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2013 FEB 14 AM 11:09

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Michele Byrd

SUBJECT: Affordable Housing NOFA Funds **DATE:** February 4, 2013

City Administrator
Approval

Date

2/6/13

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff requests that the City Council adopt the following resolutions:

A Resolution Appropriating \$29,884 From The Home Investment Partnerships Fund For Housing Development Project Funding

A Resolution Authorizing An Affordable Housing Development Loan In An Amount Not To Exceed \$2,000,000 To East Bay Asian Local Development Corporation And The Related Companies Of California For The Lion Creek Crossings Senior Phase V Rental Project Located At 6710-6760 Lion Way.

A Resolution Authorizing An Affordable Housing Development Loan In An Amount Not To Exceed \$1,960,000 To Resources For Community Development For The 1701 Martin Luther King Jr. Way Project.

A Resolution Amending A \$941,124 Loan To The Gamelin-California Association For The Providence House Affordable Housing Project To Extend The Maturity Date.

EXECUTIVE SUMMARY

The Department of Housing and Community Development (HCD) is recommending funding awards for two affordable housing development projects (totaling \$3,960,000) that applied for funds in response to the City's 2012-13 Notice of Funding Availability (NOFA) for Affordable Rental and Ownership Housing. This year, the City only permitted applications that had been submitted the previous year to be re-submitted, in recognition of the limited funds available this and last year. A total of five applications were received. One project was found to be ineligible, leaving four eligible applications. The total amount requested is \$7,040,000.

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There is funding available from two sources: first, the City's federal HOME Investment Partnership Program grant, which are annual entitlement funds that come directly to the City of Oakland from the Department of Housing and Urban Development (HUD); and second, the Affordable Housing Trust Fund, using funds generated from Oakland's Jobs/Housing Impact Fee.

Staff is also recommending extending the loan for Providence House, an existing affordable housing property, to allow the owner to refinance and complete rehabilitation.

OUTCOME

The proposed funds will be used to develop 154 new affordable apartments in two developments. The new apartments will be targeted to seniors and to households who have experienced homelessness, who have HIV/AIDS, or who may have other special needs. The proposed extension of the loan term for Providence House will allow the property to leverage additional non-City funds to rehabilitate the property.

BACKGROUND/LEGISLATIVE HISTORY

HCD issues a NOFA annually to award funds for development of affordable housing. This and last year, the City's capacity to award housing funds was significantly reduced due to the dissolution of redevelopment agencies statewide and the end of the redevelopment low and moderate income housing fund set-aside. Eligible activities under the NOFA include new construction and substantial rehabilitation of ownership, rental, supportive, or transitional affordable housing. Projects must meet basic standards regarding developer experience, income targeting, site control, and other requirements. The NOFA also sets forth criteria by which projects will be scored and ranked including targeting units to lower income households, developer experience, project location, revitalization potential, targeting to households with special needs or who are homeless, energy efficiency, financing commitments, percentage of City subsidy, readiness, and other criteria.

In the previous four years a Preservation and Rehabilitation NOFA for Existing Affordable Housing was also released, focused on supporting the physical and financial stability of the existing portfolio of affordable housing in Oakland. A NOFA specifically for rehabilitation of existing affordable housing was not released this year due to the limited funding available.

The NOFA for new construction and substantial rehabilitation was published on September 20, 2012. Only projects that submitted applications but had not been funded the previous year under the 2011-12 NOFA were invited to re-submit updated funding requests. The NOFA was not opened up to new applicants, in recognition of the large number of applications that were submitted last year but could not be awarded due to funding constraints. Last year, the

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dissolution of redevelopment agencies occurred after the 2011-12 NOFA applications had already been received. Due to the severe decrease in housing funds, only rehabilitations of existing affordable housing were awarded funds in the 2011-12 NOFA round, leaving seven applications without funding.

ANALYSIS

A total of five previously submitted NOFA applications re-submitted for funding. One project, Redwood Hill, was determined to be ineligible due to lack of adequate site control. Therefore, four NOFA applications were evaluated, totaling requests of \$7,040,000.

Applications received were reviewed first for completeness and second to determine whether the City's minimum standards for project and developer qualifications had been met. The applications were then evaluated and ranked according to prepared criteria outlined in the NOFA.

Please see *Attachment A* to this report for detailed information on all reviewed NOFA projects and their scoring breakdown.

