

**CITY OF OAKLAND
AGENDA REPORT**

OFFICE OF THE CITY CLERK
2006 FEB 28 4:09 PM
CITY OF OAKLAND

TO: Agency Administrator of the Redevelopment Agency of the City of Oakland
ATTN: Deborah A. Edgerly
FROM: Finance and Management Agency
DATE: February 28, 2006

RE: RESOLUTIONS AUTHORIZING AND APPROVING THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND'S ISSUANCE OF AND THE OAKLAND JOINT POWERS FINANCING AUTHORITY'S PURCHASE OF SUBORDINATED HOUSING SET ASIDE REVENUE REFUNDING BONDS, SERIES 2006, IN AN AMOUNT NOT TO EXCEED \$4,500,000 AND REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE BONDS, SERIES 2006A-T (FEDERALLY TAXABLE), IN AN AMOUNT NOT TO EXCEED \$94,000,000; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE AND A BOND PURCHASE AGREEMENT; APPROVING THE RETENTION OF A FINANCIAL ADVISOR AND OTHER AGENTS; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; AUTHORIZING PAYMENT OF COSTS OF ISSUANCE; AUTHORIZING THE APPROPRIATION OF BOND PROCEEDS; AND AUTHORIZING AND APPROVING NECESSARY ACTIONS IN CONNECTION THEREWITH

SUMMARY

Three resolutions have been prepared that authorize the issuance of Subordinated Housing Set Aside Revenue Refunding Bonds Series 2006 (the "Series 2006 Bonds") and Series 2006A-T Bonds (Federally Taxable) (the "Series 2006A-T Bonds") (collectively, the "Bonds"), to be secured by a pledge of housing set-aside tax revenues which amounts to the twenty percent (20%) tax increment that must be set aside and deposited to the Low and Moderate Income Housing Trust Fund (the "Housing Set-Aside"). The Series 2006 Bonds will refund and defease \$25.5 million of the Redevelopment Agency's Subordinated Housing Set Aside Revenue Bonds, Series 2000T (the "Series 2000T Bonds") for debt service savings. In addition, the Series 2006A-T Bonds will finance approximately \$55 million in new low and moderate income housing activities.

The first resolution is a resolution of the Agency authorizing the issuance of tax-exempt housing set aside revenue refunding bonds in an amount not to exceed \$4,500,000 and of taxable housing set aside revenue bonds in an amount not to exceed \$94,000,000. Only a small portion of the financing qualifies for tax-exempt financing due to the nature of arrangements under which bond proceeds are lent. In addition, this resolution authorizes the Agency Administrator to execute and deliver a first supplemental indenture, a bond purchase agreement, and an official statement, and to approve a preliminary official statement in connection with the financing and to take all

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necessary actions related to the issuance of the bonds, including payment of costs of issuance and appropriation of bond proceeds.

The second resolution is a resolution of the Oakland Joint Powers Financing Authority (the "JPFA") that authorizes the purchase and sale of the Bonds, and the distribution of an official statement.

The third resolution is a resolution of the City approving the Agency's issuance of the Bonds.

FISCAL IMPACTS

The Agency will refund a portion of the 2000T Bonds with the issuance of two series of fixed rate Bonds (one series will be tax-exempt and one series will be taxable). In addition, the Agency will issue new money for projects that will be secured by capturing the 20% of tax increment revenues from all current redevelopment areas.

In 2000, the Agency issued the 2000T Bonds in the amount of \$39.395 million to finance new and renovated housing for low-income households. These bonds were issued on a taxable basis at interest rates ranging from 7.39-8.03%. Upon reviewing the 2000T Bonds for refinancing opportunities, it was realized that a portion of the 2000T Bonds could be refunded on a tax-exempt basis for an amount not to exceed \$4.5 million and a taxable portion totaling approximately \$25.3 million. The tax-exempt series (Series 2006) will refund a portion of the 2000T Bonds at interest rates ranging from approximately 3.00-5.00%. The taxable series (Series 2006A-T), issued in an amount not to exceed \$94 million, will include both a refunding and new money component. The taxable Series 2006A-T Bonds will have interest rates ranging from approximately 4.75-6.00%.

By refunding approximately \$4.5 million of the taxable 2000T Bonds on a tax-exempt basis, the Agency will generate present value savings of approximately \$380,000, representing about 13.8% of refunded par, depending on market rates. The balance of the refunding, representing about \$25.3 million of taxable bonds, is expected to generate about \$1.8 million in present value savings, or 8% of refunded par. The new money taxable portion of the Series 2006A-T Bonds is estimated to generate proceeds in the range of \$55 million. The refunding savings and new money will be used toward affordable housing purposes. A separate report on project expenditures has been prepared for the CED Committee to be presented on February 28, 2006.

