

2007 MAR -1 AM 9:17

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION NO. 2007-0033 C.M.S.

**A RESOLUTION AUTHORIZING THE RELOAN OF A \$140,929
SITE ACQUISITION LOAN WITH INTEREST PREVIOUSLY
MADE TO THE COMMUNITY DEVELOPMENT CORPORATION
OF OAKLAND FOR THE 2001-2007 LINDEN STREET PROJECT
AS A FORGIVEABLE AFFORDABLE HOMEOWNERSHIP
DEVELOPMENT LOAN**

WHEREAS, Resolution No. 00-13, which authorized issuance of tax allocation bonds for affordable housing (the "Affordable Housing Bond"), required that Affordable Housing Bond proceeds be used to develop housing for households at or below 80% of area median income ("AMI"); and

WHEREAS, on July 25, 2000, the Redevelopment Agency adopted Resolution No. 00-55 C.M.S. establishing the Affordable Housing Site Acquisition Program and authorizing a \$10 million allocation from Affordable Housing Bond Proceeds to fund site acquisition loans under the Program; and

WHEREAS, in 2001, the Redevelopment Agency authorized a site acquisition loan under the Program in the amount up to \$148,500 to the Community Development Corporation of Oakland ("CDCO") to purchase parcels located at 2001-2007 Linden Street (the "Property"); and

WHEREAS, CDCO entered into a partnership with Oakland Community Housing, Inc. ("OCHI") to develop the Property as an eight unit homeownership development (the "Project") of which 2 units will be affordable to households at or below 80% of Area Median Income, and \$140,929 was disbursed from the authorized loan amount to cover site acquisition and carrying costs; and

WHEREAS, CDCO and OCHI repaid the Agency loan principal balance of \$140,929 and accrued interest of \$29,185 in March 2005 and proceeded with construction on the Project; and

WHEREAS, the Project is nearly completed, but has experienced significant construction cost overruns; and

WHEREAS, the City'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 City's Project Development Guidelines, and CDCO meets the City's Threshold Developer Criteria; 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 CDCO other than the 2000 Affordable Housing Bond fund; now, therefore be it

RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or their designee to reloan the previously repaid site acquisition loan to CDCO or an affiliated entity for the Project as a forgivable loan for the development of the affordable homeownership units in the Project; and be it

FURTHER RESOLVED: That the new loan shall be for a maximum term of one year with an interest rate of three percent per year; and be it

FURTHER RESOLVED: That the Agency Administrator or his or her designee may forgive up to the full amount of the principal and interest on the loan when all the affordable Project units are sold; 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 two affordable Project units shall be recorded against the Property, and shall remain in effect regardless of forgiveness or repayment of the loan; and be it

FURTHER RESOLVED: That the loan shall be secured by a deed of trust on the Property and/or improvements; and be it

FURTHER RESOLVED: That the loan funds returned to the Project will be used only to pay the costs associated with construction of the affordable units in the Project; and be it

FURTHER RESOLVED: That \$170,114 is allocated from the Agency's 2000 Affordable Housing Bond Fund (9583), 2000 Housing Bond Project (P151710) for this loan; and be it

FURTHER RESOLVED: That the loan shall be contingent on the availability of sufficient funds in the Agency's 2000 Affordable Housing Bond Fund to cover the loan; 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 any of the Agency's recorded interests in the Property 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 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 the Agency Counsel's Office for form and legality prior to execution, and copies will be placed on file with the Agency Secretary.

IN AGENCY, OAKLAND, CALIFORNIA, MAR 20 2007, 2007

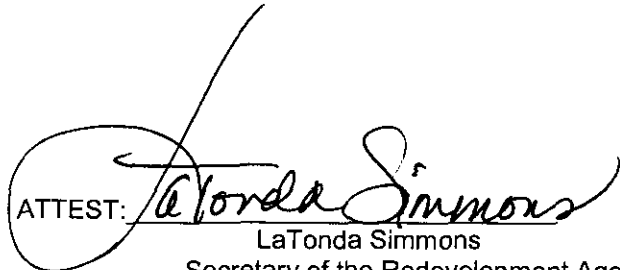
PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, ~~NADOL~~ QUAN, REID AND CHAIRPERSON DE LA FUENTE - 7

NOES- 0

ABSENT- 0

ABSTENTION- Nadel - 1

ATTEST: 

LaTonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland