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APPROVED AS TO FORM AND LEGALITY:



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. - 78599 C.M.S.

A RESOLUTION TO AMEND THE CITY COUNCIL RESOLUTION NO. 77656 C.M.S. TO CHANGE INTEREST RATE TERMS OF \$500,000 OF A \$1,500,000 LOAN TO EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION AND THE RELATED COMPANIES OF CALIFORNIA JOINTLY FOR THE COLISEUM GARDENS - PHASE I PROJECT FROM AN APPLICABLE FEDERAL RATE (CURRENTLY 2.52%) TO 0% INTEREST

WHEREAS, on September 10, 2002, 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 were selected for funding; and

WHEREAS, on February 25, 2003, the City Council adopted Resolution No. 77656 C.M.S. authorizing a development loan in an amount not to exceed \$1,500,000 to East Bay Asian Local Development Corporation ("EBALDC"), or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used to develop the Coliseum Gardens - Phase I project ("Project") located at 6610, 6701, and 6733 Olmstead Street, for a term of 55 years, \$1,000,000 having a 0% interest rate and \$500,000 having an Applicable Federal Rate (adjusts monthly and currently at 2.52%), 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 Manager or his or her designee determines are in the best interests of the City and the Project; and

WHEREAS, EBALDC has formed Oakland Coliseum Housing Partner, L.P. ("Developer") with The Related Companies of California to develop the Project; and

WHEREAS, the Developer had originally proposed to develop the Project relying, as a significant source of funding, on tax credit investment equity generated by an application for 9% tax

credits to the California Tax Credit Allocation Committee ("TCAC") but changes in TCAC regulations made this infeasible; and

WHEREAS, the Developer's substitute financing plan for the Project makes it necessary for the City Council to reduce the interest rate from 1 percent per year, for the \$500,000 having an Applicable Federal Rate, to 0 percent per year in order to make the substitute financing plan feasible: and

WHEREAS, the City Council wishes to reduce the interest rate to 0 percent per year in order to assist in making the Project feasible; now, therefore, be it

RESOLVED: That the City Council hereby amends Resolution No. 77656 C.M.S. to change the interest rate for the \$500,000 of the \$1,500,000 development loan having an Applicable Federal Rate to 0 percent per year.

IN COUNCIL, OAKLAND, CALIFORNIA, JUN 1 2004, 2004

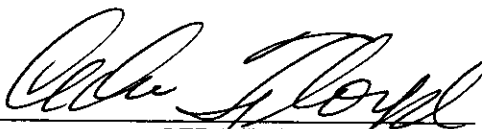
PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND PRESIDENT DE LA FUENTE - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST: 
CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland