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OFFICE OF THE CLERK
OAKLAND

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

AGENDA REPORT

2011 JAN 27 AM 11:59

TO: Office of the Agency Administrator
Attn: Dan Lindheim
From: Community and Economic Development Agency
Date: February 8, 2011

Re: A Report on the Status of the Oakland Community Housing, Inc. Portfolio, and a Report and Agency Resolution Allocating Up to \$92,000 from the 2006 Affordable Housing Bond Fund to Pay Property Insurance Premiums for Up to Seven Oakland Community Housing, Inc.-Affiliated Affordable Housing Rental Properties

SUMMARY

A resolution has been prepared to allocate up to \$92,000 to pay for property insurance premiums for several rental properties now or formerly in the Oakland Community Housing, Inc. (OCHI) portfolio. A previous allocation of funds made for this purpose in 2008 has been fully expended, requiring additional funding to cover the premiums for this year. Staff is in the process of working towards the transfer of these properties to new ownership entities. In the meantime, however, it is prudent to cover property insurance on the properties while the transfers are underway.

In addition, this report includes an update on the status of the various OCHI properties in Oakland, since much progress has been made since the last report to Council on the portfolio in March 2010. Nine of the fourteen OCHI rental properties in Oakland have been transferred to new ownership, with plans in place to transfer the remaining properties in the near future. All status updates included are as of the writing of this report in January, 2011. If there is additional progress to report at the February 8, 2011 discussion of this item, staff will present that information verbally.

FISCAL IMPACT

Funding in the amount of \$92,000 is available from Agency 2006 Affordable Housing Bond Proceeds, Fund (9584), Housing Development Organization (88929), 2006 Housing Bond Project (L290410), to reimburse the City's Risk Management division for the balance of the liability premiums with Aon Risk Insurance Services West for seven of the OCHI properties. The properties that would potentially be covered by this policy include: Marin Way Court, Nueva Vista, Slim Jenkins Court, James Lee Court, the California Hotel, Drasnin Manor and San Antonio Terrace. Most of these properties lost property management services when OCHI shut

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Community and Economic Development Committee
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down operations in August 2008, although Slim Jenkins, the California Hotel and San Antonio Terrace retained some form of property management since then.

Transfers to new ownership for several of these properties (Nueva Vista, Slim Jenkins Court, Drasnin Manor and San Antonio Terrace) have already taken place, and transfer of Marin Way Court is imminent. As sites are transferred into new ownership entities, there is an opportunity to reduce the insurance premiums. However, per Risk Management staff, the entire premium (\$91,892.50) must first be paid. Should savings be achieved from the portfolio policy this year—which seems likely—staff proposes using the refunded amounts to cover insurance for whichever properties still require insurance coverage next year.

BACKGROUND

Staff has presented numerous reports since 2007 (May 22, 2007; January 22, 2008; April 22, 2008; April 26, 2008; March 17, 2009; August 25, 2009; January 5, 2010; and March 9, 2010) to Council regarding the decline of OCHI and the resulting affects on its Oakland properties. Staff's ultimate goal has been to keep as many properties open as possible (given the limited funds available) while the transfer of ownership and reconfiguration of the properties is worked out. These workouts have taken a number of turns over the last few years (as described in more detail below), and in the last year most of the properties have changed hands into stable ownership and management, with more scheduled to make this transition in the coming year.

On June 5, 2007, the Agency approved Resolution No. 2007-0044 C.M.S., which provided \$1,000,000 in secured loans to OCHI affiliates to cover operating deficits and substantial outstanding payables at 11 rental properties that had cash flow problems. In addition, on February 5, 2008, the Agency approved Resolution No. 2008-004 C.M.S. providing an additional \$500,000 in operating grants to the OCHI portfolio.

