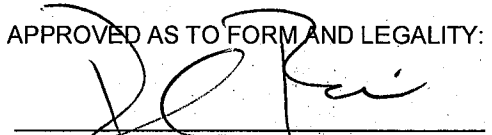


2015 JAN 29 PM 1:18

APPROVED AS TO FORM AND LEGALITY:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. 85 410 C.M.S.

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING PRESERVATION AND REHABILITATION LOAN IN AN AMOUNT NOT TO EXCEED \$2,000,000 TO COMMUNITY HOUSING DEVELOPMENT CORPORATION AND DIGNITY HOUSING WEST, INC., FOR HARP PLAZA APARTMENTS LOCATED AT 430 28th STREET, AND AUTHORIZING A LOAN EXTENSION AND CHANGE IN TERMS FOR THE PREVIOUS DEVELOPMENT LOAN FOR THE PROJECT

WHEREAS, on September 3, 2014, the City issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

WHEREAS, Community Housing Development Corporation ("CHDC") and Dignity Housing West, Inc. ("DHW") (jointly, "Developer"), a developer of affordable housing, submitted a proposal in response to the NOFA to rehabilitate the Harp Plaza Apartments affordable rental project at 430 28th Street in the City of Oakland (the "Property") to continue to provide 20 rental units of affordable housing to serve families and individuals (the "Project"); 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 HUD HOME Investment Partnership Program in fiscal year 2015-16 and the Low and Moderate Income Housing Asset Fund to assist the Project; and

WHEREAS, Redevelopment Agency Resolution No 92-09 C.M.S., passed on March 17, 1992, and amended by Redevelopment Agency Resolution No. 92-67 C.M.S. on November 10, 1992, and Redevelopment Agency Resolution No. 94-11 C.M.S. on March 1, 1994, authorized an affordable housing development loan of \$950,000 to Dignity Housing West II Associates for the development of Harp Plaza Apartments; and

WHEREAS, the Oakland City Council adopted Resolution No. 83680 C.M.S. on January 10, 2012, electing to retain and assume the housing assets and functions of the Redevelopment Agency pursuant to Health & Safety Code Section 34176 upon Redevelopment Agency dissolution; and

WHEREAS, the Redevelopment Agency dissolved on February 1, 2012;
and

WHEREAS, the Redevelopment Agency loan to the Project is a housing asset retained and assumed by the City; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or his or her designee to provide a preservation and rehabilitation loan in an amount not to exceed \$2,000,000 to Community Housing Development Corporation and Dignity Housing West, Inc., 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 \$500,000 will be allocated from the 2015-16 HUD-HOME Fund (2109), Housing Development Organization (89929), HOME Housing Development Program project (G172111) for this loan after the 2015-16 fiscal year funds are available, and \$250,000 will be allocated from Housing and Community Development Organization (89919), CHDO Operating project (G172121) for this loan; and be it

FURTHER RESOLVED: That \$1,250,000 will be allocated from the Low and Moderate Income Housing Asset Fund (2830), Housing Development Organization (89929), Housing Development Program Project (P473610) for this loan; 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 Low and Moderate Income Housing Asset Fund to cover the City loan of \$2,000,000; 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 the previous City development loan on the Property up to 55 years, consolidate the previous loan with the new rehabilitation loan authorized by this Resolution, modify other terms and conditions of the previous City loan to be consistent with the terms and conditions of the new funding for the Project, and negotiate and execute loan documents with respect to the previous City loan; and be it

FURTHER RESOLVED: That the rehabilitation loan funds shall be reserved for a period of no more than 24 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 all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution; 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.

FEB 17 2015

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

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