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APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION NO. 2009-0022 C.M.S.

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$584,000 TO PAUL WANG ENTERPRISES, FOR THE GOLF LINKS ROAD HOMEOWNERSHIP PROJECT LOCATED AT 8379, 8395, AND 8477 GOLF LINKS ROAD AND TO ALLOW REALES OF PROJECT UNITS TO HOUSEHOLDS UP TO 120% OF AREA MEDIAN INCOME

WHEREAS, the City of Oakland's Consolidated Plan for Housing and Community Development indicates that there is a need for affordable ownership housing, and has identified this activity as a priority; and

WHEREAS, on September 2, 2008, 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, Paul Wang Enterprises ("Developer") submitted a proposal in response to the NOFA; and

WHEREAS, the Agency executed Resolution 2003-67 C.M.S. dated July 29, 2003, authorizing the execution of a Disposition and Development Agreement for the sale of the land for the Project at no cost to the Developer; and

WHEREAS, Developer has constructed three affordable homeownership units at 8379, 8395, and 8477 Golf Links Road in the City of Oakland (the "Project") known as the Golf Links Road Homeownership Project; and

WHEREAS, the Project units will achieve an average income targeting of 100% of area median income; and

WHEREAS, the requirement in Resolution 2003-67 C.M.S. that Project units be re-sold based on income targeting of 100% of area median income and below is making marketing of the units more difficult, and redevelopment law only requires that units remain affordable to households at or below 120% of area median income; and

WHEREAS, the Project is consistent with the Agency's Project Development Guidelines, and Developer meets 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 Developer other than the Low and Moderate Income Housing Fund; and

WHEREAS, the Agency is the Responsible Agency and 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, none of the circumstances necessitating additional CEQA review of the Project are present; 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 his designee to provide a loan in an amount not to exceed \$584,000 to Paul Wang Enterprises, or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for development of the Project; and be it

FURTHER RESOLVED: That Resolution No. 2003-67 C.M.S. is amended to allow resale of all units to households up to 120% of area median income; and be it

FURTHER RESOLVED: That \$584,000 shall be allocated from the 2006 Housing Set-Aside Bond Fund (9584), Housing Development Organization (88929), 2006 Housing Bond project (L290410) for this loan; and be it

FURTHER RESOLVED: That the loan shall be contingent on the availability of sufficient funds in the Agency's 2006 Housing Set-Aside Bond Fund to cover the Agency loan of \$584,000; and be it

FURTHER RESOLVED: That the loan shall be for a maximum term of four years, with an interest rate to be determined by the Agency Administrator in his discretion, with repayment to the Agency upon the initial sale of Project units to eligible homebuyers, or on such other repayment terms and schedule as the Agency Administrator or his or her designee determines are in the best interest of the Agency and the Project; and be it

FURTHER RESOLVED: That, in the event the Project's development cost exceeds its total net sales proceeds, the Agency Administrator is authorized, upon the initial sale of Project units, to convert a portion of the loan, represented by the difference between the development cost of the Project units and the total net sales proceeds from Project units, into a grant; and be it

FURTHER RESOLVED: That as a condition of the loan, the Agency will require that appropriate restrictions on the sale and resale of Project units 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 shall be reserved for a period of no more than eighteen 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 Agency 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 Agency Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or his or her designee in his or her discretion to subordinate the priority of any of the Agency's recorded interests in the Project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the Agency Administrator 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 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, in concurrence with the Lead Agency which has independently reviewed and considered this environmental determination, 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 CEQA Guidelines Section 15303 (new construction, small structures), Section 15312 (surplus government property), and Section 15332 (infill housing), and the November 26, 2003 filing of a CEQA exemption to that effect; and be it

FURTHER RESOLVED: That the Agency Administrator and his designee are authorized 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; 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, MAR 17 2009, 2009


PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND ~~CHARPESON BRUNNER~~ - 7

NOES- Brunner - 1

ABSENT- 0

ABSTENTION- 0

ATTEST: 
LaTonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland, California