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APPROVED AS TO FORM AND LEGALITY:


Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION NO. 2009-0059 C.M.S.

A RESOLUTION AMENDING RESOLUTION NO. 2000-0055 C.M.S. TO REDUCE THE INTEREST RATE TO THREE PERCENT FOR SITE ACQUISITION LOANS FOR 1662-1664 7TH STREET, 1666 7TH STREET, 1672 7TH STREET AND 715 CAMPBELL STREET, AND TO AUTHORIZE A LOAN TO LOCAL INITIATIVES SUPPORT CORPORATION OF UP TO \$6,000 FOR MAINTENANCE COSTS FOR THE PROPERTIES

WHEREAS, on June 25, 2000, the Redevelopment Agency adopted Resolution No. 2000-0055 C.M.S. establishing the Affordable Housing Site Acquisition Program and authorized a \$10 million allocation from Affordable Housing Bond Proceeds to fund site acquisition loans under the Program; and

WHEREAS, under the Program guidelines adopted by Resolution No. 2000-0055, the interest rate is set at the Agency's cost of funds; and

WHEREAS, in 2001 the Redevelopment Agency made a site acquisition loan under the Program in the amount up to \$276,000 with an interest rate of 6.19% to Oakland Community Housing, Inc. for the purchase of 1662-64 7th Street; and

WHEREAS, in 2001 the Redevelopment Agency made a site acquisition loan under the Program in the amount up to \$276,000 with an interest rate of 5.89% to Oakland Community Housing, Inc. for the purchase of 1672 7th Street; and

WHEREAS, in 2002 the Redevelopment Agency made a site acquisition loan under the Program in the amount up to \$75,920 with an interest rate of 5.12% to Oakland Community Housing, Inc. for the purchase of 715 Campbell Street; and

WHEREAS, in 2003 the Redevelopment Agency made a site acquisition loan under the Program in the amount up to \$169,238 with an interest rate of 4% to Oakland Community Housing, Inc. for the purchase of 1666 7th Street; and

WHEREAS, the four parcels became collectively known as the “7th and Campbell” development (the “Properties”); and

WHEREAS, Oakland Community Housing, Inc. is no longer a solvent organization and cannot develop the Properties, sell the Properties, nor repay the defaulted loans; and

WHEREAS, Oakland Community Housing, Inc. has debt subordinate to the Redevelopment Agency on the Properties; and

WHEREAS, the Properties are no longer being properly maintained, which is causing a blighting influence in the community; and

WHEREAS, Local Initiatives Support Corporation, a junior lien holder on the Properties, is taking steps to foreclose on the Properties; and

WHEREAS, retroactively reducing the interest rates on each of the loans to 3% will help facilitate the foreclosure and sale of the Properties to recoup the remaining debt owed to the Agency; now therefore, be it

RESOLVED: That Resolution No. 2000-0055 C.M.S. is hereby amended to authorize the Agency Administrator to retroactively reduce the interest rate on each of the site acquisition loans on the Properties to 3%; and be it

FURTHER RESOLVED: That the Redevelopment Agency authorizes a loan of up to \$6,000 to Local Initiatives Support Corporation to cover maintenance costs for the Properties to remove and prevent blighting conditions; and be it

FURTHER RESOLVED: That the Redevelopment Agency loan shall be allocated from the West Oakland portion of the Redevelopment Planning Fund (9101), West Oakland Base Reuse Organization (88679), Budget Project (P37650); and be it

FURTHER RESOLVED: That the Agency Administrator or his designee is hereby authorized to conduct negotiations, execute documents, administer the loan, extend or modify repayment terms, and take any other necessary action with respect to the loan and the Properties, consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That prior to execution, all loan documents will be reviewed as to form and legality by Agency Counsel and copies shall be placed on file with the Agency Secretary.

IN AGENCY, OAKLAND, CALIFORNIA, MAY 19 2009, 2009

AYES- ~~BROOKS~~, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, ~~QUAN, REID~~, AND
CHAIRPERSON BRUNNER - 5

NOES- 0

ABSENT- 0

ABSTENTION- 0

Excused - Quan, Reid, Brooks - 3

ATTEST:



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