

# CITY OF OAKLAND

## AGENDA REPORT

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: April 21, 2009

2009 APR -8 PM 8:01

**RE: A Report And Resolutions: 1) Authorizing A Loan In An Amount Not To Exceed \$903,637 To Affordable Housing Associates/East Bay Community Recovery Project Under The Neighborhood Stabilization Program (NSP) For The Acquisition And Rehabilitation Of The Asasha Hotel At 2545 San Pablo Avenue For Project Pride; 2) Alternative Resolutions Authorizing Either A Loan In An Amount Not To Exceed \$5,025,000 To The Urban Strategies Council/Oakland Community Land Trust, Or Loans In An Aggregate Amount Not To Exceed \$5,025,000, To Hallmark Community Solutions, Bridge Housing/HomeBricks, And Allen Temple Housing And Economic Development Corporation, For The Acquisition And Rehabilitation Of Foreclosed Single Family Homeownership Properties Under The NSP; 3) Authorizing A Contract With The Unity Council In Amount Not To Exceed \$250,000 For The Period Of May 1, 2009, To July 31, 2011, For Pre-Purchasing Counseling, General Homebuyer Education And Post-Purchase Education; and 4) Authorizing The City Administrator To Apply For And Accept Additional NSP Funds Under The American Recovery And Reinvestment Act Of 2009 From The U.S. Department Of Housing And Urban Development And The State Of California**

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### SUMMARY

This item is a request for City Council approval of a series of resolutions authorizing loans in an aggregate amount of \$5,928,637 with developers and contractors recommended to participate in the Neighborhood Stabilization Program (NSP), to purchase and rehabilitate single family and multifamily properties that have been foreclosed upon in order to rehabilitate and sell or rent such properties; as well as a resolution authorizing the City Administrator to negotiate and enter into a contract with Unity Council in amount not to exceed \$250,000 for the period of May 1, 2009 to July 31, 2011 for pre-purchasing counseling, general homebuyer education and post-purchase education; and a resolution authorizing the City Administrator to apply for and accept additional NSP funds from the American Recovery and Reinvestment Act of 2009 from the U.S. Department of Housing and Urban Development (HUD) and the State of California.

The Community and Economic Development Agency (CEDA) is recommending funding a loan of \$903,637 to rental project provider, Affordable Housing Associates, and East Bay Community Recovery Project. CEDA is also recommending a funding award to one ownership provider: Urban Strategies Council (\$5,025,000) for the Oakland Community Land Trust, which promotes homeownership affordability. CEDA is also presenting an alternate funding recommendation to the Urban Strategies Council, which would instead authorize loans for the following three ownership project providers (totaling \$5,025,000): Hallmark Community Solutions, Bridge Housing/HomeBricks, and Allen Temple Housing and Economic Development Corporation.

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Urban Strategies' Land Trust proposal provides for permanently affordable homes, in perpetuity. This proposal leverages additional resources and looks to purchase up to 200 homes. The alternate recommendation works with three organizations: BRIDGE/HomeBricks, Allen Temple Housing and Economic Development Corporation, and Hallmark Community Solutions. The individual proposals vary, but provide buyers with a better ability to build wealth through a limited appreciation model. Homes would remain affordable to 100% area median income buyers. The proposals would provide a minimum of 68 homes in the targeted areas. Depending on the resale price versus development costs, any money left over would be utilized to purchase and rehabilitate additional homes.

All of these organizations applied for funds in response to the City's Neighborhood Stabilization Program Request For Proposals. A total of 18 applications were received. One rental project was deemed ineligible, leaving 17 eligible applicants for review (four rental and 13 ownership) for total requests of \$42 million. *Attachment A* is a list of the 18 applicants.

Additionally, CEDA is recommending funding an award of \$250,000 for the Unity Council to provide low-income buyers with pre-purchase counseling, general homebuyer education and post-purchase education. Homebuyer education is a requirement of utilizing the NSP funds. In addition, buyers must receive education about the specifics of the program's resale formula and other restrictions to ensure prospective homeowners know what they are buying.

## **FISCAL IMPACT**

Funding for the proposed projects will come from HUD-CDBG Fund (2108), CDBG Coordination Org (88949), Projects G368110, G368120 and G368130. These funds were appropriated by the City Council on November 18, 2008 through Resolution No. 81679 C.M.S.

## **BACKGROUND**

CEDA issued a Request For Proposals/Qualifications ("RFP/Q") under the NSP on December 23, 2008 to select an organization or group of organizations to provide for the acquisition, rehabilitation, marketing and sale of properties in the target areas of East and West Oakland that have been foreclosed upon and have been vacant for 90 days. The RFP/Q also required housing units to be purchased at below-market rates. The homes purchased are meant to remove blight and to provide decent housing to low and moderate income homebuyers. Applications for funds were due to the City by January 29, 2009. A total of 18 applications were received.

## **KEY ISSUES AND IMPACTS**

The City has identified over 5,195 homes that were fully foreclosed and acquired by lenders between January 2007 and February 2009. These foreclosures have been most heavily

concentrated in West Oakland and East Oakland, where there are multiple foreclosed homes on nearly every block. Many foreclosed properties are now becoming targets for vandalism and theft, including the removal of copper piping, appliances, cabinets and other items. If left unchecked, these properties will become magnets for crime, causing further declines in property values that could accelerate the foreclosure problem in a downward spiral.

While some foreclosed properties are reselling relatively quickly, in neighborhoods that were already dealing with problems of crime and relatively weaker housing markets, foreclosed homes are not moving as quickly. These neighborhoods are thus plagued by a combination of high rates of subprime lending, high foreclosure rates, and high risk of abandonment as homes remain vacant and unsold for many months.

If the recommended projects are approved for funding, it will allow for the acquisition and rehabilitation of approximately 200 foreclosed single family homes and seventy-five units of rental housing for low to moderate households in the neighborhoods of East and West Oakland. These projects are estimated to leverage over \$10 million in outside public and private funds. They will also create jobs in the construction and professional services trades, having a positive ripple effect on Oakland's economy.

## **PROGRAM DESCRIPTION**

### **Staff Review Process**

Applications were reviewed first for completeness and second to determine whether the minimum standards set forth in the RFP/Q had been met. Out of the 18 applications submitted, 17 were deemed complete. The applications were then ranked according to the selection criteria outlined in the RFP/Q. Based upon the ranking, the 17 applications were then reduced to 11. These 11 applicants were asked to provide additional information on their ability to leverage additional funds; experience in the successful completion of rehabilitation/construction projects within the last four years; and mechanisms for ensuring NSP affordability requirements. *Attachment B* is a table showing criteria by which the 11 applications were reviewed.

