

**CITY OF OAKLAND and  
REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND**

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OFFICE OF THE CITY CLERK  
OAKLAND  
2005 JAN 27 PM 4:00

***COUNCIL AND AGENCY AGENDA REPORT***

TO: Office of the City Administrator and Agency Administrator  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: FEBRUARY 8, 2005

RE: A TOTAL OF NINE (9) RESOLUTIONS REGARDING AFFORDABLE HOUSING ACTIVITIES: FOUR CITY AND AGENCY RESOLUTIONS AUTHORIZING DEVELOPMENT LOANS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$10,803,600 FOR AFFORDABLE HOUSING PROJECTS; FOUR CITY AND AGENCY RESOLUTIONS TO EXTEND FOR AN ADDITIONAL YEAR THE FUNDING RESERVATION DEADLINE IN AN AGGREGATE AMOUNT OF \$8,145,900; ONE AGENCY RESOLUTION APPROPRIATING \$1,708,148 FOR HOUSING DEVELOPMENT PROGRAM

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**SUMMARY**

The Community and Economic Development Agency (CEDA) is recommending the award of funding (totaling \$10,803,600) for three affordable housing developments that applied in response to a Notice of Funding Availability (NOFA) issued on September 13, 2004. Nine applications with requests totaling over \$18 million were reviewed for funding under the NOFA. The applications included five new rental developments, and four projects involving the rehabilitation and preservation of existing assisted rental housing. There were no applications for affordable ownership housing development this year. A discussion of the affordable homeownership challenges is available in **Attachment A**.

Staff is also proposing that the City Council and Redevelopment Agency adopt three resolutions to extend the reservations of funds for the Calaveras Street homeownership Project, the Mandela Gateway Project and the Altenheim Senior Housing Project. Calaveras Street received a one year funding reservation on February 17, 2004. Mandela Gateway received a reservation on February 25, 2003. Due to significant cost increases, the developers have requested more time to put other financing in place. The Altenheim Senior Housing Project has a reservation of HOME funds that expires on February 17, 2005. Now that the scope of the project has changed and additional funding is being recommended, staff recommends an extension of last year's reservation.

Also included with this report is a resolution appropriating approximately \$1,708,148 in funds to the Housing Development Program (Fund 9580). These funds have become available since the adoption of the 2003-2005 Redevelopment Agency budget.

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Finally, the reservation of \$2,018,850 for the MLK BART Senior Project will expire on March 26, 2004. Staff is not recommending an extension of the reservation or the developer's request for additional funds. The developer unsuccessfully competed for HUD 202 senior housing funds during 2004. Given the competitiveness of this year's NOFA, staff is recommending projects that will be better situated to leverage other public funding sources, and utilize these monies to fund more competitive applications.

**FISCAL IMPACTS**

Staff is recommending an allocation of \$10,803,600 for the three projects identified in this report. The fund sources are shown in the following table.

| <b>Project</b>             | <b>Funds Proposed</b> | <b>Fund 2109 G172111</b> | <b>Fund 9580 P209310</b> | <b>Fund 9580 H236510</b> | <b>Fund 9580 L257110</b> | <b>Fund 9580 New funds</b> |
|----------------------------|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| Altenheim Senior           | \$2,306,100           | 0                        | \$597,952                | 0                        | 0                        | \$1,708,148                |
| Coliseum Gardens           | \$3,000,000           | 0                        | \$3,000,000              | 0                        | 0                        |                            |
| Madison & 14 <sup>th</sup> | \$5,497,500           | \$2,472,585              | \$251,231                | \$754,834                | \$2,018,850              |                            |
| <b>Total Proposed</b>      | <b>10,803,600</b>     | <b>\$2,472,585</b>       | <b>\$3,849,183</b>       | <b>\$754,834</b>         | <b>\$2,018,850</b>       | <b>\$1,708,148</b>         |
| <b>Available</b>           | <b>\$10,813,254</b>   | <b>\$2,472,585</b>       | <b>\$3,858,837</b>       | <b>\$754,834</b>         | <b>\$2,018,850</b>       | <b>\$1,708,148</b>         |
| <b>Remaining</b>           | <b>\$9,654</b>        | <b>\$0</b>               | <b>\$9,654</b>           | <b>\$0</b>               | <b>\$0</b>               | <b>\$0</b>                 |

Key to Fund and Project Numbers:

- Fund 2109: HUD - HOME
- Fund 9580: Low Mod Operations Fund
- Project G172111: HOME Housing Development
- Project P209310: Housing Development Program
- Project H236510: Housing Development - HOME Matching Funds
- Project L257110: MLK/BART Senior Housing

**Total Funds Available for Allocation**

A total of \$10,813,254 is currently available in City and Redevelopment Agency funds for housing development activities.

|   |                      |
|---|----------------------|
| City of Oakland HOME Funds                                  | \$2,472,585          |
| ORA Low Mod Housing Funds, Housing Development              | 3,858,837            |
| ORA Low Mod Housing Funds, Housing Development – HOME Match | 754,834              |
| ORA Low Mod Housing Funds, reallocated from MLK/BART        | 2,018,850            |
| ORA Low Mod Housing Funds, new appropriation                | 1,708,148            |
| <b>Total Funds Available</b>                                | <b>\$ 10,813,254</b> |

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## **HOME Funds**

A total of \$2,472,585 in HOME funds is currently budgeted in the HUD-HOME Fund (2109), Housing Development Organization (88929), HOME Housing Development Project (G172111). The proposed awards will fully use these funds.

## **Redevelopment Agency Low and Moderate Income Housing Funds**

A total of \$6,632,521 is currently appropriated in the Low and Moderate Income Housing Fund, and an additional appropriation of \$1,708,148 is proposed, based on unanticipated tax increment funds actually received in FY 2003-04 in excess of the amount that was budgeted in that year.

An additional \$2,018,850 is proposed to come by reprogramming funds currently appropriated for an existing conditional commitment to OCHI for the MLK BART Senior Housing Project. This commitment has expired because the developer has not secured other funding to allow the project to move forward within the time specified by the authorizing resolution adopted as part of last year's NOFA funding awards (Project L257110).

Finally, a resolution has been prepared to appropriate \$1,708,148 in new funding, which represents FY 2003-04 revenues in excess of the amount budgeted (actual tax increment receipts in FY 2003-04 were greater than projected).

## **BACKGROUND**

CEDA issued a Notice of Funding Availability on September 13, 2004. Eligible activities included new construction, rehabilitation and preservation activities. Both ownership and rental projects were eligible. Applications for funds were due to the City by November 16, 2004.

As in previous years, the amounts requested far exceeded the amount available. The NOFA process normally relies on a ranking process involving published objectives. To encourage projects to align with City policy goals, the ranking system assigns points based on the extent to which the projects meet specific criteria. Projects must receive at least 50% of the possible points for their project to gain a recommendation. After this threshold has been met, staff recommends that the projects receiving the highest percentages of points be funded, to the extent that funds are available. Staff also considers how best to allocate funds to accomplish other City Council priorities.

## **California Environmental Quality Act Review**

Under the California Environmental Quality Act (CEQA), the City and Agency are required to review possible environmental impacts of all projects prior to approval of funding. Those reviews were completed for the three projects recommended here. One, the Madison & Fourteenth project, has been determined to be exempt per Section 15332 of the CEQA guidelines, as a limited-scale urban infill project, with no adverse impacts on noise, traffic, or air and water quality.

The other two proposals, Coliseum Gardens and the Althenheim, have been determined to be in compliance with CEQA based on formal studies. In both cases, the City certified a Mitigated Negative Declaration regarding CEQA, combined with a Finding of No Significant Impact regarding the National Environmental Protection Act (NEPA).

## **KEY ISSUES AND IMPACTS**

### **Affordable Housing Needs**

For the past decade, staff has presented the City Council with numerous reports highlighting the severe shortage of decent housing affordable to low and moderate income households. More than half of all Oakland households have incomes less than 80% of the metropolitan area median income (\$66,250 for a family of four). The problems faced by renters with incomes less than \$35,000 and large households are particularly severe.

Oakland also has a much lower homeownership rate (41.4%) than the average for Bay Area Cities (57%). Among the 10 largest California cities, Oakland ranks seventh in homeownership, ahead of only Long Beach, Los Angeles and San Francisco, but behind San Jose, Sacramento, San Diego, Anaheim, Fresno and Santa Ana.

### **Strong Rental Development Applications**

Staff is recommending the funding of three strong rental applications this year – Althenheim Senior Housing, Coliseum Gardens Phase III and Madison & Fourteenth. Two of the projects – Althenheim and Madison & Fourteenth have full entitlements and they are expected to be very strong applicants for other public funds – the Low Income Housing Tax Credits in the case of Althenheim and the State’s Multifamily Housing Program in the case of Madison & Fourteenth. These funding applications are due in March. Coliseum Phase III is an integral part of the Hope VI Coliseum revitalization effort and is a transit oriented development and should also compete well for the Low Income Housing Tax Credits. Funding commitments will be announced by summer. During the interim, the developers will be completing predevelopment work in order to begin construction within one year. Descriptions of the three recommended projects are below.

#### *The Althenheim Senior Housing*

The Althenheim Senior Housing Project (Phase I) will contain 92 affordable housing units (and one manager’s unit) for seniors on the 1720 MacArthur Boulevard site, which is near the Dimond Business District. The Project entails the reuse of a historic facility, which provided assisted living for seniors until its closing in 2002. Originally, the developer planned a first phase which consisted of the rehabilitation of 67 units in the main complex. Last year’s City/Agency funding approval of \$3,680,300 covered the rehabilitation of these 67 units. This year, the developer expanded the first phase to include the rehabilitation of another 26 units and requested \$2,306,100 to fund these additional units. The current funding request will allow the developer to proceed with all of the rehabilitation work in a single phase, which is expected to make the funding and construction process more efficient. The total development cost for the 93 unit Phase I is expected to be \$22,611,840. The developer is expected to apply for Low Income Housing Tax Credits, Historic Tax Credits, and Federal Home Loan Bank’s Affordable Housing Program funds to cover the remainder of the development costs.

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The second phase will consist of the new construction planned for the site; funding for this phase is not being requested at this time. However, the Planning Commission provided all necessary approvals for both phases of the Project at its January 5, 2005 meeting. This development will save the century-old, National Register-eligible facility and will ultimately produce a total of 174 affordable units, preserving this landmark for future generations while providing needed and desirable living accommodations for low income seniors.

### *Coliseum Gardens Phase III*

The Coliseum Gardens proposal will be Phase III of the Oakland Housing Authority's ("OHA") HOPE VI Coliseum Gardens project for which HUD has authorized a HOPE VI Implementation Grant of \$34,500,000. Phase III consists of the construction of 106 units of affordable family rental housing. Phase I and Phase II with a total of 241 affordable rental housing units are currently under construction. The overall revitalization project will provide affordable housing at mixed income levels, on-site services and open space in an attractive setting near the Coliseum BART station.

### *Madison & Fourteenth*

Madison & Fourteenth provides 76 new affordable rental housing units for very low and lower income households and 2,659 square feet of commercial/social services space. The units consist of a mix of studios, one, two, and three bedroom units in an 8 story building with 7 floors of housing over the ground floor retail/commercial area and parking. The development site is located in a transit- and service rich neighborhood on the edge of a residential district in Downtown Oakland and is adjacent to the historic Islamic Cultural Center.

The total development cost for the residential portion is \$22,809,346. The Developer is requesting a total of \$6,995,453 in City/Agency assistance. Other anticipated project financing includes 4% tax credits, tax exempt bonds, the State's Multifamily Housing Program (residential loan and social service space loan), Federal Home Loan Bank Affordable Housing Program, and a planning grant.

The recommendation to fund these three rental developments means that 100% of the NOFA funds will go to rental housing and for the fiscal year 04/05, the distribution between rental and ownership will be 70%/30%. Based on the applications received and approved since 1993, 43% of cumulative funding has been allocated to funding homeownership.

The funds concerned include those for housing development and the first-time homebuyer program, exclusive of administration and program delivery costs for staff and overhead. Since the relative strength of rental and ownership projects in a particular year cannot be controlled, staff has made its best efforts to meet this goal over time, rather than year by year. The funding history is illustrated in **Attachment D**.

### **Affordable Homeownership Development and Program Design Issues**

No homeownership applications were received in response to this year's NOFA. A total of \$3.75 million in Redevelopment Agency and HOME funds has been allocated this year for first time homebuyer assistance and loans for rehabilitation of owner-occupied homes. Between July

and December, 48 first time homebuyers and 12 existing homeowners have been served with these funds.

A number of potentially promising suggestions for modifying the City's current program rules were made at a January 7, 2005 meeting with developers. These suggestions need to be researched further before any changes may be considered for either the NOFA or City policies. Staff intends to continue discussions with the developers over the next 6 months to further refine recommendations and will request guidance on a number of policy issues that are discussed in detail in **Attachment A**. Staff will return to the Council before the summer recess with recommendations regarding the City's homeownership programs.

**Rehabilitation of Existing Affordable Housing**

There were three applications for capital improvement funding for existing projects from Oakland Community Housing Inc. (OCHI), which is the owner of some of the oldest City-assisted developments. These projects were not very competitive in the rankings, in part because they did not receive full points for preservation of affordable housing. Full points are only awarded when a project's affordability term is set to expire within a year or two, which is not applicable for these projects. At this time staff is not recommending funds for these projects, although we will continue to work with the developer and their management company to develop a viable plan for addressing these needed capital improvements. In addition to these three buildings, OCHI recently refinanced their mortgages on three other buildings in order to finance capital improvements. Staff is working with the nonprofit community to develop strategies to fund the capital improvement needs of older buildings and will return to the Council before the summer recess with a recommendation regarding meeting the capital needs of older projects. A more detailed discussion regarding the challenges of meeting anticipated capital improvements needs at existing affordable rental projects is contained in **Attachment B**.

