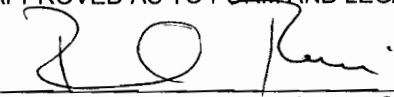


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2011 FEB 24 AM 11:42

APPROVED AS TO FORM AND LEGALITY:


Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

2011-0010
RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$5,253,000 TO EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION FOR THE CALIFORNIA HOTEL PROJECT LOCATED AT 3501 SAN PABLO BOULEVARD, AND AUTHORIZING LOAN EXTENSIONS AND/OR CHANGES IN TERMS FOR EXISTING AGENCY LOANS FOR THE PROJECT

WHEREAS, on September 3, 2010, the Redevelopment Agency of the City of Oakland and the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

WHEREAS, East Bay Asian Local Development Corporation ("Developer") submitted a proposal in response to the NOFA; and

WHEREAS, the Developer proposes to rehabilitate a 137-unit existing affordable rental housing project at 3501 San Pablo Blvd. in the City of Oakland (the "City") known as the California Hotel (the "Project"); and

WHEREAS, the Redevelopment Agency and the City of Oakland have made previous affordable housing rehabilitation loans for the improvement of the Project which is subject to recorded long-term rent and occupancy restrictions enforceable by the Agency and City; and

WHEREAS, Developer is also requesting additional funds from the City in the amount of \$3,168,000 to come from the HOME Investment Partnership Program for a total City and Agency loan amount not to exceed \$8,421,000; and

WHEREAS, Resolution 2010-0022 C.M.S. dated March 16, 2010 provided a \$300,000 Agency grant to the Developer for predevelopment activities for the Project; 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 located in the West Oakland Redevelopment Project Area; and

WHEREAS, at least 136 Project units will be rented at prices affordable to households earning no more than 60% of area median income; and

WHEREAS, the Project is consistent with the Agency's Project Development Guidelines, and the 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 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 area 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 area; 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 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 his or her designee to provide a loan in an amount not to exceed \$5,253,000 to East Bay Asian Local Development Corporation or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for rehabilitation of the Project; and be it

FURTHER RESOLVED: That \$1,683,802 shall be allocated from the Low Mod Operations Fund (9580), Housing Development Organization (88929), Housing Development Program project (P209310) for this loan; and be it

FURTHER RESOLVED: That \$3,569,198 shall be allocated from the 2006 Affordable Housing Set-Aside Bond Fund (9584), Housing Development Organization (88929), Housing Development Program 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 Low and Moderate Income Housing Fund, the 2006 Affordable Housing Set-Aside Bond funds, and the HOME Investment Partnership to cover both the Agency loan of \$5,253,000 and the City loan of \$3,168,000; and be it

FURTHER RESOLVED: That the combined total of the City and Agency loans for the Project shall not exceed \$8,421,000; and be it

FURTHER RESOLVED: That the loan shall be for a maximum term of 55 years, with an interest rate to be determined by the Agency Administrator in his or her discretion, 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 his 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 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; and be it

FURTHER RESOLVED: That the loan funds shall be reserved for a period of no more than twenty-four 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 loan is contingent upon the transfer of ownership of the Property to Developer or to an affiliated entity approved by the Agency Administrator or his or her designee; and be it

FURTHER RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or his or her designee in his or her discretion to subordinate the priority of the Agency's deed of trust securing the loan to the liens or encumbrances of other private or governmental entities providing financial assistance to the Project; provided, however, that the Agency's affordability restrictions shall not be subordinated in priority to other liens or encumbrances with the exception of preexisting liens or encumbrances, refinancings of preexisting liens, or the liens or encumbrances of other governmental entities providing affordable housing assistance to the Project; 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 15301 (Existing Facilities) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the Agency Administrator or his designee shall file a Notice of Exemption, and an Environmental Declaration under the California Fish and Game Code (Section 711.4) with the County of Alameda; and be it

FURTHER RESOLVED: That the Agency Administrator is authorized to extend the term of any existing Agency loans on the Property up to 55 years, consolidate the existing loans with the new loan authorized by this Resolution, modify other terms and conditions of the existing Agency loans to be consistent with the terms and conditions of any new funding for the Project, and negotiate and execute loan documents with respect to existing Agency loans; and be it

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or his designee 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.

IN AGENCY, OAKLAND, CALIFORNIA, MAR 3 2011, 2011

PASSED BY THE FOLLOWING VOTE:

AYES- ~~BROOKS~~, BRUNNER, ~~DE LA FUENTE~~, KAPLAN, KERNIGHAN, NADEL, SCHAAF,
AND CHAIRPERSON REID - 6

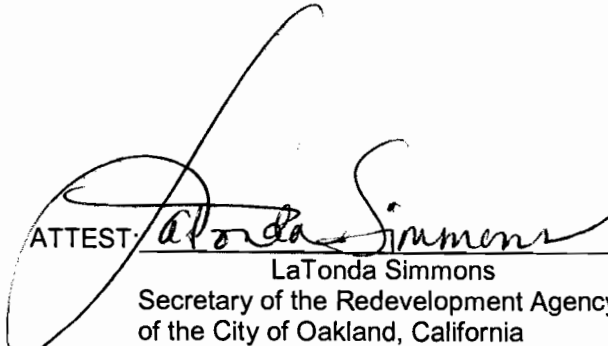
NOES- 0

ABSENT- 0

ABSTENTION- 0

Excused- Brooks, De la Fuente - 2

ATTEST:


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