

FILED
OFFICE OF THE CITY CLERK
OAKLAND

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Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR, OR HER DESIGNEE, TO AMEND A REGULATORY AGREEMENT BETWEEN THE CITY OF OAKLAND AND CIVIC CENTER 14 L.P. TO INCREASE THE NUMBER OF RESTRICTED ONE BEDROOM UNITS BY ONE (1) UNIT, AND DECREASING THE NUMBER OF RESTRICTED THREE BEDROOM UNITS BY ONE (1) UNIT; AND IN THE EVENT OF FORECLOSURE OR LOSS OF OPERATING SUBSIDY, ALLOWING (I) INCOME LIMITS TO RISE TO 60 PERCENT OF AMI AND RENTS TO RISE TO 30 PERCENT OF 60 PERCENT OF AMI FOR ALL RESTRICTED UNITS AND (II) AFTER THE FIRST FOUR YEARS OF PROJECT OPERATION, NOT ENFORCING THE PROJECT'S HOMELESS AND SPECIAL NEEDS REQUIREMENT FOLLOWING AN EVENT OF FORECLOSURE OR LOSS OF OPERATING SUBSIDY DURING THE PERIOD OF LOSS

WHEREAS, on February 17, 2015, the City of Oakland adopted Resolution No. 85412 C.M.S. authorizing an affordable housing development loan in an amount not to exceed \$2,575,000 to Civic Center 14 L.P. (the "Owner") to be used for the Civic Center 14 TOD project, located at 632 14th Street in the city of Oakland (the "Project"); and

WHEREAS, in March 2016, the City Administrator executed loan documents with the Owner for a loan in the amount of \$2,575,000, including a Regulatory Agreement between the City and Owner ("Regulatory Agreement"); and

WHEREAS, ten units in the project are designated for homeless and special needs households, and the Regulatory Agreement outlines specific requirements for those units; and

WHEREAS, in order to attract more qualified candidates for the on-site property manager, the property management company would like to provide a three-bedroom manager's unit rather than a one-bedroom as originally planned; and

WHEREAS, the project completed construction in June 2018 after experiencing considerable delays and cost overruns due to significant inclement weather during the construction period; and

WHEREAS, the Owner is seeking permanent financing from a private lender to cover the cost overruns caused by construction delays; and

WHEREAS, in order to reduce risk, the private lender is requiring specific changes to homeless and special needs unit requirements outlined in the Regulatory Agreement; now, therefore, be it

RESOLVED: That the City Council authorizes the City Administrator, or Her Designee, to execute an amendment to the Regulatory Agreement between the City of Oakland and Civic Center 14 L.P. to increase the number of restricted one-bedroom units by one (1) unit, and decrease the number of restricted three-bedroom units by one (1) unit ~~to allow for a three-bedroom manager's unit; and to allow income limits to rise to 60 percent of Area Median Income and Rents to Rise to 30 Percent of 60 Percent of Area Median Income for All Restricted Units in the event of foreclosure or loss of operating subsidy; and to allow, after the first four years of project operation, the nonenforcement of the project's homeless and special needs requirement following an event of foreclosure or loss of operating subsidy during the period of loss; and be it~~

FURTHER RESOLVED: That the amendment to the Regulatory Agreement shall be reviewed and approved by the City Attorney for form and legality and recorded in the Official Records, and a copy of such amendment shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES – FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California