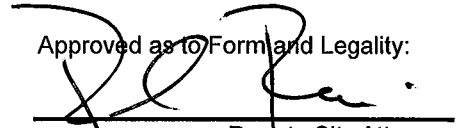


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2016 MAY 12 PM 7:35

Approved as to Form and Legality:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. 86221 C.M.S.

RESOLUTION AUTHORIZING A \$2,000,000 LOAN AND A \$1,500,000 LINE OF CREDIT TO SUNFIELD DEVELOPMENT LLC, SEMINARY POINT LLC, AND/OR COCRF SEMINARY POINT, LLC, OR AFFILIATED ENTITIES, TO BE USED FOR DEVELOPMENT OF THE FOOTHILL SEMINARY POINT NEIGHBORHOOD COMMERCIAL RETAIL CENTER PROJECT

WHEREAS, the City of Oakland owns 1.69 acres (apx. 73,500 square feet) of land on the corner of Foothill Boulevard and Seminary Avenue (the "Property"); and

WHEREAS, on June 2, 2015, the City Council approved Ordinance No. 13312 C.M.S. authorizing a Lease Disposition and Development Agreement with Sunfield Development, LLC ("Sunfield") for the development of Foothill Seminary Point, a neighborhood commercial retail shopping center on the Property (the "Project"); and

WHEREAS, on July 16, 2013, Council approved Resolution No. 84521 C.M.S. approving the allocation of up to \$6 million of New Market Tax Credits ("NMTC") by Oakland Renaissance NMTC, Inc., an affiliate of the City, to a sub-community development entity affiliated with Oakland Renaissance NMTC, Inc., to the Project; and

WHEREAS, on May 19, 2015, the City Council approved Resolution No. 85604 C.M.S. increasing the allocation of the NMTCs to the Project from \$6 million to \$14 million; and

WHEREAS, the City desires to provide a loan to Sunfield, Seminary Point LLC, and/or COCRF Seminary Point LLC, or affiliated entities in the amount of \$2,000,000 and a \$1,500,000 line of credit from Central City East bond funds City (1), Central City East Taxable Bonds (5643), Organization 94899 (CIP Central City East), Professional Services and Architectural/Engineering Accounts (54930 & 54411), Central City East Public Private Development (P356910) and CCE Facilities Infrastructure (P233289), and Central City East Program (SC18) to assist the Project; and

WHEREAS, California Government Code Section 53083 requires a city to provide certain information and hold a noticed public hearing before granting an "economic development subsidy", i.e., an expenditure of public funds, such as a loan, exceeding

\$100,000 that is made for the purpose of stimulating economic development; and

WHEREAS, the staff report accompanying this Resolution includes all of the information about the loan and the line of credit required under California Government Code Section 53083; and

WHEREAS, a noticed public hearing of the City Council was held to hear public comments on the loan and line of credit pursuant to California Government Code Section 53083; and

WHEREAS, the City has reviewed the pro forma for the Project and determined that, based on the development costs, rental income, and other revenue, the Project needs the loan and line of credit; and

WHEREAS, on July 16, 2013, the City Council approved Resolution No. 84516 C.M.S. adopting a plan for spending excess tax allocation bond proceeds received from the Oakland Redevelopment Successor Agency (the "Bond Spending Plan"); and

WHEREAS, the Bond Spending Plan designated funds for "Major Projects" in the Central City East Redevelopment Project Area, and such funds are sufficient to fund the loan and line of credit, so therefore the use of Central City East excess tax allocation bond proceeds for the loan and line of credit is consistent with the Bond Spending Plan; now, therefore, be it

RESOLVED: That the City Council hereby authorizes a loan to Sunfield Development, LLC, Seminary Point LLC, and/or COCRF Seminary Point, LLC, or an entity or entities affiliated with any of these entities as approved by the City Administrator, in an amount up to \$2,000,000 to be used for development of the Foothill Seminary Point Neighborhood Commercial Retail Center Project; and be it

FURTHER RESOLVED: That the City Council hereby authorizes a line of credit to Sunfield Development, LLC, Seminary Point LLC, and/or COCRF Seminary Point, LLC, or an entity or entities affiliated with any of these entities as approved by the City Administrator, in an amount up to \$1,500,000 to be used as a guaranty for the Foothill Seminary Point Neighborhood Commercial Retail Center Project; and be it

FURTHER RESOLVED: That the loan and the line of credit funds will come from Central City East Tax Allocation Bond Series 2006A Taxable Bond Fund (5643), CIP Central City East Organization (94899), Professional Services and Architectural/Engineering Accounts (54930 & 54411), Central City East Public Private Development (P356910) and Facilities Infrastructure (P233289), and Central City East Program (SC18) for a construction loan and a line of credit for the Foothill Seminary Point retail development located on Foothill Boulevard

and Seminary Avenue (APN 038-3182-020) from Central City East excess bond funds as follows:

Fund Source	Organization	Account	Project	Program	Amount
5643	94899	54930	P356910	SC18	\$1,700,000
5643	94899	54411	P356910	SC18	\$ 300,000
5643	94899	54930	P233289	SC18	\$1,500,000
Total					\$3,500,000

and be it

FURTHER RESOLVED: That the \$2 million in funds will be re-allocated to a new project (to be determined) for the loan and \$1.5 million will be re-allocated for the line of credit; and be it

FURTHER RESOLVED: That the loan will be for an interest rate of up to one percentage point above the first loan from Boston Private, for a term of up to 30 years to be negotiated with the developer, and will be secured by a deed of trust on the leasehold interest in the Property and the fee interest in the Project improvements subordinate to the first loan with the same terms from Boston Private; and be it

FURTHER RESOLVED: That the loan and line of credit shall be contingent on and subject to such other terms and conditions as the City Administrator or her designee may establish; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or her designee to negotiate and execute a development loan agreement and other loan documents for the loan and an agreement and other documents for the line of credit; and be it

FURTHER RESOLVED: That the development loan agreement, line of credit agreement, and other documents shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution; and be it

FURTHER RESOLVED: That the City Administrator or designee is further authorized to negotiate and enter into other agreements and take whatever action is necessary with respect to the loan, the line of credit, and the Project, consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, ≡ JUN 07 2016

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL-WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and
PRESIDENT GIBSON McELHANEY 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

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