The following is a **Project Recommendation Table**, listed in order of ranking.

Project Recommendation Table

Rec for Funding	Rank	Project Name/Developer	Project Type	Council District	Requested Amount
X	1	Lion Creek Phase V (EBALDC/Related California)	Rental -- Senior, New Construction	6	\$2,000,000
X	2	1701 Martin Luther King, Jr. Way (RCD)	Rental -- Special Needs, New Construction	3	\$1,960,000
	3	Habitat Renovation Program (Habitat for Humanity)	Ownership -- Family, Rehabilitation	5	\$1,080,000
	4	Lakeside Senior Apartments (Satellite Housing)	Rental -- Senior, New Construction	3	\$2,000,000

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Summary of NOFA Funding Recommendations

Two new development projects are recommended for funding. Lion Creek Crossings Senior Apartments is the fifth phase of development of the larger Lion Creek project. This Phase V will develop 128 units of senior housing. 1701 Martin Luther King Jr. Way will develop 26 service-intensive units in downtown Oakland for households who are formerly homeless or who have special needs. *Attachment A* provides more detailed information about the projects.

Providence House Modifications

Staff also recommends extending the loan term between the Redevelopment Agency of the City of Oakland and the Gamelin-California Association to enable the refinancing of the HUD first mortgage loan for Providence House, a 41-unit rental housing project located at 540 23rd Street. The proceeds from the refinance will enable the owner to replace and upgrade critical systems and upgrade the first floor common areas of the building to maximize utility for the residents and ensure the longevity of the property.

The owner is not requesting any new funding from the City to complete the rehab, but HUD will require that the existing Redevelopment Agency loan of \$941,124 be extended to be concurrent with the 40 year HUD loan (an extension of approximately 21 years from the current Agency loan term). Currently the end of the Agency loan term is February 1, 2032, the loan is unsecured, and no City or Agency Regulatory Agreement is recorded on the property. As part of this transaction, the City will record a Deed of Trust to secure the loan and will record a Regulatory Agreement on the property for the new term of the loan. The loan will continue as a residual receipts loan, with annual payments deferred unless funds are available from project cash flow as approved by HUD after paying other approved expenses, fees, reserves, and senior debt service.

PUBLIC OUTREACH/INTEREST

In preparation for the 2011-12 NOFA, staff held a NOFA pre-application meeting to explain the NOFA application process, CEQA requirements, and the City's required employment and contracting programs. Staff was available to answer any NOFA-related questions; the responses were posted on the HDS website one week following the meeting. There were twenty-three potential applicants who attended the meeting. Only projects that submitted applications under the 2011-12 NOFA were invited to re-submit updated funding requests this year, and interested parties were notified in writing of this determination.

NOFA applicants are required to hold at least one meeting with an established neighborhood organization prior to application submission. Applicants also prepared a community outreach plan with evidence of outreach. Each applicant is required to contact neighborhood organizations in the vicinity of the proposed development prior to applying for financing.

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Therefore, all applicants have done outreach in the neighborhoods where the proposed development is located.

COORDINATION

Where necessary, housing staff consulted with Planning staff to coordinate CEQA determinations, planning and zoning conformity and to identify possible barriers to development. Legal staff was consulted to ensure legality of funding commitment resolutions. Budget staff was consulted to confirm funding amounts.

COST SUMMARY/IMPLICATIONS

Funding for the proposed projects will come from previous year HOME funds already budgeted and available, from HOME repayment funds being appropriated through this report, and from an advance commitment of a portion of the City's HOME grant for FY 2013-14. Previous year HOME funds include uncommitted funds from FY 2012-13 as well as funds that had been set aside for operating assistance to Community Housing Development Organization (CHDOs) which has accumulated in previous years and is underspent.

Funding also will come from the Affordable Housing Trust Fund, which was appropriated for this purpose by Resolution 84147 C.M.S. dated December 18, 2012. The Affordable Housing Trust Fund generated the below funds from the Jobs/Housing Impact Fee which is assessed on construction of buildings for office and warehouse/distribution uses per Ordinance No. 12242 now codified as Chapter 15.68 of the Oakland Municipal Code.

Funds Currently Available

Previous Year HOME Funds	\$ 993,291
FY 2013-14 HOME Funds	\$2,000,000
<u>Affordable Housing Trust Fund</u>	<u>\$ 966,709</u>
TOTAL	\$3,960,000

Advance award of the HOME funds is needed to meet critical funding commitment and expenditure requirements from HUD. The City has provided advance commitments of HOME funds in each of the last four NOFAs. This corresponds to a long-standing practice for the City's CDBG grant where those funds are appropriated in May of each year, through the adoption of the Consolidated Plan, in advance of the beginning of the grant year. Advance awards of these funds (which will not be legally committed nor expended until the grant agreement with HUD is executed) will ensure that the City meets its obligations for timely commitment and expenditure of HOME funds. Failure to meet these deadlines could result in HUD recapturing grant funds from the City.

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If approved, funding will be reserved for a maximum of twenty-four months for new projects to allow each developer to successfully obtain commitments for the balance of needed funding. The City standard loan terms for rental projects are a simple interest rate, set at the discretion of the City Administrator (typically at 3%), and a term of up to 55 years. Annual payments are deferred unless funds are available from project cash flow after paying other approved expenses, fees, reserves, and senior debt service. All City loans will be secured by a deed of trust and a regulatory agreement will be recorded that sets the period of affordability, income and occupancy restrictions, and the rent structure. The City Administrator is given authority in each project funding resolution to subordinate the deed of trust if necessary to obtain other financing for the project. Current policy is to subordinate the deed of trust on a case-by-case basis, but not to subordinate the City regulatory agreement to private financing.

SUSTAINABLE OPPORTUNITIES

The housing development projects recommended for funding will address the “3 E’s” of sustainability in the following ways:

Economic: These projects will generate construction, professional services, and ongoing property management jobs in Oakland. Providing families with affordable housing will stabilize low-income residents and free up household disposable income to be spent on other goods and services in Oakland. These properties will create activity on underutilized parcels, stimulating demand for goods and services in Oakland.

Environmental: By developing in already built-up areas, infill projects reduce the pressure to build on agricultural and other undeveloped land. Proposed projects are near to public transit, and sites near mass transit enable residents to reduce dependency on automobiles and further reduce any adverse environmental impacts of development. Projects are selected for funding partially based on their ability to achieve high scores using Alameda County’s GreenPoint Rating system.

Social Equity: Affordable housing is a means of achieving greater social equity. Oakland’s neighborhood-level environment will be improved by replacing underused and sometimes blighted buildings and lots with new homes and residents. The proposed developments will provide affordable rental and ownership housing for low and very low-income residents. Social services, such as computer centers for residents, are a component of each rental development, and further build social equity.

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CALIFORNIA ENVIRONMENTAL QUALITY ACT

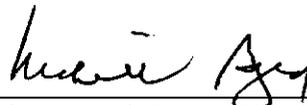
Under the California Environmental Quality Act (CEQA), the City is required to review possible environmental impacts of all projects prior to a definitive commitment of funding.

The overall Lion Creek Crossings development was determined to be in compliance with CEQA prior to this NOFA, based on a 2003 Initial Study. Lion Creek Phase V was found to be in compliance with CEQA through the May 2, 2012 Planning Commission approval of case REV12005, PUD03638, PUDF12030, ER030001, which determined that the project meets the requirements for an addendum to the 2003 Mitigated Negative Declaration/Finding of No Significant Impact.

1701 Martin Luther King Jr. Way was found to be in compliance with CEQA through the October 20, 2011 Planning Commission approval of case CMD11-165. The project meets criteria for exemption per Section 15332 of the CEQA Guidelines (infill projects).

For questions regarding this report, please contact Norma Thompson, Housing Manager, at 510-238-7137 or Diana Downton, Housing Development Coordinator, at 510-238-6923.

Respectfully submitted,



Michele Byrd, Director
Department of Housing and Community
Development

Reviewed by:
Norma Thompson
Manager, Housing Development

Prepared by: Diana Downton
Housing Development Coordinator
Housing Development Services

Attachment

-- NOFA Project Summary, Scoring, and Descriptions

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**New Construction/Substantial Rehabilitation NOFA 2012-13
Project Summary Table**