In 2008, the Redevelopment Agency approved an expenditure of \$191,288 per Agency Resolution 2008-0053 C.M.S., dated June 17, 2008, which covered insurance premiums on nine of the OCHI properties. In addition, in 2008 funding was approved for tenant relocation counseling and rental assistance for tenants at properties which lost property management.

Despite the loss of property management services at several properties (and the allocation of special Section 8 vouchers for qualified residents at the impacted properties by the Oakland Housing Authority), utilization of this relocation assistance was lower than anticipated. Therefore, in 2009 the Agency approved re-allocating the remaining funds (\$325,000) to cover operating deficits at the California Hotel under Court-appointed trustee Anne Omura, who has been operating the property on a shoe-string budget (facing operating losses since only 37 of the 150 units may be occupied) until EBALDC can take over the property. EBALDC was also awarded a predevelopment grant of \$300,000 to cover extensive exploratory work for the California Hotel.

In addition, Council Resolution No. 12924 C.M.S. and Agency Resolution No. 2009-0037 C.M.S., both dated March 17, 2009, delegated broad authority to the City/Agency Administrator to take actions to facilitate the transfer of OCHI properties to affordable housing entities, including assignment of City/Agency loans and foreclosure of City/Agency loans on the properties. This authorization has proven essential in developing workout plans and facilitating the transfer of the properties to capable ownership.

In the last two years, various OCHI properties have received funding commitments under Housing Development's New Construction/Substantial Rehabilitation and Preservation Notices of Funding Availability (NOPAs) that are being utilized to help fund the acquisition and rehabilitation of Drasnin Manor, Eldridge Gonaway, James Lee Court, the Oaks Hotel (now the Jefferson-Oaks Hotel), and Slim Jenkins Court.

The California Hotel and Kenneth Henry Court have pending requests for funding under this year's NOFA. James Lee Court is requesting additional funding to address health and safety issues and for unit refurbishment. Staff funding recommendations for this year's NOFAs will be released publicly in February 2011.

KEY ISSUES AND IMPACTS

OCHI Rental Property Portfolio Status

Over the past four years, staff have undertaken a number of steps to try to stabilize the OCHI rental portfolio, and oversee the transfer of the properties to new ownership entities capable of managing and, in most cases, rehabilitating the properties. Since 2007, roughly \$3 million in Agency funds has been allocated to provide operating subsidies to a number of the properties, rent assistance for tenants at properties facing the loss of property management, and the \$300,000 predevelopment grant to EBALDC for the California Hotel.

Plans for transferring the properties have evolved over the last four years, and were complicated by the extremely bad financial condition of OCHI and its property management arm OCHM, and the complexity of the financial encumbrances on most of its properties.

After a brief period in which OCHI explored various bankruptcy and dissolution options, OCHI effectively shut down its offices in August of 2008, leading City staff to pursue other options for disposition of the properties, along with the other lenders.

In consultation with legal counsel, staff determined that the cleanest method of transferring title on the remaining OCHI properties to new ownership entities would be through non-judicial foreclosure sales under existing deeds of trust held by the City/Agency or other funding agencies, and discussions commenced with various local non-profits on transfer and rehabilitation plans. Since many of the properties require extensive rehabilitation work, many of

the remaining properties have applied for NOFA funding, as described in the “Background” section of this report. Three of the remaining eleven properties (Oaks Hotel, now the Jefferson-Oaks Hotel, Drasnin Manor and Slim Jenkins Court) have been acquired by these nonprofit owners at foreclosure sales, and another four (Eldridge Gonaway, Kenneth Hemy Court, James Lee Court and the California Hotel) are expected to be transferred to nonprofit ownership through the foreclosure process over the next eighteen months.

