Except for Edes Avenue Homes, for which the Coliseum Area Redevelopment Plan EIR (SCH# 9404B014) will be applied, all of the projects recommended for funding have been determined to be exempt under the California Environmental Quality Act (CEQA). The table below shows the exemption type for each of the exempted projects, followed by a brief explanation. An additional explanation is also provided pertaining to the application of the previously certified Redevelopment Plan EIR for the Edes Avenue Homes Project.

Exemption Type and Applicable CEQA Regulation Section

	CATEGORICAL EXEMPTION		
	Section 15301	Section 15280	Section 15332
Project Name	Existing Facilities - Negligible Expansion	Low Income Housing Project	Urban In-fill Development under 5 acres
Calaveras Townhomes		X	X
Sausal Creek Townhomes		X	X
Seven Directions		X	X
Altenheim Senior Housing	X		
Lincoln Court		X	

Under Section 21084 of the California Public Resources Code, the Secretary of Resources has determined that certain classes or categories of projects do not have a significant effect on the environment, and declared that such projects are exempt from requirements for the preparation of environmental documents. With the exception mentioned above, all of the recommended projects fall under one or more of the following three exemption sections, and are therefore categorically exempt:

- Existing Facilities (Sec. 15301 of the CEQA Guidelines) applies to projects that involve a negligible change in, or no expansion of, an existing use.
- Lower-income Housing Projects (Sec. 15280) applies to projects of 100 or fewer units which provide housing affordable to lower-income or moderate-income households for at least 15 years.
- In-fill Development (Sec. 15332) involves projects considered to be in-fill developments because they are located within a developed urban area, are of a limited scale, and have no adverse impacts on traffic, noise, air quality, or water quality.

Edes Avenue Homes Project. For this 24-unit project at 10900 Edes Avenue, the previously-certified Coliseum Area Redevelopment Plan (CARP) EIR will be applied. The CARP called for development of approximately 700 new residential units, 960,000 sq. ft. of retail, and 662,000 sq. ft. of industrial space within the study area. Specifically, within the Pippin-Pearmain sub-area, the plan calls for providing capital for new residential development in this target area and to reduce residential-industrial land use conflicts. Growth projections called for up to 60 new residential units within this sub-area by 2010. The proposed 24-unit project falls well within this projection.

Under CEQA Section 15162, there is no required subsequent environmental review unless the lead agency determines one or more of the following:

1. Substantial changes are proposed for the project: The inclusion of 24 new units will not constitute substantial changes to the project that require major revisions of the CARP EIR or that involve new significant environmental effects or a substantial increase in the severity of previously-identified significant effects. These units are within the number of new units anticipated by the CARP and analyzed as part of the project in the CARP EIR.
2. Substantial changes occur with respect to the circumstances under which the project is undertaken. There are no new circumstances that would require major revisions of the CARP EIR or involve new significant environmental effects or a substantial increase in the severity of previously-identified significant effects. The only notable change in circumstances under which the project is undertaken is that there has been slower growth of commercial and industrial development than was assumed and analyzed in the CARP EIR, thereby decreasing anticipated environmental impacts associated with the project.
3. There is new information of substantial importance that was not known and could not have been known at the time the CARP EIR was certified. There have not been any new significant effects identified, and those that were previously identified have not been identified as being more severe. The only significant impacts identified in the CARP EIR were those associated with large-scale construction projects such as the generation of temporary dust and noise. The small scale of the proposed 24-unit project will result in a less-than-significant impact.