



Agency Counsel

2010 JUN 30 AM 10: 54

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. 2010 - 0087 C.M.S.

AN AGENCY RESOLUTION AMENDING RESOLUTION NO. 2010-0040 C.M.S. TO INCREASE THE AFFORDABILITY LEVEL, IN THE EVENT OF A FORECLOSURE, FROM 50% TO 60% OF AREA MEDIAN INCOME FOR THE LION CREEK CROSSINGS PHASE IV RENTAL PROJECT LOCATED AT 69TH AVENUE AND SNELL STREET, TO BE DEVELOPED BY THE EAST BAY LOCAL DEVELOPMENT CORPORATION AND THE RELATED COMPANIES OF CALIFORNIA JOINTLY

WHEREAS, in the fall of 2007, the East Bay Asian Local Development Corporation and The Related Companies of California jointly (the “Developers”) submitted a NOFA proposal for Lion Creek Crossings, Phase IV, one of four rental phases of a mixed income/replacement public housing HOPE VI project developed in partnership with the Oakland Housing Authority (“OHA”) for the construction of 72 multi-family apartments; and

WHEREAS, on March 4, 2008, by Agency Resolution No. 2008-0023 C.M.S., the Redevelopment Agency of the City of Oakland (the “Agency”) approved funds in the amount of \$2,980,547 to assist with the Phase IV predevelopment and construction expenses; and

WHEREAS, after the award of the 2007 NOFA funds, the project team experienced set-backs including environmental problems at the project site, and the dramatic downturn in the world financial markets that rendered the Developers unable to close the Agency loans within the eighteen months reservation period, and they were therefore granted an extension on March 17, 2010 by Agency Resolution No. 2010-0040 C.M.S.; and

WHEREAS, the original project structure included 71 project units at rent levels affordable to households earning no more than 30% to 50% of Area Median Income (“AMI”) with twenty-one of these units considered OHA replacement units (referred to as “ACC units”); and

WHEREAS, due to set-backs, including the State of California’s unprecedented financial crisis, the developers were not able to secure financing from the California Housing Finance Agency, as they had in the past, and faced a unique challenge in securing construction and permanent financing for Phase IV; and

WHEREAS, the development team approached five lenders before settling on California Community Reinvestment Corporation, the only lender willing to make a permanent loan on this project on competitive terms; and

WHEREAS, those terms require changing the original terms so that in the unlikely event of foreclosure, the permanent lender could raise rents on 45 of the 50 non-ACC units to levels affordable to households at 60% AMI; and

WHEREAS, the Agency believes that the financing from California Housing Finance Agency is critical for the completion of the Lion Creek Crossings Phase IV project, which will provide sorely needed affordable housing units in East Oakland; now, therefore, be it

RESOLVED: That the Agency hereby approves an increase in affordable rent levels in the event of foreclosure, so that 45 of the 50 non-ACC units are affordable to households earning no more than 60% of Area Median Income; and be it

FURTHER RESOLVED: That this transition to 60% AMI levels will occur over a three year period; and be it

FURTHER RESOLVED: That the Agency Administrator or his designee is authorized to negotiate and execute, amend and extend any agreements, and take any other actions consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That all documents executed pursuant to this action 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

IN AGENCY, OAKLAND, CALIFORNIA, JUL 20 2010

PASSED BY THE FOLLOWING VOTE:

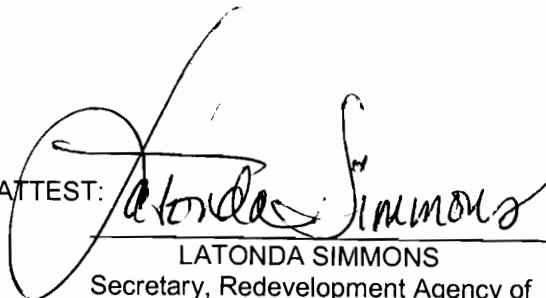
AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND CHAIRPERSON BRUNNER - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:


LATONDA SIMMONS
Secretary, Redevelopment Agency of
the City of Oakland, California