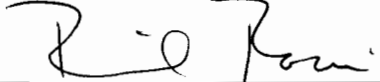


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APPROVED AS TO FORM AND LEGALITY:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. 81932 C.M.S.

A RESOLUTION AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$903,637 TO AFFORDABLE HOUSING ASSOCIATES/EAST BAY COMMUNITY RECOVERY PROJECT UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM FOR THE ACQUISITION AND REHABILITATION OF THE ASASHA HOTEL AT 2545 SAN PABLO AVENUE FOR PROJECT PRIDE

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, Affordable Housing Associates/East Bay Community Recovery Project (the "Developer") submitted a proposal/qualifications in response to the RFP/Q; and

WHEREAS, the Developer proposes to acquire and rehabilitate the foreclosed multifamily rental property, the Asasha Hotel, at 2545 San Pablo Avenue to house Project Pride, a transitional housing rental project for extremely low-income women and their children; and

WHEREAS, units will be rented at prices affordable to households earning 50% or less 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 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 \$903,637 to Affordable Housing Associates/East Bay Community Recovery Project 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 the Asasha Hotel at 2545 San Pablo Avenue to house Project Pride, a transitional housing rental project for extremely low-income women and their children; and be it

FURTHER RESOLVED: That \$903,637 is hereby allocated from the 2008-09 HUD-CDBG Fund (2108), Community Development Block Grant Organization (88989), 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 the property shall be contingent on Developer's' success in securing commitments for full funding for the acquisition and rehabilitation of the property, or other assurances of adequate funding the City 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 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 rate 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, the City will require that appropriate restrictions on occupancy, rents and operations be recorded against the assisted property; and be it

FURTHER RESOLVED: That the loan shall be secured by a deed of trust on the assisted property; 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 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 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 property 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 property 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, extend or modify the repayment terms, and take any other action with respect to the loan and the assisted property consistent with this Resolution and its basic purpose.

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

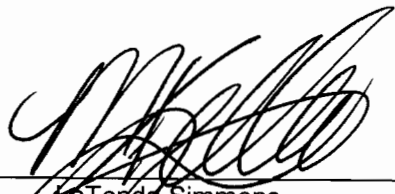
PASSED BY THE FOLLOWING VOTE:

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