**PROJECT DESCRIPTION**

**Overview**

A summary of the applications and their rankings are contained in the table below. Proposed projects include new rental developments, conversion of the Altenheim property, and four projects to rehabilitate and preserve existing assisted rental housing.

| Score  | Project Name/Developer                                       | Project Type            | Council District | Requested Amount | Funds Required |
|--------|--|-------------------------|------------------|------------------|----------------|
| 66.00% | Altenheim ( <i>Citizens Housing</i> )                        | Reuse Senior            | 5                | \$2,306,100      | \$ 2,306,100   |
| 62.50% | Coliseum Gardens Ph. III (HOPE VI) ( <i>EBALDC/Related</i> ) | New Construction Family | 6                | \$3,000,000      | \$ 5,306,100   |
| 61.50% | Madison & Fourteenth ( <i>AHA</i> )                          | New Construction Family | 3                | \$5,497,500      | \$ 10,803,553  |
| 59.00% | Brush St. Apartments ( <i>RCD</i> )                          | New Construction Family | 3                | \$4,150,000      | \$ 14,953,553  |
| 51.90% | Drasnin Manor ( <i>OCHI</i> )                                | Capital Improvement     | 5                | \$ 519,800       | \$15,473,367   |
| 51.90% | Kenneth Henry Court ( <i>OCHI</i> )                          | Capital Improvement     | 6                | \$275,700        | \$15,749,051   |
| 48.00% | MLK BART/Senior ( <i>OCHI</i> )                              | New Construction Senior | 1                | \$994,800        | \$16,743,807   |
| 48.73% | Eldridge Gonaway Commons ( <i>OCHI</i> )                     | Capital Improvement     | 2                | \$1,632,700      | \$18,376,469   |

The total amount requested was over \$18 million, ranging from a low of \$275,700 to a high of \$5.4 million. On a per unit basis, the amount requested ranged from less than \$5,400 to close to \$104,000.

**Matrix I** provides a more complete summary and comparison of the projects. **Attachment C** provides a *Project Summary* for each of the projects. Projects are listed in alphabetical order.

#### **Staff Review Process**

Applications 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 scored according to prepared criteria outlined in the NOFA. Rental and ownership applications are scored according to different criteria and compared on the basis of the percentage of points attained. The ranking criteria were published with the NOFA and staff worked within the criteria. The criteria were adjusted from last year to reflect concerns about the importance of proximity to transit, reducing concentration of poverty, and to a lesser extent, target population and developer fee.

Because some criteria are mutually exclusive, many projects could not receive 100 points. For example, projects containing a higher proportion of units for larger families would likely ask for a higher subsidy per unit, gaining points for large units but losing points for subsidy required. For other projects, certain categories did not apply. For example, existing projects to be rehabilitated were not scored for Geographic Equity or Neighborhood Revitalization. Preservation of Existing Affordable Housing was not a criterion for ownership housing projects. It has been staff's experience that a developer's capacity and experience is the best predictor for a project's success. As a result, this criterion is weighted heavily in the project evaluation.

**Matrix II** shows the complete scoring for each project. To provide a standard of comparison, final scores were calculated as a percentage of the total points received over the total points applicable for each individual project. For the past few years staff has used a score of 50% as one of the thresholds for recommendation. Six of the eight ranked applications met this threshold and would garner staff recommendation for funding, if funds were available.

**Matrix I: Project Summaries**

|                                   | Ownership Projects - Requests for Extension Only |                           | New Rental Projects |                          |                        | Returning Rental Projects    |                         | Rental Rehabilitation Projects |                          |                     |
|-----------------------------------|--|---------------------------|---------------------|--------------------------|------------------------|------------------------------|-------------------------|--------------------------------|--------------------------|---------------------|
|                                   | Calaveras Townhomes                              | Mandela Gateway Townhomes | Brush Street Apts.  | Coliseum Gardens Ph. III | Madison and Fourteenth | Altenheim Senior Housing     | MLK Bart Senior Housing | Drasnia Manor                  | Eldridge Gonaway Commons | Kenneth Henry Court |
| Address                           | 4856-4868 Calaveras Ave.                         | 1431 8th St               | 751-785 7th Street  | 928-998 66th Ave.        | 160 14th St            | 1720 MacArthur Blvd          | 3823-3837 MLK, Jr. Way  | 2530 International Blvd.       | 275 East 12th St         | 6455 Foothill Blvd. |
| Location                          | Central East Oakland                             | West Oakland              | West Oakland        | Coliseum                 | Downtown               | Glenview/ Diamond            | North Oakland           | Fruitvale                      | San Antonio              | Eastmont            |
| Developer                         | AHA  | BRIDGE Housing            | RCD                 | Related/EBALDC           | AHA                    | Citizens Housing Corporation | CDCO/OCHI               | OCHI                           | OCHI                     | OCHI                |
| Tenure                            | Ownership  | Ownership                 | Rental              | Rental                   | Rental                 | Reuse-Rental                 | Rental                  | Rental                         | Rental                   | Rental              |
| Household Type                    | Family   | Family                    | Family              | Family                   | Family                 | Senior                       | Senior                  | Family                         | Family                   | Family              |
| Units (incl. manager's unit)      | 28   | 14                        | 40                  | 106                      | 76                     | 93                           | 33                      | 26                             | 40                       | 51                  |
| New Units                         | 28   | 14                        | 40                  | 65                       | 76                     | 93                           | 33                      | 0                              | 0                        | 0                   |
| Bedrooms (incl. manager's unit)   | 72   | 42                        | 98                  | 292                      | 111                    | 93                           | 34                      | 63                             | 88                       | 120                 |
| Total Development Cost (Res.)     | \$ 9,626,510                                     | \$ 5,224,502              | \$ 13,953,375       | \$ 33,220,155            | \$ 22,809,346          | \$ 22,611,840                | \$ 7,939,689            | \$ 1,304,733                   | \$ 7,894,825             | \$ 689,999          |
| Cost per Unit                     | \$ 343,804                                       | \$ 373,179                | \$ 348,834          | \$ 313,398               | \$ 300,123             | \$ 243,138                   | \$ 240,597              | \$ 50,182                      | \$ 197,371               | \$ 13,529           |
| Cost per Bedroom                  | \$ 133,702                                       | \$ 124,393                | \$ 142,381          | \$ 113,768               | \$ 205,490             | \$ 243,138                   | \$ 233,520              | \$ 20,710                      | \$ 89,714                | \$ 5,750            |
| Total Local Funds Requested       | \$ 3,858,424                                     | \$ 1,917,400              | \$ 4,150,000        | \$ 3,000,000             | \$ 6,995,453           | \$ 5,986,320                 | \$ 3,158,256            | \$ 519,814                     | \$ 1,806,974             | \$ 275,684          |
| Local Funds Requested This NOFA   | \$ -   | \$ -                      | \$ 4,150,000        | \$ 3,000,000             | \$ 5,497,453           | \$ 2,306,100                 | \$ 994,756              | \$ 519,814                     | \$ 1,632,662             | \$ 275,684          |
| Previous Local Funds Received     | \$ 3,858,424                                     | \$ 1,917,400              | \$ -                | \$ -                     | \$ 1,498,000           | \$ 3,680,220                 | \$ 2,163,500            | \$ -                           | \$ 174,312               | \$ -                |
| Local Funds per Unit              | \$ 137,801                                       | \$ 136,957                | \$ 103,750          | \$ 28,302                | \$ 92,045              | \$ 64,369                    | \$ 95,705               | \$ 19,993                      | \$ 45,174                | \$ 5,406            |
| Local Funds per Bedroom           | \$ 53,589  | \$ 45,652                 | \$ 42,347           | \$ 10,274                | \$ 63,022              | \$ 64,369                    | \$ 92,890               | \$ 8,251                       | \$ 20,534                | \$ 2,297            |
| % Local funds to Total Dev. Costs | 40.1%  | 36.7%                     | 29.7%               | 9.0%                     | 30.7%                  | 26.5%                        | 39.8%                   | 39.8%                          | 22.9%                    | 40.0%               |
| FUNDING RECOMMENDED THIS NOFA     |  |                           |                     | \$ 3,000,000             | \$ 5,497,500           | \$ 2,306,100                 |                         |                                |                          |                     |



Matrix II: Project Scores

| Evaluation Criteria  | NEW RENTAL PROJECTS |                            |                        |               | REHABILITATION PROJECTS |                     |           |                       | ADDITIONAL FUNDS |  |
|--|---------------------|----------------------------|------------------------|---------------|-------------------------|---------------------|-----------|-----------------------|------------------|--|
|  | Brush St. Apts.     | Coliseum Gardens Phase III | Madison and Fourteenth | Drasnin Manor | Eldridge Gonaway        | Kenneth Henry Court | Altenheim | MLK/BART Senior Homes |                  |  |
| <b>I. Financial Characteristics</b>                              |                     |                            |                        |               |                         |                     |           |                       |                  |  |
| A. Degree that subsidy is below 40%                              | 5.5                 | 11.0                       | 5.0                    | 1.5           | 3.5                     | 5.5                 | 8.0       | 1.5                   |                  |  |
| B. Commitment of outside funding                                 | 0.5                 | 3.0                        | 0.5                    | 1.5           | 0.0                     | 1.5                 | 6.5       | 0.0                   |                  |  |
| C. Higher than min. equity contribution or reduced developer fee | 0.0                 | 0.0                        | 0.0                    | N/A           | N/A                     | N/A                 | 1.5       | 1.5                   |                  |  |
| D. Loan repayment  | 0.0                 | 0.0                        | 0.0                    | 0.0           | 1.0                     | 4.0                 | 0.0       | 0.0                   |                  |  |
| <b>II. Location</b>  |                     |                            |                        |               |                         |                     |           |                       |                  |  |
| A. Geographic Equity   | 19.0                | 14.0                       | 19.0                   | 7.0           | 6.5                     | 7.0                 | 22.0      | 15.5                  |                  |  |
| B. Neighborhood Revitalization                                   | 3.0                 | 0.0                        | 3.0                    | N/A           | N/A                     | N/A                 | 6.0       | 0.0                   |                  |  |
| C. Proximity to public transit                                   | 9.0                 | 9.0                        | 9.0                    | N/A           | N/A                     | N/A                 | 9.0       | 9.0                   |                  |  |
| D. Proximity to community services                               | 5.0                 | 5.0                        | 5.0                    | 5.0           | 5.0                     | 5.0                 | 5.0       | 5.0                   |                  |  |
|  | 2.0                 | 0.0                        | 2.0                    | 2.0           | 1.5                     | 2.0                 | 2.0       | 1.5                   |                  |  |
| <b>III. Target Population</b>                                    |                     |                            |                        |               |                         |                     |           |                       |                  |  |
| A. More than the minimum % of units for low income households    | 8.0                 | 8.0                        | 11.0                   | 8.0           | 4.0                     | 4.0                 | 11.0      | 8.0                   |                  |  |
| B. Units for IH < 80% AMI  | 8.0                 | 4.0                        | 11.0                   | 8.0           | 4.0                     | 4.0                 | 11.0      | 8.0                   |                  |  |
| C. Avg. unit size is greater than 2.5 bedrooms                   | N/A                 | N/A                        | N/A                    | N/A           | N/A                     | N/A                 | N/A       | N/A                   |                  |  |
|  | 0.0                 | 4.0                        | 0.0                    | 0.0           | 0.0                     | 0.0                 | 0.0       | 0.0                   |                  |  |
| <b>IV. Developer Capacity</b>                                    |                     |                            |                        |               |                         |                     |           |                       |                  |  |
| A. Higher than min. developer experience                         | 25.0                | 21.0                       | 23.5                   | 16.0          | 17.0                    | 17.0                | 22.5      | 18.5                  |                  |  |
| B. Current Capacity/Staffing/Financial Strength                  | 9.0                 | 9.0                        | 8.0                    | 6.5           | 6.5                     | 6.5                 | 8.0       | 9.0                   |                  |  |
| C. Strength of Development Team                                  | 8.0                 | 7.0                        | 6.0                    | 5.5           | 5.5                     | 5.5                 | 7.0       | 3.5                   |                  |  |
|  | 8.0                 | 7.5                        | 8.0                    | 4.0           | 5.0                     | 5.0                 | 7.5       | 6.0                   |                  |  |
| <b>V. Preserves Existing Affordable Housing</b>                  |                     |                            |                        |               |                         |                     |           |                       |                  |  |
| A. 30 year extension of affordability or                         | 10.0                | 0.0                        | 0.0                    | 4.0           | 4.0                     | 4.0                 | 0.0       | 0.0                   |                  |  |
| B. Needed capital improvements to existing affordable housing    | 10.0                | 0.0                        | 0.0                    | 0.0           | 0.0                     | 0.0                 | 0.0       | 0.0                   |                  |  |
|  | 4.0                 | 0.0                        | 0.0                    | 4.0           | 4.0                     | 4.0                 | 0.0       | 0.0                   |                  |  |
| <b>VII. Supportive Services/Technology Plan</b>                  |                     |                            |                        |               |                         |                     |           |                       |                  |  |
|  | 3.0                 | 2.5                        | 3.0                    | 2.0           | 2.0                     | 2.0                 | 2.5       | 2.5                   |                  |  |
| <b>VIII. Energy Efficiency</b>                                   |                     |                            |                        |               |                         |                     |           |                       |                  |  |
|  | 3.0                 | 3.0                        | 3.0                    | 2.0           | 1.0                     | 1.0                 | 2.0       | 3.0                   |                  |  |
| Penalty for Previously Funded Projects                           | (2.0)               | 0.0                        | 0.0                    | 0.0           | 0.0                     | 0.0                 | (2.0)     | (1.0)                 |                  |  |
| <b>TOTAL POINTS AWARDED</b>                                      | 59.0                | 62.5                       | 62.5                   | 40.5          | 38.0                    | 40.5                | 66.0      | 48.0                  |                  |  |
| <b>PERCENTAGE OF POSSIBLE POINTS</b>                             | 59.00%              | 62.50%                     | 62.50%                 | 51.27%        | 48.10%                  | 51.27%              | 66.00%    | 48.00%                |                  |  |
| Total Possible Points  | 100                 | 100                        | 100                    | 79            | 79                      | 79                  | 100       | 100                   |                  |  |

### **Project Financing**

Staff establishes the timing of the issuance of the NOFA and the recommendations to the City Council to allow developers to receive funding approvals from the City and Agency in time to prepare applications for the next competitive funding round for Low Income Housing Tax Credits and the State's Multi-family Housing Program. These early preliminary awards from the City and Agency make applications for these other sources more competitive.

Staff is confident that each of the projects recommended for funding – the Altenheim, Coliseum Gardens Phase III and Madison & Fourteenth - has an excellent chance of receiving the other sources of funding that they seek.

### Funding Reservations for All Projects

If approved, the funding will be reserved for one year to allow each developer to successfully obtain the balance of needed funding within twelve months. If full project funding is not obtained, the funding reservation will be withdrawn.

### Financing Terms for the Rental Projects

The City/Agency standard loan terms are a simple interest rate to be negotiated at the discretion of the City/Agency Administrator and a term of up to 55 years, with annual payments deferred, unless funds are available from project cash flow after paying other approved expenses and debt service. All City/Agency loans will be secured by a deed of trust recorded on the property, and a Regulatory Agreement will be recorded that sets the period of affordability, occupancy restrictions and the rent structure. State law requires 55-year affordability terms for Agency-funded rental projects.