### **Allocation of Funds for Rental Projects**

The City is required to expend at least 25% of the \$8.2 million NSP allocation (\$2,062,667) to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income. It is unlikely that households at this income level would have the capacity for ownership; therefore, rental housing is more appropriate to meet this requirement. This amount is 25% of the total grant amount, before any deduction for funds allocated to administration and planning.

In the second round of review, three rental applications were received. Staff is recommending that one of the three applications be funded. Initially, CEDA was prepared to award \$2,062,667 to rental project providers; however, at the last minute Satellite Housing withdraw their application for their rental project. The other rental project application submitted was not eligible due to the proposed property not being vacant. CEDA will seek additional rental project applications in order to meet the 25% requirement and bring it back to Council at a later date.

Affordable Housing Associates/East Bay Community Recovery Project

Staff is recommending loan funding for Affordable Housing Associates (AHA) and East Bay Community Recovery Project (EBCRP) in the amount of \$903,637 to acquire and rehabilitate the former Asasha Hotel at 2545 San Pablo Avenue. The building would be used to house Project Pride, a transitional housing rental project for extremely low-income women and their children. The women all have substance use disabilities and many have seriously mental health disabilities. Up to 75% of the women are homeless upon moving into Project Pride.

EBCRP has operated Project Pride since 1994. The current Project Pride is located at 2551 San Pablo Avenue in a building it master leases. The master lease expires in 2010 and EBCRP will not renew the lease when it expires.

The new home for Project Pride at the Asasha Hotel would house 20 units of single-room occupancy transitional housing for Project Pride residents as well as extensive space for supportive services and resident community needs. The property includes the adjacent 5,000 square foot vacant lot that will be transformed into outdoor space that can be used as a children's play area and garden. Project Pride has also received a \$1.6 million funding allocation through the City's Affordable Housing Notice of Funding Availability (NOFA) process.

The proposed project is located at 2545 San Pablo Avenue, the southwest corner of San Pablo Avenue, which is directly across the street from 2551 San Pablo Avenue, the current home of Project Pride. 2545 San Pablo, the former Asasha Hotel, has been vacant since a fire occurred over eight years ago. It is in a state of disrepair and is often used by drug users and vagrants. The property is in foreclosure.

The following characteristics played a vital part in staff recommending AHA for funding:

- The location of the Asasha Hotel is located in the "Area of Greatest Need" in West Oakland and has a HUD risk factor of 10.
- AHA and EBCRP have demonstrated qualifications, experience and capacity to administer funds.
- Project Pride has been in operation since 1994 and can be maintained as long as housing costs are reasonable.
- Rehabilitation would be complete within the 18-month federal timeframe.
- 100% of units are reserved for households whose incomes are less than 50% of the area median income.

- The NSP contribution would represent only 22% of the total project cost.
- The project will have affordability restrictions for 55 years.

### **Allocation of Funds for Ownership Projects**

In response to the NSP RFP/Q, eight ownership applications were considered in the second review phase. Staff recommends funding the Urban Strategies Land Trust, but has also provided an alternative funding option (page 7) for Council consideration.

#### Urban Strategies Council

Staff is recommending a loan in an amount not to exceed \$5,025,000 to Urban Strategies Council ("Urban Strategies") for the Oakland Community Land Trust ("CLT") to acquire and rehabilitate 200 foreclosed single family homes (REOs) in the neighborhoods targeted for the use of the NSP funds. The homes will be sold to families with incomes 50%-80% of AMI, which is currently \$43,050 to \$66,250 for a family of four. Resale prices will be restricted to be affordable to families at the same income levels. In the Land Trust model, homebuyers purchase the improvements (in this case, the home) and the Land Trust continues to own the underlying land. Homebuyers enter into a long-term ground lease with the Land Trust. The CLT will use a variety of permanent financing sources to maintain permanent affordability for these units. CLT units will be sold as homeownership units; however, the CLT is exploring the possibility of offering a lease-to-own option for some homebuyers. Upon resale, CLT sellers will receive their equity and an appreciation on that equity equal to the change in Consumer Price Index (or to another index, to be determined later) over the term of their ownership.

The CLT is a new nonprofit entity, formed with Urban Strategies and Oakland ACORN as the initial incorporators. Urban Strategies and ACORN are recruiting and training members of the board of directors and serve as the interim board of directors. The CLT will oversee the work of other team members, take responsibility for program administration, and raise funds for CLT operations. Urban Strategies will serve as the contracting organization and fiscal agent for the project until the project ownership entity has obtained tax-exempt status under the Internal Revenue Code.

At full scale, the CLT will purchase and rehabilitate homes in all of the City-identified NSP Target Areas. The CLT anticipates rehabilitating in phases of approximately 20-50 units within 10-20 blocks of each other. Initial phases are anticipated to be in City Council Districts 6 and 7. Currently, the CLT plans to acquire, rehabilitate, and sell 100 homes within the first 18 months of operation, and within 48 months, the CLT plans to have completed and sold 200 homes in total in East and West Oakland.

The CLT has identified ownership of all REO units within NSP Target Areas. CLT team members hold long-standing business relationships with executive staff of Chase/Washington Mutual, Wells Fargo/Wachovia, and several other large holders of REOs in Oakland.

Additionally, the CLT is in discussions with the National Community Stabilization Trust to include the CLT in negotiations that lead to bulk discounts.

The CLT's approach will be both property-specific and lender-specific. As the CLT identifies individual properties, the CLT will approach the lenders holding properties directly. At the same time, the CLT will approach the major holders of REO properties in Oakland to negotiate for bulk purchases of holdings in NSP Target Areas.

The following characteristics played a vital part in staff recommending Urban Strategies Council for funding:

- **Ability to leverage additional funds.** The CLT has leveraged an additional \$1,220,000 revolving construction loan at a below-market rate interest rate from NCB Capital Impact; \$2.5 million in equity through use of a total allocation \$9.5 million of New Market Tax Credits (NMTC).
- **Create neighborhood stability.** In the short-term, the CLT will reverse the landslide of vacant foreclosed homes in Oakland's working-class neighborhoods; CLT homes will serve as anchors to encourage non-CLT homebuyers to purchase in those same neighborhoods. In the long-term, CLT houses will ensure development of mixed-income neighborhoods as housing prices rise.
- **Create permanent affordable workforce housing.** The CLT will provide 200 permanently affordable homeownership units, price to allow families earning 50%-80% AMI to build equity in Oakland.
- **Create green-collar construction jobs and simulate the local economy.** The rehabilitation of these properties will generate 640,000 hours of work to be paid at prevailing wage rates, directly contributing approximately \$8 million to the local economy. All work will conform to energy-efficient, green industry standards. Multiplier effects will likely create an additional 3,200 jobs.
- **Create a career pay into the construction industry for local residents.** Up to 20% of the hours worked will be performed by entry-level apprentices, allowing 500 people to enter the trades with experience in green building standards. The CLT will work in partnership with local community-based organizations to place at-risk youth and formerly-incarcerated people in these entry-level positions.
- **Create opportunities for civic engagement.** The CLT will be governed by a board comprised of neighborhood residents, subject matter experts, and other key stakeholders. The CLT will provide training, leadership-development, and board-development services to current and prospective board members. The CLT board will have the responsibilities of stewardship monitoring, and enforcement to ensure compliance with CLT policies and procedures.

### **Alternative Allocation of Funds for Ownership Projects**

As an alternative to the Urban Strategies loan, staff is presenting an alternative package of loans, also in a total amount not to exceed \$5,025,000, to Hallmark Community Solutions ("HCS"), Bridge Housing/HomeBricks, and Allen Temple Housing and Economic Development Corporation ("ATHEDC") to acquire and rehabilitate 68 foreclosed single family homes in the neighborhoods targeted for the use of the NSP funds. The homes will be sold to families with incomes 60%-100% of AMI, which is currently \$51,660 to \$86,100 for a family of four. Buyers will be able to build wealth through reduced appreciation of the homes. The homes will remain affordable to 100% area median income buyers. Included below is a summary of the proposals that staff received based on the information submitted.

#### Hallmark Community Solutions (HCS)

Provide a loan to HCS in the amount of \$1,675,000 to acquire and rehabilitate 18 for-sale homes under the NSP. HCS is a 501(c) nonprofit organization serving the Bay Area. HCS's mission is to innovate real estate finance ownership structure and be responsive to design to ensure a sustainable and high-quality supply of housing for underserved communities in California. While NSP provides for households at 100% AMI or below, HCS believes that the market conditions of the NSP Target Areas of East and West Oakland will require deeper affordability targeting to be successful.

HCS has a demonstrated track record of developing fast-pace acquisition rehabilitations, and is well-suited to leverage the limited NSP funds in this way. In order to further leverage the limited NSP funds, HCS will seek conventional acquisition financing from a FHLB Member Bank with subordinate gap financing from the Northern California Community Loan Fund (NCCLF), a community development financial institution serving the Bay Area. HCS will apply for Affordable Housing Program (AHP) funds in partnership with the FHLB Member Bank in order to obtain critical down payment assistance to homebuyers.

HCS has assembled a highly qualified team to implement the NSP in East and West Oakland. HCS will serve as the Developer, responsible for all predevelopment and development activities.

#### BRIDGE/HomeBricks

Provide a loan to BRIDGE/HomeBricks in the amount of \$1,675,000 to acquire and rehabilitate 10 for-sale homes under the NSP. BRIDGE/HomeBricks is a highly skilled team comprised of BRIDGE Housing Corporation and HomeBricks, BRIDGE's nonprofit affiliate, that will manage the outreach and sales of the foreclosed homes to new homebuyers. During BRIDGE's 25 plus year history, they have evolved into a company that has built more than 13,000 homes, valued at over \$3 billion in a diverse range of communities throughout California.

The BRIDGE/HomeBricks team would operate such that the BRIDGE team would manage the acquisition and rehabilitation process from start to finish, beginning with the initial negotiations, bringing the property before the City officials for the necessary approvals, buying the home and

working with the general contractor to ensure all the necessary improvements are made before handing off the home to the HomeBricks team for marketing to potential buyers.

BRIDGE already has significant investment in Oakland, as represented by their seven projects, totaling more than 1,500 units and \$457,000,000. BRIDGE is a member of the Housing Partnership Network (HPN), a nationally alliance of high-performing entrepreneurial development non-profits. They are actively working with HPN, sharing knowledge and innovation with fellow member, specifically as it relates to the foreclosure problem and how to administer the NSP funding. BRIDGE has a \$3 million Ford Foundation loan at a below-market interest rate, a portion of which can be used for interim purchase of foreclosed homes. BRIDGE can leverage the Oakland NSP funds during the acquisition phase, and then recycle both the Ford and Oakland NSP money quickly and efficiently.

Allen Temple Housing and Economic Development Corporation (ATHEDCO)

Provide a loan to ATHEDCO in the amount of \$1,675,000 to acquire and rehabilitate 40 for-sale homes under the NSP over a five year period. ATHEDCO is a Community Development Corporation, sponsored by the Allen Temple Baptist Church. ATHEDCO is committed to the economic and social development of the Bay Area and California communities. To accomplish its missions, ATHEDCO develops housing for low and moderate income persons, seniors, and the disabled. Since 1993, ATHEDCO has developed 82 units of housing for seniors and the disabled, and has co-ventured with other churches for 60 additional units. Currently the overlapping boards of ATHEDCO and Associate Housing Corporations operate and manage over 180 units.

ATHEDCO is offering a revolving loan program for the purchase and the rehabilitation of residential family houses. These houses will then be made available for resale by conventional financing to low and moderate income persons and families. Because of the high cost of home ownership, many purchasers will require additional support from the City's Mortgage Assistance Program and the State of California's down payment assistance programs.

ATHEDCO will target the City's "primary and secondary areas" within the zip codes of 94603, 94605 and 94621. This is essentially the Elmhurst area, with which ATHEDCO has the greatest familiarity and the greatest amount of current real property investments. This is also the area with the highest level of foreclosed houses within the City of Oakland.

ATHEDCO is requesting a revolving line of credit and start up working capital from the City. The credit line will be used as equity in the purchase and rehabilitation of properties that have been foreclosed within the target areas. Initially the funds will be drawn down from the City on a purchase-by-purchase basis, and then recycled back into a loan fund within the City or into a trust account. The revolving loan will be used to represent 50% of the purchase price and cost renovations of the foreclosed properties. The balance of the cost for the property and renovations will be in the form a bridge financing which will be provided by local banks. ATHEDCO has secured agreements with One California Bank, Alta Alliance Bank, Community



Bank of the Bay and Metropolitan Bank to provide 50% of the purchase price and rehabilitation as a bridge loan for each of the foreclosed properties.

### **Allocation of Funds for Counseling**

Under the requirements of the NSP, grantees must require each NSP-assisted homebuyer to receive and complete at least eight hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan. CEDA is recommending a contract in an amount not to exceed \$250,000 with the Unity Council to provide these services. The Unity Council is a HUD-approved housing counseling agency and is currently under contract to provide mortgage delinquency counseling to low-income homeowners at risk of losing their homes.

### **American Recovery and Reinvestment Act**

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA) of 2009. A part of ARRA provides an additional \$2.0 billion in Neighborhood Stabilization Program funds for communities to purchase and rehabilitate foreclosed homes. HUD will publish the criteria for the additional NSP funds within 75 days after enactment. The allocation of the funding will be through a competitive process to entitlement jurisdictions and to States. All applications are due to HUD within 150 days of enactment. CEDA is requesting authorization to apply for and accept grants from HUD and from the State of California for ARRA.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** These projects will expand the affordable housing inventory in Oakland and generate construction and professional services jobs.

**Environment:** The recommended projects will address such issues as removal of blight, and abatement of environmental hazards such as lead-based paint and other building conditions of the foreclosed properties. The developers will encourage contractors to use green building techniques, including energy-efficient design, use of recycled building materials, and water-conserving fixtures and landscaping.

**Social Equity:** By definition, these projects are targeted to improving conditions for low and moderate income communities. Through the NSP, Oakland's neighborhood-level environment will be improved by rehabbing foreclosed and sometimes blighted properties. The proposed projects will provide affordable rental and ownership housing for low and very low-income individuals and families.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

Many of the grants and loans funded by federal housing and community development grant funds are used to provide housing, facilities and services for senior citizens and persons with disabilities. All new housing constructed with federal funds must provide accessibility features for persons with disabilities.

## **RECOMMENDATIONS AND RATIONALE**

Staff recommends City Council approve a series of resolutions authorizing loans in an aggregate amount of \$5,928,637 with developers and contractors recommended to participate in the Neighborhood Stabilization Program (NSP), to purchase and rehabilitate single family and multifamily properties that have been foreclosed upon in order to rehabilitate and sell or rent such properties; as well as a resolution authorizing the City Administrator to negotiate and enter into a contract with Unity Council in amount not to exceed \$250,000 for the period of May 1, 2009 to July 31, 2011 for pre-purchasing counseling, general homebuyer education and post-purchase education; and a resolution authorizing the City Administrator to apply for and accept additional NSP funds from the American Recovery and Reinvestment Act of 2009 from the U.S. Department of Housing and Urban Development (HUD) and the State of California.

## **ALTERNATIVE RECOMMENDATION**

The alternative recommendation places an emphasis on homeownership through equity building, allowing more wealth to the homeowner. It currently targets 68 homes, though more could be affected based on acquisition, rehab and resale prices. Adoption of the alternative recommendation entails adopting:

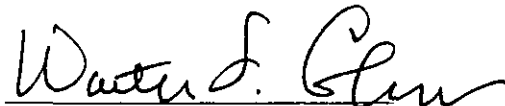
- A resolution authorizing a loan in an amount not to exceed \$1,675,000 to Hallmark Community Solutions for the acquisition and rehabilitation of foreclosed single family homes under the Neighborhood Stabilization Program.
- A resolution authorizing a loan in an amount not to exceed \$1,675,000 to BRIDGE/HomeBricks for the acquisition and rehabilitation of foreclosed single family homes under the Neighborhood Stabilization Program.
- A resolution authorizing a loan in an amount not to exceed \$1,675,000 to Allen Temple Housing and Economic Development Corporation for the acquisition and rehabilitation of foreclosed single family homes under the Neighborhood Stabilization Program.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that City Council accepts this report and approve the following resolutions:

- A resolution authorizing a loan in an amount not to exceed \$903,637 to Affordable Housing Associates (AHA) and East Bay Community Recovery Project (EBCRP) for the acquisition and rehabilitation of the former Asasha Hotel at 2545 San Pablo Avenue for Project Pride under the Neighborhood Stabilization Program.
- A resolution authorizing the City Administrator to negotiate and enter into a contract with Unity Council in amount not to exceed \$250,000 for the period of May 1, 2009, to July 31, 2011, for pre-purchasing counseling, general homebuyer education and post-purchase education.
- A Resolution authorizing the City Administrator to apply for and accept additional NSP funds from the American Recovery and Reinvestment Act of 2009 from the U.S. Department of Housing and Urban Development.
- A resolution authorizing a loan in an amount not to exceed \$5,025,000 to Urban Strategies Council for the Oakland Community Land Trust for the acquisition and rehabilitation of foreclosed single family homes under the Neighborhood Stabilization Program.

Respectfully Submitted,

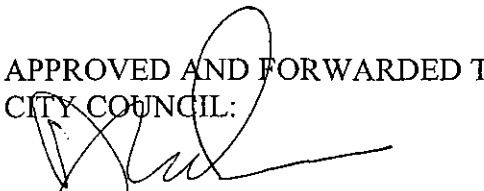


Walter S. Cohen, Director  
Community and Economic Development Agency

Reviewed by:  
Sean Rogan, Deputy Director  
Housing and Community Development

Prepared by:  
Michele Byrd, Manager  
CDBG Program

APPROVED AND FORWARDED TO THE  
CITY COUNCIL:

  
\_\_\_\_\_  
Office of the City Administrator

Attachment A: NSP Applications  
B: NSP 2<sup>nd</sup> Phase Review

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ATTACHMENT A

NEIBORHOOD STABILIZATION PROGRAM APPLICATIONS

Applicant	Narrative	Rental/ Homeownership	# of Units	Amount of Request	Budget	Schedule	Evidence of Experience	Evidence of Capacity	Evidence of Project Team	Certs
Allen Temple Housing and Economic Development Corp.	yes, strong	ownership	442	3.2 mil	yes, strong	5 years	yes	yes	yes	yes
Alvarado Construction	no	?	?	?	no	no	no	no	no	yes
Asian, Inc.	yes, weak	ownership	6	108,000	yes, weak	3 years	yes	yes	yes	yes
Asset Property Disposition, Inc.	yes, strong	ownership	100	5.3 mil	yes, strong	Not Clear	yes	yes	yes	yes
Bridge Housing	yes, strong	ownership	20 to 100	3.2 mil	yes, strong	Not Clear	yes	yes	yes	yes
Chambers Construction	yes, strong	ownership/rental	10	2.5/3.2 mil	yes, strong	Not Clear	yes	yes	yes	yes
East Bay Asian Local Development Corp	yes, strong	ownership/rental	7 to 32	1.75/2.1 mil	yes, strong	Not Clear	yes	yes	yes	yes
Hallmark Community Solutions	yes, very strong	ownership	30	2.6 mil	yes, very strong	24 mos	yes	yes	yes	yes
JDW Construction	yes, weak	rental	57	7.37 mil	yes, weak	30-36 mos	yes	yes	yes	yes
Justin Dawson - Urban Estates	yes, weak	ownership	15	1.16 mil	yes, weak	18 mos	yes	yes	yes	yes
Northern California Land Trust	yes, strong	ownership	45	3.675 mil	yes, strong	24 mos	yes	yes	yes	yes
Neighborhood Housing Services of East Bay	yes, strong	ownership/rental	6 to 8	480-640K	yes, strong	5 mos/prj	yes	yes	yes	yes
Paul Wang & Associates	no	?	?	?	?	?	yes	yes	yes	yes
Project Pride	yes, very strong	rental	50 to 55	904K	yes, very strong	12 mos	yes	yes	yes	yes
Resources for Community Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Satellite Housing	yes, strong	rental	50-55	1.1 mil	yes, strong	18 mos	yes	yes	yes	yes
TFS Investments	no	ownership	70-75	5.6 mil	yes, weak	18 mos	no	no	no	yes
Urban Strategies - Oakland Community Land Trust	yes, very strong	ownership	200	5.1 mil	yes, very strong	18-48 mos	yes	yes	yes	yes

