

FILED
OFFICE OF THE CITY CLERK OAKLAND CITY COUNCIL
OAKLAND


City Attorney

2019 JAN 24 PM 6:08 RESOLUTION NO. 87534 C.M.S.

Introduced by Councilmember _____

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT AND APPROPRIATE \$1,911,049.09 IN LOAN REPAYMENT FUNDS AND FUTURE REPAYMENTS FROM THE NEIGHBORHOOD STABILIZATION PROGRAM INTO THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM TO FUND REHABILITATION PROJECTS IN HOUSING AND COMMUNITY DEVELOPMENT'S RESIDENTIAL LENDING AND REHABILITATION PROGRAMS;

APPROPRIATING \$1,300,000.00 TO BE USED BY THE OAKLAND COMMUNITY LAND TRUST AND RESOURCES FOR COMMUNITY DEVELOPMENT FOR THE REHABILITATION OF A 15-UNIT AFFORDABLE RENTAL PROJECT LOCATED AT 2530 9th AVENUE; AND

AUTHORIZING A SUBSTANTIAL AMENDMENT OF THE CITY'S CONSOLIDATED ANNUAL ACTION PLAN FOR FISCAL YEAR 2018/19 TO INCLUDE THE APPROPRIATED FUNDS AND ALLOCATIONS.

WHEREAS, the City of Oakland received funds under the U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP) to provide for the housing needs of low- and moderate-income residents; and

WHEREAS, NSP has generated \$1,911,049.09 in unallocated repayments of loans originally funded with NSP funds; and

WHEREAS, the transfer of NSP program income at any time before, at the time of, or after closeout into the CDBG program is permitted by HUD; and

WHEREAS, the rehabilitation of the Property is an eligible activity for CDBG funds; and

WHEREAS, there is a need to assist developers and owners of affordable housing in the acquisition, rehabilitation, and/or development of properties, including existing multifamily housing properties, vacant land, or nonresidential properties, in order to create additional opportunities for affordable housing and maintain currently restricted units; and

WHEREAS, the transferred NSP program income is an eligible source of project funding since the Program will increase, improve, and preserve the City's supply of housing affordable to households with incomes at or below 60% of AMI; and

WHEREAS, the proposed rehabilitation of the 15-unit housing development located at 2530 9th Avenue (the "Project") will remove blight and provide decent housing to low, very low, and extremely low-income households, i.e. households earning 30-60% of area median income (AMI); and

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

WHEREAS, per the CEQA Guidelines, this action is exempt from environmental review for the reasons stated below; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires that the City prepare and submit a draft substantial amendment to the Consolidated Annual Action Plan for fiscal year 2018-2019 as a condition for appropriating NSP program income to CDBG funds; and

WHEREAS, amendments to the City's Consolidated Annual Action Plan require public notice and a 30-day public comment period; now, therefore be it

FURTHER RESOLVED, That the City Council hereby authorizes the acceptance and appropriation of current funds received from the repayment of loans made under the NSP program to CDBG to fund grants and loans made under a City residential rehabilitation program; and be it

FURTHER RESOLVED, That the City Council hereby appropriates and allocates the sum of \$1,911,049.00 from NSP program repayment funds (Fund 2108, Org 89939, Account 48716, Project 1000276 (G368130), Program NB32) to CDBG fund (Fund 2108, Org 89939, Project(s) to be Determined) for use by any residential rehabilitation program within the same fund; and be it

FURTHER RESOLVED, That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan or loans in an aggregate amount not to exceed \$1,300,000 to the Oakland Community Land Trust and Resources for Community Development, or to an affiliated entity approved by the City Administrator or his or her designee, under the CDBG program, to be used to rehabilitate the Project, approved by the City Administrator; and be it

FURTHER RESOLVED, That the loan funds shall be reserved for a period of no more than nine (9) months from the date of this Resolution, and the making of the loan for the property shall be contingent on Developer's success in securing commitments for full funding for the rehabilitation of the property, or other assurances of adequate funding the City Administrator or his or her designee deems sufficient within his or her discretion, within this reservation period; and be it

FURTHER RESOLVED, That the making of the loan for the Project shall be contingent on Developer's submission of specific property information, rehabilitation plans, budgets, and other materials evidencing that the rehabilitation of the Project is financially feasible and is consistent with the CDBG program goals and guidelines; and be it

FURTHER RESOLVED, That loan term and interest rates shall be determined by the City Administrator in his or her discretion within the terms of the CDBG program and as the City Administrator or his or her designee determines are in the best interests of the City; and be it

FURTHER RESOLVED, That as a condition of the loan(s), the City will require that appropriate restrictions on occupancy, sale, and resale be recorded against the assisted properties; and be it

FURTHER RESOLVED, That the loan(s) shall be secured by deeds of trust on the assisted properties; and be it

FURTHER RESOLVED, That the making of the loan(s) shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator or his or her designee may establish, and be it

FURTHER RESOLVED, That the City Council hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of any of the City's recorded interests in the assisted properties to a lien or encumbrance of another private or governmental entity providing financial assistance to the property, if the City Administrator or his or her 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 City's investment in the assisted properties in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; 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 and his or her designee as agent of the City to conduct negotiations, execute documents, administer the loan(s), extend or modify the repayment terms, and take any other action with respect to the loan(s) and the assisted properties consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED, That the City Council hereby authorizes the appropriation of any future funds received as the result of loan repayments under the NSP program to CDBG for an unallocated project(s) to be decided within the respective fund from which the loan originated for use by any residential rehabilitation program within the same fund; and be it

FURTHER RESOLVED: the City Council hereby finds and determines that CEQA exemptions 15061(b)(3) (Projects which will have no impact on the environment), 15301 (Project involving Existing Facilities), 15183 (Projects consistent with a Community Plan, General Plan, or Zoning), and 15332 (Infill) apply to this project, each of which is a separate and independent basis for CEQA exemption; and be it

FURTHER RESOLVED, That the City Council hereby authorizes and directs the City Administrator or designee to prepare and submit the substantial amendment to the Consolidated Annual Action Plan for Fiscal Year 2018/19, and consider public comments received; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Administrator or designee to take any actions necessary to execute and submit the documents mentioned above to HUD and any other materials that may be required to secure HUD approval of the appropriation of NSP program income to CDBG funds; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or designee to take any other action with respect to the projects and the allocation of NSP program income to CDBG funds consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, FEB 0 5 2019

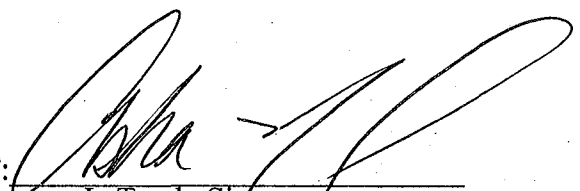
PASSED BY THE FOLLOWING VOTE:

AYES - BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO
AND PRESIDENT KAPLAN - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

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