

DK

**REDEVELOPMENT AGENCY OF THE
CITY OF OAKLAND**

REVISED

RESOLUTION NO. 01 - 16 C. M. S.

**A RESOLUTION AUTHORIZING A DEVELOPMENT LOAN
IN AN AMOUNT NOT TO EXCEED \$1,727,000 TO EM
JOHNSON INTEREST, INC. AND THE OAKLAND HOUSING
AUTHORITY JOINTLY FOR CHESTNUT COURT PROJECT
LOCATED AT 1114 14TH STREET, 3133 MARTIN LUTHER
KING, JR. WAY AND 2240 CHESTNUT STREET**

WHEREAS, the City's Consolidated Plan for Housing and Community Development indicates that there is a need for the expansion of homeownership opportunities, and has identified this activity as a priority; and

WHEREAS, on August 14, 2000 the Agency and City issued a Notice of Funding Availability soliciting applications for funding for affordable housing development; and

WHEREAS, Em Johnson Interest Inc. and Oakland Housing Authority are forming a single asset nonprofit corporation (the "Developer") devoted to the provision of affordable housing; and

WHEREAS, the Developer proposes to develop fifteen single-family homes at 1114 14th Street, 3133 Martin Luther King Jr. Way, and 2240 Chestnut Street (the "Project"); and

WHEREAS, the Developer has requested that the Agency provide partial funding for the Project in the amount of \$1,727,000; and

WHEREAS, all Project units will be sold at prices affordable to low-income households earning no more than 80% of area median income; and

WHEREAS, the Project is consistent with the Agency's Project Development Guidelines, and the Developer meets the Agency's Minimum Developer Qualifications; and

WHEREAS, the Project will increase and improve the supply of low and moderate income housing available in the City of Oakland, is an eligible use of the Agency's Low and Moderate Income Housing Fund under California Health and Safety Code Sections 33334.2 and 33334.3, and will benefit the Central District Redevelopment Project by providing affordable housing opportunities within the community that will enhance the economic viability and redevelopment potential of the Project Area; and

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

WHEREAS, funds will be available from the Agency's Affordable Housing Bond proceeds to assist the Project; now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or his designee to provide a forgivable loan in an amount not to exceed \$1,727,000 to EM Johnson Interest, Inc. and the Oakland Housing Authority, jointly, or to an affiliated entity approved by the Agency Administrator or his designee, to be used for development of the Project; and be it further

RESOLVED: That upon the initial sale of each unit to an eligible home buyer, if the market value of the unit is less than the development cost of the unit, a portion of the loan, represented by the difference between the development cost and the market value, shall be converted to a grant and forgiven, and the remaining prorata portion of the loan shall be converted into a silent second mortgage loan to the homebuyer; and be it further

RESOLVED: That upon the initial sale of each unit to an eligible homebuyer, if the market value of the unit is greater than the development cost of the unit, the Agency shall receive a silent second mortgage equal to the difference between the market value and the affordable price of the project unit ; and be it further

RESOLVED: That the loan funds will be reserved for a period of no more than 12 months from the date of this Resolution, and the loan shall be contingent on the Developer's success in securing commitments for full Project funding within that time, and shall be subject to such other appropriate terms and conditions as the Agency Administrator or his designee may establish; and be it further

RESOLVED: That loan funds shall come from the Agency's Affordable Housing Bond proceeds; and be it further

RESOLVED: That as a condition of the loan, the Agency will require that appropriate restrictions on Project sales and resales be recorded against Project improvements if required; 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 Agency hereby authorizes the Agency Administrator or his designee in his discretion to subordinate the priority of the Agency's deed of trust and/or recorded restrictions to any lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the Agency Administrator or his designee determines that (1) an economically feasible alternative method of financing the Project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the Agency's investment in the Project in the event of default is reasonably protected, and (3) subordination is in the best interests of the Agency; and be it further

RESOLVED: That all loan documents shall be reviewed and approved by the Agency Counsel for form and legality prior to execution, and copies will be placed on file with the Agency Secretary; and be it further

RESOLVED: That the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines that this action complies with CEQA because the Project is exempt from CEQA under Public Resources Code Section 21080.14; and be it further

RESOLVED: That the Agency Administrator or his designee shall cause to be filed with the County of Alameda a Notice of Exemption for this Project; and be it further

RESOLVED: That the Agency hereby appoints the Agency Administrator and his designee as agent of the Agency to conduct negotiations, execute documents, administer the loan, extend or modify the repayment terms, and take any other action with respect to the loan and the Project consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, MAR - 6 2001, 2001

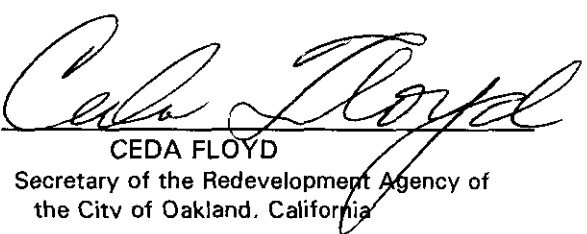
PASSED BY THE FOLLOWING VOTE:

AYES- BRUNNER, CHANG, NADEL, REID, SPEES, WAN AND
CHAIRPERSON DE LA FUENTE — 7

NOES- None

ABSENT- None

ABSTENTION- None

ATTEST: 
CEDA FLOYD
Secretary of the Redevelopment Agency of
the City of Oakland, California