

2019 OCT 31 PM 1:00

Approved as to Form and Legality

  
City Attorney's Office

## OAKLAND CITY COUNCIL

RESOLUTION NO. 87930 - C.M.S.

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR HIS OR HER DESIGNEE TO ENTER INTO TWO UNSECURED PREDEVELOPMENT LOANS NOT TO EXCEED A COMBINED TOTAL AMOUNT OF \$650,000 FROM THE AFFORDABLE HOUSING TRUST FUND (FUND 1870); ONE LOAN TO MIDPEN HOUSING CORPORATION AND ONE LOAN TO HABITAT FOR HUMANITY EAST BAY/SILICON VALLEY, INC. TO SUPPORT THE DEVELOPMENT OF AFFORDABLE HOUSING AT THE CITY-OWNED PROPERTY LOCATED AT 1707 WOOD STREET BETWEEN 18<sup>TH</sup> AND 20<sup>TH</sup> STREETS; AND MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS FOR THIS ACTION**

**WHEREAS**, the City of Oakland ("City") owns approximately 3.12 acres of property located at 1707 Wood Street between 18th and 20th Streets (the "Property"); and

**WHEREAS**, on May 15, 2018, the City issued a Request for Proposals ("RFP") seeking development proposals for affordable housing development for the Property, with RFP responses due on July 23, 2018; and

**WHEREAS**, an evaluation panel composed of City staff and community residents reviewed the RFP responses and selected as the winning submission a joint proposal from MidPen Housing Corporation ("MidPen") and Habitat for Humanity East Bay/Silicon Valley, Inc. ("Habitat") for the development of affordable housing at the Property consisting of eighty-five (85) affordable homeownership units and eighty-five (85) affordable rental units, including one unrestricted manager's unit, projected to serve a range of households earning between 20 percent (20%) and one hundred twenty percent (120%) of Area Median Income (the "Project"); and

**WHEREAS**, on December 11, 2018, the Oakland City Council passed Resolution No. 87467 C.M.S. authorizing the City Administrator or her designee to enter into an Exclusive Negotiating Agreement ("ENA") with MidPen and Habitat (together, the "Developers") for the purpose of executing a Lease Disposition and Development Agreement ("LDDA"); and

**WHEREAS**, in the course of negotiations regarding the terms of the ENA, the terms of the aforementioned resolution was found to excessively constrain the scope of negotiations, and so on July 9, 2019, the Oakland City Council passed Resolution No. 87795 C.M.S. revising the previous authorization to allow for the negotiation of more than one disposition agreement, and to allow for the negotiation of a possible Disposition and Development Agreement (“DDA”) rather than an LDDA for the homeownership portion of the project; and

**WHEREAS**, the Developers desire to enter into disposition agreements with the City for the development of the Property; and

**WHEREAS**, the Developers are California non-profit public benefit corporations with many years of experience constructing and managing similar projects; and

**WHEREAS**, in recent years the Property has become host to significant and growing amounts of illegal industrial dumping, household waste, and trespassing, and currently poses a risk to public health and safety; and

**WHEREAS**, City staff is concurrently conducting cleanup operations at the Property and seeking Oakland City Council approval for such activities where necessary; and

**WHEREAS**, it is in the City’s interest to expedite affordable housing development at the Property in order to both prevent additional damage to the Property and help meet the need for housing, as reflected in the trespassing and encampments at the Property; and

**WHEREAS**, predevelopment loans will expedite such development activities, and Developers have requested such loans; and

**WHEREAS**, the development process for the affordable housing described in the ENA is in its early stages and, thus, the Project was ineligible for the City’s recent Notice of Funding Availability; and

**WHEREAS**, sufficient funding is available to the City from the Affordable Housing Trust Fund (City Fund 1870, Org 89929, Project 1000386) to provide the requested predevelopment loans; and

**WHEREAS**, the Developers have demonstrated through their contribution of staff time, retention of third-party consultants, and expenditures associated with the Project a commitment to move the Project towards completion; and

**WHEREAS**, the City currently owns the Property, and it is therefore not possible to secure the predevelopment loan at this time through the traditional means of a deed of trust; and

**WHEREAS**, for financial and legal purposes, the Developers desire separate loans for their respective portions of the Project; and

**WHEREAS**, the Environmental Impact Report ("EIR") for the Wood Street Project prepared under the California Environmental Quality Act ("CEQA") and certified by the City Council in 2005 provides a project-level analysis of the Wood Street development project and supports all levels of approval necessary to implement the Wood Street project, including affordable housing development; and

**WHEREAS**, pursuant to CEQA Guidelines Section 15162, this action is exempt because it would not result in any significant impact that has not already been analyzed in the EIR, and there will be no significant environmental impacts caused by this action that have not already been analyzed in the EIR; now, therefore, be it

**RESOLVED:** That the Oakland City Council hereby authorizes two unsecured predevelopment loans not to exceed a combined total amount of \$650,000, one loan to Habitat and one loan to MidPen, 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 the Project at the Property; and be it

**FURTHER RESOLVED:** That the funding for these loans shall be allocated from the Affordable Housing Trust Fund (City Fund 1870, Org 89929, Project 1000386); and be it

**FURTHER RESOLVED:** That the loans shall be contingent on the availability of sufficient funds in the Affordable Housing Trust Fund; and be it

**FURTHER RESOLVED:** That the respective terms of the predevelopment loans shall be for a maximum of twenty-four (24) months (with a six-month extension available at the City Administrator's discretion), with a three percent (3%) interest rate, with the balances due at the end of the respective terms 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 respective predevelopment loans and take whatever other action that is necessary with respect to the loans consistent with this Resolution and its basic purposes, including amendments to the loan documents; and be it

**FURTHER RESOLVED:** That the City finds and determines, after independent review and consideration, that the authorization to enter into the predevelopment loans with MidPen and Habitat would not result in any significant impact that has not already been analyzed in the EIR, and there will be no significant environmental impacts caused by the funding transactions that have not already been analyzed in the EIR.

**FURTHER RESOLVED:** That the City Administrator or his or her designee shall cause to be filed with the County of Alameda a Notice of Exemption pursuant to CEQA Guidelines Section 15162.

IN COUNCIL, OAKLAND, CALIFORNIA,

**NOV 19 2019**

PASSED BY THE FOLLOWING VOTE:

AYES – FORTUNATO 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