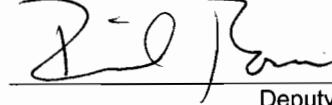


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REVISED APRIL 21, 2009

APPROVED AS TO FORM AND LEGALITY:



Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. 81933 C.M.S.

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**A RESOLUTION AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$5,025,000 TO THE URBAN STRATEGIES COUNCIL/OAKLAND COMMUNITY LAND TRUST FOR THE ACQUISITION AND REHABILITATION OF FORECLOSED SINGLE FAMILY HOMES UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM**

**WHEREAS**, on December 23, 2008, the City of Oakland issued a Request For Proposals/Qualifications ("RFP/Q") soliciting applications for the Neighborhood Stabilization Program ("NSP") funded by the US Department of Housing and Urban Development; and

**WHEREAS**, Urban Strategies Council and the Oakland Community Land Trust (the "Developer") submitted a proposal/qualifications in response to the RFP/Q; and

**WHEREAS**, the Developer proposes to acquire and rehabilitate foreclosed single family homes in the identified target areas; and

**WHEREAS**, units will be sold, or leased with an option to purchase, at prices affordable to households earning 60%-100% of area median income; and

**WHEREAS**, Developer's proposal is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and

**WHEREAS**, the proposed acquisition and rehabilitation will remove blight and provide decent housing to low income households; and

**WHEREAS**, funds will be available from the Neighborhood Stabilization Program in fiscal year 2008-09 to assist the Developer; and

**WHEREAS**, the City is the Lead Agency for this action for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS,** per the CEQA Guidelines, this action is exempt from environmental review; and

**WHEREAS,** execution of loan documents or other documents legally committing the City to fund this loan(s) shall be expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA"), as certified by the City Administrator or his or her designee; now therefore be it

**RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan or loans in an aggregate amount not to exceed \$5,025,000 to Urban Strategies Council, the Oakland Community Land Trust, or to an affiliated entity approved by the City Administrator or his or her designee, under the NSP to be used to acquire and rehabilitate those foreclosed multifamily rental properties approved by the City Administrator within the identified target areas; and be it

**FURTHER RESOLVED:** That \$5,025,000 is hereby allocated from the 2008-09 HUD-CDBG Fund (2108), Community Development Block Grant Organization (88849), Neighborhood Stabilization Program Project (G368110) for this purpose; and be it

**FURTHER RESOLVED:** That the loan funds shall be reserved for a period of no more than nine months from the date of this Resolution, and the making of the loan for each property shall be contingent on Developer's' success in securing commitments for full funding for the acquisition and rehabilitation of the property; and be it

**FURTHER RESOLVED:** That the by laws governing the Oakland Land Trust reflect the following governance requirements, which are widely regarded as best practices:

- At least 1/3 of Directors be targeted area residents who are not CLT homeowners;
- At least 1/3 of Directors have a technical expertise and/or represent the general public interest; and

**FURTHER RESOLVED:** That staff will bring an informational report to the October 20, 2009 Community and Economic Development Committee meeting to report on whether sufficient commitments to fully fund acquisition and rehabilitation of all 200 homes, as well as fund the first year of organizational operating costs have been, or are likely to be, met within the 9 month reservation period. If as of February 1, 2010, staff determines that such sufficient commitments of funding have not been secured, staff will prepare a recommendation to be heard directly by the full City Council at its March 2, 2010 meeting to adopt an alternative recommendation to insure that Neighborhood Stabilization Program funds are obligated by October 1, 2010.

**FURTHER RESOLVED:** That the making of the loan for each property shall be contingent on Developer's submission of specific property information, rehabilitation plans, budgets, and other materials evidencing that the acquisition and

rehabilitation of the property is financially feasible and is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and be it

**FURTHER RESOLVED:** That loan term and interest rates shall be determined by the City Administrator in his or her discretion within the terms of the NSP and as the City Administrator or his or her designee determines are in the best interests of the City; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered this environmental determination, and the Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action is exempt from CEQA pursuant to Section 15301 (rehabilitation of existing facilities), 15310 (mortgages for the purchase of existing structures) and 15183 (projects consistent with zoning and general plan) of the CEQA Guidelines; and be it

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

**FURTHER RESOLVED:** That as a condition of the loan(s), the City will require that appropriate restrictions on occupancy, sale and resale be recorded against the assisted properties; and be it

**FURTHER RESOLVED:** That the loan(s) shall be secured by deeds of trust on the assisted properties; and be it

**FURTHER RESOLVED:** That the making of the loan(s) shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator or his or her designee may establish; and be it

**FURTHER RESOLVED:** That execution of loan documents or other documents legally committing the City to fund the loan(s) is expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator or his or her designee; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of any of the City's recorded interests in the assisted properties to a lien or encumbrance of another private or governmental entity providing financial assistance to the property, if the City 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 City's investment in the assisted properties in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; and be it

**FURTHER RESOLVED:** That all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it

**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator and his or her designee as agent of the City to conduct negotiations, execute documents, administer the loan(s), extend or modify the repayment terms, and take any other action with respect to the loan(s) and the assisted properties consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, APR 21 2009, 2009

**PASSED BY THE FOLLOWING VOTE:**

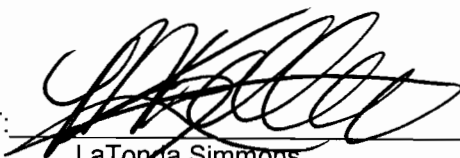
AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND  
PRESIDENT BRUNNER ~8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST:

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