### **DISABILITY AND SENIOR CITIZEN ACCESS**

All housing development projects receiving federal funds are required to construct and set aside units to be occupied by persons with disabilities (Federal Section 504 regulation). This means that at least 5 percent of newly constructed units will be available to persons with disabilities. The State's Title 24 and the Americans with Disabilities Act require consideration of persons with disabilities in design and construction of housing. In all rental units and some ownership housing types, those requirements include accessible units and facilities. Furthermore, developers will be required to devise a strategy to effectively market housing units to the disabled community and present this strategy as part of their Affirmative Fair Housing Marketing Plan.

City funds have long supported housing development for seniors. Recommendations contained in this report provide \$2.3 million for senior housing. CEDA staff will work with developers to insure that the maximum number of available units are actually occupied by persons with disabilities and seniors.

## **SUSTAINABLE OPPORTUNITIES**

In order to incorporate sustainable development principles pursuant to City Council Resolution No. 74678, C.M.S. adopted on December 1, 1998, sustainable development guidelines were included in this year's NOFA, and developers were required to submit a *Sustainability Statement* outlining the economic, environmental, and social equity benefits of their projects as part of their NOFA application. Points were awarded for highly energy efficient projects; as a result, all projects agreed to exceed the Title 24 energy standards by at least 15%. Staff will continue to encourage developers to follow and, when possible, broaden the sustainability plans outlined in their application.

The three housing development projects recommended for funding will address the "3 E's" of sustainability in the following ways:

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

**Environmental:** Each of the recommended projects will be at least 15% more energy efficient than the Title 24 energy code. Also, each of these proposals will provide housing on vacant or underutilized sites and all are near major public transit corridors. By developing in already built-up areas, these projects reduce the pressure to build on agricultural and other undeveloped land. Sites near mass transit enable residents to reduce dependency on automobiles and further reduce any adverse environmental impacts of development.

**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 housing for low, very low, senior citizens and families. Social services, including computer centers for residents, are a component of each rental development, and further build social equity.

## **RECOMMENDATION AND RATIONALE**

### **Appropriation of Funds**

Staff recommends that the Redevelopment Agency appropriate \$1,708,148 in new funding, which represents FY 2003-04 revenues in excess of the amount budgeted (actual tax increment receipts in FY 2003-04 were greater than projected). These funds represent 25% of the additional tax increment revenues.

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## **ACTIONS REQUESTED OF THE REDEVELOPMENT AGENCY**

Staff recommends that the Agency approve the following six (6) Redevelopment Agency Resolutions:

A resolution appropriating \$1,708,148 in Low and Moderate Income Housing Funds to the Housing Development Program.

A resolution authorizing an affordable housing development loan in an amount not to exceed \$3,024,915 to Affordable Housing Associates, Inc., for the Madison & Fourteenth rental project located at 160 14<sup>th</sup> street, and consolidating an existing \$1,498,000 site acquisition loan with the development loan, for a new total development loan in an amount not to exceed \$4,522,915.

A resolution authorizing an affordable housing development loan in an amount not to exceed \$3,000,000 to East Bay Asian Local Development Corporation and The Related Companies of California jointly for the Coliseum Gardens Phase III HOPE VI Project located at 928-998 66<sup>TH</sup> Avenue.

A resolution to amend Redevelopment Agency Resolution No. 2004-07 C.M.S. to increase the authorized affordable housing development loan by \$2,306,100 to provide total Agency loan funds in an amount not to exceed \$4,084,660 to Citizens Housing Corporation for the Altheim Senior Housing Project located at 1720 MacArthur Boulevard.

*(This resolution also extends last year's Agency reservation of funds in the amount of \$1,778,560, which, when added to the new request of \$2,306,100 brings the total Agency loan to \$4,084,660. Last year's funding also included a City funding authorization of \$1,901,740. A resolution below under City actions also extends this reservation. Total Agency/City funding for the project pending approval of these resolutions will be \$5,986,400.)*

A resolution authorizing an amendment to Redevelopment Agency Resolution No. 2003-08 C.M.S. to allow an extension of time for an affordable housing development loan in an amount not to exceed \$1,146,100 to Bridge Housing for the Mandela Gateway ownership project located at 1431 8<sup>th</sup> Street.

A resolution authorizing an amendment to the Redevelopment Agency Resolution No. 2004-08 C.M.S. to allow one year extension of an affordable housing development loan in an amount not to exceed \$2,548,500 to Affordable Housing Associates, Inc. for the Calaveras Townhomes project located at 4856-4868 Calaveras Avenue and amending loan terms of two Site Acquisition loans in the total amount of \$1,310,000.

## **ACTIONS REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City approve the three following City Council Resolutions:

A resolution authorizing an affordable housing development loan in an amount not to exceed \$2,472,585 to Affordable Housing Associates, Inc., for the Madison & Fourteenth rental project located at 160 14<sup>th</sup> Street.

A resolution authorizing an amendment to Resolution No. 77657 C.M.S. to allow an extension of time for an affordable housing development loan in an amount not to exceed \$771,300 to Bridge Housing for the Mandela Gateway Ownership project located at 1431 8<sup>th</sup> Street.

A resolution authorizing an amendment to Resolution No. 78361 C.M.S. to allow an extension of time for an affordable housing development loan in an amount not to exceed \$1,901,740 to Citizens Housing Corporation for the Altenheim Senior Housing Project located at 1720 MacArthur Boulevard.

**Respectfully submitted,**



**DANIEL VANDERPRIEM**

Director of Redevelopment,  
Economic Development and Housing  
Reviewed by: Sean Rogan, Deputy Director  
Housing & Community Development  
Prepared by:  
Janet M. Howley, Manager  
And Housing Development Staff

APPROVED AND FORWARDED TO  
THE COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE:



Office of the City Administrator and Agency Administrator

Attachments:

- Attachment A: Affordable Homeownership Development
- Attachment B: Rehabilitation/Preservation of Existing Rental Projects
- Attachment C: Project Summaries
- Attachment D: Distribution of Affordable Housing Funds

## **Attachment A**

### **Homeownership Policy Issues**

Despite efforts by staff to encourage development of homeownership projects, no proposals were submitted in this NOFA round. On January 7, 2005, staff met with representatives from eleven local developers in an effort to better understand why no applications were submitted. This discussion raised a number of important issues and several policy choices that merit close consideration. Some of these apply generally to development of single family housing on small infill sites, while other pertain specifically to the way in which the City's program is currently structured.

#### **Substantial Increase in Development Costs**

Development costs, especially for single family housing, have increased considerably in recent years. There have been substantial increases in the cost of wood, steel, concrete, sheetrock and other raw materials. Insurance costs have increased considerably, because under California case law homebuilders can be held liable for construction defects for up to ten years. The long-term risks of expensive litigation brought by homeowners associations have led to exponential increases in liability insurance, particularly for smaller developers that typically build on the more difficult infill sites such as those found in Oakland. For example, the developer of a 14-unit project recently received a quote of \$2 million for such insurance, raising the development costs by \$143,000 per unit.

There have been several efforts to address this issue through legislative measures, but so far this has not yielded significant cost reductions, and the risk of litigation continues to pose an obstacle to homeownership projects, not just in Oakland but throughout the State.

#### **Limits on Available Subsidies**

In order to leverage outside funding and make its own limited funds go further, the City has long had a policy of not providing subsidies greater than 40 percent of the total development cost of affordable housing. Unfortunately, while development costs have risen significantly, the price affordable to lower income households has not, creating an ever widening gap between development costs and affordable sales prices. In many instances this gap is now higher than the 40 percent limit imposed by the City's programs. Because there are limited sources of subsidy for homeownership (most available public programs are targeted to development of rental housing), developers have been unable to structure projects to fit within the City's subsidy limits.

#### **Ongoing Involvement of Developers After Units are Sold**

Developers have indicated that they face continuing costs after units are sold. Particularly among low income homebuyers who may be the first in their family to own a home, there sometimes is a lack of understanding about the significant financial responsibilities and risks inherent in homeownership. Developers frequently get calls about routine repair issues (which are the homeowner's responsibility), as well as ongoing inquiries about resale restrictions and

other requirements. The time involved in responding to these issues increases staff costs for the developers, but unlike rental projects for which asset management fees may be collected, no such fees can be collected for homeownership projects.

### Ability of Homeowners to Eventually “Trade Up”

Especially in today’s housing market, first-time homebuyers may be purchasing “starter homes” with the intention of moving up into larger or more desirable housing at a later date. Most homeownership assistance programs (both resale controls and deferred loans (silent second mortgages) prevent homebuyers from receiving all the appreciation and profits when they eventually sell their housing. This may make “trading up” far more difficult than is true for owners of market-rate ownership units.

### Program Design Issues

Developers and staff have identified a number of issues specific to the City’s current homeownership program:

1. Targeting households at 80 percent of median or less increases the subsidy required. Recent changes that allow an average sales price affordable at 100 percent of area median income have been insufficient to permit projects to work with subsidies less than 40 percent of development costs.
2. In neighborhoods where market-rate sales prices are insufficient to cover actual development costs, the subsidies that are required must be structured as grants. Providing subsidies as loans would require homebuyers to incur debt greater than the value of their homes. Structuring subsidies as grants requires long term sales price restrictions unless the City is willing to lose both its financial investment and the community asset provided by affordable ownership housing. The City could find itself permanently investing funds in projects that quickly convert to market rate.
3. The City’s current program requires permanent resale restrictions on homeownership developments. New units are priced according to a formula that makes the units affordable, but also limits the sales prices by applying the same formula each time the unit is sold. This ensures ongoing affordability even in neighborhoods that are experiencing substantial inflation in market prices.
4. Resale controls are difficult for homebuyers to understand. Even when the program is explained as part of pre-purchase counseling, and even when disclosures are stated in plain language and signed by the buyers, when it comes time to sell the property, owners often are surprised to learn that they cannot sell their homes for the same price as their unsubsidized neighbors. In addition, resale controls may limit the amount of equity available for home improvement or to cover catastrophic medical bills, the cost of college tuition, or other major expenses.

5. The current program (long term resale controls) limits homeowners' potential for profit when conditions are favorable but requires owners to assume all the risks of financial loss when conditions are unfavorable.
6. Regardless of whether the programs require sales price restrictions or repayment of City loans, the profit received by the original homebuyer when the house is resold may not be sufficient to permit that household to purchase another home without additional financial assistance.

A number of potentially promising suggestions for modifying the City's current program rules were made at the January 7 meeting with developers. These suggestions need to be researched further before any changes may be considered for either the program or City policies. Staff intends to continue discussions with the developers over the next 6 months to further refine recommendations. It is anticipated that some administrative modifications to the program may be made within that time period.

### Policy Tradeoffs

The City's homeownership program seeks to meet a number of policy objectives. The implementation of these policies has brought to light a number of contradictions and trade-offs. These issues cannot be resolved without greater clarity about policy priorities and how to choose between well-intended but conflicting goals. Listed below are some of the policy questions that have emerged.

1. What is more important – assisting households with lower incomes or minimizing the City's per unit investment? There is a direct trade-off between these two goals.
2. How important is long term affordability in ownership developments? Permanent resale controls limit the availability of other subsidies, increasing the City's costs in the short to medium run, but preserve the availability of affordable ownership units even in rapidly gentrifying neighborhoods. On the other hand, if subsidies are structured as loans due on sale, there will eventually be some financial returns to the City that can be reinvested in new affordable housing, but the original units will no longer be affordable. Moreover, if the City wants to make the unit affordable to a subsequent buyer, the amount of money recaptured from the original owner may be inadequate, and the City would then need to invest additional funds to preserve affordability.
3. Is the goal of the City's homeownership programs to provide greater opportunities for first-time homebuyers or to develop new owner-occupied housing in areas with low homeownership rates and to promote neighborhood revitalization? Providing subsidies for purchase of existing homes (through programs like the City's Mortgage Assistance Program) requires less subsidy per household than new development, because existing homes can be purchased for less than it costs to build new developments.
4. The City wants to increase its homeownership rate. How can this best be achieved? Should this occur by subsidizing the development of owner-occupied housing for low



income families, converting rental housing to ownership housing (by relaxing controls on condominium conversions, for example), or encouraging the development of new market-rate homeownership developments?

5. Is the principle goal of a homeownership program to provide affordable housing or to promote private wealth building? How much appreciation should subsidized homebuyers be allowed to receive, particularly when their own investment is quite small in comparison? Should scarce public funds be used to increase equity held by a relatively small number of low income homebuyers? If wealth creation is an objective, is the City willing to forego both the return of its investment and long-term affordability?

## ATTACHMENT B

### Rehabilitation/Preservation of Existing Rental Projects

In recent years, the City has received applications to provide funding for preservation of existing affordable housing developments. These applications have fallen into two main categories. One involves proposals to acquire and preserve projects that otherwise would convert to market rate due to expiration of restrictions under the Section 8 or Low Income Housing Tax Credit (LIHTC) programs. The second involves older projects with significant unmet capital needs to deal with physical deterioration and functional obsolescence. Even though the affordability restrictions on these projects are not due to expire soon, the projects are still at risk of becoming unmarketable.

In the last two NOFA funding rounds, requests in the preservation category have all been of the second type – projects where the cost of rehabilitation exceeds the amount that has been set aside in the projects' maintenance and replacement reserves. Oakland has 46 assisted rental projects (4,425 units) built prior to 1990. Of these, only 11 projects (515 units) were developed with City/Agency financing. Most of these older projects were constructed using federal programs and have continued to receive federal operating subsidies. However, a growing number of the buildings now need a substantial infusion of funds to replace failing systems in order to adequately serve their tenants. There are no federal programs to deal with these issues, and so even projects not originally financed by the City are now seeking City assistance.

The proposals received in the last two NOFA rounds, as well as proposed budgets for other projects that did not seek City funding, indicated an estimated cost ranging from \$10,000 to \$60,000 per unit to rehabilitate these developments. Given the substantial number of aging assisted rental units in the City, it could take anywhere from \$44 million to \$265 million to fully rehabilitate these units over time. Current City policy restricts City financing to a maximum of 40 percent of a project's cost. However, if even 15% of the pre-1990 units were to submit requests for just \$15,000/unit in City funds, this would require nearly \$10 million, or more than the total amount available in this year's NOFA.

In June 2004, City Council directed staff to commit a significant portion of the future year's HOME allocation to fund three senior rehabilitation projects that did not score high enough to be recommended for funding in last year's NOFA. The developers found it difficult to compete as rehabilitation projects, in part because they did not receive full points for preservation of affordability because they were not at imminent risk for conversion to market rate housing. However, all three projects had repair needs that exceeded the scope of their reserves, and it was feared that waiting another year or more for funding would only erode livability for current tenants, while the cost of addressing the deferred maintenance would only escalate over time. While this averted more serious problems for these projects, it also reduced the amount of funding available for this year's NOFA.

