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OFFICE OF THE CITY CLERK  
OAKLAND

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APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION NO. 2003-60 C.M.S.

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A RESOLUTION AMENDING RESOLUTION NO. 01-17 C.M.S. PASSED MARCH 6, 2001, TO AUTHORIZE 1) CONVERSION OF THE \$112,000 AFFORDABLE HOUSING DEVELOPMENT LOAN TO EAST BAY HABITAT FOR HUMANITY FOR THE FRUITVALE AVENUE HOMES PROJECT AT 2662 FRUITVALE AVENUE TO A FORGIVABLE LOAN; 2) AN INCREASE IN THE MAXIMUM HOUSEHOLD INCOME FOR RESALE UNITS FROM 60% TO 90% OF THE AREA MEDIAN INCOME; 3) EXTENSION OF THE AFFORDABILITY PERIOD FROM 10 YEARS TO PERPETUITY; AND 4) AMENDMENT OF THE DISPOSITION AND DEVELOPMENT AGREEMENT IN ACCORDANCE WITH THE ABOVE

**WHEREAS**, the Redevelopment Agency passed Resolution No. 01-17 C.M.S. on March 6, 2001 authorizing a development loan in an amount not to exceed \$112,000 to East Bay Habitat for Humanity (the "Developer") for the Fruitvale Avenue Homes Project located at 2662 Fruitvale Avenue (the "Project"); and

**WHEREAS**, the City Council passed Ordinance No. 12218 C.M.S. on March 14, 2000 that authorized the negotiation and execution of a disposition and development agreement for the sale of the City owned property at 2662 Fruitvale Avenue to the Developer for the development of four homes affordable to low-income households; and

**WHEREAS**, the Developer has proceeded with the development of four single-family homes at 2662 Fruitvale Avenue in the City of Oakland; and

**WHEREAS**, the Developer is a non-profit organization devoted to the provision of affordable housing with an unique program that reduces the percentage of Redevelopment Agency contributions, provides for purchasers to substitute sweat equity for a down payment, and provides purchasers with a zero interest loan, thereby resulting in houses being sold to low income households; and

**WHEREAS**, the Developer has requested that the \$112,000 development loan be a forgivable loan to assist the Developer in completing the Project and in providing zero interest loans to the initial purchasers; and

**WHEREAS**, all Project units will be sold to the initial purchasers at prices affordable to low-income households earning no more than 60% of area median income; and

**WHEREAS**, for sales subsequent to the initial home buyer, for perpetuity, the Developer will have the right of first refusal to purchase individual Project units and then to sell the units at prices affordable to low-income households earning no more than 60% of area median income; and

**WHEREAS**, if the Developer does not exercise its right to purchase a Project unit, then the owner can sell at prices affordable to moderate-income households earning no more than 90% of area median income, now, therefore, be it

**RESOLVED:** That the Redevelopment Agency hereby authorizes the Agency Administrator or his designee to provide a forgivable loan in an amount not to exceed \$112,000 to East Bay Habitat for Humanity, or to an affiliated entity approved by the Agency Administrator or his designee, to be used for development of the Project; and be it further

**RESOLVED:** That Developer will have the right of first refusal to purchase individual Project units and then to sell at prices affordable to low-income households earning no more than 60% of area median income; and be it further

**RESOLVED:** That if Developer does not exercise its right to purchase a Project unit, then the owner can sell at prices affordable to moderate-income households earning no more than 90% of area median income as a condition of the loan; and be it further

**RESOLVED:** That as conditions of the loan, the Agency will require that appropriate restrictions on Project sales and resales extend for perpetuity and 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 Agency hereby authorizes the Agency Administrator or his designee in his discretion to subordinate the priority of the Agency's deed of trust and/or recorded restrictions to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the Agency Administrator or his 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 Agency's investment in the Project in the event of default is reasonably protected, and (3) subordination is in the best interests of the Agency; and be it further

**RESOLVED:** That all loan documents shall be reviewed and approved by the Agency Counsel for form and legality prior to execution, and copies will be placed on file with the Agency Secretary; and be it further

**RESOLVED:** That the Agency hereby appoints the Agency Administrator or his designee as agent of the Agency 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.

**JUL 29 2003**

**IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2003**

**PASSED BY THE FOLLOWING VOTE:**

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

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST:

  
CEDA FLOYD  
Secretary of the Redevelopment Agency  
of the City of Oakland