



CITY ATTORNEY'S OFFICE

## OAKLAND CITY COUNCIL

### RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**RESOLUTION AMENDING TWO AFFORDABLE HOUSING LOANS AUTHORIZED BY REDEVELOPMENT AGENCY RESOLUTION NOS. 91-38 C.M.S., 95-09 C.M.S., AND 97-73 C.M.S. TO 2101 TELEGRAPH AVENUE ASSOCIATES, AN AFFILIATE OF MERCY HOUSING, INC., FOR THE HAMILTON APARTMENTS PROJECT AT 2101 TELEGRAPH AVENUE TO (1) EXTEND THE TERM OF THE LOANS AND REGULATORY AGREEMENT BY FIFTY-FIVE YEARS; (2) REDUCE THE INTEREST RATE OF THE LOANS FROM SIX PERCENT TO THREE PERCENT SIMPLE INTEREST; AND (3) UPDATE THE REPAYMENT TERMS AND OTHER PROVISIONS TO BE CONSISTENT WITH CURRENT CITY POLICIES**

**WHEREAS**, on July 23, 1991 the Redevelopment Agency of the City of Oakland (the “Redevelopment Agency”) adopted Resolution No. 91-38 C.M.S. authorizing a loan in the amount of \$130,000 (the “First Loan”) to the San Francisco Fortune Property Partnership for the rehabilitation of a residential building now known as the Hamilton Apartments located at 2101 Telegraph Avenue (the “Project”); and

**WHEREAS**, on March 7, 1995, the Redevelopment Agency adopted Resolution No. 95-09 C.M.S. authorizing the assignment and assumption of the First Loan to 2101 Telegraph Avenue Associates (the “Partnership”), and authorizing a second loan in the amount of \$2,810,416 (the “Second Loan”) to the Partnership; and

**WHEREAS**, on June 23, 1995, a Regulatory Agreement was executed and recorded against the Project property in connection with the loans; and

**WHEREAS**, on December 16, 1997, the Redevelopment Agency adopted Resolution No. 97-73 C.M.S., authorizing the substitution of 2101 Telegraph Avenue Housing, Inc., an affiliate of Mercy Housing, Inc., into the Partnership as General Partner, and extending the term of the First Loan to thirty years from the effective date of the Loan Agreement; and

**WHEREAS**, the First Loan became due and payable on October 3, 2021, and City staff have not enforced repayment obligations while negotiating with the Partnership; and

**WHEREAS**, the Second Loan will become due and payable on June 23, 2025, and the Regulatory Agreement will expire on July 25, 2027; and

**WHEREAS**, on January 10, 2012, the City Council adopted Resolution No. 83680 C.M.S. authorizing the City to retain and assume all of the housing assets and functions of the Redevelopment Agency, including these loans, upon its dissolution, and the Redevelopment Agency has since been dissolved; and

**WHEREAS**, the Partnership and the City wish to extend the terms of the loans and Regulatory Agreement by fifty-five years in order to preserve the Project as affordable; and

**WHEREAS**, the Partnership has requested that the interest rate on the loans be reduced from six percent to three percent simple interest; now, therefore, be it

**RESOLVED:** That the City Council hereby authorizes the extension of the First Loan, the Second Loan, and the Regulatory Agreement by fifty-five years; and be it

**FURTHER RESOLVED:** That the City Council authorizes the reduction of the interest rate on the First Loan and the Second Loan to three percent simple interest; and be it

**FURTHER RESOLVED:** That the City Administrator is hereby authorized to make other changes to the terms and conditions of the loans and the loan documents for the First Loan and the Second Loan, including repayment terms, to be consistent with current City terms and policies; and be it

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

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND  
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: \_\_\_\_\_  
ASHA REED  
City Clerk and Clerk of the Council of the  
City of Oakland, California