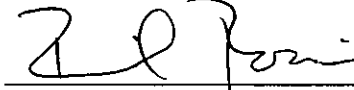
## NEIBORHOOD STABILIZATION PROGRAM APPLICATIONS SECOND PHASE REVIEW

DEVELOPER	LEVERAGING	DEVELOPER CAPACITY	AFFORDABILITY
HALLMARK SAN FRAN	AFF, FHLB BANK NCCLF 85% OF AQ COST	60 SFD \$107 MIL	PREDEV COST CONTROL HOMEBUYER QUAL.
BRIDGE SAN FRAN	\$3M FORD FDN	3000 UNITS SFD-295 UNITS \$28.5 MILLION	HOMEWORKS - 255 H/R
ALLEN TEMPLE OAKLAND	50% AQ/REHAB BRIDGE LOAN 6MOS/1YR CA BANK,ALTA, COM.BANK OF BAY METRO BANK \$1MIL WELLS FARGO CONTIGENCY LOAN	75 UNITS MULTI UNITS ONLY \$11.5 MIL	DEED RESTRICTIONS - LOW MOD
NHS EAST BAY RICHMOND	\$1MIL WELLS FARGO AQ (AP) \$750K 1 CA BANK AP IN PROCESS (AP) 5% PRIVATE EQUITY FOR PURCHASE	160 UNITS OWNER/RENTAL <\$50MIL	SECONDARY FINANCING MAP/DAP LOANS
NCAL LAND TRUST BERKELEY	\$900K AQ \$1.2MIL DAP STATE OF CA CONFIRMED \$120K ENERGY INVESTMENTS ACLPPP \$2.7MIL PROSPECTIVE BUYER FUNDS	39UNITS/OWNER <\$8 MIL	100 UNITS R ONGOING MONITORING 99 YR RESALE RESTRICTION
URBAN STRATEGIES OAKLAND	\$1.2MIL NCB CAP. CONSTRUCTION LOAN \$2.5 EQUITY CLEARINGHSE CFI (TAX CREDIT) CONTINGENT ON \$5MIL NSP \$1.5 AHP (AP)	COMMERCIAL/RES <\$5MIL	99YR RESALE RESTRICTION ONGOING MONITORING MAINTAIN LIST OF BUYERS GOVERNING BOARD
AHA BERKELEY	77% NOFA/HCD \$1MIL HCDEHAP (PENDING)	432 UNITS RENTAL \$132 MIL	EBRC COMPLIANCE CAPACITY 55 YR DEED RESTRICTIONS
SATELITE BERKELEY	\$3.8 MIL STATE (PAST) \$0 NSP	20 SFD/ RENTALS SEE ORIGINAL	RENTAL >50%
EBALDC OAKLAND	\$1MIL WELLS FARGO \$1.5 ALCO BEH. HEALTH	<600 UNITS RENTAL \$100 MIL 67 UNITS OWNER \$13MIL	ALL RENTAL HSG C OF O COMPLIANT

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APPROVED AS TO FORM AND LEGALITY:



Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**A RESOLUTION AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$903,637 TO AFFORDABLE HOUSING ASSOCIATES/EAST BAY COMMUNITY RECOVERY PROJECT UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM FOR THE ACQUISITION AND REHABILITATION OF THE ASASHA HOTEL AT 2545 SAN PABLO AVENUE FOR PROJECT PRIDE**

**WHEREAS**, on December 23, 2008, the City of Oakland issued a Request For Proposals/Qualifications ("RFP/Q") soliciting applications for the Neighborhood Stabilization Program ("NSP") funded by the US Department of Housing and Urban Development; and

**WHEREAS**, Affordable Housing Associates/East Bay Community Recovery Project (the "Developer") submitted a proposal/qualifications in response to the RFP/Q; and

**WHEREAS**, the Developer proposes to acquire and rehabilitate the foreclosed multifamily rental property, the Asasha Hotel, at 2545 San Pablo Avenue to house Project Pride, a transitional housing rental project for extremely low-income women and their children; and

**WHEREAS**, units will be rented at prices affordable to households earning 50% or less of area median income; and

**WHEREAS**, Developer's proposal is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and

**WHEREAS**, the proposed acquisition and rehabilitation will remove blight and provide decent housing to low income households; and

**WHEREAS**, funds will be available from the Neighborhood Stabilization Program in fiscal year 2008-09 to assist the Developer; and

**WHEREAS**, the City is the Lead Agency for this action for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, per the CEQA Guidelines, this action is exempt from environmental review; and

**WHEREAS**, execution of loan documents or other documents legally committing the City to fund this loan shall be 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; now therefore be it

**RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan or loans in an aggregate amount not to exceed \$903,637 to Affordable Housing Associates/East Bay Community Recovery Project or to an affiliated entity approved by the City Administrator or his or her designee, under the NSP to be used to acquire and rehabilitate the Asasha Hotel at 2545 San Pablo Avenue to house Project Pride, a transitional housing rental project for extremely low-income women and their children; and be it

**FURTHER RESOLVED:** That \$903,637 is hereby allocated from the 2008-09 HUD-CDBG Fund (2108), Community Development Block Grant Organization (88989), Neighborhood Stabilization Program Project (G368110) for this purpose; and be it

**FURTHER RESOLVED:** That the loan funds shall be reserved for a period of no more than nine months from the date of this Resolution, and the making of the loan for the property shall be contingent on Developer's' success in securing commitments for full funding for the acquisition and rehabilitation of the property, or other assurances of adequate 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 Developer's submission of specific property information, rehabilitation plans, budgets, and other materials evidencing that the acquisition and rehabilitation of the property is financially feasible and is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and be it

**FURTHER RESOLVED:** That loan term and interest rate shall be determined by the City Administrator in his or her discretion within the terms of the NSP and as the City Administrator or his or her designee determines are in the best interests of the City; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered this environmental determination, and the Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action is exempt from CEQA pursuant to Section 15301 (rehabilitation of existing

facilities), 15310 (mortgages for the purchase of existing structures) and 15183 (projects consistent with zoning and general plan) of the CEQA Guidelines; and be it

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

**FURTHER RESOLVED:** That as a condition of the loan, the City will require that appropriate restrictions on occupancy, rents and operations be recorded against the assisted property; and be it

**FURTHER RESOLVED:** That the loan shall be secured by a deed of trust on the assisted property; 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 execution of loan documents or other documents legally committing the City to fund the loan is expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator or his or her designee; and be it

**FURTHER RESOLVED:** That the City Council 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 assisted property to a lien or encumbrance of another private or governmental entity providing financial assistance to the property, 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 assisted property 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 all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it



**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator and his or her designee as agent of the City 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 assisted property consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2009

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND  
PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

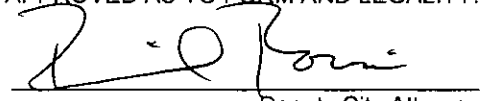
ATTEST: \_\_\_\_\_

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

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2009 APR -8 PM 8:02

APPROVED AS TO FORM AND LEGALITY:

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**A RESOLUTION AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$5,025,000 TO THE URBAN STRATEGIES COUNCIL/OAKLAND COMMUNITY LAND TRUST FOR THE ACQUISITION AND REHABILITATION OF FORECLOSED SINGLE FAMILY HOMES UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM**

**WHEREAS**, on December 23, 2008, the City of Oakland issued a Request For Proposals/Qualifications ("RFP/Q") soliciting applications for the Neighborhood Stabilization Program ("NSP") funded by the US Department of Housing and Urban Development; and

**WHEREAS**, Urban Strategies Council and the Oakland Community Land Trust (the "Developer") submitted a proposal/qualifications in response to the RFP/Q; and

**WHEREAS**, the Developer proposes to acquire and rehabilitate foreclosed single family homes in the identified target areas; and

**WHEREAS**, units will be sold, or leased with an option to purchase, at prices affordable to households earning 60%-100% of area median income; and

**WHEREAS**, Developer's proposal is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and

**WHEREAS**, the proposed acquisition and rehabilitation will remove blight and provide decent housing to low income households; and

**WHEREAS**, funds will be available from the Neighborhood Stabilization Program in fiscal year 2008-09 to assist the Developer; and

**WHEREAS**, the City is the Lead Agency for this action for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, per the CEQA Guidelines, this action is exempt from environmental review; and

**WHEREAS**, execution of loan documents or other documents legally committing the City to fund this loan(s) shall be 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; now therefore be it

**RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan or loans in an aggregate amount not to exceed \$5,025,000 to Urban Strategies Council, the Oakland Community Land Trust, or to an affiliated entity approved by the City Administrator or his or her designee, under the NSP to be used to acquire and rehabilitate those foreclosed multifamily rental properties approved by the City Administrator within the identified target areas; and be it

**FURTHER RESOLVED:** That \$5,025,000 is hereby allocated from the 2008-09 HUD-CDBG Fund (2108), Community Development Block Grant Organization (88849), Neighborhood Stabilization Program Project (G368110) for this purpose; and be it

**FURTHER RESOLVED:** That the loan funds shall be reserved for a period of no more than nine months from the date of this Resolution, and the making of the loan for each property shall be contingent on Developer's success in securing commitments for full funding for the acquisition and rehabilitation of the property, or other assurances of adequate 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 for each property shall be contingent on Developer's submission of specific property information, rehabilitation plans, budgets, and other materials evidencing that the acquisition and rehabilitation of the property is financially feasible and is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and be it

**FURTHER RESOLVED:** That loan term and interest rates shall be determined by the City Administrator in his or her discretion within the terms of the NSP and as the City Administrator or his or her designee determines are in the best interests of the City; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered this environmental determination, and the Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action is exempt from CEQA pursuant to Section 15301 (rehabilitation of existing facilities), 15310 (mortgages for the purchase of existing structures) and 15183 (projects consistent with zoning and general plan) of the CEQA Guidelines; and be it

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

**FURTHER RESOLVED:** That as a condition of the loan(s), the City will require that appropriate restrictions on occupancy, sale and resale be recorded against the assisted properties; and be it

**FURTHER RESOLVED:** That the loan(s) shall be secured by deeds of trust on the assisted properties; and be it

**FURTHER RESOLVED:** That the making of the loan(s) 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 execution of loan documents or other documents legally committing the City to fund the loan(s) is expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator or his or her designee; and be it

**FURTHER RESOLVED:** That the City Council 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 assisted properties to a lien or encumbrance of another private or governmental entity providing financial assistance to the property, 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 assisted properties 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 all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it

**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator and his or her designee as agent of the City to conduct negotiations, execute documents, administer the loan(s), extend or modify the repayment terms, and take any other action with respect to the loan(s) and the assisted properties consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2009

**PASSED BY THE FOLLOWING VOTE:**

AYES-           BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND  
                    PRESIDENT BRUNNER

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

2009 APR -8 PM 8:02

APPROVED AS TO FORM AND LEGALITY:

  
DEPUTY CITY ATTORNEY

## OAKLAND CITY COUNCIL

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

---

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO APPLY FOR AND ACCEPT FUNDS FOR THE NEIGHBORHOOD STABILIZATION PROGRAM FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE STATE OF CALIFORNIA.**

**WHEREAS**, on February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA) of 2009; and

**WHEREAS**, a part of ARRA provides \$2.0 billion in Neighborhood Stabilization Program funds for communities to purchase and rehabilitate foreclosed homes; and

**WHEREAS**, HUD will publish criteria within 75 days after enactment; and

**WHEREAS**, allocation of the funding will be through a competitive process to entitlement jurisdictions and to States; and

**WHEREAS**, all applications are due to HUD within 150 days of enactment; and

**WHEREAS**, the City desires to apply for and accept grants from HUD and from the State of California for ARRA; now, therefore, be it

**RESOLVED:** That the City Council hereby authorizes and directs the City Administrator, to apply for and accept funds from HUD and the State of California, consistent with the requirements set forth in the implementation notice; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes and directs the City Administrator to take any actions necessary to execute and submit the documents required by HUD or the State of California to secure approval of the City's application for funds.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER


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  
2009 APR -8 PM 8:02

APPROVED AS TO FORM AND LEGALITY:  
  
Deputy City Attorney

# OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**RESOLUTION AUTHORIZING A CONTRACT WITH THE UNITY COUNCIL IN AN AMOUNT NOT TO EXCEED \$250,000 FOR THE PERIOD OF MAY 1, 2009, TO JUNE 30, 2011, FOR PRE-PURCHASING COUNSELING, GENERAL HOMEBUYER EDUCATION AND POST-PURCHASE EDUCATION AS REQUIRED UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM**

**WHEREAS**, on July 30, 2008, President Bush signed into law the Housing and Economic Recovery Act of 2008 (H.R. 3221); and

**WHEREAS**, a part of H.R. 3221 provides \$3.92 billion in Community Development Block Grant (CDBG) Neighborhood Revitalization funds for communities to purchase foreclosed homes and implement the Neighborhood Stabilization Program (NSP); and

**WHEREAS**, under the requirements of the NSP, grantees must require each NSP-assisted homebuyer receive and complete at least eight hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan; and

**WHEREAS**, The Unity Council is a HUD-approved housing counseling agency and is currently under contract to provide mortgage delinquency counseling to low-income homeowners at risk of losing their homes; and.

**WHEREAS**, the City would like to enter into an contract with The Unity Council to provide each NSP-assisted homebuyer at least eight hours of homebuyer counseling before obtaining a mortgage loan; and

**WHEREAS**, funding exists in the CDBG Administration Budget (Fund: 2108, Org 88949, Project G368130); now, therefore, be it



**RESOLVED:** That the City Administrator, or his designee, is hereby authorized to negotiate and enter into a contract with The Unity Council in an amount not to exceed \$250,000 for the period May 1, 2009, to June 30, 2011, to provide pre-purchasing counseling, general homebuyer education and post-purchase education in connection with the NSP; and be it

**FURTHER RESOLVED:** That funding will be provided from the CDBG Administration Budget (Fund: 2108, Org 88949, Project G3638130); and be it

**FURTHER RESOLVED:** That the City Administrator, or his designated representative, is hereby authorized to approve any subsequent amendments, or modifications or extensions of said agreement, excepting those related to increasing the amount of the contract above the amounts authorized under this Resolution, provided that such amendments or extensions shall be approved as to form and legality by the Office of the City Attorney and filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2009

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

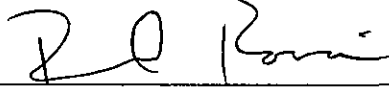
ATTEST: \_\_\_\_\_

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

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2009 APR -8 PM 8:02

APPROVED AS TO FORM AND LEGALITY:

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

---

**A RESOLUTION AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$1,675,000 TO ALLEN TEMPLE HOUSING AND ECONOMIC DEVELOPMENT CORPORATION FOR THE ACQUISITION AND REHABILITATION OF FORECLOSED SINGLE FAMILY HOMES UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM**

**WHEREAS**, on December 23, 2008, the City of Oakland issued a Request For Proposals/Qualifications ("RFP/Q") soliciting applications for the Neighborhood Stabilization Program ("NSP") funded by the US Department of Housing and Urban Development; and

**WHEREAS**, Allen Temple Housing and Economic Development Corporation (ATHEDCO) (the "Developer") submitted a proposal/qualifications in response to the RFP/Q; and

**WHEREAS**, the Developer proposes to acquire and rehabilitate foreclosed single family homes in the identified target areas; and

**WHEREAS**, units will be sold at prices affordable to households earning 60%-100% of area median income; and

**WHEREAS**, Developer's proposal is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and

**WHEREAS**, the proposed acquisition and rehabilitation will remove blight and provide decent housing to low income households; and

**WHEREAS**, funds will be available from the Neighborhood Stabilization Program in fiscal year 2008-09 to assist the Developer; and

**WHEREAS**, the City is the Lead Agency for this action for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, per the CEQA Guidelines, this action is exempt from environmental review; and

**WHEREAS**, execution of loan documents or other documents legally committing the City to fund this loan(s) shall be 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; now therefore be it

**RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan or loans in an aggregate amount not to exceed \$1,675,000 to ATHEDCO or to an affiliated entity approved by the City Administrator or his or her designee, under the NSP to be used to acquire and rehabilitate those foreclosed multifamily rental properties approved by the City Administrator within the identified target areas; and be it

**FURTHER RESOLVED:** That \$1,675,000 is hereby allocated from the 2008-09 HUD-CDBG Fund (2108), Community Development Block Grant Organization (88849), Neighborhood Stabilization Program Project (G368110) for this purpose; and be it

**FURTHER RESOLVED:** That the loan funds shall be reserved for a period of no more than nine months from the date of this Resolution, and the making of the loan for each property shall be contingent on Developer's success in securing commitments for full funding for the acquisition and rehabilitation of the property, or other assurances of adequate 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 for each property shall be contingent on Developer's submission of specific property information, rehabilitation plans, budgets, and other materials evidencing that the acquisition and rehabilitation of the property is financially feasible and is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and be it

**FURTHER RESOLVED:** That loan term and interest rates shall be determined by the City Administrator in his or her discretion within the terms of the NSP and as the City Administrator or his or her designee determines are in the best interests of the City; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered this environmental determination, and the Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action is exempt from CEQA pursuant to Section 15301 (rehabilitation of existing facilities), 15310 (mortgages for the purchase of existing structures) and 15183 (projects consistent with zoning and general plan) of the CEQA Guidelines; and be it

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

**FURTHER RESOLVED:** That as a condition of the loan(s), the City will require that appropriate restrictions on occupancy, sales and resales be recorded against the assisted properties; and be it

**FURTHER RESOLVED:** That the loan(s) shall be secured by deeds of trust on the assisted properties; and be it

**FURTHER RESOLVED:** That the making of the loan(s) 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 execution of loan documents or other documents legally committing the City to fund the loan(s) is expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator or his or her designee; and be it

**FURTHER RESOLVED:** That the City Council 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 assisted properties to a lien or encumbrance of another private or governmental entity providing financial assistance to the property, 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 assisted properties 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 all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it

**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator and his or her designee as agent of the City to conduct negotiations, execute documents, administer the loan(s), extend or modify the repayment terms, and take any other action with respect to the loan(s) and the assisted properties consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2009

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND  
PRESIDENT BRUNNER

NOES-

ABSENT-

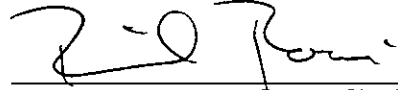
ABSTENTION-

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

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2009 APR -8 PM 8:02

APPROVED AS TO FORM AND LEGALITY:

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

---

**A RESOLUTION AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$1,675,000 TO BRIDGE/HOMEBRICKS FOR THE ACQUISITION AND REHABILITATION OF FORECLOSED SINGLE FAMILY HOMES UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM**

**WHEREAS**, on December 23, 2008, the City of Oakland issued a Request For Proposals/Qualifications ("RFP/Q") soliciting applications for the Neighborhood Stabilization Program ("NSP") funded by the US Department of Housing and Urban Development; and

**WHEREAS**, BRIDGE/HomeBricks (the "Developer") submitted a proposal/qualifications in response to the RFP/Q; and

**WHEREAS**, the Developer proposes to acquire and rehabilitate foreclosed single family homes in the identified target areas; and

