OAKLAND CITY COUNCIL

RESOLUTION NO. _____79069_____ C.M.S.

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 14TH 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 14th 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 a s a c ondition of the l oan, the C ity w ill r equire t hat 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 A dministrator or h is o r h er designee deems s ufficient w ithin his o r h er discretion, w ithin 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 i n h is or h er d iscretion to s ubordinate t he p riority o f t he C ity's d eed of t rust 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,___**FEB 1 5 2005**___, 2005

PASSED BY THE FOLLOWING VOTE:

AYES-   BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, AND PRESIDENT DE LA FUENTE ~ 7

NOES- 0

ABSENT- 0

ABSTENTION 0

ATTEST:___LaTonda Simmons___
LaTonda Simmons
Interim City Clerk and Clerk of the Council
of the City of Oakland, California

Madison City loan resolution revised