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APPROVED AS TO FORM AND LEGALITY:



AGENCY COUNSEL

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND
RESOLUTION No. 2004-22 C.M.S.

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$2,018,850 TO OAKLAND COMMUNITY HOUSING, INC. AND COMMUNITY DEVELOPMENT CORPORATION OF OAKLAND FOR THE MLK/BART SENIOR HOMES PROJECT LOCATED AT 3823-3837 MARTIN LUTHER KING JR. WAY, AND CONSOLIDATING AN EXISTING \$52,000 SITE ACQUISITION LOAN WITH THE DEVELOPMENT LOAN FOR A NEW TOTAL DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$2,070,850

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 Redevelopment Agency has previously provided a \$52,000 loan (the "Site Acquisition Loan") to Community Development Corporation of Oakland ("CDCO") through the Agency's Affordable Housing Site Acquisition Loan Program as authorized by Redevelopment Agency Resolution No. 00-55 C.M.S., dated July 25, 2000, to be used to acquire a site at 3829 Martin Luther King Jr. Way; and

WHEREAS, the Site Acquisition Loan was for a term of 3 years, with a simple interest rate of 6.19 percent per year; and

WHEREAS, on August 8, 2003, 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, CDCO and Oakland Community Housing, Inc. ("OCHI") (together, the "Developers") submitted a proposal in response to the NOFA to develop a 33 unit housing project known as MLK/BART Senior Homes on three contiguous sites, including the site acquired with the Site Acquisition Loan (the "Project"); and

WHEREAS, 32 Project units will be rented at prices affordable to households earning no more than 80% of area median income, with at least 40% of the units affordable to households earning 60% of area median income, and at least 20% of the units affordable to very low income households; and

WHEREAS, the Project is consistent with the Agency's Project Development Guidelines, and Developers meet 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 Developers 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 an additional loan in an amount not to exceed \$2,018,850 to Community Development Corporation of Oakland and Oakland Community Housing, Inc., or to an affiliated entity approved by the Agency Administrator or her designee, to be used for development of the Project; and be it further

RESOLVED: That loan funds shall come from the Agency's Low and Moderate Income Housing Fund (Fund 9580); and be it further

RESOLVED: That the loan is contingent on the availability of sufficient funds in the Low and Moderate Income Housing Fund to cover the loan; and be it further

RESOLVED: That the Agency hereby authorizes the Agency Administrator or her designee to convert the \$52,000 Site Acquisition Loan to CDCO into a long-term development loan and to consolidate it with the Agency's development loan authorized by this Resolution into a single development loan for a total amount not to exceed \$2,070,850; and be it further

RESOLVED: That the consolidation of the Site Acquisition Loan shall be contingent on the closing of the Agency's development loan, and 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 loan shall be for a maximum term of 55 years, with an interest rate of 3% percent per year, 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 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 the units remain affordable for a minimum period of 55 years, and other 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 will be reserved for a period of no more than 12 months from the date of this Resolution, and the loan shall be contingent on Developers' success in securing remaining commitments for full Project funding, or other assurances of adequate Project funding the Agency Administrator 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 her designee may establish; and be it further

RESOLVED: That the Agency hereby authorizes the Agency Administrator or her designee in 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 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 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 the Project is exempt from CEQA pursuant to Section 15280 (lower-income housing projects) and Section 15332 (infill development projects) of the CEQA Guidelines; and be it further

RESOLVED: That the Agency Administrator or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this Project; and be it further

RESOLVED: That the Agency hereby appoints the Agency Administrator and her designee as agent of the Agency to conduct negotiations, execute documents, administer the loan, extend or modify the repayment terms, interest rate and other contract provisions, and take any other action with respect to the loan and the Project consistent with this Resolution and its basic purpose; 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.

IN AGENCY, OAKLAND, CALIFORNIA, APR 6 2004, 2004


PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND CHAIRPERSON DE LA FUENTE -8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST: 
JOY CEDA FLOYD
Secretary of the Redevelopment Agency
of the City of Oakland