

# OAKLAND CITY COUNCIL

RESOLUTION NO. 76145 C.M.S.

INTRODUCED BY COUNCIL MEMBER \_\_\_\_\_

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RESOLUTION AUTHORIZING JUBILEE WEST, INC., TO TRANSFER A \$65,100 CITY LOAN TO OAKLAND POINT LIMITED PARTNERSHIP FOR A THIRTY ONE UNIT REHABILITATION PROJECT AND AUTHORIZING RECONVEYANCE OF THE DEED OF TRUST AND FORGIVENESS OF ACCRUED INTEREST ON THE LOAN TO JUBILEE WEST, INC.

**WHEREAS**, the Redevelopment Agency of the City of Oakland authorized a \$1,251,606 loan on June 6, 2000 (Resolution No 00-26 C.M.S.), to the Oakland Point Limited Partnership ("OPLP") for the thirty-one unit rehabilitation project ("Project"), and

**WHEREAS**, the property known as 915-917 Chester Street is included in the Project, and

**WHEREAS**, the City of Oakland loaned \$65,100 to Jubilee West, Inc. in 1985 to assist in the rehabilitation of a property at 915-917 Chester Street, and this loan is secured by a deed of trust on the property, and

**WHEREAS**, the Developer is securing new financing to rehabilitate the Project, and

**WHEREAS**, the lenders that will be making the new loans to the Partnership for the Project are requiring that existing loans be modified, extended or paid off, and

**WHEREAS**, the City Council has a commitment to assist the Developer in putting the Project on a secure financial footing so as to ensure that the Project will provide quality housing for low income families, and

**WHEREAS**, the Developer has requested that the interest that has accrued on the existing loan be forgiven in recognition that neither Jubilee West nor the Project has the resources to pay the accrued interest and in recognition that the Project's viability would be enhanced with a reduction of the indebtedness, and

**WHEREAS**, the Project will benefit from having the existing \$65,100 loan to Jubilee West transferred to the Partnership for the Project, and

**WHEREAS**, the Project will retain and improve the supply of low and moderate income housing available in the City; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Manager or his designee to approve the assignment or other form of transfer by Jubilee West to OPLP, or an affiliated entity approved by the City Manager, of a \$65,100 loan, for the benefit of the Project; and be it further

RESOLVED: That the City Council hereby authorizes the City Manager or his designee to reconvey to Jubilee West, Inc., the deed of trust that provides the security for a loan with a principle amount of 565,100, and to forgive the interest that has accrued on the loan: and be it further

RESOLVED: That the term of the loan transferred to OPLP shall be amended to provide for a term of 30 years, with a simple interest rate of 3 percent per year, with repayment to the City deferred until the end of the loan term, subject to the availability of other funds for earlier repayment of the loan, or on such other repayment terms and schedule as the City Manager or his designee determines are in the best interest 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, and be it further;

RESOLVED: That the loan transferred to OPLP shall be secured by a new deed of trust on the Project improvements; and be it further

RESOLVED: That the City Council hereby authorizes the City Manager or his designee, in his discretion, to subordinate the priority of the City's new 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 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 is reasonably protected in the event of default, and (3) subordination is in the best interest of the City; and be it further

RESOLVED: That the City Council hereby appoints the City Manager or his designee as agent of the City to conduct negotiations, execute documents, administer the loan, and take any other actions with respect to the loan and the Project consistent with the basic purpose of this Resolution; and be it further

IN COUNCIL, OAKLAND, CALIFORNIA, **NOV 14 2000**, 19\_\_

PASSED BY THE FOLLOWING VOTE:

AYES-BRUNNER, CHANG, ~~PRESIDENT DE LA FUENTE~~, MILEY, NADEL, REID, SPEES, WAN- 7

NOES- None

ABSENT- None

ABSTENTION- None

EXCUSED- De La Fuente-1

ATTEST:



CEDA FLOYD  
CITY CLERK AND CLERK OF THE COUNCIL  
OF THE CITY OF OAKLAND, CALIFORNIA