Four of the properties (Foothill Plaza, San Antonio Terrace, Nueva Vista and Marin Way Court) have been or will be transferred to a for-profit entity—Renaissance Housing Communities, LLC (RHC)—a partnership formed by two partners who formerly worked for real estate brokerage firm Arroyo & Coates. RHC has emerged in the last year as a growing player in the portfolio after purchasing senior loans from the California Housing Finance Agency (CalHFA) on Foothill Plaza and San Antonio Terrace in late 2009. RHC, has completed the foreclosure on Foothill Plaza, San Antonio Terrace and Nueva Vista, and also plans to complete the acquisition of Marin Way Court in early 2011. Despite RHC not having a known track record working in affordable housing ownership and management experience, they have demonstrated remarkable progress in stabilizing and renovating the properties, which were some of the most troubled in OCHI’s portfolio.

There have been benefits and trade-offs to takeover by RHC versus the non-profits. The non-profits have far deeper experience owning and managing affordable rental developments over decades. However, RHC has its own sources of funding, meaning that additional City/Agency funds are not needed for the acquisition and rehabilitation of the properties. On the other hand, RHC’s foreclosure of senior loans wiped out the City/Agency deeds of trust and affordability restrictions from title on Foothill Plaza (although there are still some affordability restrictions on the property imposed by CalHFA). RHC has agreed to retain minimal affordability restrictions on San Antonio Terrace and Nueva Vista in exchange for clearing the City/Agency loans from title. However, they have agreed to keep on title the City/Agency deeds of trust and regulatory restrictions on Marin Way Court.

The non-profits have made a commitment to keeping the City/Agency and the other original lenders whole in the foreclosure process, as well as maintaining full regulatory restrictions, and are generally serving deeper affordability levels. In addition, since they were competitively awarded funding under City/Agency NOFAs, the non-profits have been awarded special Housing Authority Project-Based Section 8 funding commitments, which will help stabilize the properties financially while serving even deeper affordability levels.

For detailed information on OCHI’s 14 affordable rental properties, see *Attachment A*, and for detailed information on miscellaneous OCHI projects, see *Attachment B*.

SUSTAINABLE OPPORTUNITIES

Economic: These projects improve and maintain the affordable housing inventory in Oakland.

Environmental: Each of the buildings in the OCHI portfolio met standards in existence at the time they were built. It is anticipated that, when transferred to new entities and rehabilitated, they will again meet these environmental standards. Preserving these buildings near mass transit and numerous social services enables residents to reduce dependency on automobiles and further reduce adverse environmental impacts.

Social Equity: Affordable housing is a means of achieving greater social equity. Oakland's neighborhood-level environment will be improved by rehabilitation underused and blighted buildings. The anticipated rehabilitation of these developments will preserve and improve affordable rental housing units for low and very low-income senior citizens and families. Social services, when provided to residents, further build social equity.

DISABILITY AND SENIOR CITIZEN ACCESS

All housing development projects receiving federal funds are required to construct and set aside units to be occupied by persons with disabilities (Federal Section 504 regulation). In its 20 years of operations, OCHI developed 638 residential affordable rental units in Oakland, using local, state and federal funds in compliance with local, state and federal regulations. The State's Title 24 and the Americans with Disabilities Act require consideration of persons with disabilities in design and construction of housing. These requirements include accessible units and facilities. Furthermore, all developers receiving City or Agency funds are required to effectively market housing units to the disabled community.

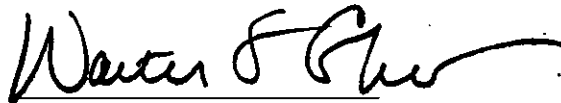
RECOMMENDATIONS AND RATIONALE

In order to protect and assist the low-income tenants at OCHI rental properties, and the City/Agency investments to date, staff recommends the provision of up to \$92,000 to cover the balance of the property insurance premiums for OCHI rental portfolio properties as needed to keep those properties operational as long as possible.

