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APPROVED AS TO FORM AND LEGALITY:

*Lewis*

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. 77854 C.M.S.

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**A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$460,600, SUPPLEMENTING REDEVELOPMENT AGENCY LOANS OF \$1,427,000, FOR A TOTAL LOAN COMMITMENT OF \$1,887,600 TO RESOURCES FOR COMMUNITY DEVELOPMENT, INC. FOR THE EASTMONT COURT PROJECT LOCATED AT 6850 FOOTHILL BOULEVARD**

**WHEREAS**, on September 10, 2002, 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, Inc. ("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 a 19 unit housing project at 6850 Foothill Boulevard in the City of Oakland (the "Project"); and

**WHEREAS**, 18 Project units will be rented at prices affordable to very low-income households; and

**WHEREAS**, all Project units will be accessible to individuals with physical disabilities, providing a valuable source of accessible affordable housing to individuals and small families; and

**WHEREAS**, the Developer has secured funding commitments from the U.S. Department of Housing and Urban Development's (HUD) Section 811 Program in the amount of \$2,330,300 and the Federal Home Loan Bank's Affordable Housing Program in the amount of \$126,000; and

**WHEREAS**, the Redevelopment Agency of the City of Oakland previously authorized a \$361,000 Site Acquisition loan (Resolution #00-55 C.M.S.) and a \$1,066,000 Development loan (Resolution #01-11 C.M.S.) to the Project, and Developer is requesting additional funds in the amount of \$460,600 to cover an unanticipated increase in projected construction costs; and

**WHEREAS**, the City'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 City's Project Development Guidelines, and Developer meets the City'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; and

**WHEREAS**, the Redevelopment Agency 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**, execution of loan documents or other documents legally committing the City to fund this Project shall be expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA"), as certified by the City Manager or his or her designee; and

**WHEREAS**, the Project will be required to comply with the household eligibility requirements of the HUD Section 811 program, which stipulate that in order to live in Section 811 housing, a household which may consist of a single qualified person must be very low-income (within 50 percent of the median income for the area) and at least one member must be 18 years old or older and have a physical disability.

**WHEREAS**, funds are available from the HOME Investment Partnership Program to assist the Project; now, therefore, be it

**RESOLVED:** That the City Council hereby authorizes the City Manager or his or her designee to provide an additional loan to the Project in an amount not to exceed \$460,600 to Resources for Community Development, Inc., or to an affiliated entity approved by the City Manager or his or her designee, to be used for development of the Project; and be it further

**RESOLVED:** That the additional loan funds shall come from the HOME Investment Partnership Program; and be it further

**RESOLVED:** That the loan shall be for a maximum term of 55 years, with an interest rate of 3 percent per year, 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 Manager 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, including the restriction that at least one household member in every unit must have a physical disability as defined above; 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 will be reserved for a period of no more than one year from the date of this Resolution, and 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 Manager 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 Manager or his or her designee may establish; and be it further

**RESOLVED:** That the City Council hereby authorizes the City Manager or his or her designee in his or her discretion to subordinate the priority of the City'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 City Manager 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 has independently reviewed and considered this environmental determination, and the City Council 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 Public Resources Code Section 15280 (lower-income housing projects) and Section 15332 (infill development projects) of the CEQA Guidelines; and be it further

**RESOLVED:** That the City Council agrees that the Agency Administrator or his designee shall cause to be filed with the County of Alameda a Notice of Exemption for the Project; 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 Manager or his or her designee; and be it further

**RESOLVED:** That the City Council hereby appoints the City Manager 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, JUN 03 2003, 2003

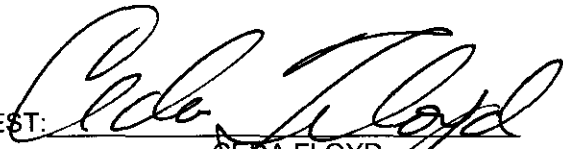
**PASSED BY THE FOLLOWING VOTE:**

AYES- ~~BROOKS~~, BRUNNER, CHANG, ~~NADDEL~~, QUAN, REID, SPEES, ~~WAN~~, AND PRESIDENT DE LA FUENTE

NOES- ~~BROOKS~~, <sup>5</sup> Nadel, Wan - 3

ABSENT- 0

ABSTENTION- 0

ATTEST:   
CEDA FLOYD  
City Clerk and Clerk of the Council  
of the City of Oakland, California