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Approved as to Form and Legality


Deputy City Attorney

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION No. 2018-_____

RESOLUTION AMENDING OAKLAND REDEVELOPMENT SUCCESSOR AGENCY RESOLUTION NO. 2011-0015 TO EXTEND THE TERM OF THE EXISTING MADISON PARK APARTMENTS LOAN TO THE EARLIER OF FIFTY-FIVE (55) YEARS FROM PERMANENT LOAN CONVERSION OR DECEMBER 31, 2076 AND TO CHANGE THE INTEREST RATE OF THE EXISTING LOAN TO THE LONG-TERM, COMPOUNDING APPLICABLE FEDERAL RATE (AFR).

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the Oakland Redevelopment Successor Agency (“ORSA”) is the successor agency to the Redevelopment Agency of the City of Oakland; and

WHEREAS, ORSA Resolution No. 2011-0015, adopted on March 3, 2011, authorized a preservation and rehabilitation loan in the amount of \$1,250,000 to East Bay Asian Local Development Corporation (EBALDC) for rehabilitation of the Madison Park Apartments; and

WHEREAS, EBALDC Bond 2012 LLC, an affiliate of EBALDC, closed the loan authorized by ORSA Resolution No. 2011-0015 on September 21, 2012; and

WHEREAS, the Madison Park Apartments is now in need of additional improvements to the property, including structural upgrades, plumbing improvements, creation of accessible units and modification of the fire escapes; and

WHEREAS, by refinancing the property with four percent tax credits and tax-exempt bonds, EBALDC will be able to generate sufficient equity to implement the needed improvements to the property; and

WHEREAS, the loan term of the existing Madison Park Apartments needs to be extended in order for EBALDC to refinance the property with four-percent tax credits and tax-exempt bonds; and

WHEREAS, the interest rate of the existing loan needs to be changed to the long-term, compounding AFR, as published by the Internal Revenue Service (IRS) for the month that the amendment to the loan documents are executed, in order to ensure EBALDC obtains full acquisition tax credits; and

WHEREAS, the change in the interest rate from simple interest to compounding interest will enable the ORSA to collect more interest on the loan over its term; and

WHEREAS, the Oakland Redevelopment Successor Agency wishes to extend the maturity date of the loan and change the interest rate to the long-term, compounding AFR to enable EBALDC to refinance the property and obtain full acquisition credits; now, therefore, be it

RESOLVED: That the Oakland Redevelopment Successor Agency hereby amends ORSA Resolution No. 2011-0015 to extend the maturity date of the existing Madison Park Apartments loan to the earlier of fifty-five (55) years from permanent loan conversion or December 31, 2076; and be it

FURTHER RESOLVED: That the loan shall bear interest equal to the long-term, compounding AFR, as published by the IRS for the month that the amendment to the loan documents are executed.

IN OAKLAND REDEVELOPMENT SUCCESSOR AGENCY, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

BROOKS, CAMPBELL-WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, AND PRESIDENT REID

AYES -

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LATONDA SIMMONS
Secretary of the Oakland
Redevelopment Successor Agency