ACTION REQUESTED OF THE CITY COUNCIL/REDEVELOPMENT AGENCY

Staff requests that the Council adopt a resolution allocating up to \$92,000 from the Agency's 2006 Affordable Housing Bond Fund to pay property insurance premiums for up to seven Oakland Community Housing, Inc. affiliated affordable rental properties in Oakland

Respectfully submitted,



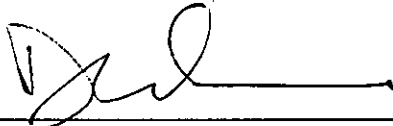
Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by:
Michele Byrd, Deputy Director,
Housing and Community Development

Norma W. Thompson, Housing Development Manager

Prepared by:
Christia Mulvey, Housing Development Coordinator

**APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:**



Office of the City/Agency Administrator

Project/Address (Council District)	Date of Transfer	Units/ Population	Mgmt	New Ownership Entity	Other Lenders	Status/Workout Plan
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Stabilized Properties

Bishop Roy C. Nichols 1027 62nd Street (CD 1)	2007	17 -Senior	CCH	Downs Sr. Housing Assoc. MGP: CCHNC; Downs Community Dev't Corp LP: U.S. Bancorp	Citibank, Far East National Bank	Substitution of OCHI as controlling entity of managing general partner with Christian Church Homes of Northern CA (CCHNC) has been approved and executed. City and Agency funding and regulatory restrictions are fully intact post-foreclosure.
Sylvester Rutledge Manor 3255 San Pablo Avenue (CD3)	2007	65-Senior	CCH	North Oakland Sr Housing Assoc MGP: CCHNC; North Oakland Missionary Baptist Church LP: U.S. Bancorp	Citibank, Far East National Bank	Substitution of OCHI as controlling entity of managing general partner with Christian Church Homes of Northern CA (CCHNC) has been approved and executed. City and Agency funding and regulatory restrictions are fully intact post-foreclosure.
Coolidge Court 3800 Coolidge Ave (CD 4)	pre-2007	18-Studio-Youth	FFYC	Coolidge Court Associates (Fred Finch Youth Center)	HUD 811	Fred Finch Youth Center controls ownership. Removed OCHI board member position. City and Agency funding and regulatory restrictions are fully intact post-foreclosure.
Foothill Plaza 6311 Foothill Blvd. (CD 6)	Spring 2010	54-Family	Evans Property Mgt, Inc.	RHC affiliate	CalHFA, City HODAG	Plans to transfer to non-profits were underway. However, in September 2009, senior lender CalHFA informed the City that they had accepted an offer to purchase their loan interest for a minimal amount in the property by RHC. RHC has agreed to minimal CalHFA affordability restrictions on the property, and wiped Oakland's financial and regulatory encumbrances when it foreclosed on the CalHFA loan in early 2010. Repairs and major security improvements are largely complete, and the building, which had major crime problems on the site due in part to difficulty controlling access to the garage, has turned around dramatically.
Nueva Vista 3700 International Boulevard (CD 5)	Summer 2010	30-Family	Evans Property Mgt, Inc.	RHC affiliate	Citibank	After an application for federal stimulus funding was not awarded in early 2010, the plan for this property shifted from transferring it to a non-profit to transferring the property to RHC, which did not require the stimulus funds to make the transfer. On this property, RHC has accepted placement of minimal affordability restrictions on the property, but wiped out the City/Agency's deeds of trust on the property. Since the building was having major crime/vagrancy problems--with allegations of prostitution, drug dealing and someone unboarding the vacated units and illegally posing as a rental agent for the property and collecting rents--this action was deemed a decent trade-off to get the property into stable ownership and management. Rehabilitation efforts are underway.
Slim Jenkins Court 700 Willow Street (CD 3)	Fall 2010	32-Family	EBALDC	Slim Jenkins Court LLC (EBALDC affiliate and Slim Jenkins Court, Inc.)	Citibank	Slim Jenkins Inc, the co-General Partner, stepped up to manage the property after OCHM terminated management. They worked with East Bay Asian Local Development Corporation (EBALDC) to replace OCHI as Managing General Partner via foreclosure in late October 2010, after completing mold remediation work that EBALDC wanted addressed before they would enter into a formal ownership role. Additional rehabilitation work is needed and which is being funded by a joint SJI/EBALDC loan award of \$1.92M from the 08-09 Rehab NOFA. All parties involved have agreed to a foreclosure process that removed OCHI from the ownership entity; Citibank forgave some of its loan as part of that process. City and Agency funding and regulatory restrictions are fully intact post-foreclosure.