This year's NOFA includes requests for funding to rehabilitate four older rental developments for families. Estimated rehabilitation costs range from the minor rehabilitation of Kenneth Henry Court (\$13,539/unit) to the more substantial rehabilitation at Drasnin Manor (\$50,182/unit) to major expenditures for the proposed repurchase (from the limited partnership formed when the project was syndicated) and rehabilitation of Eldridge Gonaway Commons (\$175,588/unit). As with last year's rehabilitation projects, these applications did not score very well in the rankings, in part because they do not receive full points for preservation because their affordability restrictions are not at risk.

Funding these proposed projects, like funding expiring Section 8 and LIHTC projects, would stem a potential loss of affordable units but does not add to the City's affordable housing supply. On the other hand, the cost of preserving these units is substantially less than the estimated development costs for new family housing (an average of \$315,074 per unit for applications received in the current NOFA).

Newer projects have been required to fund higher reserve levels to avoid the need for additional funds for rehabilitation as the projects age. Staff will continue to underscore the need to make sure reserves are adequately funded, and encourage developers to take all permitted incremental rent increases to ensure that their projects remain in good shape financially and physically. This is expected to minimize the need for existing projects to return to the City in the future with requests for additional funding and/or to enact sudden sizeable increases in tenants' rents.

These changes do not address the need for funding for the older projects. While staff continues to explore other avenues to secure outside funding for capital improvements to existing housing, additional guidance is requested from the City Council regarding the relative priority of preserving older projects versus expanding the supply of assisted housing through development of new units.

**ATTACHMENT C**  
**PROJECT SUMMARIES**

**Altenheim Senior Housing** – 1720 MacArthur Blvd

**Brush Street Apartments** - 751-785 7<sup>th</sup> Street

**Coliseum Gardens Phase III** – 928-998 66<sup>th</sup> Avenue

**Drasnin Manor** - 2530 International Blvd.

**Eldridge Gonaway** – 275 East 12<sup>th</sup> Street

**Kenneth Henry Court** – 6425-6475 Foothill Blvd.

**Madison & Fourteenth** – 160 14<sup>th</sup> Street

**MLK/BART Senior Housing** – 3823-3837 Martin Luther King Jr Way

## Altenheim Senior Housing Project Summary

|   |                                   |
|---|-----------------------------------|
| <b>Address/Location</b>                                 | 1720 MacArthur Boulevard          |
| <b>Developer</b>  | Citizens Housing Corporation      |
| <b>Type of Construction</b>                             | Reuse                             |
| <b>Number of Units/ Resident Type</b>                   | 93 units for Seniors              |
| <b>Total Development Cost / Cost per Unit</b>           | \$22,611,840 / \$243,138 per unit |
| <br>  |                                   |
| <b>Agency Site Acquisition Loan</b>                     | N/A                               |
| <b>Previous Local Development Funding</b>               | \$3,680,220                       |
| <b>Current Request for Local Funds</b>                  | <b><u>\$2,306,100</u></b>         |
| <br>  |                                   |
| <b>Total City/Agency Funds Requested</b>                | \$5,986,320                       |
| <b>Total City/Agency Funds per Unit</b>                 | \$64,369                          |
| <b>Total City/Agency Funds as Percent of Total Cost</b> | 26.5%                             |

|           | <b>Affordability Level</b> |          |          |          |           |
|-----------|----------------------------|----------|----------|----------|-----------|
|           | <35% AMI                   | <50% AMI | <60% AMI | <80% AMI | <100% AMI |
| 0 Bedroom | 24 (26%)                   |          | 37 (40%) |          |           |
| 1 Bedroom | 15 (16%)                   |          | 16 (17%) |          |           |
| 2 Bedroom |                            |          |          |          |           |
| 3 Bedroom |                            |          |          |          |           |
| 4 Bedroom |                            |          |          |          |           |

### **Description of Project:**

Altenheim Senior Housing Project will contain 92 affordable housing units (plus one manager's unit) for seniors on the 1720 MacArthur Boulevard site. This phase of the Project entails the reuse of a historic facility, which provided assisted living for seniors until its closing in 2002. The 6.2 acre site is three blocks from Fruitvale Avenue and the Dimond Business District. The overall Project will be developed in two phases, the first of which will include seven buildings consisting of two-three stories of housing (with a portion over parking), office, and community space. The current request for funds will allow the developer to proceed with all of the rehabilitation work on the site in the first phase of construction by adding the final remaining building slated for rehabilitation to Phase 1. The second phase will consist entirely of the new construction planned for the site. This is expected to allow the funding and construction processes to proceed with greater efficiency. All units will include private bathrooms and kitchens.

The developer has been working extensively with the community and demonstrated a commitment to continue to involve the community as the development proceeds. The development will save the century-old, National Register-eligible facility and will ultimately produce a total of 174 affordable units. The Altenheim has a significant presence and the buildings and gardens have been a landmark for generations. The proposed project will preserve this landmark for future generations while providing needed and desirable living accommodations for low income seniors.

The total development cost for the first phase will be \$22,611,840 and the developer has requested additional funding of \$2,306,100 from the City/Agency to add the remaining rehab units to Phase 1. Last year, funding of \$3,680,220 was awarded to the project, bringing total City/Agency funding to \$5,986,320. This will result in an overall cost of \$243,138 per unit with the City/Agency share being \$64,369 (26.5%). Tax credit syndication proceeds are projected to generate \$16,189,179 in historic and 9% tax credits, with an AHP loan/grant of \$465,000 providing the remainder of funding. The developer anticipates receiving approval for the non-City/Agency financing by June 2005 with construction on Phase 1 to begin by October 2005 with completion by October 2006.

**Altenheim Senior Housing  
Financing Summary**

**Development Cost**

|                                | <b>Total</b>         | <b>Per Unit</b>   | <b>% of Total</b> |
|--------------------------------|----------------------|-------------------|-------------------|
| Acquisition                    | \$ 2,137,931         | \$ 22,989         | 9%                |
| Off-site Improvements          | \$ -                 | \$ -              | 0%                |
| Hard Costs                     | \$ 16,100,000        | \$ 173,118        | 71%               |
| Soft Costs                     | \$ 1,514,490         | \$ 16,285         | 7%                |
| Carrying Costs                 | \$ 1,461,281         | \$ 15,713         | 6%                |
| Syndication Costs              | \$ 195,256           | \$ 2,100          | 1%                |
| Capitalization of Reserves     | \$ 102,881           | \$ 1,106          | 0%                |
| Developer Fee                  | \$ 1,000,000         | \$ 10,753         | 4%                |
| Furnishings/Other              | \$ 100,000           | \$ 1,075          | 0%                |
| <b>Total Development Costs</b> | <b>\$ 22,611,839</b> | <b>\$ 243,138</b> | <b>100%</b>       |

**Sources of Funds**

| <b>Sources</b>                                   | <b>Total</b>         | <b>% of Dev. Cost</b> |
|--|----------------------|-----------------------|
| AHP  | \$ 465,000           | 2%                    |
| Tax Credit Syndication Proceeds<br>(9%/Historic) | \$ 16,189,179        | 72%                   |
| Total City/Agency Funds Requested*               | \$ 5,986,320         | 26%                   |
| <b>Total</b>                                     | <b>\$ 22,640,499</b> | <b>100%</b>           |

\* Includes previous City/Agency development funds, if any.

**Projected Loan Repayment**

|              | <b>Total</b> | <b>Cumulative</b> | <b>% of Total<br/>City Loan<br/>Repaid</b> |
|--------------|--------------|-------------------|--|
| Year 1-30    | \$ -         | \$ -              | 0%   |
| <b>Total</b> | <b>\$ -</b>  |                   | <b>0%</b>                                  |

## Brush Street Apartments Project Summary

|   |  |
|---|--|
| <b>Address/Location</b>                                 | 751-785 7 <sup>th</sup> Street               |
| <b>Developer</b>  | Resources for Community<br>Development, Inc. |
| <b>Type of Construction</b>                             | New  |
| <b>Number of Units</b>                                  | 40   |
| <b>Resident Type</b>                                    | Family Rental                                |
| <b>Total Development Cost</b>                           | \$13,953,375                                 |
| <b>Cost per Unit</b>                                    | \$348,834                                    |
| <b>Agency Site Acquisition Loan</b>                     | N/A  |
| <b>Previous Local Development Funding</b>               | N/A  |
| <b>Current Request for Local Funds</b>                  | <u>\$4,150,000</u>                           |
| <b>Total City/Agency Funds Requested</b>                | \$4,150,000                                  |
| <b>Total City/Agency Funds per Unit</b>                 | \$103,750                                    |
| <b>Total City/Agency Funds as Percent of Total Cost</b> | 29.7%  |

|           | AFFORDABILITY LEVEL |          |          |          |           |
|-----------|---------------------|----------|----------|----------|-----------|
|           | <35% AMI            | <50% AMI | <60% AMI | <80% AMI | <100% AMI |
| 0 Bedroom |                     |          |          |          |           |
| 1 Bedroom |                     |          |          |          |           |
| 2 Bedroom | 6                   | 9        | 6        |          |           |
| 3 Bedroom | 6                   | 6        | 6        |          |           |
| 4 Bedroom |                     |          |          |          |           |

### Description of Project:

Brush Street Apartments is a proposed 40-unit family rental development, to be located at 751-785 7<sup>th</sup> Street. RCD has an option to purchase the property. The Total Development Costs are anticipated to be \$13,953,375. Other proposed sources of permanent funding include the state Multifamily Housing Program (MHP, \$2,845,885), an MHP Supportive Services Space Loan (\$150,000), tax credit equity (\$5,044,283), CalHFA loans (\$605,657), County HOPWA funds (\$375,000), AHP funds (\$200,000), an EPA Brownfields grant (\$200,000) and developer equity (\$382,500). RCD's Limited Partner will be determined at a later date.

The planned development includes 21 2-bedroom units and 18 3-bedroom units for low, very low and extremely low income tenants, and one 2-bedroom unit for a resident manager.

Amenities on-site will include a community room with networked computers, laundry facilities, a central landscaped courtyard and an on-site resident manager. Plans include having four units set-aside for persons living with AIDS/HIV under the County HOPWA program. In addition, RCD has plans to partner with service providers to make financial counseling services, child care referrals and computer training available to tenants.



**Brush Street Apartments  
Financing Summary**

**Development Cost**

|                                | <b>Total</b>         | <b>Per Unit</b>   | <b>% of Total</b> |
|--------------------------------|----------------------|-------------------|-------------------|
| Acquisition                    | \$ 1,354,167         | \$ 33,854         | 10%               |
| Off-site Improvements          | \$ -                 | \$ -              | 0%                |
| Hard Costs                     | \$ 9,334,924         | \$ 233,373        | 67%               |
| Soft Costs                     | \$ 1,316,057         | \$ 32,901         | 9%                |
| Carrying Costs                 | \$ 591,716           | \$ 14,793         | 4%                |
| Syndication Costs              | \$ 97,244            | \$ 2,431          | 1%                |
| Capitalization of Reserves     | \$ 226,717           | \$ 5,668          | 2%                |
| Developer Fee                  | \$ 1,012,550         | \$ 25,314         | 7%                |
| Furnishings/Other              | \$ 20,000            | \$ 500            | 0%                |
| <b>Total Development Costs</b> | <b>\$ 13,953,375</b> | <b>\$ 348,834</b> | <b>100%</b>       |

**Sources of Funds**

| <b>Sources</b>                      | <b>Total</b>         | <b>% of Dev. Cost</b> |
|-------------------------------------|----------------------|-----------------------|
| CalHFA Permanent Loan               | \$ 605,657           | 4%                    |
| MHP (inc. Supportive Services loan) | \$ 2,995,885         | 21%                   |
| AHP                                 | \$ 200,000           | 1%                    |
| Tax Credit Syndication Proceeds     | \$ 5,044,283         | 36%                   |
| HOPWA                               | \$ 375,000           | 3%                    |
| EPA Brownfields Grant               | \$ 200,000           | 1%                    |
| Developer Equity                    | \$ 382,500           | 3%                    |
| Total City/Agency Funds Requested*  | \$ 4,150,000         | 30%                   |
| <b>Total</b>                        | <b>\$ 13,953,325</b> | <b>100%</b>           |

\* Includes previous City/Agency development funds, if any.

**Projected Loan Repayment**

|              | <b>Total</b>      | <b>Cumulative</b> | <b>% of Total<br/>City Loan<br/>Repaid</b> |
|--------------|-------------------|-------------------|--|
| Year 1-5     | \$ -              | \$ -              | 0%   |
| Year 6-10    | \$ -              | \$ -              | 0%   |
| Year 11-15   | \$ -              | \$ -              | 0%   |
| Year 16-20   | \$ 4,315          | \$ 4,315          | 0%   |
| Year 21-25   | \$ 73,250         | \$ 77,565         | 2%   |
| Year 26-30   | \$ 51,707         | \$ 129,272        | 3%   |
| <b>Total</b> | <b>\$ 129,272</b> |                   | <b>3%</b>                                  |

## Drasnin Manor Project Summary

|   |   |
|---|---|
| <b>Address/Location</b>                                 | 2530 International Boulevard              |
| <b>Developer</b>  | Oakland Community Housing,<br>Inc. (OCHI) |
| <b>Type of Construction</b>                             | Rehabilitation                            |
| <b>Number of Units</b>                                  | 26 family rental units                    |
| <b>Total Development Cost</b>                           | \$1,304,733, \$50,182 per unit            |
| <b>Agency Site Acquisition Loan</b>                     | None                                      |
| <b>Previous Local Development Funding</b>               |   |
| <b>Current Request for Local Funds</b>                  | <b><u>\$519,814</u></b>                   |
| <b>Total City/Agency Funds Requested</b>                | \$519,814                                 |
| <b>Total City/Agency Funds per Unit</b>                 | \$19,993                                  |
| <b>Total City/Agency Funds as Percent of Total Cost</b> | 39.8%                                     |

|           | <b>AFFORDABILITY LEVEL</b> |          |          |          |           |
|-----------|----------------------------|----------|----------|----------|-----------|
|           | <35% AMI                   | <50% AMI | <60% AMI | <80% AMI | <100% AMI |
| 0 Bedroom |                            |          |          |          |           |
| 1 Bedroom | 2                          | 1        |          |          |           |
| 2 Bedroom | 4                          | 4        | 1        |          |           |
| 3 Bedroom | 3                          | 1        | 9        |          |           |
| 4 Bedroom |                            |          |          |          |           |

### Description of Project:

Drasnin Manor is an existing affordable rental housing located in the Fruitvale district. The project was built in 1996 with funding from the Redevelopment Agency (\$800,000), State Department of Housing and Community Development (\$961,917), American Savings Bank (\$510,000) and Limited Partner equity contribution (\$1,315,784). The project is currently occupied by 25 low-income households. The project is owned by 2530 Associates, a limited partnership between OCHI as its General Partner and California Equity Fund as its Limited Partner.

