

APPROVED AS TO FORM AND LEGALITY:
OFFICE OF THE CITY CLERK

[Signature]

2006 FEB 16 PM 4:14

Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION NO. 2006-0025 = C.M.S.

A RESOLUTION AUTHORIZING AN AMENDMENT TO RESOLUTION NO. 2003-08 C.M.S. TO INCREASE THE FUNDS FOR AN AFFORDABLE HOUSING DEVELOPMENT LOAN BY \$333,000 TO PROVIDE TOTAL AGENCY LOAN FUNDS IN AN AMOUNT NOT TO EXCEED \$1,479,100 AND TO ALLOW AN EXTENSION OF TIME FOR AN EXISTING COMMITMENT OF FUNDS FOR AN AFFORDABLE HOUSING DEVELOPMENT LOAN TO BRIDGE HOUSING FOR THE MANDELA GATEWAY OWNERSHIP PROJECT LOCATED AT 1431 8TH STREET

WHEREAS, on September 12, 2005, the Redevelopment Agency and 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. (the "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 (14) unit housing project, Mandela Gateway Ownership (the "Project"), located at 1431 8th Street in the City of Oakland; and

WHEREAS, at least eight (8) project units will be sold at prices affordable to households earning no more than 80% of area median income; and

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

WHEREAS, the Agency previously authorized a \$1,146,100 Development loan (Resolution No. 2003-08 C.M.S.) to the Project; and

WHEREAS, the Developer has secured funding commitments from the Federal Home Loan Bank in the amount of \$700,000, World Savings Bank in the amount of \$5,000, and a BRIDGE homeownership grant of \$25,000 but still has a funding gap; and

WHEREAS, the Developer is now requesting additional funds in the amount of \$333,000 to cover an unanticipated increase, primarily due to tremendous increases in insurance costs, in projected construction costs and is also requesting an extension of the Agency's funding commitment until March 7, 2007; and

WHEREAS, the City of Oakland'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 Agency's Project Development Guidelines, and Developer meets the Agency'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, which is an eligible use of the Agency's Low and Moderate Income Housing Fund under California Health and Safety Code Sections 33334.2 and 33334.3; and

WHEREAS, no other reasonable means of private or commercial financing of the Project at the same level of affordability and quantity are reasonably available to Developer other than Agency low and moderate income housing funds; and

WHEREAS, the Agency by agreement with 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 Agency, as the Lead Agency, has prepared a Mitigated Negative Declaration which covers the Project, analyzing the environmental effects and mitigation measures in accordance with the California Environmental Quality Act, Public Resources Code section 21000, et seq.; and

WHEREAS, on February 25, 2003 the Agency, in accordance with CEQA Guidelines Section 15074, adopted a Mitigated Negative Declaration in compliance with CEQA and the Guidelines for Implementation of the California Environmental Quality Act (14 CCR sections 15000, et. Seq.) ; and

WHEREAS, Development loan funds in the amount of \$1,146,100 were previously allocated from the Low Mod Operations Fund (9580), Housing Development Org (88929), Housing Development Program Projects (P209310); and

WHEREAS, funds are available from the Agency's Low and Moderate Income Housing Fund and the 2000 Subordinated Affordable Housing Bond to provide the additional funds to assist the Project; now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or his designee to increase the funds for an affordable housing development loan by \$333,000 to provide total agency loan funds in an amount not to exceed \$1,479,100 to BRIDGE Housing Corporation, or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for development of the Project; and be it

FURTHER RESOLVED: That the Redevelopment Agency hereby authorizes an amendment to Resolution No. 2003-08 C.M.S., allowing an extension of time until March 7, 2007 for its loan commitment to the Developer in a total amount not to exceed \$1,146,100; and be it

FURTHER RESOLVED: That the additional \$333,000 shall be allocated from the 2000 Subordinated Affordable Housing Bond (9583), Housing Development Organization (88929), Housing Development Program project (P151710) for this loan; and be it

FURTHER RESOLVED: That except for the terms provided in this Resolution, all other terms of the loan shall remain the same as in the original resolution; and be it

FURTHER RESOLVED: That as a condition of the loan, the Agency will require that appropriate restrictions on the sale and resale of the 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 shall be reserved for a period of no more than twelve months from the date of this Resolution, and making of the loan shall be contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the Agency Administrator 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 Agency Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or his or her designee in his or her discretion to subordinate the priority of the Agency'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 Agency 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 Agency's

investment in the Project in the event of default is reasonably protected, and (3) subordination is in the best interests of the Agency ; and be it

FURTHER RESOLVED: That the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action complies with CEQA because, based on the Mitigated Negative Declaration that was adopted by the Agency on February 25, 2003, none of the circumstances requiring preparation of additional CEQA review are present, as specified in Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 or 15163, and the Project as mitigated will not have a significant adverse impact on the environment; and be it

FURTHER RESOLVED: That the Agency Administrator 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 the Agency hereby appoints the Agency Administrator and his or her designee as agent of the Agency 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; and be it


FURTHER RESOLVED: That all loan documents shall be reviewed and approved by Agency Counsel for form and legality prior to execution, and copies will be placed on file with the Agency Secretary.


MAR - 7 2006

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2006


PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, ~~REID~~, AND CHAIRPERSON DE LA FUENTE 

NOES- 

ABSENT- 

ABSTENTION- 

ATTEST: 
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland