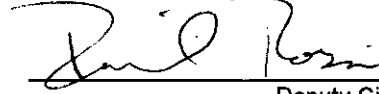


FILED
OFFICE OF THE CITY CLERK
OAKLAND

03 FEB 13 PM 3:36

APPROVED AS TO FORM AND LEGALITY:



Deputy City Attorney

OAKLAND CITY COUNCIL
RESOLUTION NO. 77658 C.M.S.

A RESOLUTION AUTHORIZING AN ADDITIONAL AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$150,000 TO BANCROFT SENIOR HOMES, INC., FOR THE BANCROFT SENIOR HOMES PROJECT LOCATED AT 2320 55TH AVENUE

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, Bancroft Senior Homes, Inc., ("Developer"), a nonprofit organization devoted to the provision of affordable housing, submitted a proposal in response to the NOFA; and

WHEREAS, Developer has developed a 60 unit housing project at 2320 55th Avenue in the City of Oakland (the "Project"); and

WHEREAS, 59 Project units are rented at prices affordable to low-income senior households earning no more than 50% of area median income; and

WHEREAS, the City previously authorized a \$1,619,847 loan to the Project (Resolution No. 74156 C.M.S.), and Developer is requesting additional funds; and

WHEREAS, Developer has applied for additional funding in the amount of \$150,000 to cover unanticipated cost overruns; and

WHEREAS, the City's Consolidated Plan for Housing and Community Development indicates that there is a need for affordable rental housing for seniors, 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 has increased and improved 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 Project was previously determined to be exempt pursuant to the Public Resources Code Section 21080.14 (Low Income Housing) under 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, the requirements of the National Environmental Protection Act ("NEPA") have been satisfied; and

WHEREAS, funds are available 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 an additional loan in an amount not to exceed \$150,000 to Bancroft Senior Homes, Inc., or to an affiliated entity approved by the City Manager or his or her designee, to be used to fund unanticipated cost overruns; and be it further

RESOLVED: That the loan shall be for a maximum term of 55 years, with an interest rate of three percent per year, 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 Manager or his or her designee determines are in the best interests of the City and the Project; and be it further

RESOLVED: That as a condition of the loan, the City will require that appropriate restrictions on Project occupancy, rents and operations 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 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 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, 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