BACKGROUND

The Agency has several programs that make loans to housing developers who develop or rehabilitate rental and ownership housing that is or will be occupied, in whole or in part, by persons or families of low and moderate income. The Agency has found that with the rising costs of development, especially of land, construction and insurance costs, more funding is needed to address the continuing demand for affordable housing. As the need arises, the Agency issues Affordable Housing Set-Aside Bonds to provide a large amount of money at one time to help fund additional affordable projects.

KEY ISSUES

Issuing bonds secured by the Housing Set-Aside tax revenues that must be used for housing activities will contribute to the City's on-going neighborhood revitalization efforts and to the various other affordable housing goals and objectives of the City Council and the Mayor. The recommendation to issue the Bonds is being generated within the following contexts.

Oakland's Housing Needs

Oakland has long experienced a severe shortage of decent housing that is affordable to low and moderate income households. The lack of affordable housing impedes the City's economy by reducing disposable income, thereby reducing spending on local retail activities. Lack of affordable housing also tends to discourage prospective employers from locating in the area, as high housing costs increase the cost of doing business. As in previous years, the Association of Bay Area Governments (ABAG) again indicated that high housing prices and the need for housing production for lower income households will remain the most serious constraints to the economic health of the region.

Current Housing Programs

Oakland's Consolidated Plan for Housing and Community Development, adopted in 2005, recognizes the critical need for development of affordable rental housing, and establishes the expansion of the supply of affordable rental housing and the preservation of existing affordable housing resources as high priority goals for the City. These are in support of the City Council's goals to: 1) develop a sustainable city and 2) build community and foster livable neighborhoods, including facilitating the development of housing for all incomes.

In addition to the goals of preserving and expanding the supply of rental housing, the City has a commitment to increase the number of homeowners in Oakland, in particular low and moderate income homeowners. Housing Development funds are also available for the development of homeownership projects and for the First Time Homebuyer Program.

The City's strong commitment to increase and preserve both rental and homeownership opportunities for this population also addresses the City's on-going neighborhood revitalization strategy. The infusion of these bond proceeds will increase the opportunities to use housing funds in conjunction with other City funds as part of a concentrated investment of community development resources. In addition, use of these funds helps meet several of the City's policy objectives, including encouraging the development of affordable housing throughout all areas of the City to avoid concentrations of low income and minority households. It is anticipated that the bond proceeds will continue to carry out these policies.

It is anticipated that the bond proceeds will be used for projects currently being reviewed for funding under the annual Affordable Housing Development Notice of Funding Availability ("NOFA") and for other approved affordable housing activities over the next couple of years. Up to \$17.9 million for projects to be funded under the current NOFA will be recommended at the February 28 Community & Economic Development Committee meeting. The types of projects that are anticipated to receive funding include the more common, smaller affordable

rental and homeownership developments (20 to 80 units) as well as affordable housing projects that are part of much larger developments.

The Use of the Bond Proceeds

Staff proposes to distribute the bond proceeds in the same manner that current housing funds are distributed, which is to maintain the policy of distributing the funds evenly between homeownership and rental housing. Furthermore, the households served will continue to be low-income (80% of median) and very-low income (50% of median or less) for rental projects and low and moderate-income (120% of median) for ownership projects. In current annual income, this translates to income levels for a family of four that range from a maximum of \$41,400 for very-low income families to \$66,250 for low-income families, and \$98,650 for moderate-income families. Based on previous experience, rental projects are likely to serve families with incomes between \$20,000 and \$66,250, and ownership projects will serve families with incomes between \$70,000 and \$98,650.

Agency and City funding are typically provided as “gap financing” to cover the difference between the development cost of a project and the total amount of funds that can be raised from other sources. Apart from Agency and City funds, major sources include private bank financing, Low Income Housing Tax Credits (which can be sold for investor equity contributions), grants from the Federal Home Loan Bank’s Affordable Housing Program, grants and deferred loans from HUD and other public sources, foundation grants, and sponsor contributions. The policy of the Agency and the City is to require developers to seek the maximum amount of financing available from these other sources. In any event, Agency/City financing is limited to not more than 40 percent of the total development cost.

