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APPROVED AS TO FORM AND LEGALITY:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. 82648 C.M.S.

A RESOLUTION AUTHORIZING A PRESERVATION AND REHABILITATION LOAN IN AN AMOUNT NOT TO EXCEED \$840,000 TO RESOURCES FOR COMMUNITY DEVELOPMENT FOR THE DRACHMA HOUSING PROJECT LOCATED AT 1428 8TH STREET, 1510 9TH STREET, 1711 GOSS STREET, 1030 WOOD STREET, 1479 12TH STREET, 1107 CENTER STREET, 1503 12TH STREET, AND AUTHORIZING LOAN EXTENSIONS AND/OR CHANGES IN TERMS FOR EXISTING CITY LOANS FOR THE PROJECT

WHEREAS, on September 4, 2009, 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, Resources for Community Development ("Developer"), a non-profit developer of affordable housing, submitted a proposal in response to the Rehabilitation NOFA to rehabilitate the Drachma Housing affordable rental project at 1428 8th Street, 1510 9th Street, 1711 Goss Street, 1030 Wood Street, 1479 12th Street, 1107 Center Street, and 1503 12th Street in the City of Oakland (together, the "Property") to continue to provide 14 rental units of housing to serve families (the "Project"); and

WHEREAS, the Redevelopment Agency has made previous affordable housing development loans for development of the Property, and the Property is subject to recorded long-term rent and occupancy restrictions enforceable by the Agency; and

WHEREAS, Agency Resolution No. 2009-0029 dated March 17, 2009 authorized an affordable housing rehabilitation loan of up to \$840,000 to Developer for the Project; and

WHEREAS, the Project is in need of additional rehabilitation work and the Rehabilitation NOFA per unit subsidy limits were increased, allowing the Developer to request additional funds; and

WHEREAS, all units at the Property are rented at prices affordable to households earning no more than 60% of area median income; and

WHEREAS, the City of Oakland's Consolidated Plan for Housing and Community Development indicates that there is a need for creating, preserving and maintaining decent, safe and habitable 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 City is the Lead Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, per the CEQA Guidelines, this Project is exempt from environmental review; and

WHEREAS, funds will be available from the HOME Investment Partnership Program in fiscal year 2010-11 to assist the Project; and

WHEREAS, previously reserved funds are available from the Agency's Low and Moderate Income Housing Fund (9580) Housing Development Organization (88929), Housing Development Project (P209310) to assist the Project; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan in an amount not to exceed \$840,000 to Resources for Community Development or to an affiliated entity approved by the City Administrator or his or her designee, to be used for the Project; and be it

FURTHER RESOLVED: That \$840,000 will be allocated from the 2010-11 HUD-HOME Fund (2109), Housing Development Organization (88929), HOME Housing Development Program project (G172111) for this loan after the 2010-11 fiscal year funds are available; and be it

FURTHER RESOLVED: That the loan shall be contingent on the availability of sufficient funds in the HOME Program Development Fund and the Agency's Low and Moderate Income Housing Fund to cover both the Agency loan of \$840,000 and the City loan of \$840,000; and be it

FURTHER RESOLVED: That the combined total of the City and Agency loans for the Project shall not exceed \$1,680,000 and be it

FURTHER RESOLVED: That the City has independently reviewed and considered this environmental determination, and the City 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 15301 (Existing Facilities) and 15183 (Projects Consistent with Zoning and General Plan) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the City 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 loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in 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 Administrator 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 City Administrator is authorized to extend the term of any existing City loans on the Property up to 55 years, consolidate the existing loans with the new loan authorized by this Resolution, modify other terms and conditions of the existing City loans to be consistent with the terms and conditions of any new funding for the Project, and negotiate and execute loan documents with respect to existing City loans; and be it

FURTHER RESOLVED: That the loan funds shall be reserved for a period of no more than twelve months from the date of this Resolution, and the making of 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 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 City Administrator or his or her designee may establish; 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 Administrator or his or her designee; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of

any of the City's recorded interests in the Project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the City 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 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 the City Council hereby appoints the City Administrator 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, MAR 16 2010, 2010

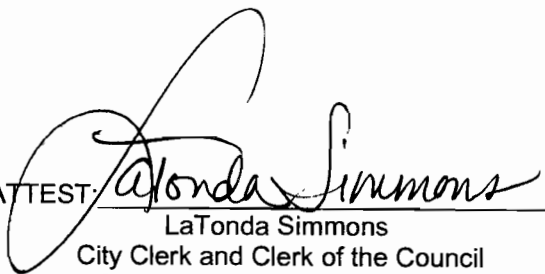
PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT BRUNNER ~ 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

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