



Deputy City Attorney

## OAKLAND CITY COUNCIL

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

INTRODUCED BY COUNCILMEMBER REBECCA KAPLAN & COUNCILMEMBER  
CARROLL FIFE

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**RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING  
DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED  
EIGHTEEN MILLION DOLLARS (\$18,000,000) TO MANDELA  
STATION PARTNERS LLC FOR THE MANDELA STATION  
AFFORDABLE HOUSING DEVELOPMENT LOCATED AT THE  
WEST OAKLAND BART STATION AT 7TH STREET AND  
MANDELA PARKWAY**

**WHEREAS**, Mandela Station Partners LLC (“Developer”) proposes to develop a 240-unit housing project at the West Oakland BART Station at 7th Street and Mandela Parkway in the City of Oakland known as the Mandela Station Affordable Development (the "Project"); and

**WHEREAS**, 238 Project units will be rented, 60 of which will be dedicated units to homeless housing, with 35% of the units rented to households at or below 30% of area median income (AMI), 17% of the units rented to households at or below 50% of AMI, and 48% of the units rented to households at or below 60% of AMI; and

**WHEREAS**, the Project is a visionary mixed-use, mixed-income transit-oriented development - with a proposed 240-unit mix-use transit-oriented affordable rental housing project with approximately 16,000 square feet of neighborhood retail space - at the heart of the most visible and accessible historic black commercial corridor of the Bay Area; and

**WHEREAS**, adjacent to the Project will be two additional development projects as part of a larger masterplan sponsored by Mandela Station Partners, LLC; the two other projects will contain 300,000 square feet of office and life science space, 522 market-rate rental apartments, 37,000 square feet of retail space, and 1.7 acres of public plazas and paseos; and

**WHEREAS**, the Developer is working with the Oakland Housing Authority (OHA) which will provide Project Based Vouchers and a financial contribution in exchange for participating in the development, management, and oversight of the Project; they will also have the right to acquire the leasehold interest at the end of the 15-year tax credit participation period; and

**WHEREAS**, the City's Consolidated Plan for Housing and Community Development indicates that there is a need for affordable rental housing, and has identified this activity as a priority; and

**WHEREAS**, the Project is consistent with the City's Project Development Guidelines, and Developer meets the City's Threshold Developer Criteria; and

**WHEREAS**, the Project will increase and improve the supply of very low-, low-, and moderate-income housing available in the City of Oakland; and

**WHEREAS**, the City is the Lead Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; and

**WHEREAS**, the City Council certified an Environmental Impact Report (EIR) for the West Oakland Specific Plan (WOSP) on July 15, 2014; and

**WHEREAS**, on February 6, 2019, the City Planning Commission determined that an Addendum to the WOSP EIR was appropriate under California Environmental Quality Act (CEQA) Guidelines Section 15162 and 15164 for the initial entitlement of the Mandela Station Project because no new information about the site, changes to the project, or circumstances under which the project would be undertaken from what was initially studied in the WOSP EIR; and

**WHEREAS**, California Public Resources Code section 21166 and CEQA Guidelines section 15164 state that an Addendum to a certified EIR is allowed when minor changes or additions are necessary and none of the conditions for preparation of a Subsequent EIR are met, and the City's CEQA Addendum found that the scope of the Mandela Station Project was within what was studied under the WOSP EIR; and

**WHEREAS**, on November 4, 2020, the Mandela Station Project was amended, but after CEQA review the City Planning Commission determined the revised Mandela Station Project would not require subsequent analysis under CEQA Guidelines Section 15162; and

**WHEREAS**, funds are available from the affordable housing portion of the 2022 Affordable Housing Infrastructure Bond ("Measure U") Fund, to assist the Project; now, therefore, be it

**RESOLVED:** That the City Council hereby authorizes the City Administrator to provide a loan in an amount not to exceed eighteen million dollars (\$18,000,000) to Mandela Station Partners LLC, or to an affiliated entity approved by the City Administrator, to be used for development of the Project; and be it

**FURTHER RESOLVED:** That loan funds shall come from the 2022 Affordable Housing Infrastructure Bond (“Measure U”) Fund, affordable housing funds; and be it

**FURTHER RESOLVED:** That the loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator, with repayment to the City from a share of 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 Administrator determines are in the best interests of the City and the Project; 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 loan funds will be reserved for a period of no more than one year from the date of the commitment letter, and shall be subject to reprogramming at the end of this period unless the Developer has secured commitments for full Project funding or provided other assurances of adequate Project funding that the City Administrator deems sufficient within his or her discretion, within the reservation period; and be it

**FURTHER RESOLVED:** That the making of the loan shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator may establish; and be it

**FURTHER RESOLVED:** That the City hereby authorizes the City Administrator in his or her discretion to subordinate the priority of the City’s deed of trust to the liens or encumbrances of other private or governmental entity providing assistance to the Project; provided, however, that the City’s affordability restrictions shall not be subordinated in priority to other liens or encumbrances, with the exception of preexisting liens or encumbrances or refinancings of preexisting liens, or the liens or encumbrances of other governmental entities providing assistance to the Project; and be it

**FURTHER RESOLVED:** That all loan documents shall be reviewed and approved by the City Attorney’s Office for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it

**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator as agent of the City 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.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND  
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: \_\_\_\_\_

ASHA REED

City Clerk and Clerk of the Council of the City of Oakland, California