**WHEREAS**, units will be sold at prices affordable to households earning 60%-100% of area median income; and

**WHEREAS**, Developer's proposal is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and

**WHEREAS**, the proposed acquisition and rehabilitation will remove blight and provide decent housing to low income households; and

**WHEREAS**, funds will be available from the Neighborhood Stabilization Program in fiscal year 2008-09 to assist the Developer; and

**WHEREAS**, the City is the Lead Agency for this action for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, per the CEQA Guidelines, this action is exempt from environmental review; and

**WHEREAS**, execution of loan documents or other documents legally committing the City to fund this loan(s) shall be 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; now therefore be it

**RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan or loans in an aggregate amount not to exceed \$1,675,000 to BRIDGE/HomeBricks, or to an affiliated entity approved by the City Administrator or his or her designee, under the NSP to be used to acquire and rehabilitate those foreclosed multifamily rental properties approved by the City Administrator within the identified target areas; and be it

**FURTHER RESOLVED:** That \$1,675,000 is hereby allocated from the 2008-09 HUD-CDBG Fund (2108), Community Development Block Grant Organization (88849), Neighborhood Stabilization Program Project (G368110) for this purpose; and be it

**FURTHER RESOLVED:** That the loan funds shall be reserved for a period of no more than nine months from the date of this Resolution, and the making of the loan for each property shall be contingent on Developer's success in securing commitments for full funding for the acquisition and rehabilitation of the property, or other assurances of adequate 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 for each property shall be contingent on Developer's submission of specific property information, rehabilitation plans, budgets, and other materials evidencing that the acquisition and rehabilitation of the property is financially feasible and is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and be it

**FURTHER RESOLVED:** That loan term and interest rates shall be determined by the City Administrator in his or her discretion within the terms of the NSP and as the City Administrator or his or her designee determines are in the best interests of the City; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered this environmental determination, and the Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action is exempt from CEQA pursuant to Section 15301 (rehabilitation of existing facilities), 15310 (mortgages for the purchase of existing structures) and 15183 (projects consistent with zoning and general plan) of the CEQA Guidelines; and be it

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

**FURTHER RESOLVED:** That as a condition of the loan(s), the City will require that appropriate restrictions on occupancy, sales and resales be recorded against the assisted properties; and be it

**FURTHER RESOLVED:** That the loan(s) shall be secured by deeds of trust on the assisted properties; and be it

**FURTHER RESOLVED:** That the making of the loan(s) 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 execution of loan documents or other documents legally committing the City to fund the loan(s) is expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator or his or her designee; and be it

**FURTHER RESOLVED:** That the City Council 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 assisted properties to a lien or encumbrance of another private or governmental entity providing financial assistance to the property, 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 assisted properties 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 all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it



**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator and his or her designee as agent of the City to conduct negotiations, execute documents, administer the loan(s), extend or modify the repayment terms, and take any other action with respect to the loan(s) and the assisted properties consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2009

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND  
PRESIDENT BRUNNER

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

2009 APR -8 PM 8:02

APPROVED AS TO FORM AND LEGALITY:

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

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

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**A RESOLUTION AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$1,675,000 TO HALLMARK COMMUNITY SOLUTIONS FOR THE ACQUISITION AND REHABILITATION OF FORECLOSED SINGLE FAMILY HOMES UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM**

**WHEREAS**, on December 23, 2008, the City of Oakland issued a Request For Proposals/Qualifications ("RFP/Q") soliciting applications for the Neighborhood Stabilization Program ("NSP") funded by the US Department of Housing and Urban Development; and

**WHEREAS**, Hallmark Community Solutions (the "Developer") submitted a proposal/qualifications in response to the RFP/Q; and

**WHEREAS**, the Developer proposes to acquire and rehabilitate foreclosed single family homes in the identified target areas; and

**WHEREAS**, units will be sold at prices affordable to households earning 60%-100% of area median income; and

**WHEREAS**, Developer's proposal is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and

**WHEREAS**, the proposed acquisition and rehabilitation will remove blight and provide decent housing to low income households; and

**WHEREAS**, funds will be available from the Neighborhood Stabilization Program in fiscal year 2008-09 to assist the Developer; and

**WHEREAS**, the City is the Lead Agency for this action for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, per the CEQA Guidelines, this action is exempt from environmental review; and

**WHEREAS**, execution of loan documents or other documents legally committing the City to fund this loan(s) shall be 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; now therefore be it

**RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan or loans in an aggregate amount not to exceed \$1,675,000 to Hallmark Community Solutions, or to an affiliated entity approved by the City Administrator or his or her designee, under the NSP to be used to acquire and rehabilitate those foreclosed multifamily rental properties approved by the City Administrator within the identified target areas; and be it

**FURTHER RESOLVED:** That \$1,675,000 is hereby allocated from the 2008-09 HUD-CDBG Fund (2108), Community Development Block Grant Organization (88849), Neighborhood Stabilization Program Project (G368110) for this purpose; and be it

**FURTHER RESOLVED:** That the loan funds shall be reserved for a period of no more than nine months from the date of this Resolution, and the making of the loan for each property shall be contingent on Developer's success in securing commitments for full funding for the acquisition and rehabilitation of the property, or other assurances of adequate 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 for each property shall be contingent on Developer's submission of specific property information, rehabilitation plans, budgets, and other materials evidencing that the acquisition and rehabilitation of the property is financially feasible and is consistent with the NSP in the Substantial Amendment to the Annual Action Plan for FY 2008-09; and be it

**FURTHER RESOLVED:** That loan term and interest rates shall be determined by the City Administrator in his or her discretion within the terms of the NSP and as the City Administrator or his or her designee determines are in the best interests of the City; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered this environmental determination, and the Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action is exempt from CEQA pursuant to Section 15301 (rehabilitation of existing facilities), 15310 (mortgages for the purchase of existing structures) and 15183 (projects consistent with zoning and general plan) of the CEQA Guidelines; and be it

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

**FURTHER RESOLVED:** That as a condition of the loan(s), the City will require that appropriate restrictions on occupancy, sales and resales be recorded against the assisted properties; and be it

**FURTHER RESOLVED:** That the loan(s) shall be secured by deeds of trust on the assisted properties; and be it

**FURTHER RESOLVED:** That the making of the loan(s) 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 execution of loan documents or other documents legally committing the City to fund the loan(s) is expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator or his or her designee; and be it

**FURTHER RESOLVED:** That the City Council 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 assisted properties to a lien or encumbrance of another private or governmental entity providing financial assistance to the property, 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 assisted properties in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; and be it

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**PASSED BY THE FOLLOWING VOTE:**

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PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

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