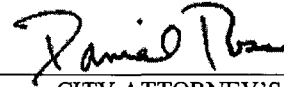


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APPROVED AS TO FORM AND LEGALITY



CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. 89241 C.M.S.

RESOLUTION AUTHORIZING AFFORDABLE HOUSING DEVELOPMENT LOANS IN A TOTAL AMOUNT NOT TO EXCEED \$30,561,000 FOR THE FOLLOWING AFFORDABLE HOUSING NEW CONSTRUCTION PROJECTS: 3050 INTERNATIONAL (3050 INTERNATIONAL BOULEVARD), LONGFELLOW CORNER (3801-3807 & 3823-3829 MARTIN LUTHER KING JR. WAY), 34th & SAN PABLO (3419-3431 SAN PABLO AVENUE), AGNES MEMORIAL SENIOR HOUSING (2372 INTERNATIONAL BOULEVARD), AND 500 LAKE PARK APARTMENTS (500 LAKE PARK AVENUE)

WHEREAS, on November 16, 2021, the City of Oakland issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for new construction of affordable housing development projects; and

WHEREAS, of the 13 applications submitted in response to the NOFA, five projects, 3050 International (Satellite Affordable Housing Associates), 34th & San Pablo (East Bay Asian Local Development Corporation), Longfellow Corner at 3801-3807 & 3823-3829 Martin Luther King Jr. Way (Resources for Community Development), Agnes Memorial Senior Housing at 2372 International Boulevard (Related Companies of California), and 500 Lake Park (EAH, Inc), (together, the "projects") were the top ranked projects in staff's evaluation of project proposals; 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 projects are consistent with the City's Project Development Guidelines, and each developer meets the City's Threshold Developer Criteria to be recommended for funding; and

WHEREAS, funds for affordable housing development in an amount not to exceed \$30,561,000 are available from the Affordable Housing Trust Fund (1870) (Jobs/Housing Impact Fees and Affordable Housing Impact Fees), the Low and Moderate Income Housing Asset Fund (2830), the HUD Housing Development Grant (HODAG) Fund available in the Mortgage Revenue Fund (2826), Housing Development Project #1000383), and the HUD HOME Investment Partnership Program Fund (2109) to assist the projects; and

WHEREAS, the City is applying to the 2022 State of California Local Housing Trust Fund Program for up to an additional \$5,000,000 in funding and if the City receives the State Local Housing Trust Fund Program award, those funds along with additional funds in an amount of \$2,000,000 are available from Affordable Housing Trust Fund (1870) for fiscal year 2022-23 for a total amount not to exceed of \$7,000,000 in additional funds for affordable housing projects; and

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

WHEREAS, for those projects receiving federal funds, execution of loan documents or other documents legally committing the City to fund the projects 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 to provide loans in a total amount not to exceed \$30,561,000, to the indicated developers of the projects, or to affiliated entities of those developers approved by the City Administrator, to be used for development of the projects; and be it

FURTHER RESOLVED: That the funding for the loans shall be allocated in not to exceed amounts from the following funds: \$4,500,000 from the Local Housing Trust Fund, \$1,319,443 from the Low and Moderate Income Housing Asset Fund (2830), \$16,663,687 from the Affordable Housing Trust Fund (1870), (included in this is an amount not exceed \$9,511,000 from the Affordable Housing Impact Fees, an amount not to exceed \$5,550,000 from the Jobs/Housing Impact Fees, and an amount not to exceed \$1,602,687 from the Boomerang Fund), \$6,500,000 from the HUD HOME Investment Partnership Program (2109), and \$1,577,870 from the HUD Housing Development Grant (HODAG) Fund (2826), for fiscal years 2021-22 and 2022-23; and be it

FURTHER RESOLVED: That the making of each loan shall be contingent on the availability of sufficient funds in the above funds in fiscal years 2021-22 and 2022-23; and be it

FURTHER RESOLVED: That each loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in his or her discretion, with repayment to the City 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 City Administrator determines are in the best interests of the City and the project; and be it

FURTHER RESOLVED: That as a condition of each loan, the City will require that appropriate restrictions on project occupancy, rents and operations be recorded against project land and/or improvements; and be it

FURTHER RESOLVED: That each loan shall be secured by a deed of trust on the project land and/or improvements; and be it

FURTHER RESOLVED: That loan funds shall be reserved for a period of no more than 24 months from the date of the commitment letter, and shall be subject to reprogramming at the end of this period unless the developer has secured commitments for full project funding or provided other assurances of adequate project funding that the City Administrator deems sufficient within his or her discretion, within the reservation period; and be it

FURTHER RESOLVED: That the making of each loan shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator may establish; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator in his or her discretion to subordinate the priority of any of the City's recorded interests in each project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the project, 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 project 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 the City Council hereby authorizes the City Administrator to make specific allocations of the loan funds approved under this Resolution among the projects without returning to Council; and be it

FURTHER RESOLVED: That the City Council has independently reviewed and considered the environmental determinations for the projects, and the City Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that the action with respect to each project complies with CEQA either because the project is exempt from CEQA, or, based on an initial study and the mitigation measures identified therein, the project as mitigated will not have a significant adverse impact on the environment, as the CEQA determination is further set forth in staff report; and be it

FURTHER RESOLVED: That the City Administrator shall cause to be filed with the County of Alameda a Notice of Exemption or Notice of Determination for each project as appropriate; and be it

FURTHER RESOLVED: That execution of loan documents or other documents legally committing the City to fund a project with federal funds will be expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator; 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 be it