It is anticipated that the funds will be used for the existing eligible housing activities such as acquisition of sites, eligible housing development and rehabilitation costs, and down-payment assistance to first time homebuyers. Due to the economic strength and long histories of the Project Areas, it is anticipated the Bonds would qualify for insurance and thus receive the highest rating or “AAA” rating by the rating agencies (Fitch, Moody’s Investor Service, and Standard and Poor’s)

SUSTAINABLE OPPORTUNITIES

Environmental: The housing that will be developed using bond proceeds will primarily take blighted, underutilized sites and turn them into housing and/or mixed-use developments. By developing in already built-up areas, this project also reduces the pressure to build on agricultural and other underdeveloped land.

Staff will encourage the developer to make substantial use of such green building techniques as energy-conservation design and appliances, water-conserving fixtures and landscape, recycled-content materials and low waste construction techniques.

Social Equity: When the Bonds are issued, a portion of the proceeds will be available to fund a variety of new capital projects that provide services to the City and enhance the quality of life in Oakland.

RECOMMENDATION AND RATIONALE

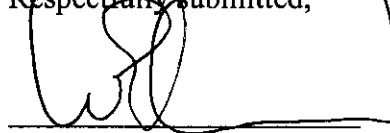
Staff recommends that the Agency's governing body and City Council approve the resolutions approving and authorizing the issuance of the Bonds and the execution and delivery of the First Supplemental Indenture, the Bond Purchase Agreement, and the Official Statement, and approving the Preliminary Official Statement and authorizing related actions, including payment of costs of issuance associated with the issuance of the Bonds and appropriation of bond proceeds. This action will result in both savings and in the generation of new funding for low and moderate income housing projects.

Additionally, Staff recommends that the Governing Board of the JPFA approve the resolution authorizing the purchase and sale of the Bonds, the distribution of the Official Statement and related actions.

ACTION REQUESTED

Staff requests that the Agency's governing body, City Council, and the JPFA Board accept and approve the resolutions authorizing the issuance and sale of the Bonds; authorizing the execution and delivery of the First Supplemental Indenture, the Bond Purchase Agreement and an Official Statement, and approving a Preliminary Official Statement; authorizing the appropriation of bond proceeds; and authorizing the Agency/City Administrator to take any necessary actions connected with the issuance of the Bonds.

Respectfully submitted,



WILLIAM E. NOLAND

Director, Finance and Management Agency/
Treasurer

Prepared by:
Katano Kasaine
Treasury Manager

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:


AGENCY/CITY ADMINISTRATOR

APPROVED AS TO FORM AND LEGALITY:

Karen A. Kelly PH 4: 09
Agency Counsel

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE ISSUANCE AND PRESCRIBING THE TERMS, CONDITIONS AND FORMS OF NOT TO EXCEED \$4,500,000 PRINCIPAL AMOUNT OF THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE REFUNDING BONDS, SERIES 2006, AND NOT TO EXCEED \$94,000,000 REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE BONDS, SERIES 2006A-T (FEDERALLY TAXABLE), APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE AND A BOND PURCHASE AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; APPROVING THE RETENTION OF A FINANCIAL ADVISOR AND OTHER AGENTS; AUTHORIZING PAYMENT OF COSTS OF ISSUANCE; AND AUTHORIZING AND APPROVING NECESSARY ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Redevelopment Agency of the City of Oakland (the "Agency") is a public body, corporate and politic, duly organized and existing and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law, being Part 1 of Division 24 of the Health and Safety Code of the State of California (the "Law");

WHEREAS, under the Law, twenty percent (20%) of the tax increment revenues payable to the Agency (the "Housing Set Aside Revenues") are required to be set aside in the Agency's Low and Moderate Income Housing Fund for use in increasing the supply of low- and moderate-income housing in the City of Oakland (the "City"); and

WHEREAS, in order to provide necessary funds to finance loans or programs implemented to increase, improve and/or preserve the supply of low and moderate income housing in the City, the Agency has heretofore issued its \$39,395,000 aggregate principal amount of its Subordinated Housing Set Aside Revenue Bonds, Series 2000T (Federally Taxable) (the "Series 2000T Bonds"), pursuant to an Indenture, dated as of May 1, 2000, by and between the Agency and BNY Western Trust Company, as succeeded by The Bank of New York Trust Company, N.A., as trustee (the "Trustee") (the "Original Indenture"); and

