

FILED
APPROVED AS TO FORM AND LEGALITY:
2005 OCT 13 PM 7:00
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. 79567 C. M. S.

INTRODUCED BY COUNCILMEMBER _____

A RESOLUTION AUTHORIZING THE USE OF MORTGAGE ASSISTANCE PROGRAM FUNDS TO CURE DEFAULTS ON SENIOR LOANS TO PROTECT THE CITY'S LOANS, AND ACCEPTING UP TO \$1,000,000 IN LOW AND MODERATE INCOME HOUSING FUNDS FROM THE AGENCY UNDER THE COOPERATION AGREEMENT FOR THIS PURPOSE

WHEREAS, the Mortgage Assistance Program (MAP) for first-time homebuyers assists low income first time homebuyers at or below 80% of area median income to purchase homes in Oakland by providing deferred loans that generate private mortgage lending and provide homeownership opportunities; and

WHEREAS, the City and the Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which governs the provision of assistance and the payment of funds between the two agencies, including funds for affordable housing; and

WHEREAS, funding for the MAP has been provided in the past by the Redevelopment Agency to the City through the Cooperation Agreement; and

WHEREAS, the MAP provides first-time homebuyers with mortgages that are subordinated to mortgages provided by other lenders; and

WHEREAS, in the event a borrower defaults on a mortgage with a lien position senior to the City's lien position the MAP loan could be lost; and

WHEREAS, the Agency has approved \$1,000,000 in temporary funding to the City to cure such defaults and protect outstanding MAP loans; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the use of funds from the Mortgage Assistance Program to cure defaults on loans senior to the City's MAP loans; and be it

FURTHER RESOLVED: That any funds used for such purposes shall be recovered from the borrowers of MAP loans, including through default and foreclosure if possible; and be it

FURTHER RESOLVED: That the City Council hereby accepts the contribution of up to \$1,000,000 in temporary funding from the Agency, as needed, from Low and Moderate Income Housing Funds to augment the City's Mortgage Assistance Program for the purpose of curing defaults on loans senior to the City's loans; and be it

FURTHER RESOLVED: That any such funding from the Agency shall be repaid from any proceeds derived from loan repayments, foreclosure or other actions to the extent possible, and otherwise shall be repaid from current and future appropriations for the MAP; and be it

FURTHER RESOLVED: That the City Council hereby appoints the City Administrator and her designee as agent of the City to take any actions necessary to execute documents, administer the Mortgage Assistance Program, and take any other necessary actions consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, NOV 01 2005, 2005

PASSED BY THE FOLLOWING VOTE:

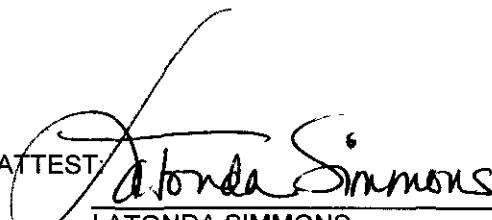
AYES - BRUNNER, ~~BROOKS~~, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT DE LA FUENTE - 7

NOES - 0

ABSENT - 0

ABSTENTION - Brooks - 1

ATTEST


LATONDA SIMMONS
City Clerk and Clerk of the Council