	Rehab Ownership	New Construction Rental Projects		
	Oakland Home Renovation Program	1701 Martin Luther King Jr. Way	Lion Creek V Senior Apartments	Lakeside Senior Apartments
Address	Scattered Sites, East and West Oakland	1701 Martin Luther King Jr. Way	6710 - 6760 Lion Way	1511 2nd Ave.
Council District	2, 3, 4, 5, 6, 7	3	6	3
Developer	Habitat for Humanity East Bay/Silicon Valley	Resources for Community Development	EBALDC/Related California	Satellite Affordable Housing Associates
Tenure	Ownership	Rental	Rental	Rental
Household Type	Families	Special Needs/ Homeless	Seniors	Seniors
Units (incl. manager's unit)	10	26	128	92
New Units	0	26	128	92
Bedrooms (incl. manager's unit)	30	27	135	93
Total Development Cost (Residential)	\$2,830,000	\$11,181,209	\$34,874,148*	\$38,490,586
Cost per Unit	\$283,000	\$430,047	\$272,454	\$418,376
Cost per Bedroom	\$94,333	\$414,119	\$258,327	\$413,877
City Funds Requested	\$1,080,000	\$1,960,000	\$2,000,000	\$2,000,000
City Funds per Unit	\$108,000	\$75,385	\$15,625	\$21,739
City Funds per Bedroom	\$36,000	\$72,593	\$14,815	\$21,505
Percent City Funds to Total Development Cost	38.2%	17.5%	5.7%	5.2%

**New Construction/Substantial Rehabilitation NOFA 2012-13
Project Scoring Table**

	OWNERSHIP Potential Points	Rehab Ownership	RENTAL Potential Points	New Construction Rental Projects		
		Oakland Home Renovation Program		1701 Martin Luther King Jr. Way	Lion Creek V Senior Apartments	Lakeside Senior Apartments
	% Score	77.4%		78.6%	79.4%	68.4%
	Ranking	3		2	1	4
L. Financial Characteristics	20	20.0	20	18.0	20.0	20.0
A. Leveraging	12	12.0	12	12.0	12.0	12.0
B. Funding Commitments	8	8.0	8	6.0	8.0	8.0
II. Location	23	3.0	23	14.0	14.0	11.0
A. Geographic Equity	6	0.0	6	3.0	0.0	0.0
B. Neighborhood Revitalization	10	3.0	10	5.0	8.0	6.0
C. Proximity to Public Transit	5	0.0	5	5.0	5.0	3.0
D. Proximity to Grocery or Drug Store	2	0.0	2	1.0	1.0	2.0
III. Target Population	21	21.0	35	30	25	20
A. Income Targeting	12	12.0	20	20.0	20.0	10.0
B. Unit Size	9	9.0	5	0.0	n/a	n/a
C. Units for People with Special Needs	n/a	n/a	5	5.0	5.0	5.0
D. Homeless - Permanent Supportive Housing Units	n/a	n/a	5	5.0	0.0	5.0
IV. Developer Experience and Capacity	26	24.8	27	26.3	26.3	21.1
A. Developer Experience Exceeds Minimum	10	10.0	10	10.0	10.0	8.0
B. Developer Capacity	8	8.0	8	8.0	8.0	6.0
C. Developer Financial Strength	6	4.8	6	5.3	5.3	4.1
D. Strength of the Development Team	2	2.0	3	3.0	3.0	3.0
V. Readiness - Planning Approvals	6	n/a	6	6.0	6.0	6.0
VI. Preserves and Improves Existing Affordable Housing	N/A	n/a	10	0.0	0.0	0.0
VII. Sustainability	4	4.0	4	4.0	4.0	4.0
VIII. Penalty for Nonperforming Projects	-10	0.0	-10	0.0	0.0	0.0
Total Points	100.0	72.8	125.0	98.3	95.3	82.1

New Construction/Substantial Rehabilitation NOFA 2012-13
Descriptions of Submitted Projects

1701 MARTIN LUTHER KING JR. WAY

Developer: Resources for Community Development (RCD)	Address: 1701 Martin Luther King Jr. Way
This Request: \$1,960,000	Council District: 3
Previous Award: N/A	
Total City/Agency Funds: \$1,960,000	

PROJECT SUMMARY:

