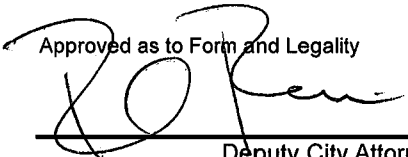


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2016 JUN 30 PM 12:00

Approved as to Form and Legality

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. 86301 C.M.S.

**RESOLUTION AUTHORIZING AN UNSECURED PREDEVELOPMENT
LOAN IN THE AMOUNT OF \$360,000 TO MIDPEN HOUSING
CORPORATION, INC., OR AFFILIATED ENTITIES TO SUPPORT THE
DEVELOPMENT OF AFFORDABLE HOUSING AT THE BROOKLYN
BASIN PROJECT**

WHEREAS, the Brooklyn Basin project, formerly the Oak to 9th project, proposed by developer Zarsion Oakland Harbor Partners (“ZOHP”) and approved by the City in 2006 is projected to comprise approximately 3,100 housing units, along with over 200,000 square feet in retail space, 29.9 acres of parks and public open space, two renovated marinas and restoration of an existing wetland area; and

WHEREAS, under affordable housing production requirements in California redevelopment law, development of the project would require the production of 465 affordable housing units within the Central City East Redevelopment Project Area; and

WHEREAS, the Redevelopment Agency in 2006 entered into a Cooperation Agreement with the Oak to Ninth Community Benefits Coalition, a consortium of four community organizations, requiring the Agency to purchase certain Brooklyn Basin parcels for affordable housing development and to ensure the development of at least 465 affordable housing units on those parcels; and

WHEREAS, the City of Oakland is the successor to the housing functions and obligations of the dissolved Redevelopment Agency per Health and Safety Code Section 34176, including Agency housing obligations and functions with respect to the Brooklyn Basin project, while the Oakland Redevelopment Successor Agency (“ORSA”) has assumed the enforceable obligations of the Redevelopment Agency under Health and Safety Code Section 34173, including the obligation to fund the purchase and development of the affordable housing parcels; and

WHEREAS, in June 2015, ZOHP selected MidPen Housing Corporation (“MidPen”) to be the affordable housing developer for the project, and the City approved this selection; and

WHEREAS, the City has been working closely with MidPen and the Community Benefits Coalition to develop and refine the affordable housing development scenarios and financing plan; and

WHEREAS, Mid Pen Housing Corporation has proposed to develop the 465 affordable housing units in five separate phases in order to maximize project viability and ability to leverage outside funding sources; and

WHEREAS, it will be beneficial to the affordable housing development at Brooklyn Basin for the project to receive a predevelopment loan so that MidPen will have working capital to undertake predevelopment activities for the five planned phases of the project; and

WHEREAS, sufficient funding is available to the City from ORSA from the 2011 Affordable Housing Set-Aside Bond Fund to provide the requested predevelopment loan; and

WHEREAS, the City currently owns the Affordable Housing Parcels, and it is therefore not possible to secure the predevelopment loan at this time; and

WHEREAS, an Environmental Impact Report (EIR) was prepared and approved under the California Environmental Quality Act (CEQA) for the Brooklyn Basin project; and

WHEREAS, under CEQA Guidelines Section 15162, no subsequent environmental review is required unless the project has changed substantially, the circumstances under which the project would occur have changed substantially, or new information demonstrates that any potential environmental impacts would be substantially more severe than previously demonstrated; and

WHEREAS, none of the circumstances necessitating further environmental review under CEQA Guidelines Section 15162 are present, since the predevelopment loan does not affect the development envelope previously reviewed in the EIR, is not a change in the project that involves any new significant effects or a substantial increase in the severity of previously identified significant effects of under which the project is undertaken have not occurred that will involve new significant environmental effects of a substantial increase in the severity of previously identified significant effects, and no new information has come to light that would involve new or substantially more severe effects of feasible alternatives or mitigation measures; now, therefore, be it

RESOLVED: That the City Council hereby authorizes an unsecured predevelopment loan in the amount of \$360,000 to MidPen Housing Corporation, or to an affiliated entity or entities approved by the City Administrator or his or her designee, to support predevelopment work associated with the development of 465 units of affordable housing at Brooklyn Basin; and be it

FURTHER RESOLVED: That the funding for this loan shall be allocated from the 2011

Affordable Housing Set-Aside Bond Fund (Fund 1885, Org 89929, Project L439410); and be it

FURTHER RESOLVED: That the loan shall be contingent on the availability of sufficient funds in the 2011 Affordable Housing Set-Aside Bond Fund; and be it

FURTHER RESOLVED: That the predevelopment loan shall be for a maximum term of 24 months (with a six month extension available at the City Administrator's discretion), with an interest rate to be determined by the City Administrator in his or her discretion, with the balance due at the end of the term, or on such other repayment terms and schedule as the City Administrator or his or her designee determines are in the best interests of the City and the project; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to negotiate and execute loan documents for the predevelopment loan and take whatever other action is necessary with respect to the loan consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That the City Council, having independently heard, considered and weighed all the evidence in the record, hereby finds that, in accordance with CEQA Guidelines Section 15162, none of the circumstances requiring preparation of a subsequent or supplemental EIR are present for this action.

IN COUNCIL, OAKLAND, CALIFORNIA, July 19, 2014

PASSED BY THE FOLLOWING VOTE:

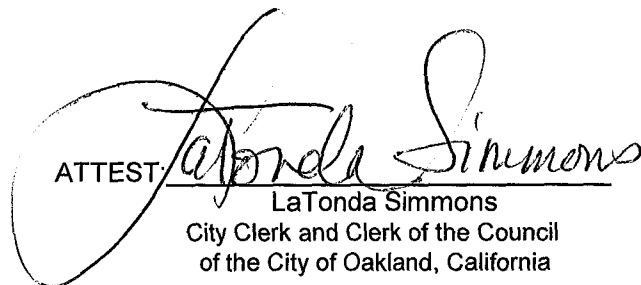
AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, AND PRESIDENT GIBSON MCELHANEY - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST


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