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APPROVED AS TO FORM AND LEGALITY:



Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. 82647 C.M.S.

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**A RESOLUTION AMENDING RESOLUTION NO. 81110 C.M.S. TO APPROVE AN ASSIGNMENT OF AN EXISTING LOAN IN THE AMOUNT OF \$5,815,000 BY NEW ALTENHEIM PARTNERS, LP TO EDEN HOUSING OR ITS AFFILIATE, AND TO INCREASE THE AMOUNT OF AN AFFORDABLE HOUSING DEVELOPMENT LOAN TO EDEN HOUSING FOR THE ALTENHEIM PHASE II SENIOR HOUSING DEVELOPMENT LOCATED AT 1720 MACARTHUR BOULEVARD BY \$625,000 FOR A TOTAL CITY LOAN OF \$6,440,000**

**WHEREAS**, on September 4, 2009, the City of Oakland (the "City") and the Redevelopment Agency of the City of Oakland (the "Agency") jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

**WHEREAS**, Eden Housing and Citizens Housing Corporation ("Developer"), both nonprofit organizations devoted to the provision of affordable housing, submitted a proposal in response to the NOFA; and

**WHEREAS**, a City HOME loan agreement for the amount of \$5,815,000—authorized by City Resolutions No. 79782 C.M.S. dated March 7, 2006, No. 80874 C.M.S. dated March 20, 2007, and No. 81110 C.M.S. dated March 4, 2008—was executed on July 25, 2008 and amended on October 31, 2008 by New Altenheim Partners, LP, an affiliate of Citizens Housing Corporation, with the purpose of constructing the Altenheim Phase II Senior Housing Development Project, an 81 unit affordable housing development for seniors (the "Project"); and

**WHEREAS**, an Agency loan in the amount of \$1,753,000—authorized by Agency Resolutions No. 2006-21 C.M.S. dated March 7, 2006, No. 2007-32 C.M.S. dated March 20, 2007 and No. 2008-16 dated March 4, 2008—was also executed on October 31, 2008 by the same affiliate of Citizens Housing Corporation with the purpose of constructing the Project; and

**WHEREAS**, the construction of the Project is substantially underway, but has encountered cost overruns and delays; and

**WHEREAS**, Citizens Housing Corporation has encountered organizational financial difficulties and is working to dissolve as an organization and transfer its properties and loan interests, including the Project, to Eden Housing; and

**WHEREAS**, the Developer submitted a request under the current NOFA for additional loan funding of \$625,000 to cover most of the project cost increases and to assign the City and Agency loans to Eden Housing or its affiliate; 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 the Developer other than the HOME Investment Partnership Program funds; and

**WHEREAS**, funds will be available from the HOME Investment Partnership Program in fiscal year 2010-11 to assist the Project; and

**WHEREAS**, the requirements of CEQA, the CEQA guidelines as prescribed by the Secretary of Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; now, therefore, be it

**RESOLVED:** That \$625,000 will be allocated from HUD-HOME Fund (2109), Housing Development Organization (88929), HOME Housing Development project (G172111) for this loan after the 2010-11 fiscal year funds are available, bringing the total City HOME loan to \$6,440,000; and be it

**FURTHER RESOLVED:** That the loan shall be contingent on the availability of sufficient funds in the HOME Program Development Fund to cover the additional City funds; and be it

**FURTHER RESOLVED:** That the previous loan may be assigned by Citizens Housing Corporation affiliate New Altenheim Partners, LP to Eden Housing or its affiliate, and the additional loan amount awarded to Eden Housing or its affiliate; and be it

**FURTHER RESOLVED:** That the loan as increased shall be subject to the same terms and conditions as those set forth in the original authorizing resolution and loan agreements, as amended; and be it

**FURTHER RESOLVED:** That the City Council hereby amends Resolution No. 81110 C.M.S. to provide that the loan may be increased by \$625,000 to fund the completion of the Project; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered this environmental determination, and the City Council previously found and determined, based on the information provided in the staff report accompanying Resolution No. 79782 C.M.S., that this action complies with CEQA because, based on a

Mitigated Negative Declaration and a Finding of No Significant Impact that were certified by the City on January 5, 2005, the Project as mitigated will not have a significant adverse impact on the environment, and the Agency Administrator or his designee filed with the County of Alameda a Notice of Determination for the Project; and be it

**FURTHER RESOLVED:** That the City Administrator is hereby authorized to conduct negotiations, execute documents, administer the increased loan, extend or modify 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 the City Attorney as to form and legality and copies shall be placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, MAR 16 2010, 2010

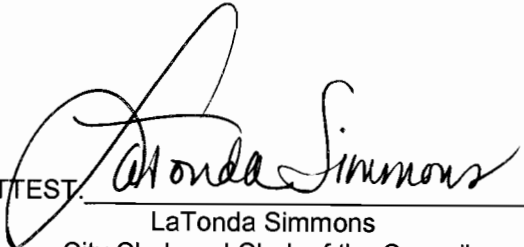
**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, CHANG, DE LA FUENTE, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT BRUNNER - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

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