- New construction of a five-story, 26-unit (including a manager’s unit) supportive housing development. Twenty-five units would be set aside for persons who are homeless or at risk of homelessness and persons with HIV/AIDS . Of these, seven units would be set aside for chronically homeless persons and eighteen units would be set aside for homeless and those who are at risk of becoming homeless. Three units will be targeted to individuals with HIV/AIDS. The project includes five parking spaces, including a handicapped van space.
- The project site currently contains two small, single-story commercial structures used for storage and a personal office. The site was previously entitled in 2007 for a 12-unit condo development that didn’t move forward because of the financial crisis and collapse of the housing market.
- Building amenities will include: a multipurpose community room, computer lab, roof terrace, and central laundry facilities.
- The project will incorporate green design features, including: a solar-powered hydronic and space heating system, carpet made with recycled materials, EnergyStar appliances and fixtures, formaldehyde-free insulation and cabinet products, and low-VOC paints.
- Supportive services for all residents will include computer access and training, workforce skills development, and financial literacy training. Additional services would be available for residents with HIV/AIDS. LifeLong Medical Care (LMC) will provide direct services to residents, and will coordinate services between providers. Goodwill will take the lead on helping residents find and retain employment, and Oakland PATH will assist residents with housing retention issues.

AFFORDABILITY LEVELS: 20 to 50% AMI

UNIT SIZES:	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total Units
	5	20	1			26

OTHER PROPOSED PERMANENT FINANCING SOURCES:

Low Income Housing Tax Credit equity; Affordable Housing Program (AHP); Housing Opportunities for Persons with AIDS (HOPWA), and Section 8 rental subsidies.

LAKESIDE SENIOR APARTMENTS

Developer: Satellite Affordable Housing Associates (previously Satellite Housing)
 Address: 1507-1517 & 1521-1529 2nd Ave,
 131-137 E 16th St, & 116 E 15th St
 This Request: \$2,000,000 Council District: 3
 Previous Award: N/A
 Total City/Agency Funds: \$2,000,000

PROJECT SUMMARY:

- New construction of two 5-story buildings containing 92 affordable senior units (including a manager's unit). The two buildings will be connected by a pedestrian bridge on floors 2 through 5. The community, property management, and supportive services spaces will be contained on the ground floor of one building with four stories of residential housing over the office and community spaces. The basement will contain 59 structured parking spaces. Other site amenities will include a non-commercial kitchen, a computer room, an intergenerational tutoring room on the ground floor, and laundry rooms on each floor
- Two of the four assembled parcels are vacant land, one parcel is underutilized parking, and the other had a two-story occupied mixed-use building that was demolished. The residents of the mixed-use building have moved with the assistance of relocation services offered by the developer.
- The Oakland Housing Authority acquired the land for the project and will lease it back to the project sponsor. OHA will also provide predevelopment funding.
- Includes 32 units for seniors who are homeless or at-risk of homelessness and who have a chronic mental or physical health condition.
- Satellite has established partnerships with the Center for Elders Independence, St. Mary's Center, and LifeLong Medical Care to provide services for residents. A service coordinator will provide one-on-one case management and referrals for residents.

AFFORDABILITY LEVELS: 30% to 50% AMI

UNIT SIZES:

0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total Units
	91	1			92

OTHER PROPOSED PERMANENT FINANCING SOURCES:

Affordable Housing Program (AHP); CA Housing and Community Development Multifamily Housing Program (MHP); Oakland Housing Authority; California Community Reinvestment Corporation permanent loan; Low Income Housing Tax Credit equity, and Section 8 rental subsidies.

LION CREEK CROSSINGS PHASE V SENIOR APARTMENTS

Developer: East Bay Asian Local Development Corporation (EBALDC) & Related Companies of California (Related)
 Address: 6710-6760 Lion Way
 This Request: \$2,000,000 Council District: 6
 Previous Award: \$0
 Total City/Agency Funds: \$2,000,000

PROJECT SUMMARY:

- New construction of a four story, 128-unit (including a manager’s unit) senior housing and mixed-use structure with a social service and community space. Center for Elders’ Independence (CEI) will provide Program of All-inclusive Care for the Elderly (PACE) services to anyone who is eligible in the building. Includes 32 units for frail seniors.
- Building amenities will include: 2,662 of social service and community space for onsite residential services coordinators and a partner social service agency; a multi-use community room; and a secured central courtyard;
- The 64,298 square foot project site is currently vacant. The property is bounded by the channelized Lion Creek and Lion Creek Crossings Phase III to the North, Acts Christian Academy to the East, Lion Creek Crossings Phase I to the South, and Lion Way and a newly improved park to the Southwest.
- Social service and community space will primarily be geared towards seniors, but programmed to complement the 17,000 SF of social service space that has already been built in the first four phases. There will be space in the building for active seniors to volunteer as tutors for neighborhood youth.
- EBALDC/Related will execute a long term ground lease with the Oakland Housing Authority, which will own the land.

