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OFFICE OF THE CITY CLERK  
OAKLAND

2015 OCT 29 PM 2:18

Approved as to Form and Legality

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. 85896 C.M.S.

**RESOLUTION AMENDING RESOLUTION NOS. 84038 AND 85471C.M.S. TO MODIFY THE TERMS OF A \$1,517,000 LOAN TO EAST 14<sup>TH</sup> STREET HOUSING ASSOCIATES FOR THE HISMEN HIN-NU TERRACE AFFORDABLE HOUSING PROJECT TO (1) ALLOW THE NEW OWNER TO ASSUME AND ASSIGN THE LOAN IN ORDER TO CONSOLIDATE THE LOAN WITH LOANS FOR THE MARCUS GARVEY COMMONS PROJECT, (2) EXTEND THE MATURITY DATE TO 55 YEARS, AND (3) CHANGE THE INTEREST RATE FROM 3% TO THE APPLICABLE FEDERAL RATE**

**WHEREAS**, in 1989, the Redevelopment Agency of the City of Oakland loaned \$1,517,000 to an affiliate of the East Bay Asian Local Development Corporation (“EBALDC”), East 14<sup>th</sup> Street Housing Associates, LP, for the development of the 92 unit Hismen Hin-nu Terrace affordable housing project, per Redevelopment Agency Resolution No. 89-19 CMS; and

**WHEREAS**, the Oakland City Council adopted Resolution No. 83680 C.M.S. on January 10, 2012, electing to retain and assume the housing assets and functions of the Redevelopment Agency pursuant to Health & Safety Code Section 34176 upon Redevelopment Agency dissolution; and

**WHEREAS**, the Redevelopment Agency dissolved on February 1, 2012; and

**WHEREAS**, this loan is a housing asset retained and assumed by the City; and

**WHEREAS**, in 2012, Oakland City Council Resolution No. 84038 C.M.S. authorized an amendment to the loan to (1) reduce the six percent interest rate to three percent simple interest; (2) extend the loan maturity date from June 7, 2019, to June 7, 2043; and (3) convert the loan into a residual receipts loan; and

**WHEREAS**, in 2015, Oakland City Council Resolution No. 85417 C.M.S. authorized an amendment to the loan to extend the loan maturity date to December 31, 2071; and

**WHEREAS**, EBALDC is forming a new ownership entity and financial structure that

includes both Hismen Hin-Nu Terrace and the 22 unit Marcus Garvey Commons affordable housing project at 721 A Wood Street in order to leverage funds that will mutually benefit both properties; and

**WHEREAS**, the tax credit compliance period expired in 2010, and EBALDC is pursuing a loan restructuring and refinance opportunity in order to ensure the long term financial health of Hismen Hin-nu Terrace jointly with Marcus Garvey Commons; and

**WHEREAS**, an extension of the loan maturity date to 55 years from construction completion is necessary for the project to comply with tax credit requirements and receive additional equity; and

**WHEREAS**, the City recognizes that consolidating the loans, extending the loan maturity date and modifying loan terms will ensure the long term financial health of Hismen Hin-nu Terrace and EBALDC; now, therefore, be it

**RESOLVED:** That the City Council hereby amends Resolution Nos. 84038 and 85471 C.M.S to authorize an amendment of the \$1,517,000 loan to East 14<sup>th</sup> Street Housing Associates, LP, for the development of the Hismen Hin-nu Terrace affordable housing project to reduce the three percent interest rate to the Applicable Federal Rate; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes a further amendment to the loan to extend the loan maturity date to 55 years after the date of construction completion; and be it

**FURTHER RESOLVED:** That the City Council authorizes the existing loan on the project to be assigned to and assumed by Hin-Nu Garvey Associates LP, an affiliate of the original borrower, or its affiliate; and be it

**FURTHER RESOLVED:** That loans assumed by Hin-Nu Garvey Associates, LP may be consolidated with loans to the Marcus Garvey Commons project; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to modify other loan terms as necessary to effectuate the assignment and consolidation; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee is authorized to negotiate and enter into documents amendments to the loan documents, and to take any other actions with respect to this loan consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, NOV 17 2015

**PASSED BY THE FOLLOWING VOTE:**

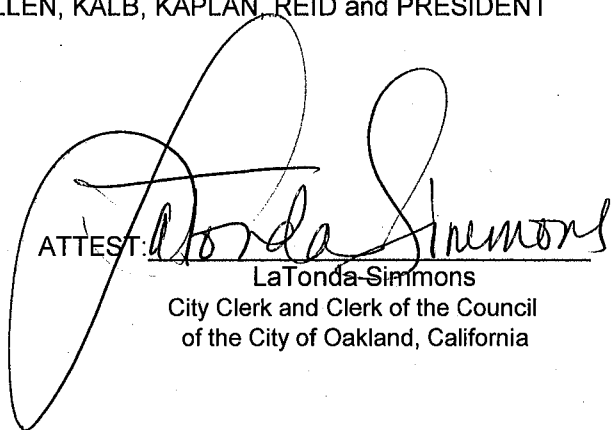
AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID and PRESIDENT GIBSON MCELHANEY 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



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