WHEREAS, the Original Indenture permits the issuance of Additional Bonds (as defined in the Original Indenture) payable from Subordinated Housing Set Aside Revenues (as defined in the Original Indenture) on a parity with the Series 2000T Bonds, subject to the terms and conditions set forth in the Original Indenture; and

WHEREAS, in order to provide additional necessary funds to finance and refinance loans or programs implemented to increase, improve and/or preserve the supply of low and moderate income housing in the City (including by refunding all or a portion of the Series 2000T Bonds), the Agency proposes to issue, on a parity with the Series 2000T Bonds, its not to exceed \$4,500,000 aggregate principal amount of its Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A (the "Series 2006A Bonds") and its not to exceed \$94,000,000 aggregate principal amount of its Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable) (the "Series 2006A-T Bonds" and, together with the Series 2006A Bonds, the "Series 2006 Bonds"); and

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. Conditions Precedent. All conditions, things and acts required by law to exist, to happen and to be performed precedent to and in connection with the issuance by the Agency of the Series 2006A Bonds exist, have happened and been performed in due time, form and manner, in accordance with applicable law, and the Agency is now authorized pursuant to the Law to incur indebtedness in the manner and form provided in this Resolution, as may be supplemented from time to time.

Section 2. Indenture. The First Supplemental Indenture (the "First Supplement" and, together with the Original Indenture, the "Indenture"), between the Agency and the Trustee supplementing and amending the Original Indenture, substantially in the form presented to this meeting, is hereby approved, and the Agency Administrator or the Agency Treasurer, or the designee of either, each acting alone, is hereby authorized and directed to execute, and the Secretary of the Agency is hereby authorized to attest to, the First Supplement, with such changes therein (including but not limited to changes necessary to obtain ratings on the Series 2006 Bonds or a municipal bond insurance commitment), as the Agency Administrator and the Agency Treasurer may approve, such approval to be conclusively evidenced by said execution. The Agency hereby approves the amendments set forth in the First Supplement and agrees to comply with, or cause to be complied with, all covenants of the Agency set forth in the Indenture.

Section 3. Issuance of Bonds. The Board of the Agency hereby authorizes the issuance of the Series 2006A Bonds in an aggregate amount of not to exceed \$4,500,000, and the Series 2006A-T Bonds in an aggregate amount of not to exceed \$94,000,000, in both cases subject to the terms set forth in the Purchase Agreement (defined below).

Section 4. Form of Bonds. The form of the Series 2006A Bonds and the form of the Series 2006A-T Bonds, in substantially the forms attached to the First Supplement, are hereby approved. The Agency Administrator or the Agency Treasurer, or the designee of either, each

acting alone, is hereby authorized and directed to approve and to execute the Series 2006 Bonds by manual or facsimile signature; and the Secretary of the Agency is hereby authorized and directed to attest, by manual or facsimile signature and to cause the seal of the Agency to be reproduced or impressed on the Series 2006 Bonds, with such changes made in accordance with Section 12 hereof.

Section 5. Bond Purchase Agreement. The Bond Purchase Agreement (the "Purchase Agreement"), by and among the Agency, the Oakland Joint Powers Financing Authority and the Underwriter (as hereinafter defined), substantially in the form submitted to this meeting, is hereby approved and the Agency Administrator or the Agency Treasurer, or the designee of either, each acting alone, is hereby authorized and directed to execute and deliver said Bond Purchase Agreement with such changes therein as the Agency Administrator and the Agency Treasurer may approve, such approval to be conclusively evidenced by the execution and delivery of such Bond Purchase Agreement, provided that the aggregate principal amount of Series 2006A Bonds to be issued shall not exceed \$4,500,000, the aggregate principal amount of Series 2006A-T Bonds to be issued shall not exceed \$94,000,000, the true interest cost of the Series 2006A Bonds shall not exceed seven percent (7%), the true interest cost of the Series 2006A-T Bonds shall not exceed eight and one-half percent (8-1/2%), the Underwriter's discount or fee (excluding original issue discount, if any) for the Series 2006 Bonds shall not exceed nine-tenths of one percent (0.90%), and the final maturity for the Series 2006 Bonds shall not exceed 35 years. E.J. De La Rosa & Co., Inc. and Stone & Youngberg LLC are hereby approved as the underwriters of the Series 2006 Bonds (the "Underwriter"). All or a portion of the Series 2000T Bonds shall be refunded only to the extent that the present value savings resulting from such refunding is at least three percent (3%).