Project/Address (Council District)	Date of Transfer	Units/ Population	Mgmt	New Ownership Entity	Other Lenders	Status/Workout Plan
Stabilized Properties (continued)						
Oaks Hotel (now the Jefferson-Oaks Hotel) 587 15th Street (CD 3)	Fall 2010	100-SRO, see notes	JSCo	AHA affiliate	Alameda Cty HCD, CA HCD	All units assisted, but in 2009 the building faced hefty operating deficits, major repair needs and a pending tenant lawsuit. The City and OHA provided funds to help close the operating deficit and make repairs to the property while a workout plan was pursued. Affordable Housing Associates was awarded \$1.1M for the acquisition/rehab of the property in the 08-09 Rehab NOFA. AHA subsequently decided to pursue making all of the Oaks units efficiencies or studios with their own kitchens and bathrooms. Since this would in turn substantially reduce the number of units (and impact operating feasibility), AHA has pursued an option at the adjacent Jefferson Hotel to combine the two buildings-- a regular NOFA application was submitted in the 09-10 NOFA requesting \$2.5M for this expansion of the project, which will now have 102 units total. 9% tax credits were awarded to the project in Summer 2010, and the foreclosure and transfer to AHA ownership took place in September 2010. Construction on the Jefferson started in December 2010. City and Agency funding and regulatory restrictions are fully intact post-foreclosure.
Drasnin Manor 2530 International Boulevard (CD 5)	Fall 2010	26-Family	EBALDC	Drasnin Manor LLC (EBALDC affiliate)	Wamu, CA HCD	Since May 2008, the property had been managed by a court-appointed receivership at the request of Wamu. Agency funding in the amount of \$1.8M is being used for acquisition and rehabilitation, and an additional \$1.15M in NSP (federal stimulus) funds will also be used towards the rehabilitation efforts. EBALDC took over ownership/management via foreclosure in November 2010. All parties involved agreed to a foreclosure process that removed OCHI from the ownership entity; Chase will forgive some of its AHP loan as part of that process. City and Agency funding and regulatory restrictions are fully intact post-foreclosure.
San Antonio Terrace 1485 E. 22nd St. (CD 2)	Fall 2010	23-Family	Evans Property Mgt, Inc.	RHC affiliate	CalHFA	Plans to transfer to non-profits were underway when, in September 2009, senior lender CalHFA informed the City that they had accepted an offer to purchase their loan interest for a minimal amount in the property by RHC. RHC has agreed to minimal CalHFA affordability restrictions on the property. Due to a document problem with the CalHFA loans, the City/Agency have been able to maintain minimal affordability restrictions on the property, although four deeds of trust were wiped out in the foreclosure on the CalHFA loan in the fall of 2010. Repairs and major security improvements are underway.