Structural defects have been found in the water drainage system. As a result, substantial dry-rot damage has affected the walkway connecting the second-floor units to the ground level. Repairs need to be made to the drainage system as well as to the damaged walkway and exteriors of the building.

The developer is in the process of obtaining litigation proceeds of approximately \$449,000 from the General Contractor's insurance to repair the damage. However, the proceeds are not sufficient to cover the entire rehabilitation cost of \$1.3 million, of which hard costs account for \$985,000. The developer will provide \$430,000 from refinancing of the existing first mortgage through Washington Mutual. The City and the Agency are requested to fund the remaining gap of the rehabilitation costs in the amount of \$519,814.

The rehabilitation work will take six months to complete. The 11 units affected by the damage will become inaccessible during the repair work, and the tenants of those units will be temporarily relocated. Relocation benefits will be provided by the developer.

**Drasin Manor**  
**Financing Summary**

**Development Cost**

|                                | Total               | Per Unit         | % of Total  |
|--------------------------------|---------------------|------------------|-------------|
| Acquisition                    | \$ -                | \$ -             | 0%          |
| Off-site Improvements          | \$ -                | \$ -             | 0%          |
| Hard Costs                     | \$ 984,814          | \$ 37,877        | 75%         |
| Soft Costs                     | \$ 169,155          | \$ 6,506         | 13%         |
| Carrying Costs                 | \$ 5,198            | \$ 200           | 0%          |
| Developer Fee                  | \$ 75,000           | \$ 2,885         | 6%          |
| Capitalization of Reserves     | \$ 70,566           | \$ 2,714         | 5%          |
| Syndication Costs              | \$ -                | \$ -             | 0%          |
| Furnishings/Other              | \$ -                | \$ -             | 0%          |
| <b>Total Development Costs</b> | <b>\$ 1,304,733</b> | <b>\$ 50,182</b> | <b>100%</b> |

**Sources of Funds**

| Sources                           | Total               | % of Dev. Cost |
|-----------------------------------|---------------------|----------------|
| Washington Mutual                 | \$ 338,545          | 26%            |
| Litigation Proceeds*              | \$ 446,374          | 34%            |
| Total City/Agency Funds Requested | \$ 519,814          | 40%            |
| <b>Total</b>                      | <b>\$ 1,304,733</b> | <b>100%</b>    |

\* Construction defect litigation proceeds against the insurance of the original General Contractor

**Projected Loan Repayment**

|              | Total       | Cumulative  | % of Total City Loan Repaid |
|--------------|-------------|-------------|-----------------------------|
| Year 1-5     | \$ -        | \$ -        | 0.0%                        |
| Year 6-10    | \$ -        | \$ -        | 0.0%                        |
| Year 11-15   | \$ -        | \$ -        | 0.0%                        |
| Year 16-20   | \$ -        | \$ -        | 0.0%                        |
| Year 21-25   | \$ -        | \$ -        | 0.0%                        |
| Year 26-30   | \$ -        | \$ -        | 0.0%                        |
| <b>Total</b> | <b>\$ -</b> | <b>\$ -</b> | <b>0.0%</b>                 |

## Eldridge Gonaway Project Summary

|   |                                       |
|---|---------------------------------------|
| <b>Address/Location</b>                                 | 275 East 12 <sup>th</sup> Street      |
| <b>Developer</b>  | Oakland Community Housing, Inc.(OCHI) |
| <b>Type of Construction</b>                             | Rehabilitation                        |
| <b>Number of Units</b>                                  | 40 family rental units                |
| <b>Total Development Cost</b>                           | \$7,894,825, \$197,371 per unit       |
| <b>Agency Site Acquisition Loan</b>                     | None                                  |
| <b>Previous Local Development Funding</b>               | \$1,359,592 in 1981                   |
| <b>Current Request for Local Funds</b>                  | <b><u>\$1,632,662</u></b>             |
| <b>Total City/Agency Funds Requested</b>                | \$2,992,254*                          |
| <b>Total City/Agency Funds per Unit</b>                 | \$74,806                              |
| <b>Total City/Agency Funds as Percent of Total Cost</b> | 35.0%                                 |

\* Includes new request to the City in the amount of \$1,632,662 and outstanding principal and accrued interest for the existing Agency loans to OCHI and Eldridge Gonaway Commons Associates issued in 1981

|           | <b>AFFORDABILITY LEVEL</b> |          |          |          |           |
|-----------|----------------------------|----------|----------|----------|-----------|
|           | <35% AMI                   | <50% AMI | <60% AMI | <80% AMI | <100% AMI |
| 0 Bedroom |                            |          |          |          |           |
| 1 Bedroom | 6                          |          | 4        |          |           |
| 2 Bedroom | 7                          |          | 7        |          |           |
| 3 Bedroom | 6                          |          | 7        |          |           |
| 4 Bedroom |                            |          | 2        |          |           |

### **Description of Project:**

Eldridge Gonaway is an existing 40-unit family rental housing located at 275 East 12<sup>th</sup> Street. The project was built in 1983 with CalHFA financing (\$1,325,785, 30-year amortized), general partner contribution and deferred loans from the Redevelopment Agency (\$1,359,592). The CalHFA loan is combined with an allocation of project based section 8 administered by CalHFA for the 40 affordable units. The section 8 contract is renewable for five more years from 2006, expiring in 2011. CalHFA loan will be fully paid in 2011, which is the end of the affordability term. The project is owned by a limited partnership, Eldridge Gonaway Commons Associates. Its general partner, Eldridge Gonaway, Inc., is an affiliate of Oakland Community Housing, Inc. (OCHI) Its Limited Partner is an investment group, an affiliate of CRICO. OCHI intends to buy out the limited partner investor's interest to rehabilitate the building and restructure the financing.

Rehabilitation work will include replacement of roofs, balconies, windows, exterior stairs, interior carpets, vinyl flooring, and other repairs. Total hard costs of the rehabilitation are estimated at \$2,338,459. To restructure the financing, OCHI plans to refinance the current CalHFA loan with a new first mortgage from CalHFA (application in February 2005), obtaining an allocation of 4% low-income housing tax credits (application in June 2005), and obtaining a loan from the Multifamily Housing Program (MHP) administered by the State of California Department of Housing and Community Development (application in March 2005). Rehabilitation work is expected to take nine months to complete.

**Eldridge Gonaway  
Financing Summary**

**Development Cost**

|                                | Total               | Per Unit          | % of Total  |
|--------------------------------|---------------------|-------------------|-------------|
| Acquisition*                   | \$ 3,785,116        | \$ 94,628         | 48%         |
| Off-site Improvements          | \$ -                | \$ -              | 0%          |
| Hard Costs                     | \$ 2,338,459        | \$ 58,461         | 30%         |
| Soft Costs                     | \$ 464,221          | \$ 11,606         | 6%          |
| Carrying Costs                 | \$ 361,577          | \$ 9,039          | 5%          |
| Developer Fee                  | \$ 675,000          | \$ 16,875         | 9%          |
| Capitalization of Reserves     | \$ 147,222          | \$ 3,681          | 2%          |
| Syndication Costs              | \$ 104,230          | \$ 2,606          | 1%          |
| Furnishings/Other              | \$ 19,000           | \$ 475            | 0%          |
| <b>Total Development Costs</b> | <b>\$ 7,894,825</b> | <b>\$ 197,371</b> | <b>100%</b> |

\* Acquisition cost includes; cash payment to limited partner (\$672,750); remaining balance of deferred developer fee (\$208,600); current CalHFA mortgage balance (\$1,178,784); current Agency loan balance including interest from 1981 (\$843,053 for loans to OCHI, \$294,587 for a loan to EGC Associates) and payment on GP note (\$587,342)

**Sources of Funds**

| Sources                                      | Total               | % of Dev. Cost |
|--|---------------------|----------------|
| Cal HFA                                      | \$ 1,568,129        | 20%            |
| MHP  | \$ 1,540,204        | 20%            |
| Tax Credit Syndication Proceeds              | \$ 2,016,190        | 26%            |
| Existing Agency Loan Principal and Interest* | \$ 1,137,640        | 14%            |
| New City/Agency Funds Requested              | \$ 1,632,662        | 21%            |
| <b>Total</b>                                 | <b>\$ 7,894,825</b> | <b>100%</b>    |

\*\* Current Principal Balance of loans to OCHI is \$465,709 with accrued interest of \$377,344, the one to EGC Associates is \$174,312 with accrued interest of \$120,275

**Projected Loan Repayment**

|              | Total             | Cumulative | % of Total City Loan Repaid |
|--------------|-------------------|------------|-----------------------------|
| Year 1-5     | \$ 43,122         | \$ 43,122  | 1.9%                        |
| Year 6-10    | \$ 88,049         | \$ 131,171 | 5.8%                        |
| Year 11-15   | \$ 114,934        | \$ 246,105 | 10.8%                       |
| Year 16-20   | \$ 114,552        | \$ 360,657 | 15.9%                       |
| Year 21-25   | \$ 100,608        | \$ 461,265 | 20.3%                       |
| Year 26-30   | \$ 78,230         | \$ 539,495 | 23.7%                       |
| <b>Total</b> | <b>\$ 539,495</b> |            | <b>23.7%</b>                |

## Kenneth Henry Court Project Summary

|   |                                    |
|---|------------------------------------|
| <b>Address/Location</b>                                 | 6425-6475 Foothill Boulevard       |
| <b>Developer</b>  | Oakland Community Housing,<br>Inc. |
| <b>Type of Construction</b>                             | Rehabilitation                     |
| <b>Number of Units</b>                                  | 51 family rental units             |
| <b>Total Development Cost</b>                           | \$689,000,13,510 per unit          |
| <b>Agency Site Acquisition Loan</b>                     | None                               |
| <b>Previous Local Development Funding</b>               |                                    |
| <b>Current Request for Local Funds</b>                  | <u>\$275,684</u>                   |
| <b>Total City/Agency Funds Requested</b>                | \$275,684                          |
| <b>Total City/Agency Funds per Unit</b>                 | \$5,406                            |
| <b>Total City/Agency Funds as Percent of Total Cost</b> | 39.8%                              |

|           | AFFORDABILITY LEVEL |          |          |          |           |
|-----------|---------------------|----------|----------|----------|-----------|
|           | <35% AMI            | <50% AMI | <60% AMI | <80% AMI | <100% AMI |
| 0 Bedroom |                     |          |          |          |           |
| 1 Bedroom |                     | 3        | 4        |          |           |
| 2 Bedroom | 5                   | 6        | 16       |          |           |
| 3 Bedroom | 5                   | 2        | 7        |          |           |
| 4 Bedroom |                     | 1        | 1        |          |           |

### Description of Project:

Kenneth Henry Court is an existing affordable rental housing located in East Oakland. The project was built in 1996 with funding from the Redevelopment Agency (\$850,000), State Department of Housing and Community Development (\$2,102,401), SAMCO (\$565,000) and Limited Partner equity contribution (\$1,990,478). The project is currently occupied by 50 low-income households. The owner of the property is 6455 Foothill Associates, a limited partnership between OCHI as its general partner and California Equity Fund as its limited partner.

Masonite siding used for the exterior of the building has been found to be defective. The siding has been buckling and failing outside of several project units, which would lead to mold damages to those units. The siding needs to be replaced in order to maintain the units in habitable condition. The developer intends to file a claim against the masonite siding manufacturer as part of a class action lawsuit. The developer intends to repay the City and the Agency to the extent that the claim is recovered.

The total cost of the repair work is \$690,000, of which hard costs account for \$532,772. The developer requested the City and the Agency provide \$275,684 to cover part of the rehabilitation costs. The developer will provide the remaining \$409,275 from refinancing of the existing first mortgage through Washington Mutual.

**Kenneth Henry Court  
Financing Summary**

**Development Cost**

|                                | Total             | Per Unit         | % of Total  |
|--------------------------------|-------------------|------------------|-------------|
| Acquisition                    | \$ -              | \$ -             | 0%          |
| Off-site Improvements          | \$ -              | \$ -             | 0%          |
| Hard Costs                     | \$ 532,772        | \$ 10,447        | 77%         |
| Soft Costs                     | \$ 89,470         | \$ 1,754         | 13%         |
| Carrying Costs                 | \$ 2,757          | \$ 54            | 0%          |
| Developer Fee                  | \$ 65,000         | \$ 1,275         | 9%          |
| Capitalization of Reserves     | \$ -              | \$ -             | 0%          |
| Syndication Costs              | \$ -              | \$ -             | 0%          |
| Furnishings/Other              | \$ -              | \$ -             | 0%          |
| <b>Total Development Costs</b> | <b>\$ 689,999</b> | <b>\$ 13,529</b> | <b>100%</b> |

**Sources of Funds**

| Sources                           | Total             | % of Dev. Cost |
|-----------------------------------|-------------------|----------------|
| Washington Mutual                 | \$ 414,315        | 60%            |
| Total City/Agency Funds Requested | \$ 275,684        | 40%            |
| <b>Total</b>                      | <b>\$ 689,999</b> | <b>100%</b>    |

**Projected Loan Repayment\***

|              | Total             | Cumulative | % of Total<br>City Loan<br>Repaid |
|--------------|-------------------|------------|-----------------------------------|
| Year 1-5     | \$ 21,967         | \$ 21,967  | 2.5%                              |
| Year 6-10    | \$ 144,610        | \$ 166,577 | 19.2%                             |
| Year 11-15   | \$ 205,995        | \$ 372,572 | 42.8%                             |
| Year 16-20   | \$ 196,162        | \$ 568,734 | 65.4%                             |
| Year 21-25   | \$ 161,068        | \$ 729,802 | 83.9%                             |
| Year 26-30   | \$ 92,897         | \$ 822,699 | 94.6%                             |
| <b>Total</b> | <b>\$ 822,699</b> |            | <b>94.6%</b>                      |

## Madison & Fourteenth Project Summary

|   |                                     |
|---|-------------------------------------|
| <b>Address/Location</b>                                 | 160 14 <sup>th</sup> Street         |
| <b>Developer</b>  | Affordable Housing Associates       |
| <b>Type of Construction</b>                             | New construction, housing on podium |
| <b>Number of Units</b>                                  | 76 (including one manager's unit)   |
| <b>Resident Type</b>                                    | Family Rental                       |
| <b>Total Development Cost</b>                           | \$22,809,346 (Residential)          |
| <b>Cost per Unit</b>                                    | \$ 300,123                          |
| <b>Agency Site Acquisition Loan</b>                     | \$ 1,498,000                        |
| <b>Previous Local Development Funding</b>               | None                                |
| <b>Current Request for Local Funds</b>                  | <u><b>\$ 5,497,453</b></u>          |
| <br>  |                                     |
| <b>Total City/Agency Funds Requested</b>                | \$6,995,453                         |
| <b>Total City/Agency Funds per Unit</b>                 | \$ 92,045                           |
| <b>Total City/Agency Funds as Percent of Total Cost</b> | 31% (Residential)                   |

|           | Affordability Level |          |          |          |           |
|-----------|---------------------|----------|----------|----------|-----------|
|           | <35% AMI            | <50% AMI | <60% AMI | <80% AMI | <100% AMI |
| 0 Bedroom | 8                   | 3        |          |          |           |
| 1 Bedroom | 13                  | 12       | 11       |          |           |
| 2 Bedroom | 7                   | 9        | 7 *      |          |           |
| 3 Bedroom | 4                   | 2        |          |          |           |
| 4 Bedroom |                     |          |          |          |           |

\* Including manager's unit, rent <60% AMI

### Description of Project:

The proposed project consists of the construction of 76 affordable housing units (including one manager's unit) for very low and lower income households and 2,659 square feet of commercial/social services space. The units consist of a mix of studios, one, two, and three bedroom units in an 8 story building with 7 floors of housing over the ground floor retail/commercial area and parking. The use of a parking lift system makes it possible to have 53 parking spaces and the 2,659 square feet of retail/commercial space.

The cost for the total development, including the commercial/social service and the residential portions, is \$23,520,612. Of that total, the residential portion itself is \$22,809,346. The developer purchased the site through the Agency's Site Acquisition program with a loan of \$1,498,000. The developer has requested \$5,497,453 in development funding to complete their funding. The total City/Agency assistance requested is \$6,995,453. Other anticipated project financing includes 4% tax credits, tax exempt bonds, the State's Multifamily Housing Program (residential loan and social service space loan), Federal Home Loan Bank Affordable Housing Program, and a Planning grant.

The development is located in a transit- and service rich neighborhood on the edge of residential district in Downtown Oakland with several health and social service centers, retail stores, and offices within easy walking distance. The development is also adjacent to the historic Islamic Cultural Center.



**Madison & Fourteenth  
Financing Summary**

**Development Cost**

|                                | <b>Total</b>         | <b>Per Unit</b>   | <b>% of Total</b> |
|--------------------------------|----------------------|-------------------|-------------------|
| Acquisition                    | \$ 1,498,000         | \$ 19,711         | 6.6%              |
| Off-site Improvements          | \$ 73,511            | \$ 967            | 0.3%              |
| Hard Costs                     | \$ 16,168,758        | \$ 212,747        | 70.9%             |
| Soft Costs                     | \$ 2,250,628         | \$ 29,614         | 9.9%              |
| Carrying Costs                 | \$ 1,212,273         | \$ 15,951         | 5.3%              |
| Syndication Costs              | \$ 169,783           | \$ 2,234          | 0.7%              |
| Capitalization of Reserves     | \$ 155,689           | \$ 2,049          | 0.7%              |
| Developer Fee                  | \$ 1,160,704         | \$ 15,272         | 5.1%              |
| Furnishings/Other              | \$ 120,000           | \$ 1,579          | 0.5%              |
| <b>Total Development Costs</b> | <b>\$ 22,809,346</b> | <b>\$ 300,123</b> | <b>100%</b>       |

**Sources of Funds**

| <b>Sources</b>                     | <b>Total</b>         | <b>% of Dev. Cost</b> |
|------------------------------------|----------------------|-----------------------|
| HCD Multi Family Housing Program   | \$ 5,562,485         | 24.4%                 |
| US Bank Tax Exempt Loan            | \$ 2,622,408         | 11.5%                 |
| Affordable Housing Program         | \$ 380,000           | 1.7%                  |
| Tax Credit Syndication Proceeds    | \$ 7,194,151         | 31.5%                 |
| Developer Equity                   | \$ 54,849            | 0.2%                  |
| Reinvested/Deferred Developer Fee  | \$ -                 | 0.0%                  |
| Agency Site Acquisition Loan       | \$ 1,498,000         | 6.6%                  |
| Total City/Agency Funds Requested* | \$ 5,497,453         | 24.1%                 |
| <b>Total</b>                       | <b>\$ 22,809,346</b> | <b>100%</b>           |

\* Includes previous City/Agency development funds, if any.

**Projected Loan Repayment**

|              | <b>Total</b>        | <b>Cumulative</b> | <b>% of Total City<br/>Loan Repaid</b> |
|--------------|---------------------|-------------------|--|
| Year 1-5     | \$ 0                | \$ 0              | 0%                                     |
| Year 6-10    | \$ 44,907           | \$ 44,907         | 1%                                     |
| Year 11-15   | \$ 184,246          | \$ 229,153        | 3%                                     |
| Year 16-20   | \$ 275,313          | \$ 504,466        | 7%                                     |
| Year 21-25   | \$ 325,881          | \$ 830,347        | 12%                                    |
| Year 26-30   | \$ 437,139          | \$ 1,267,486      | 18%                                    |
| <b>Total</b> | <b>\$ 1,267,486</b> |                   | <b>18%</b>                             |

**MLK/BART Senior Homes  
Project Summary**

|   |   |
|---|---|
| <b>Address/Location</b>                                 | 3823-3837 Martin Luther King Jr. Way                                      |
| <b>Developer</b>  | Oakland Community Housing Inc. and Community Development Corp. of Oakland |
| <b>Type of Construction</b>                             | New   |
| <b>Number of Units</b>                                  | 33  |
| <b>Resident Type</b>                                    | Senior  |
| <b>Total Development Cost</b>                           | \$7,939,689 / \$240,597 per unit  |
| <b>Agency Site Acquisition Loan</b>                     | \$52,000  |
| <b>City Land Contribution</b>                           | \$93,500  |
| <b>Funds Committed from 2003 NOFA</b>                   | \$2,018,000   |
| <b><i>Current Request for Local Funds</i></b>           | <b><u>\$994,756</u></b>   |
| <b>Total City/Agency Funds Requested</b>                | \$3,158,256   |
| <b>Total City/Agency Funds per Unit</b>                 | \$95,705  |
| <b>Total City/Agency Funds as Percent of Total Cost</b> | 40%   |

|           | <b>AFFORDABILITY LEVEL</b> |          |          |          |          |
|-----------|----------------------------|----------|----------|----------|----------|
|           | <30% AMI                   | <35% AMI | <40% AMI | <45% AMI | <50% AMI |
| 1 Bedroom | 4                          | 8        | 4        | 8        | 8        |

**Description of Project:**

MLK/BART Senior Homes is a 33-unit rental development proposed for three contiguous parcels on MLK way very near the MacArthur BART station. Two of the parcels are vacant; one of these is now owned by the City and will be contributed to the project; the third parcel has a small apartment building in poor condition.

A NOFA application was made last year for the project, and 80% of the requested funds (all that was available) were committed. At the same time, the developers had applied for assistance under the HUD Section 202 Supportive Housing for the Elderly Program. Because that application was unsuccessful, the developers now plan to apply for Low Income Housing Tax Credits to provide most of the funds not available from the City or Agency. Since last year's application, project costs increased by nearly \$1.3 million, or 19%.

**MLK BART Senior Homes  
Financing Summary**

**Development Cost**

|                                | <b>Total</b>        | <b>Per Unit</b>   | <b>% of Total</b> |
|--------------------------------|---------------------|-------------------|-------------------|
| Acquisition                    | \$ 743,500          | \$ 22,530         | 9%                |
| Off-site Improvements          | \$ -                | \$ -              | 0%                |
| Hard Costs                     | \$ 5,253,677        | \$ 159,202        | 66%               |
| Soft Costs                     | \$ 885,237          | \$ 26,825         | 11%               |
| Carrying Costs                 | \$ 348,635          | \$ 10,565         | 4%                |
| Syndication Costs              | \$ 64,641           | \$ 1,959          | 1%                |
| Capitalization of Reserves     | \$ 40,000           | \$ 1,212          | 1%                |
| Developer Fee                  | \$ 574,000          | \$ 17,394         | 7%                |
| Furnishings/Other              | \$ 30,000           | \$ 909            | 0%                |
| <b>Total Development Costs</b> | <b>\$ 7,939,690</b> | <b>\$ 240,597</b> | <b>100%</b>       |

**Sources of Funds**

| <b>Sources</b>                     | <b>Total</b>       | <b>% of Dev. Cost</b> |
|------------------------------------|--------------------|-----------------------|
| Tax Credit Syndication Proceeds    | \$4,071,112        | 51%                   |
| Permanent Loan                     | \$314,170          | 4%                    |
| Developer Equity                   | \$142,152          | 2%                    |
| AHP                                | \$254,000          | 3%                    |
| City Land Contribution             | \$93,500           | 1%                    |
| Agency Site Acquisition Loan       | \$52,000           | 1%                    |
| Total City/Agency Funds Requested* | \$3,012,756        | 38%                   |
| <b>Total</b>                       | <b>\$7,939,690</b> | <b>100%</b>           |

\* Includes 2003 City/Agency NOFA commitment.

**Projected Loan Repayment**

|              | <b>Total</b> | <b>Cumulative</b> | <b>% of Total City Loan Repaid</b> |
|--------------|--------------|-------------------|------------------------------------|
| Years 1-10   | 35,000       | 35,000            | 1%                                 |
| Years 11-20  | 206,000      | 241,000           | 8%                                 |
| Years 21-30  | 272,000      | 513,000           | 17%                                |
| <b>Total</b> |              | <b>\$ 513,000</b> | <b>17%</b>                         |

**ATTACHMENT D**

**ALLOCATIONS OF FUNDS FOR HOUSING DEVELOPMENT AND HOMEBUYER ASSISTANCE  
(FY 1993-94 through FY 2005-06)**

|                                      | Prior Years<br>(FY94-96) | FY 96-97          | FY 97-98         | FY 98-99         | FY 99-00          | FY 00-01          | FY 01-02          | FY02-03           | FY03-04           | FY04-05           | Total              |
|--------------------------------------|--------------------------|-------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| <b>HOMEOWNERSHIP</b>                 |                          |                   |                  |                  |                   |                   |                   |                   |                   |                   |                    |
| First Time Homebuyers Assistance     | 7,554,776                | 2,500,000         | 2,750,000        | 2,500,000        | 3,500,000         | 1,189,787         | 2,500,000         | 2,500,000         | 3,290,057         | 3,194,094         | 31,478,714         |
| Homeowner Rehab (not including CDBG) | 414,592                  |                   |                  |                  |                   | 1,710,213         | 0                 | 1,842,687         | 1,185,445         | 552,904           | 5,705,841          |
| Homeownership Development            | 6,041,601                | 4,965,000         | 2,505,560        | 772,175          |                   | 4,000,000         | 6,148,125         | 3,703,800         | 3,762,500         |                   | 31,898,761         |
| <b>SUBTOTAL - Owner</b>              | <b>14,010,969</b>        | <b>7,465,000</b>  | <b>5,255,560</b> | <b>3,272,175</b> | <b>3,500,000</b>  | <b>6,900,000</b>  | <b>8,648,125</b>  | <b>8,046,487</b>  | <b>8,238,002</b>  | <b>3,746,998</b>  | <b>69,083,316</b>  |
| <b>RENTAL DEVELOPMENT</b>            |                          |                   |                  |                  |                   |                   |                   |                   |                   |                   |                    |
| Family Rental Development            | 3,319,862                | 7,269,965         | (1,719,387)      | 2,016,854        | 5,295,273         | 8,410,000         | 9,511,923         | 4,972,893         | 1,039,647         | 8,497,500         | 48,614,530         |
| Senior Rental Development            | 1,661,916                | 1,853,000         | 1,619,847        | 526,000          | 3,860,596         | 1,654,000         | 3,758,078         | 3,572,000         | 10,865,150        | 235,250           | 29,605,837         |
| Special Needs Rental Development     | 10,594,410               | 0                 | 0                |                  | 135,350           | 1,066,000         | (13,506)          | 821,600           | 0                 |                   | 12,603,854         |
| <b>SUBTOTAL -- Rental</b>            | <b>15,576,188</b>        | <b>9,122,965</b>  | <b>(99,540)</b>  | <b>2,542,854</b> | <b>9,291,219</b>  | <b>11,130,000</b> | <b>13,256,495</b> | <b>9,366,493</b>  | <b>11,904,797</b> | <b>8,732,750</b>  | <b>90,824,221</b>  |
| <b>GRAND TOTAL</b>                   | <b>29,587,157</b>        | <b>16,587,965</b> | <b>5,156,020</b> | <b>5,815,029</b> | <b>12,791,219</b> | <b>18,030,000</b> | <b>21,904,620</b> | <b>17,412,980</b> | <b>20,142,799</b> | <b>12,479,748</b> | <b>159,907,537</b> |
| <b>Percent Ownership</b>             | <b>47%</b>               | <b>45%</b>        | <b>102%</b>      | <b>56%</b>       | <b>27%</b>        | <b>38%</b>        | <b>39%</b>        | <b>46%</b>        | <b>41%</b>        | <b>30%</b>        | <b>43%</b>         |
| <b>Percent Rental</b>                | <b>53%</b>               | <b>55%</b>        | <b>-2%</b>       | <b>44%</b>       | <b>73%</b>        | <b>62%</b>        | <b>61%</b>        | <b>54%</b>        | <b>59%</b>        | <b>70%</b>        | <b>57%</b>         |

Canceled projects are included as  
negative amounts in year canceled

Resolutions Titles for Affordable Housing Funds:

An Agency resolution appropriating \$1,708,148 in Low and Moderate Income Housing Funds to the Housing Development Program.

An Agency resolution authorizing an affordable housing development loan in an amount not to exceed \$3,024,915 to Affordable Housing Associates, Inc., for the Madison & Fourteenth rental project located at 160 14<sup>th</sup> street, and consolidating an existing \$1,498,000 site acquisition loan with the development loan, for a new total development loan in an amount not to exceed \$4,522,915.

An Agency resolution authorizing an affordable housing development loan in an amount not to exceed \$3,000,000 to East Bay Asian Local Development Corporation and The Related Companies of California jointly for the Coliseum Gardens Phase III HOPE VI Project located at 928-998 66<sup>TH</sup> Avenue.

An Agency resolution to amend Redevelopment Agency Resolution No. 2004-07 C.M.S. to increase the authorized affordable housing development loan by \$2,306,100 to provide total Agency loan funds in an amount not to exceed \$4,084,660 to Citizens Housing Corporation for the Altenheim Senior Housing Project located at 1720 MacArthur Boulevard.

An Agency resolution authorizing an amendment to Redevelopment Agency Resolution No. 2003-08 C.M.S. to allow an extension of time for an affordable housing development loan in an amount not to exceed \$1,146,100 to Bridge Housing for the Mandela Gateway ownership project located at 1431 8<sup>th</sup> Street.

An Agency resolution authorizing an amendment to the Redevelopment Agency Resolution No. 2004-08 C.M.S. to allow one year extension of an affordable housing development loan in an amount not to exceed \$2,548,500 to Affordable Housing Associates, Inc. for the Calaveras Townhomes project located at 4856-4868 Calaveras Avenue and amending loan terms of two Site Acquisition loans in the total amount of \$1,310,000.

A City resolution authorizing an affordable housing development loan in an amount not to exceed \$2,472,585 to Affordable Housing Associates, Inc., for the Madison & Fourteenth rental project located at 160 14<sup>th</sup> Street.

A City resolution authorizing an amendment to Resolution No. 77657 C.M.S. to allow an extension of time for an affordable housing development loan in an amount not to exceed \$771,300 to Bridge Housing for the Mandela Gateway Ownership project located at 1431 8<sup>th</sup> Street.

A City resolution authorizing an amendment to Resolution No. 78361 C.M.S. to allow an extension of time for an affordable housing development loan in an amount not to exceed \$1,901,740 to Citizens Housing Corporation for the Altenheim Senior Housing Project located at 1720 MacArthur Boulevard.

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

Approved as to form and legality:  
2005 JAN 27 PM 4:01

By:   
Deputy City Attorney

## OAKLAND CITY COUNCIL

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

---

**A RESOLUTION AUTHORIZING AN AMENDMENT TO  
RESOLUTION NO. 78361 C.M.S. TO ALLOW AN  
EXTENSION OF TIME FOR AN AFFORDABLE  
HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT  
TO EXCEED \$1,901,740 TO CITIZENS HOUSING  
CORPORATION FOR THE ALTENHEIM SENIOR  
HOUSING PROJECT LOCATED AT 1720 MACARTHUR  
BOULEVARD**

**WHEREAS**, Resolution No. 78361 C.M.S. dated February 17, 2004 (the "Resolution") authorized an affordable housing development loan in an amount not to exceed \$1,901,740 to Citizens Housing Corporation (the "Developer"), a nonprofit organization devoted to the provision of affordable housing, for the Altenheim Senior Housing project (the "Project"), a 67 unit housing project located at 1720 MacArthur Boulevard in the City of Oakland; and

**WHEREAS**, the Resolution states that the loan is contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the City Manager or his or her designee deems sufficient, within one year from the date of the Resolution; and

**WHEREAS**, on September 13, 2004, the Redevelopment Agency and the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

**WHEREAS**, Developer submitted a proposal in response to the September 13, 2004 NOFA amending their original proposal to include an additional 26 units of affordable housing and requesting additional loan funding of \$2,306,100; and

**WHEREAS**, Developer now proposes to develop a 93 unit housing project at 1720 MacArthur Boulevard in the City of Oakland (the "Project"); and

**WHEREAS**, adding 26 units of affordable housing at this time to the 67 previously funded units will allow the Developer to conduct all rehabilitation activities required at the historical Altheim complex at one time, resulting in greater efficiencies in acquiring funding and conducting construction; and

**WHEREAS**, a request to increase an existing Redevelopment Agency loan commitment by \$2,306,100 to fund the additional units is being recommended for approval to the Redevelopment Agency; and

**WHEREAS**, the Developer is in the process of obtaining funding to cover the funding gap from non-City/Agency sources to move forward with construction of the Project; and

**WHEREAS**, the Developer submitted a request to the City to extend its funding commitment until February 17, 2006, while the Developer seeks funding to close the gap; now, therefore, be it

**RESOLVED:** That the previously committed loan funds of \$1,778,560 are available in the HUD-HOME Fund (2109), Housing Development Organization (88929), Altheim Senior Housing Phase 1 HOME project (G256910); and be it further

**RESOLVED:** That the City Council hereby authorizes an amendment to Resolution No. 78361 C.M.S., allowing an extension of time for its loan commitment to the Developer in an amount not to exceed \$1,901,740 until February 17, 2006.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID AND CHAIRPERSON DE LA FUENTE,

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
Interim City Clerk and Clerk of the Council  
of the City of Oakland

FILED  
OFFICE OF THE CLERK AND LEGALITY:  
OAKLAND  
2005 JAN 27 PM 4:01  
Deputy City Attorney

# OAKLAND CITY COUNCIL

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

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**A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$2,472,585 TO AFFORDABLE HOUSING ASSOCIATES, INC., FOR THE MADISON & FOURTEENTH RENTAL PROJECT LOCATED AT 160 14<sup>TH</sup> STREET**

**WHEREAS**, on September 13, 2004, the City and the Redevelopment Agency of the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

**WHEREAS**, Affordable Housing Associates, Inc. ("Developer"), a nonprofit organization devoted to the provision of affordable housing, submitted a proposal in response to the NOFA; and

**WHEREAS**, Developer proposes to develop a 76-unit family rental housing project at 160 14<sup>th</sup> Street in the City of Oakland (the "Project") known as Madison & Fourteenth; and

**WHEREAS**, Project units will be rented at prices affordable to households earning no more than 60% of area median income; 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**, the Project is consistent with the City's Project Development Guidelines, and Developer meets the City's Threshold Developer Criteria; and

**WHEREAS**, the Project will increase and improve the supply of low and moderate income housing available in the City of Oakland; and

**WHEREAS**, the Project was previously determined to be exempt from the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, execution of loan documents or other documents legally committing the City to fund this Project 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; and



**WHEREAS**, funds are available from the HOME Investment Partnership Program to assist the Project; now, therefore, be it

**RESOLVED**: That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan in an amount not to exceed \$2,472,585 to Affordable Housing Associates, Inc., 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 \$2,472,585 is allocated from the HUD-HOME Fund (2109), Housing Development Organization (88929), HOME Housing Development project (G172111); 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 Agency's Low and Moderate Income Housing Fund to cover both the City loan and the Agency development loan of \$3,024,915; 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 will be reserved for a period of no more than one year from the date of this Resolution, and 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 Council hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of the City's deed of trust and/or recorded restrictions 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 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 execution of loan documents or other documents legally committing the City to fund this Project are 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 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 Project consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

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

NOES-

ABSENT-

ABSTENTION-

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

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

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

Approved as to form and legality:

2005 JAN 27 PM 4:01

By: *[Signature]*  
Deputy City Attorney

## OAKLAND CITY COUNCIL

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

---

**A RESOLUTION AUTHORIZING AN AMENDMENT TO  
RESOLUTION NO. 77657 C.M.S. TO ALLOW AN  
EXTENSION OF TIME FOR AN AFFORDABLE  
HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT  
TO EXCEED \$771,300 TO BRIDGE HOUSING FOR THE  
MANDELA GATEWAY OWNERSHIP PROJECT  
LOCATED AT 1431 8<sup>TH</sup> STREET**

**WHEREAS**, Resolution No. 77657 C.M.S. dated February 25, 2003 (the "Resolution") authorized an affordable housing development loan in an amount not to exceed \$771,300 to Bridge Housing, Inc. (the "Developer"), a nonprofit organization devoted to the provision of affordable housing, for the Mandela Gateway Ownership project (the "Project"), a fourteen unit housing project located at 1431 8<sup>th</sup> Street in the City of Oakland; and

**WHEREAS**, the Resolution states that the loan is contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the City Administrator or her or his designee deems sufficient, within twelve months from the date of the Resolution; and

**WHEREAS**, the Developer secured development funds within twelve months of the date of the Resolution and began predevelopment work; and

**WHEREAS**, subsequently, primarily due to tremendous increase in insurance costs, there has been a significant increase in development costs, which created a funding gap, and

**WHEREAS**, the Developer is in the process of obtaining funding to cover the funding gap from non-City/Agency sources to move forward with construction of the Project; and

**WHEREAS**, the Developer submitted a request to the City to extend its funding commitment until February 25, 2006, while the Developer seeks funding to close the gap; and

WHEREAS, the Development loan funds in the amount of \$771,300 were allocated from HUD-HOME Fund (2109), Housing Development Org (88929), HOME Housing Development Project (G172111); now, therefore, be it

**RESOLVED:** That the City Council hereby authorizes an amendment to Resolution No. 77657 C.M.S., allowing an extension of time until February 25, 2006 for its loan commitment to the Developer in an amount not to exceed \$771,300.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE,

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LA TONDA SIMMONS  
Interim City Clerk and Clerk of the Council  
of the City of Oakland

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
APPROVED AS TO FORM AND LEGALITY:  
2004 JAN 27 PM 4:00  
*[Signature]*  
\_\_\_\_\_  
Agency Counsel

REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND

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

---

**A RESOLUTION TO AMEND REDEVELOPMENT AGENCY RESOLUTION NO. 2004-07 C.M.S. TO INCREASE THE AFFORDABLE HOUSING DEVELOPMENT LOAN BY \$2,306,100 TO PROVIDE TOTAL AGENCY LOAN FUNDS IN AN AMOUNT NOT TO EXCEED \$4,084,660 TO CITIZENS HOUSING CORPORATION FOR THE ALTENHEIM SENIOR HOUSING PROJECT LOCATED AT 1720 MACARTHUR BOULEVARD**

**WHEREAS**, on August 8, 2003, the Redevelopment Agency and the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

**WHEREAS**, Citizens Housing Corporation ("Developer"), a nonprofit organization devoted to the provision of affordable housing, submitted a proposal in response to the NOFA, and was selected and approved by Agency Resolution No. 2004-07 C.M.S. for Agency funding in the amount of \$1,778,560 for 67 units of senior affordable housing; and

**WHEREAS**, on September 13, 2004, the Redevelopment Agency and the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

**WHEREAS**, Developer submitted a proposal in response to the September 13, 2004 NOFA amending their original proposal to include an additional 26 units of affordable housing and requesting additional loan funding of \$2,306,100; and

**WHEREAS**, Developer now proposes to develop a 93 unit housing project at 1720 MacArthur Boulevard in the City of Oakland (the "Project"); and

**WHEREAS**, adding 26 units of affordable housing at this time to the 67 previously funded units will allow the Developer to conduct all rehabilitation activities required at the historical

Altenheim complex at one time, resulting in greater efficiencies in acquiring funding and conducting construction; and

**WHEREAS**, 92 Project units will be rented at prices affordable to households earning no more than 60% of area median income; and

**WHEREAS**, no other reasonable means of private or commercial financing of the Project at the same level of affordability and quantity are reasonably available to Developer other than the Low and Moderate Income Housing Fund; and

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

**WHEREAS**, 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 for this Project by the January 5, 2005 certification of Mitigated Negative Declaration; and

**WHEREAS**, funds are available from the Agency's Low and Moderate Income Housing Fund to assist the Project; now, therefore, be it

**RESOLVED:** That the Redevelopment Agency hereby amends Agency Resolution No. 2004-07 C.M.S. to increase the loan amount by \$2,306,100 to provide a loan in an amount not to exceed \$4,084,660 to Citizens Housing Corporation, or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for development of the Project; and be it further

**RESOLVED:** That the previously committed loan funds of \$1,778,560 are available in the Agency's 2000 Affordable Housing Set-Aside Bond fund (9583), Housing Development Organization (88929), Housing Bond Project 2000 (P151710) and that the additional loan funds of \$2,306,100 shall come from the Agency's Low Mod Operations Fund (9580), Housing Development Organization (88929), Housing Development Program project (P209310); and be it further

**RESOLVED:** That the loan is contingent on the availability of sufficient funds in the Low and Moderate Income Housing Fund to cover the loan; and be it further

**RESOLVED:** That the loan terms shall as described in Agency Resolution 2004-07 C.M.S.; and be it further

**RESOLVED:** That all Agency loan funds committed for the Project will be reserved for a period of no more than one year from the date of this Resolution, and the loan shall be contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the Agency 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 Agency Administrator or her designee may establish; and be it further

**RESOLVED:** That the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action complies with CEQA because, based on that Initial Study dated January 5, 2005 and the mitigation measures identified therein, the Project as mitigated will not have a significant adverse impact on the environment; and a Notice of Determination for the Project has been filed with the County of Alameda; and be it further;

**RESOLVED:** That all loan documents shall be reviewed and approved by Agency Counsel as to form and legality prior to execution, and copies shall be filed with the Agency Secretary; and be it further

**RESOLVED:** That all loan documents shall be reviewed and approved by Agency Counsel as to form and legality prior to execution, and copies shall be filed with the Agency Secretary.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

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

LATONDA SIMMONS  
Interim Secretary of the Redevelopment Agency  
of the City of Oakland

FILED  
OFFICE OF THE CITY CLERK AND LEGALITY:  
APPROVED AS TO FORM AND LEGALITY:  
2005 JAN 25 PM 4:00  
\_\_\_\_\_  
Agency Counsel

REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND

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

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**A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$3,000,000 TO EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION AND THE RELATED COMPANIES OF CALIFORNIA JOINTLY FOR THE COLISEUM GARDENS PHASE III HOPE VI PROJECT LOCATED AT 928-998 66<sup>TH</sup> AVENUE**

**WHEREAS**, on September 13, 2004, the Redevelopment Agency and the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

**WHEREAS**, East Bay Asian Local Development Corporation, a nonprofit organization devoted to the provision of affordable housing, and the Related Companies of California, a California Limited Liability Company (jointly, the "Developer"), submitted a proposal in response to the NOFA; and

**WHEREAS**, Developer proposes to develop a 106 unit housing project at 928-998 66<sup>th</sup> Avenue in the City of Oakland (the "Project"); and

**WHEREAS**, the Project is the third phase in the Oakland Housing Authority's HOPE VI Coliseum Gardens revitalization project that is scheduled to replace 178 Public Housing units and generate approximately 356 units of affordable housing on various sites that will comply with applicable redevelopment law requirements; and

**WHEREAS**, The Oakland Housing Authority will develop or cause to be developed a minimum of 178 affordable housing rental units, within three years from the demolition of the Coliseum Gardens public housing units, that are of the same bedroom mix as the demolished units, and will be rented at prices affordable to low-income households earning no more than 50% of area median income; and



**WHEREAS**, 41 Project units will be rented at prices affordable to households earning no more than 50% of area median income and 64 Project units will be rented at prices affordable to households earning no more than 60% of area median income and; and

**WHEREAS**, East Bay Asian Local Development Corporation and The Related Companies of California will form a limited partnership, with East Bay Asian Local Development Corporation as the managing general partner; and

**WHEREAS**, the Agency and City Council previously authorized \$3,000,000 in loan funding to Developer for Phase I of the HOPE VI Coliseum Gardens revitalization, which is currently under construction; and

**WHEREAS**, the City of Oakland'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**, the Project is consistent with the Agency's Project Development Guidelines, and Developer meets the Agency's Threshold Developer Criteria; 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 redevelopment project areas in the City of Oakland by providing affordable housing opportunities within the community that will enhance the economic viability and redevelopment potential of the project areas; and

**WHEREAS**, no other reasonable means of private or commercial financing of the Project at the same level of affordability and quantity are reasonably available to Developer other than the Low and Moderate Income Housing Fund; 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

**WHEREAS**, funds are available from the Agency's Low and Moderate Income Housing Fund to assist the Project; now, therefore, be it

**RESOLVED:** That the Redevelopment Agency hereby authorizes the Agency Administrator or her designee to provide a loan in an amount not to exceed \$3,000,000 to East Bay Asian Local Development Corporation and the Related Companies of California, or to an affiliated entity approved by the Agency Administrator or her or his designee, to be used for development of the Project; and be it further

**RESOLVED:** That loan funds shall come from the Agency's Low Mod Operations Fund (9580), Housing Development Organization (88929) Housing Development Program project (P209310); and be it further

**RESOLVED:** That the loan is contingent on the availability of sufficient funds in the Low and Moderate Income Housing Fund to cover the loan; 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 Agency Administrator in his or her discretion, with repayment to the Agency 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 Agency Administrator or his or her designee determines are in the best interests of the Agency and the Project; and be it further

**RESOLVED:** That as a condition of the loan, the Agency will require that appropriate restrictions on Project occupancy, rents and operations be recorded against Project improvements; and be it further

**RESOLVED:** That the Loan is contingent upon the commitment of the Oakland Housing Authority to develop or cause to be developed a minimum of 178 affordable housing rental units, within three years from the demolition of the Coliseum Gardens public housing units, that are of the same bedroom mix as the demolished units, and will be rented at prices affordable to low-income households earning no more than 50% of area median income; 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 will be reserved for a period of no more than one year from the date of this Resolution, and the loan shall be contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the Agency 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 Agency Administrator or his or her designee may establish; and be it further

**RESOLVED:** That the Agency hereby authorizes the Agency Administrator or her or his designee in her or his discretion to subordinate the priority of the Agency's deed of trust and/or recorded restrictions to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the Agency Administrator or her 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 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, by Resolution No. 2003-07 C.M.S., previously found and determined that this action complies with CEQA; and be it further

**RESOLVED:** That the Agency hereby appoints the Agency Administrator and her or 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, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

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

LATONDA SIMMONS  
Interim Secretary of the Redevelopment Agency  
of the City of Oakland

FILED  
OFFICE OF THE CITY CLERK  
Approved as to form and legality:

By: 2005 JAN 27 PM 4:01  
Agency Counsel

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

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

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**A RESOLUTION AUTHORIZING AN AMENDMENT TO REDEVELOPMENT AGENCY RESOLUTION NO. 2004-08 C.M.S. TO ALLOW A ONE YEAR EXTENSION OF AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$2,548,500 TO AFFORDABLE HOUSING ASSOCIATES, INC. FOR THE CALAVERAS TOWNHOMES PROJECT LOCATED AT 4856-4868 CALAVERAS AVENUE AND TO AMEND LOAN TERMS OF TWO SITE ACQUISITION LOANS IN THE TOTAL AMOUNT OF \$1,310,000**

**WHEREAS**, Redevelopment Agency Resolution No. 2004-08 C.M.S. dated February 17, 2004 (the "Resolution") authorized an affordable housing development loan in an amount not to exceed \$2,548,500 (the "Development loan") to Affordable Housing Associates (the "Developer"), a nonprofit organization devoted to the provision of affordable housing, for the Calaveras Townhomes Project (the "Project"), a twenty-eight (28) unit ownership housing project at 4856-4868 Calaveras Avenue in the City of Oakland; and

**WHEREAS**, the Resolution states that the loan is contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the Agency Administrator or his or her designee deems sufficient, within twelve months from the date of the Resolution; and

**WHEREAS**, the Resolution authorized consolidation of two Site Acquisition loans provided for the acquisition of the Project site, in the amount of \$650,000 for 4856-4862 Calaveras Avenue, and \$660,000 for 4868 Calaveras Avenue, for a total amount of \$1,310,000, into the Development loan, for a new total development loan in an amount not to exceed \$3,858,424

**WHEREAS**, the loan for the 4868 Calaveras Avenue Site Acquisition was initially due on July 17, 2004, but was extended until February 17, 2005, the expiration date of the Development loan commitment ; and

**WHEREAS**, the Developer proposed to change the homeownership type of the Project from typical condominiums to limited-equity housing cooperatives, and the proposal is currently being examined by the Agency, and

**WHEREAS**, due to the reconfiguration of the Project, there has been a delay in the predevelopment schedule, and the Developer will not be able to secure full Project funding by the expiration date of the Development loan commitment, and

**WHEREAS**, the Developer submitted a request to the Redevelopment Agency to extend its Development funding commitment for an additional twelve months until February 17, 2006, to allow the Redevelopment Agency to complete its review of the Developer's proposal and the Developer to obtain full Project financing, and

**WHEREAS**, the Developer also requested extensions of the Site Acquisition loans for 4856-62 Calaveras Avenue and 4868 Calaveras Avenue, which are due on March 13, 2005 and on February 17, 2005, respectively; and

**WHEREAS**, Redevelopment Agency Resolution No. 00-55, dated July 25, 2000, allows the Agency Administrator or his or her designee to extend the repayment term of the Site Acquisition loan up to three years; and

**WHEREAS**, the Development loan funds were allocated as follows: \$1,548,500 from the Low Mod Operations Fund (9580), Housing Development Org (88929), Housing Development Program – Central District (P209310) and \$1,000,000 from the 2000 Affordable Housing Set-Aside Bond funds (9583), Housing Development Org (88929), Housing Bond Projects 2000 (P151710); now, therefore, be it

**RESOLVED:** That the Redevelopment Agency hereby authorizes an amendment to Resolution No. 2004-08 C.M.S., allowing an extension of its loan commitment in the amount not to exceed \$2,548,500 for twelve months, until February 17, 2006; and be it further

**RESOLVED:** That the 4856-62 Calaveras Avenue Site Acquisition loan shall be extended until July 17, 2007, and the 4868 Calaveras Avenue Site Acquisition loan shall be extended until March 13, 2008.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE,

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LA TONDA SIMMONS  
Interim Secretary of the Redevelopment Agency  
of the City of Oakland

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
Approved as to form and legality:  
2005 JAN 27 PM 4:00  
By: [Signature]  
Agency Counsel

REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND

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

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**A RESOLUTION AUTHORIZING AN AMENDMENT TO REDEVELOPMENT AGENCY RESOLUTION NO. 2003-08 C.M.S. TO ALLOW AN EXTENSION OF TIME FOR AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$1,146,100 TO BRIDGE HOUSING FOR THE MANDELA GATEWAY OWNERSHIP PROJECT LOCATED AT 1431 8<sup>TH</sup> STREET**

**WHEREAS**, Redevelopment Agency Resolution No. 2003-08 C.M.S. dated February 25, 2003 (the "Resolution") authorized an affordable housing development loan in an amount not to exceed \$1,146,100 to Bridge Housing, Inc. (the "Developer"), a nonprofit organization devoted to the provision of affordable housing, for the Mandela Gateway Ownership project (the "Project"), a fourteen unit housing project located at 1431 8<sup>th</sup> Street in the City of Oakland; and

**WHEREAS**, the Resolution states that the loan is contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the Agency Administrator or his or her designee deems sufficient, within twelve months from the date of the Resolution; and

**WHEREAS**, the Developer secured development funds within twelve months of the date of the Resolution and began predevelopment work, and

**WHEREAS**, subsequently, primarily due to tremendous increase in insurance costs, there has been a significant increase in development costs, which created a funding gap, and

**WHEREAS**, the Developer is in the process of obtaining funding to cover the funding gap from non-City/Agency sources to move forward with construction of the Project; and

**WHEREAS**, the Developer submitted a request to the Redevelopment Agency to extend its funding commitment until February 25, 2006, while the Developer seeks funding to close the gap; and

WHEREAS, the Development loan funds in the amount of \$1,146,100 were allocated from the Low Mod Operations Fund (9580), Housing Development Org (88929), Housing Development Program Projects (P209310) now, therefore, be it

**RESOLVED:** That the Redevelopment Agency hereby authorizes an amendment to Resolution No. 2003-08 C.M.S., allowing an extension of time until February 25, 2006 for its loan commitment to the Developer in an amount not to exceed \$1,146,100.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE,

NOES-

ABSENT-

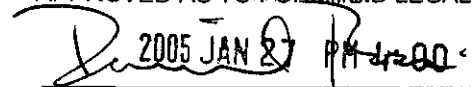
ABSTENTION-

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

LA TONDA SIMMONS

Interim Secretary of the Redevelopment Agency  
of the City of Oakland



2005 JAN 27 PM 4:00  


Agency Counsel

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

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

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**A RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$3,024,915 TO AFFORDABLE HOUSING ASSOCIATES, INC., FOR THE MADISON & FOURTEENTH RENTAL PROJECT LOCATED AT 160 14<sup>TH</sup> STREET, AND CONSOLIDATING AN EXISTING \$1,498,000 SITE ACQUISITION LOAN WITH THE DEVELOPMENT LOAN, FOR A NEW TOTAL DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$4,522,915**

**WHEREAS**, on September 13, 2004, the Redevelopment Agency and the City of Oakland jointly issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for affordable housing developments; and

**WHEREAS**, Affordable Housing Associates, Inc. ("Developer"), a nonprofit organization devoted to the provision of affordable housing, submitted a proposal in response to the NOFA; and

**WHEREAS**, Developer proposes to develop a 76-unit family rental housing project at 160 14<sup>th</sup> Street in the City of Oakland (the "Project") known as Madison & Fourteenth; and

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

**WHEREAS**, the Agency previously authorized a \$1,498,000 Site Acquisition Loan to Developer for the Project (Resolution No. 00-55 C.M.S.), and Developer is requesting additional funds from the Agency in the amount of \$3,024,915 for the Project; and

**WHEREAS**, Developer is also requesting additional funds from the City of Oakland in the amount of \$2,472,585 to come from the HOME Investment Partnership Program for development of the Project; and

**WHEREAS**, the City of Oakland'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**, the Project is consistent with the Agency's Project Development Guidelines, and Developer meets the Agency's Threshold Developer Criteria; 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 redevelopment project areas in the City of Oakland by providing affordable housing opportunities within the community that will enhance the economic viability and redevelopment potential of the project areas; and

**WHEREAS**, no other reasonable means of private or commercial financing of the Project at the same level of affordability and quantity are reasonably available to Developer other than the Low and Moderate Income Housing Fund; and

**WHEREAS**, the Project was previously determined to be exempt from the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, \$1,006,065 in funds is available from the Agency's Low and Moderate Income Housing Fund to assist the Project; and

**WHEREAS**, \$2,018,850 in Low and Moderate Income Housing Funds previously allocated to the MLK BART Senior Housing project (L257110) is available to be reallocated because the commitment for that project has expired; now, therefore, be it

**RESOLVED:** That the Redevelopment Agency hereby authorizes the Agency Administrator or her designee to provide an additional loan in an amount not to exceed \$3,024,915 to Affordable Housing Associates, Inc., or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for development of the Project; and be it further

**RESOLVED:** That \$251,231 is allocated from the Low Mod Operations Fund (9580), Housing Development Organization (88929), Housing Development Program project (P209310); and be it further

**RESOLVED:** That \$754,834 is allocated from the Low Mod Operations Fund (9580), Housing Development Organization (88929), Housing Development – HOME Matching Funds project (H236510); and be it further

**RESOLVED:** That \$2,018,850 is reallocated to the Project from the Low Mod Operations Fund (9580), Housing Development Organization (88929), MLK/BART Senior Housing project (L257110); and be it further

**RESOLVED:** That the loan shall be contingent on the availability of sufficient funds in the Agency's Low and Moderate Income Housing Fund and the HOME Investment Partnership Program to cover both the Agency loan and the City development loan of \$2,472,585; and be it further

**RESOLVED:** That the Agency hereby authorizes the Agency Administrator or his or her designee to convert the Site Acquisition Loan into a long-term development loan and to consolidate it with the Agency's development loan authorized by this Resolution into a single development loan, for a total loan amount not to exceed \$4,522,915, under the terms described below; 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 Agency Administrator in his or her discretion, with repayment to the Agency 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 Agency Administrator or his or her designee determines are in the best interests of the Agency and the Project; and be it further

**RESOLVED:** That as a condition of the loan, the Agency 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 will be reserved for a period of no more than one year from the date of this Resolution, and the loan shall be contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the Agency 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 Agency Administrator or his or her designee may establish; and be it further

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

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

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

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

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

*David Rosen*

FILED AGENCY COUNSEL  
OFFICE OF THE CITY CLERK  
OAKLAND

**REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND**

2005 JAN 27 PM 4:01

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

INTRODUCED BY AGENCY MEMBER \_\_\_\_\_

**A RESOLUTION APPROPRIATING \$1,708,148 IN LOW AND MODERATE  
INCOME HOUSING FUNDS TO THE HOUSING DEVELOPMENT  
PROGRAM**

**WHEREAS**, the Redevelopment Agency has established the Low and Moderate Income Housing Fund to address the housing needs of low and moderate income persons; and

**WHEREAS**, the Redevelopment Agency desires to maximize the use of the Low and Moderate Income Housing Fund by using all available sources of funds as soon as they become available; and

**WHEREAS**, actual revenues for Fiscal Year 2003-2004 exceeded the amount budgeted and expended by \$1,708,148; now, therefore, be it

**RESOLVED:** That the Redevelopment Agency hereby appropriates the sum of \$1,708,148 from fund balance in Fund 9580 (Low and Moderate Income Housing Fund) to the Housing Development Program (Fund 9580, Organization 88929, Project P209310).

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

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

Interim Secretary of the Redevelopment Agency of  
the City of Oakland