AFFORDABILITY LEVELS: 30% to 50% AMI

UNIT SIZES:

0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total Units
2	117	9			128

OTHER PROPOSED PERMANENT FINANCING SOURCES:

Low Income Housing Tax Credit equity; Oakland Housing Authority (OHA) funds; permanent loan, and Section 8 rental subsidies.

OAKLAND HOME RENOVATION PROGRAM

Developer: Habitat for Humanity East
Bay/Silicon Valley

Address: Scattered sites

This Request: \$1,080,000

Council District: 2, 3, 4, 5, 6, 7

Previous Award: \$0

Total City/Agency Funds: \$1,080,000

PROJECT SUMMARY:

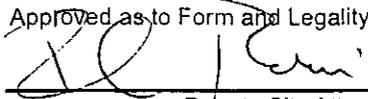
- Rehabilitation of 10 vacant, abandoned, or foreclosed single-family homes. Exact properties can't be identified until closer to acquisition due to the purchase process and timeline for foreclosed homes. Homes will be 2, 3, and 4 bedrooms in size, with the final mix depending on market availability and demand.
- Habitat will target neighborhoods most highly impacted by foreclosures, including those identified as Neighborhood Stabilization Program (NSP) eligible areas.
- The number of homes to be rehabilitated could be scaled up or down based on the amount of funding available.
- The rehabilitation scope will be determined based on particular needs of the homes acquired, but will generally include items such as: abatement of lead, asbestos, and pests; demolition of illegal additions; roof replacement; energy-efficient windows; new mechanical systems; insulation; new flooring and finishes; and landscaping. Whenever possible, green rehab materials and techniques will be utilized.

AFFORDABILITY LEVELS: 60% to 80% AMI

UNIT SIZES:	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total Units
(estimated)			2	6	2	10

OTHER PROPOSED PERMANENT FINANCING SOURCES: Affordable Housing Program (AHP); CalHome Loan; fundraising and developer equity.

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Approved as to Form and Legality

Deputy City Attorney

2013 FEB 14 AM 11:09

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION APPROPRIATING \$29,884 FROM THE HOME INVESTMENT PARTNERSHIPS FUND FOR HOUSING DEVELOPMENT PROJECT FUNDING

WHEREAS, there is currently a fund balance in the HOME Investment Partnerships Fund (HOME, Fund 2109) of at least \$29,884; and

WHEREAS, these funds represent program income generated from the use of HOME program grant funds; and

WHEREAS, the federal HOME regulations require that all HOME program income be used for HOME eligible activities; now, therefore, be it

RESOLVED: That the City Council hereby appropriates the sum of \$29,884 from the HOME Investment Partnerships Fund (2109) to the Housing Development Organization (89929), HOME Housing Development Project (G172111) to provide funding support to affordable housing development projects, with any allocations to specific projects to be approved by the City Council; and be it

FURTHER RESOLVED: That all future program income derived from HOME-funded housing development activities shall be appropriated to the HOME Investment Partnerships Fund (2109), Housing Development Organization (89929), HOME Housing Development Project (G172111) to provide funding support to affordable housing development projects, with any allocations to specific projects to be approved by the City Council; and be it

FURTHER RESOLVED: That the City Council hereby appoints the City Administrator and his/her designee as agent of the City to take any actions necessary with respect to this funding consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON-MCELHANEY, KALB, KAPLAN, SCHAAF, REID and PRESIDENT
KERNIGHAN

NOES -

ABSENT -

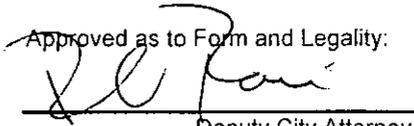
ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

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Approved as to Form and Legality:

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$2,000,000 TO EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION AND THE RELATED COMPANIES OF CALIFORNIA FOR THE LION CREEK CROSSINGS SENIOR PHASE V RENTAL PROJECT LOCATED AT 6710-6760 LION WAY

WHEREAS, on September 20, 2012, the City of Oakland issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

WHEREAS, East Bay Asian Local Development Corporation and The Related Companies of California (jointly, the "Developer") submitted a proposal in response to the NOFA; and

WHEREAS, the Developer proposes to develop a 128-unit rental housing project at 6710-6760 Lion Way in the City of Oakland (the "City") known as the Lion Creek Crossings Senior Apartments (the "Project"); and

WHEREAS, the City's Consolidated Plan for Housing and Community Development indicates that there is a need for affordable rental housing, and has identified this activity as a priority; and

WHEREAS, at least 127 Project units will be rented at prices affordable to households earning no more than 60% of area median income; and

WHEREAS, the Project is consistent with the City's Project Development Guidelines, and the Developer meets the City's Threshold Developer Criteria; and

WHEREAS, the requirements of CEQA, 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 by the June 4, 2003 certification of Mitigated Negative Declaration and the May 3, 2012 Subsequent Mitigated Negative Declaration/Addendum (SMND/A); and

WHEREAS, funds are available or will be available in fiscal year 2013-14 from the HUD HOME Investment Partnership Program and from the Affordable Housing Trust Fund to assist the Project; now, therefore, be it

RESOLVED: That the City hereby authorizes the City Administrator or his or her designee to provide a loan in an amount not to exceed \$2,000,000 to East Bay Asian Local Development Corporation and The Related Companies of California, or to an affiliated entity approved by the City Administrator or his or her designee, to be used for development of the Project; and be it

FURTHER RESOLVED: That \$966,709 will be allocated from the Affordable Housing Trust Fund (7450), Housing Development Organization (89929), Housing Trust Fund Housing Development Project (P435210) for this loan; and be it

FURTHER RESOLVED: That the following will be allocated from the HUD-HOME Fund (2109) for this loan: \$477,903 from Housing Development Organization (89929), HOME Housing Development Program project (G172111); \$40,000 from Housing Development Organization (89929), HOME Housing Development Program project (G172111) after the 2013-14 fiscal year HOME funds are available; \$200,000 from Municipal Lending Organization (89939), HMIP-Homeowner Rehab project (G155810); and \$315,388 from Housing and Community Development Organization (89919), CHDO Operating project (G172121); and be it

FURTHER RESOLVED: That the loan shall be contingent on the availability of sufficient funds in the HOME Program Development Fund and the Affordable Housing Trust Fund to cover the City loan of \$2,000,000; and be it

FURTHER RESOLVED: That the loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in his or her discretion, 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 Administrator 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 loan funds shall be reserved for a period of no more than twenty-four months from the date of this Resolution, and the 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 City 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 City Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of any of the City's recorded interests in the Project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the City 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 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 the City has independently reviewed and considered the 2003 Mitigated Negative Declaration and the 2012 SMND/A has determined that further environmental review is not required because none of the circumstances described in CEQA Guidelines Section 15162 or 15163 are present; there are no project changes, changes in the circumstances under which the project is undertaken that involve new significant impacts or a substantial increase in the severity of previously identified impacts, nor is there any new information of substantial importance regarding significant effects, mitigation measures or alternatives that was not known or could not have been known with the exercise of reasonable diligence at the time the 2003 Mitigated Negative Declaration and the 2012 SMND/A were adopted; and be it

FURTHER RESOLVED: That the City Administrator or her designee shall file a Notice of Exemption, and an Environmental Declaration under the California Fish and Game Code (Section 711.4) with the County of Alameda; and be it

FURTHER RESOLVED: That execution of loan documents or other documents legally committing the City to fund this Project are expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA"), as certified by the City Administrator or his or her designee; 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 be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee 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.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON-MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT
KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

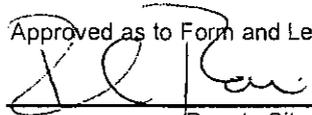
ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2013 FEB 14 AM 11:09

Approved as to Form and Legality


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$1,960,000 TO RESOURCES FOR COMMUNITY DEVELOPMENT FOR THE 1701 MARTIN LUTHER KING JR. WAY PROJECT

WHEREAS, on September 20, 2012, the City of Oakland issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

WHEREAS, Resources for Community Development ("Developer") submitted a proposal in response to the NOFA; and

WHEREAS, the Developer proposes to develop a 26-unit rental housing project at 1701 Martin Luther King Jr. Way (the "Project") in the City of Oakland (the "City"); and