Properties Where Ownership Transition Is Still Pending

Marin Way Court 2000 International Boulevard (CD 2)	January 2011	20-Family	NONE	San Antonio Commons, Inc		ROD was awarded funding in the 2008-09 and 2009-10 NOFAs to acquire and rehabilitate the property, which had lost property management in 2008. However, during the summer of 2010, conditions at the property, which had been relatively stable despite the loss of property management, worsened dramatically. In addition, numerous units were unleased and illegally rented, which posed an enormous (and unfunded) relocation burden to ROD. Therefore, plans for this property shifted from transferring it to non-profit ROD to transferring the property to RHC, which did not require the local funds and thus did not have the relocation issue to the extent faced by ROD. On this property, RHC has accepted placement of the existing affordability restrictions on the property, and has agreed to keep the City/Agency's deeds of trust on the property. The City purchased the SAMCO loan on the property for a minimal amount in July 2010, which will simplify the foreclosure/loan assignment process that is expected to remove OCHI from property ownership. Foreclosure is anticipated to occur in early 2011.
James Lee Court 690 15th Street (CD3)	Spring 2011	26-Family	co-GP	Dignity Housing West Assoc.	CA HCD	OCHM formally terminated management in August 2008, after which point co-General Partner Dignity Housing began managing the property. A 2009-10 NOFA application for \$, jointly submitted by CHDC and Dignity Rehab was awarded, and an application for a small amount of additional funding has been submitted in the 2010-11 NOFA process, which is currently underway.

Project/Address (Council District)	Date of Transfer	Units/ Population	Mgmt	New Ownership Entity	Other Lenders	Status/Workout Plan
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Properties Where Ownership Transition Is Still Pending (continued)

Kenneth Henry Court 6455 Foothill Boulevard (CD 6)	Spring 2011	51 -Family	JSCo	6455 Foothill Assoc.	Citibank, CA RHCP	Property Management and income relatively stable. Agency grant was used in early 2010 to fund siding replacement on the remaining two buildings needing this work. Satellite Housing has been approved by the State Department of Housing and Community Development (the senior lender on the property) to take over the property, and will do so with an acquisition loan to assist the foreclosure process on the Citibank loan while a NOFA application is currently pending that would also allow Satellite to undertake some maintenance items on the property.
Eldridge Gonaway Commons 1165 3rd Avenue (CD 2)	Spring/ Summer 2011	40-Family	JSCo	Eldridge Gonaway Commons Assoc.	CalHFA	Property Management and income stable. Resources for Community Development (RCD) received commitment of \$1,655,000 in 08-09 Rehab NOFA and has been negotiating to get the limited investor out and purchase OCHI's interest for the improvements, and then separately work with the City to effect a foreclosure on the land to remove OCHI's interest in the land, and reinstitute the City/Agency's commitments on both the land and improvements (currently, we're only on the land). If successful in negotiations with the investor, ownership transfer could happen in Spring/Summer 2011.
California Hotel 3501 San Pablo Avenue (CD 3)	2012	150-SRO	EDC	Cahon Assoc LP	CA HCD	Property is being managed by the Eviction Defense Center by Court order. EDC is working with EBALDC to have EBALDC take over the very substantial rehabilitation needed for the property. Feasibility is greatly dependent on Project Based Section 8 vouchers, and OHA has recently agreed to make available vouchers for the all units, which will greatly assist operations. Overall number of units will be decreased to roughly 137 in order to provide some larger units that will support tenants requiring live-in health care workers. EBALDC submitted a regular NOFA application this fall for nearly \$11M, and if funds are awarded will apply for tax credits in 2011.

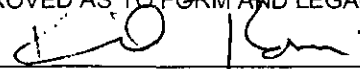
ATTACHMENT B

Miscellaneous OCHI Projects - UPDATE 2/8/11

Site/Address	Description	City/Agency Involvement	Status
2001 Linden Street	8 manufactured townhome units (Homeownership)	Loan	Foreclosed by Silicon Valley Bank; several units sold to qualified homebuyers prior to foreclosure
5154 Ygnacio Avenue	Vacant site	None	As of December 2010, litigation is pending by the County to regain ownership (tax defaulted parcel).
8215 MacArthur Boulevard	Vacant site	None	As of September 2010, litigation is pending by the County to regain ownership (tax defaulted parcel), heirs of original owner have request in to regain control of the property via their non-profit.
94 th and International	Manufactured townhome units	1 st Time Homebuyer loans	Units sold, some discussion ongoing with Building Department re: initial Certificate of Occupancy
7 th and Campbell (5 parcels)	4 parcels are vacant, a 5 th contains a 1 story office building	Agency Site Acquisition Loan	Agency loan covers 4 of the 5 parcels comprising the site. A Bay Area LISC loan covered all five of the parcels. The West Oakland Project Area Committee authorized the Agency purchase of the LISC loans using non-affordable housing funds—they are entertaining development proposals. Principal on the Agency Site Acquisition loan will be repaid if affordable housing is not a component of whatever development occurs on the site.
Jingletown		Development loan	Agency has now regained control over administering and monitoring unit resales via a court order assigning OCHI's homeowner mortgage loans to the Agency.

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OAKLAND

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

2011 JAN 27 PM 12:00

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

**A RESOLUTION ALLOCATING UP TO \$92,000 FROM THE
AGENCY'S 2006 AFFORDABLE HOUSING BOND FUND TO
PAY LIABILITY INSURANCE PREMIUMS FOR SEVEN
AFFORDABLE RENTAL PROPERTIES IN OAKLAND**

WHEREAS, seven affordable rental properties (Marin Way Court, Nueva Vista, Slim Jenkins Court, James Lee Court, the California Hotel, Drasnin Manor, and San Antonio Terrace in Oakland currently or formerly owned by affiliates of Oakland Community Housing, Inc. (OCHI) have experienced considerable deferred maintenance and high vacancy levels under prior management; and

WHEREAS, these seven properties are part of 11 OCHI-affiliated properties insured under one blanket liability insurance policy and the premium for the blanket policy, totaling up to \$92,000, has been pre-paid by the City's Risk Management Division; and

WHEREAS, neither OCHI nor its affiliate owners of these seven properties have sufficient funds to pay their portion of the premium, totaling up to \$92,000; and

WHEREAS; if the insurance premium is not paid, the policy will be terminated and the management companies of these projects will be forced to immediately terminate their management agreements; and

WHEREAS, loss of the blanket insurance policy would be risky in the event of a problem at one or more of the buildings; and

WHEREAS, the units in these projects are rented at prices affordable to households earning no more than 80% of area median income; and

WHEREAS, the residential units provided by these projects are an important source of affordable housing for the low and very low income residents who may otherwise be homeless; and

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

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.3, authorize a redevelopment agency to use its low and moderate income housing funds to preserve housing affordable to very low income households and to provide subsidies for the benefit of such households; and

WHEREAS, funds are available from Agency 2006 Housing Bond Proceeds, Fund (9584), Housing Development Organization (88929), 2006 Housing Bond Project (L290410) to provide additional funding to cover insurance premiums for these projects; and

WHEREAS, the requirements of the California Environmental Quality Act of 1970 ("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, this action is exempt from CEQA per Section 15301 of the CEQA guidelines (continuing operation of existing facilities); now, therefore, be it

RESOLVED: That the Agency hereby allocates an amount not to exceed \$92,000 to pay for liability insurance premiums for Marin Way Court, Nueva Vista, Slim Jenkins Court, James Lee Court, the California Hotel, Drasnin Manor, and San Antonio Terrace; and be it

FURTHER RESOLVED: That up to \$92,000 shall be re-allocated from Agency 2006 Housing Bond Proceeds, Fund (9584), Housing Development Organization (88929), 2006 Housing Bond Project (L290410) to cover these payments; and be it

FURTHER RESOLVED: That payments made under this funding shall be directly related to the portion of the blanket liability insurance premium that the seven projects are unable to cover from reserves or other available sources and that is necessary to keep the projects operating; and be it

FURTHER RESOLVED: That the disbursement of these payments shall be contingent on and subject to such appropriate terms and conditions as the Agency Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the Agency hereby appoints the Agency Administrator and his or her designee as agent of the Agency to conduct negotiations, execute documents, allocate the funding to projects, make payments, administer the funding, and take any other action with respect to the funding of insurance premiums for the projects consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF AND
CHAIRPERSON REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LaTonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland