

# CITY OF OAKLAND

## AGENDA REPORT

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

TO: Office of the City Administrator  
Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: September 15, 2009

RE: **A Resolution Amending Resolution No. 81933 C.M.S. To Modify The Terms Of the Neighborhood Stabilization Program (NSP) Loan To The Urban Strategies Council/Oakland Community Land Trust To Provide That NSP Loan Funds Be Used To Repay The \$130,000 Predevelopment Loan Authorized by Resolution No. 82250 C.M.S.**

---

### SUMMARY

A resolution has been prepared for City Council at the request of Vice Mayor De La Fuente to amend Resolution No. 81933 C.M.S. to modify the terms of the Neighborhood Stabilization Program (NSP) loan to the Urban Strategies Council/Oakland Community Land Trust to provide that NSP loan funds be used to repay the \$130,000 Predevelopment Loan authorized by Resolution No. 82250 C.M.S.

### FISCAL IMPACT

The \$5,025,000 is from the 2008-09 HUD-CDBG Fund (2108), Community Development Block Grant Organization (88949), Neighborhood Stabilization Project (G368110). The repayment of the \$130,000 predevelopment loan from the \$5,025,000 will go into in Mortgage Revenue Fund (2826), HCD Administration Organization (88919) Housing Predevelopment Program (P04820).

### BACKGROUND

On April 21, 2009, Council adopted Resolution No. 81933 C.M.S. authorizing a \$5,025,000 loan from the U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program to the Oakland Community Land Trust (OCLT) for the acquisition and rehabilitation of foreclosed homes. The Resolution provided that disbursement of loan funds must be contingent on OCLT submitting plans for the acquisition and rehabilitation of specific properties, and required all loan funds to be secured by deeds of trust and affordability restrictions recorded against each assisted property. On July 28, 2009, Council adopted Resolution No. 82250 C.M.S. authorizing a \$130,000 loan to OCLT under the Housing Predevelopment Revolving Loan and Grant Program (PDRLP) to cover predevelopment costs associated with the acquisition and rehabilitation of foreclosed single family homes, and waiving the loan limits and matching fund requirements of PDRLP. The provision of these predevelopment funds as an unsecured loan under the PDRLP allowed the Land Trust to move forward with acquisition of foreclosed properties and do the work for which they were funded by the Council.

Item: \_\_\_\_\_  
CED Committee  
September 15, 2009

## KEY ISSUES AND IMPACTS

As a condition of approval of the \$130,000 predevelopment loan to OCLT, Council directed the City Administrator, after the summer recess, to provide a resolution allowing the use of NSP funds to repay the predevelopment loan, thereby reimbursing the Predevelopment Revolving Loan Program with NSP funds. The attached Resolution will amend the NSP loan resolution to provide for the replacement of the unsecured predevelopment loan from the PDRLP with NSP funds.

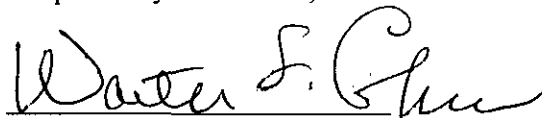
## RECOMMENDATION AND RATIONALE

Staff recommends that the Council amend Resolution 81933 C.M.S. to include language to permit the use of a portion of funds from the \$5,025,000 loan to OCLT for general predevelopment activities as an unsecured loan. This amendment would allow for repayment of the predevelopment loan and would replenish the funds in the Predevelopment Revolving Loan Program.

## ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council adopt a resolution amending Resolution No. 81933 C.M.S. to modify the terms of the Neighborhood Stabilization Program (NSP) loan to the Urban Strategies Council/Oakland Community Land Trust to provide that NSP loan funds be used to repay the \$130,000 predevelopment loan authorized by Resolution No. 82250 C.M.S.

Respectfully Submitted,



Walter S. Cohen, Director  
Community and Economic Development Agency

Prepared by:  
Michele Byrd, Acting Deputy Director  
Housing and Community Development

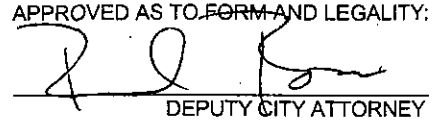
APPROVED AND FORWARDED TO  
COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE:



Office of the City Administrator

Item: \_\_\_\_\_  
CED Committee  
September 15, 2009

2009 SEP -3 PM 5:07

  
DEPUTY CITY ATTORNEY

## OAKLAND CITY COUNCIL

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

---

**A RESOLUTION AMENDING RESOLUTION NO. 81933 C.M.S. TO MODIFY THE TERMS OF THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP) LOAN TO THE URBAN STRATEGIES COUNCIL/OAKLAND COMMUNITY LAND TRUST TO PROVIDE THAT NSP LOAN FUNDS BE USED TO REPAY THE \$130,000 PREDEVELOPMENT LOAN AUTHORIZED BY RESOLUTION NO. 82250 C.M.S.**

**WHEREAS**, on April 21, 2009, the City Council adopted Resolution No. 81933 C.M.S. authorizing a \$5,025,000 loan from the HUD Neighborhood Stabilization Program (NSP) to the Urban Strategies Council/Oakland Community Land Trust (OCLT) for the acquisition and rehabilitation of foreclosed homes; and

**WHEREAS**, that Resolution provided that disbursement of loan funds must be contingent on OCLT submitting plans for the acquisition and rehabilitation of specific properties, and required that all loan funds be secured by deeds of trust and affordability restrictions recorded against each assisted property; and

**WHEREAS**, on July 28, 2009, the City Council adopted Resolution No. 82250 C.M.S. authorizing a \$130,000 loan to OCLT under the Housing Predevelopment Revolving Loan and Grant Program (PDRLP) to cover predevelopment costs associated with the acquisition and rehabilitation of foreclosed single family homes, and waiving the loan limits and matching fund requirements of the PDRLP; and

**WHEREAS**, predevelopment activities are an eligible expense under the terms of the NSP; and

**WHEREAS**, Resolution No.81933 C.M.S. mistakenly referred to the acquisition and rehabilitation of multifamily rental properties; now, therefore, be it

**RESOLVED:** That the City Council hereby amends Resolution No. 81933 C.M.S. to provide that NSP loan funds be used to repay the \$130,000 predevelopment loan authorized by Resolution No. 82250 C.M.S.; and be it

**FURTHER RESOLVED:** That the City Council hereby further amends Resolution No. 81933 C.M.S. to change the reference to "multifamily rental properties" in the first "Resolved" to "single family properties"; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator, or his or her designee, to take any action with respect to this loan and project consistent with this Resolution and its basic purposes.

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

**PASSED BY THE FOLLOWING VOTE:**

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

NOES -

ABSENT -

ABSTENTION -

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