WHEREAS, the City's Consolidated Plan for Housing and Community Development indicates that there is a need for affordable rental housing, and has identified this activity as a priority; and

WHEREAS, at least 25 Project units will be rented at prices affordable to households earning no more than 60% of area median income; and

WHEREAS, the Project is consistent with the City's Project Development Guidelines, and the Developer meets the City's Threshold Developer Criteria; and

WHEREAS, the requirements of the California Environmental Quality Act of 1970 ("CEQA"), 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, funds will be available in fiscal year 2013-14 from the HUD HOME Investment Partnership Program to assist the Project; now, therefore, be it

RESOLVED: That the City hereby authorizes the City Administrator or his or her designee to provide a loan in an amount not to exceed \$1,960,000 to Resources for Community Development, or to an affiliated entity approved by the City Administrator or his or her designee, to be used for development of the Project; and be it

FURTHER RESOLVED: That \$1,960,000 will be allocated from the HUD-HOME Fund (2109), Housing Development Organization (89929), HOME Housing Development Program project (G172111) for this loan when fiscal year 2013-14 HOME funds are available; and be it

FURTHER RESOLVED: That the loan shall be contingent on the availability of sufficient funds in the HOME Program Development Fund to cover the City loan of \$1,960,000; and be it

FURTHER RESOLVED: That the loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in his or her discretion, 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 Administrator 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 loan funds shall be reserved for a period of no more than twenty-four months from the date of this Resolution, and the 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 City 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 City Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of any of the City's recorded interests in the Project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the City 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 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 the City has independently reviewed and considered this environmental determination, and based on the October 20, 2011 Planning Commission finding, has found and determined that the Project meets criteria for exemption under Section 15332 (infill projects) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the City Administrator or her designee shall file a Notice of Exemption, and an Environmental Declaration under the California Fish and Game Code (Section 711.4) with the County of Alameda; and be it

FURTHER RESOLVED: That execution of loan documents or other documents legally committing the City to fund this Project are expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA"), as certified by the City Administrator or his or her designee; 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 be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee 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.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON-MCELHANEY, KALB, KAPLAN, SCHAAF, REID and PRESIDENT
KERNIGHAN

NOES -

ABSENT -

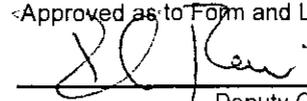
ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2013 FEB 14 AM 11:09

Approved as to Form and Legality:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AMENDING A \$941,124 LOAN TO THE GAMELIN-CALIFORNIA ASSOCIATION FOR THE PROVIDENCE HOUSE AFFORDABLE HOUSING PROJECT TO EXTEND THE MATURITY DATE

WHEREAS, in 1986, the Redevelopment Agency of the City of Oakland loaned \$941,124 to Gamelin-California Association for the development of the 41 unit Providence House affordable housing project, per Redevelopment Agency Resolution No. 86-66 CMS; and

WHEREAS, the Oakland City Council adopted Resolution No. 83680 C.M.S. on January 10, 2012, electing to retain and assume the housing assets and functions of the Redevelopment Agency pursuant to Health & Safety Code Section 34176 upon Redevelopment Agency dissolution; and

WHEREAS, the Redevelopment Agency dissolved on February 1, 2012; and

WHEREAS, this loan is a housing asset retained and assumed by the City;
and

WHEREAS, there is presently an existing unsecured loan and repayment agreement with the developer, and said loan will come due in full on February 1, 2032; and

WHEREAS, Gamelin-California Association is pursuing a refinance opportunity in order complete needed capital improvements to maximize utility for their residents and ensure the longevity of the housing program; and

WHEREAS, the senior lender in this refinancing requires that the term of the City's note not end before the term of the senior note, a 40 year term; and

WHEREAS, the senior lender will allow the City to secure the existing loan;
and

WHEREAS , the City recognizes that extending the loan maturity date will ensure the long term financial health of Providence House and Gamelin-California Association and allow the project to complete needed capital improvements at no cost to the City; now, therefore, be it

RESOLVED: That the City Council hereby authorizes an amendment to the \$941,124 loan to Gamelin-California Association for the development of the Providence House affordable housing project to extend the loan term by 40 years from the date of the proposed refinance; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of any of the City's recorded interests in the Project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the City 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 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 the City Administrator or her designee is authorized to negotiate and enter into amendments to the loan documents and to take any other actions with respect to this loan amendment consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON-MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California