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2006 FEB 18 PM 4:13

Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND
RESOLUTION NO. 2006-0021 C.M.S.

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$1,753,000 TO CITIZENS HOUSING CORPORATION FOR THE ALTENHEIM SENIOR HOUSING PHASE 2 RENTAL PROJECT LOCATED AT 1720 MACARTHUR BOULEVARD

WHEREAS, on September 12, 2005, 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, Citizens Housing Corporation ("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 an 81-unit senior rental housing project at 1720 MacArthur Boulevard in the City of Oakland (the "Project") known as Altenheim Senior Housing Phase 2; and

WHEREAS, Developer has received \$5,986,400 in City and Agency funds for the purpose of rehabilitation of existing buildings at the same location for Altenheim Senior Housing Phase 1, a 93 unit senior rental housing project, and that rehabilitation work is currently underway; and

WHEREAS, development of the Project will complete the overall development plan for the site and increase the long-term overall feasibility of the site; and

WHEREAS, 80 Project units will be rented at prices affordable to households earning no more than 60% of area median income; and

WHEREAS, Developer is also requesting additional funds from the City of Oakland in the amount of \$3,585,000 to come from the HOME Investment Partnership Program for development of the Project; and

WHEREAS, the City of Oakland'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 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 will benefit the redevelopment project areas in the City of Oakland by providing affordable housing opportunities within the community that will enhance the economic viability and redevelopment potential of the project areas; 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, 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, 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 loan in an amount not to exceed \$1,753,000 to Citizens Housing Corporation or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for development of the Project; and be it

FURTHER RESOLVED: That \$1,338,709 shall be allocated from the Low Mod Operations Fund (9580), Housing Development Organization (88929), Housing Development Program project (P209310) and \$414,291 shall be allocated from the Low Mod Operations Fund (9580), Housing Development Organization (88929), Housing Development – HOME Matching Funds project (H236510) for this loan; and be it

FURTHER RESOLVED: That the loan shall be contingent on the availability of sufficient funds in the Agency's Low and Moderate Income Housing Fund and the

HOME Investment Partnership Program to cover both the Agency loan and the City development loan of \$3,585,000; 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 Agency Administrator in his or her discretion, with repayment to the Agency 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 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 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 shall be reserved for a period of no more than one year 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 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 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, based on a Mitigated Negative Declaration and a Finding of No Significant Impact that were certified by the City on January 5, 2005, the Project as mitigated will not have a significant adverse impact on the environment; 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 Determination for the Project; 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 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, MAR - 7 2006, 2006

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, ~~REID~~, AND
CHAIRPERSON DE LA FUENTE *— 6*

NOES- *0*

ABSENT- *0*

ABSTENTION- *0*

*Excused - Reid,
De La Fuente - 2*

ATTEST: *LaTonda Simmons*
LaTonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland