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OAKLAND

APPROVED AS TO FORM AND LEGALITY:

03 JAN 30 PM 12: 54



Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. 77657 C.M.S.

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**A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$771,300 TO BRIDGE HOUSING FOR THE MANDELA GATEWAY OWNERSHIP PROJECT LOCATED AT 1431 8<sup>TH</sup> STREET**

**WHEREAS**, on September 10, 2002, the City and the Redevelopment Agency of the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

**WHEREAS**, Bridge Housing, Inc. ("Developer"), a nonprofit organization devoted to the provision of affordable housing, submitted a proposal in response to the NOFA; and

**WHEREAS**, Developer proposes to develop a fourteen unit housing project at 1431 8<sup>th</sup> Street in the City of Oakland (the "Project"); and

**WHEREAS**, eight Project units will be sold at prices affordable to households earning no more than 80% of area median income; and

**WHEREAS**, six Project units will be sold at prices affordable to households earning no more than 100% of area median income; and

**WHEREAS**, the City's Consolidated Plan for Housing and Community Development indicates that there is a need for affordable ownership housing, and has identified this activity as a priority; and

**WHEREAS**, the Project is consistent with the City's Project Development Guidelines, and Developer meets the City's Threshold Developer Criteria; and

**WHEREAS**, the Project will increase and improve the supply of low and moderate income housing available in the City of Oakland; and

**WHEREAS**, the City is the Lead Agency for this Project 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; and

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

**WHEREAS**, funds are available from the HOME Investment Partnership Program to assist the Project; now, therefore, be it

**RESOLVED:** That the City Council hereby authorizes the City Manager or his or her designee to provide a loan in an amount not to exceed \$771,300 to Bridge Housing, Inc., or to an affiliated entity approved by the City Manager or his or her designee, to be used for development of the Project; and be it further

**RESOLVED:** That loan funds shall come from the HOME Investment Partnership Program; and be it further

**RESOLVED:** That the loan shall be for a maximum term of four years, with an interest rate of three percent per year, with repayment to the City upon the initial sale of Project units to eligible homebuyers, or on such other repayment terms and schedule as the City Manager or his or her designee determines are in the best interests of the City and the Project; and be it further

**RESOLVED:** That, in the event the Project's development cost exceeds its total net sales proceeds, the City Manager is authorized, upon the initial sale of Project units, to convert a portion of the loan, represented by the difference between the development cost of the Project unit or units and the total net sales proceeds from Project unit or units, into a grant; and be it further

**RESOLVED:** That as a condition of the loan, the City will require that appropriate restrictions on the sale and resale of Project units be recorded against Project improvements; and be it further

**RESOLVED:** That the loan shall be secured by a deed of trust on the Project land and/or improvements; and be it further

**RESOLVED:** That the loan funds will be reserved for a period of no more than twelve months from the date of this Resolution, and the loan shall be contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the City Manager 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 City Manager or his or her designee may establish; and be it further

**RESOLVED:** That the City Council hereby authorizes the City Manager or his or her designee in his or her discretion to subordinate the priority of the City's 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 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 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 has independently reviewed and considered this environmental determination, and the City Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action complies with CEQA; because, based on that Initial Study dated May 24, 2002 and the mitigation measures identified therein, the Project as mitigated will not have a significant adverse impact on the environment; and be it further

**RESOLVED:** That the City Manager or his or her designee shall cause to be filed with the County of Alameda a Notice of Determination for this Project; and be it further

**RESOLVED:** That execution of loan documents or other documents legally committing the City to fund this Project are expressly conditioned on compliance with the requirements of NEPA, as certified by the City Manager or his or her designee; and be it further


**RESOLVED:** That the City Council hereby appoints the City Manager 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 Project consistent with this Resolution and its basic purpose.

**FEB 25 2003**

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2003

**PASSED BY THE FOLLOWING VOTE:**

- AYES-            BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, SPEES, WAN, AND PRESIDENT DE LA FUENTE - 8
- NOES-            0
- ABSENT-        0
- ABSTENTION-   0

ATTEST:   
 CEDA FLOYD  
 City Clerk and Clerk of the Council  
 of the City of Oakland, California