Section 6. Escrow Agreements. The Tax Exempt Refunding Escrow Agreement and the Taxable Refunding Escrow Agreement (collectively, the "Escrow Agreements"), both by and between the Agency and The Bank of New York Trust Company, N.A., substantially in the forms submitted to this meeting, are hereby approved, and the Agency Administrator or the Agency Treasurer, or the designee of either, each acting alone, is hereby authorized and directed to execute and deliver the Escrow Agreements with such changes therein as the Agency Administrator and the Agency Treasurer may approve, such approval to be conclusively evidenced by the execution and delivery of such Escrow Agreements.

Section 7. Appointment of Depositories and Other Agents. The Agency Administrator and the Agency Treasurer are hereby authorized and directed to appoint from time to time one or more depositories for the Series 2006 Bonds, as he may deem desirable. The Agency Administrator and the Agency Treasurer are hereby also authorized and directed to appoint from time to time one or more agents, as he may deem necessary or desirable. To the extent permitted by applicable law, and under the supervision of the Agency Administrator and the Agency Treasurer, such agents may serve as paying agent, Trustee or registrar for the Series 2006 Bonds, or financial printer or may assist the Agency Administrator and the Agency Treasurer in performing any or all of such functions and other duties as the Agency Administrator and the Agency Treasurer shall determine. Such agents shall serve under such terms and conditions as the Agency Administrator and the Agency Treasurer shall determine. The Agency Administrator and the Agency Treasurer may remove or replace agents appointed pursuant to this section at any time.

Section 8. Municipal Bond Insurance Policy. The Agency Administrator and the Agency Treasurer are hereby authorized to negotiate and procure a municipal bond insurance policy for the Bonds so long as such policy, in the opinion of such parties, will result in present value debt service savings to the Agency, taking into account the cost of the premium for such policy to the Agency. If a municipal bond insurance policy is to be obtained, the Agency Administrator and the Agency Treasurer are hereby authorized to negotiate such additional covenants and agreements to be observed by the Agency as may be required by such municipal bond insurer, and such covenants and agreements shall be reflected in the First Supplement as executed by the Agency.

Section 9. Official Statement. The Agency Administrator and the Agency Treasurer are hereby authorized and directed, in consultation with Agency Counsel, to prepare a preliminary official statement for the Series 2006 Bonds authorized by this Resolution. The preliminary official statement (the "Preliminary Official Statement"), in substantially the form presented to this meeting, is hereby approved and adopted with such changes, additions, amendments or modifications as may be made in accordance with Section 11 hereof. The Agency Administrator and the Agency Treasurer are hereby authorized to cause the distribution of a Preliminary Official Statement for the Series 2006 Bonds, which is hereby deemed final for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, and the Agency Administrator and the Agency Treasurer are each separately authorized to execute a certificate to that effect. The Agency Administrator and the Agency Treasurer are each separately authorized and directed to sign a final Official Statement for the Series 2006 Bonds. The Agency Administrator and the Agency Treasurer are hereby authorized and directed to cause to be printed and mailed to prospective purchasers of the Series 2006 Bonds copies of the Preliminary Official Statement and the final Official Statement.

Section 10. Appointment of Financial Advisor. The retention of the firm of Kelling Northcross & Nobriga, a Division of Zions First National Bank ("Kelling"), as financial advisor to the Agency for the Series 2006 Bonds, is hereby approved. The Agency Treasurer is hereby authorized to negotiate and execute contractual agreements with Kelling, in connection with the issuance of the Bonds.

Section 11. Payment of Costs of Issuance and Administration. The Agency Administrator is hereby authorized and directed to appropriate from the Bond proceeds funds for the payment of expenditures, fees and other costs related to issuance and administration of the Bonds, including the Underwriter's fee. The Agency Treasurer is hereby authorized and directed to pay, or cause to be paid on behalf of the Agency, the costs of issuance and administration associated with the Series 2006 Bonds.

Section 12. Modification to Documents. Any Agency official authorized by this Resolution to execute any document is hereby further authorized, in consultation with the Agency Administrator, the Agency Treasurer and Agency Counsel, to approve and make such changes, additions, amendments or modifications to the document or documents the official is authorized to execute as may be necessary or advisable (provided that such changes, additions, amendments or modification shall not authorize an aggregate principal amount of Series 2006A Bonds in excess of \$4,500,000 or authorize an aggregate principal amount of Series 2006A-T

Bonds in excess of \$94,000,000. The approval of any change, addition, amendment or modification to any of the aforementioned documents shall be evidenced conclusively by the execution and delivery of the document in question.

Section 13. Refunding of Loans. The loans originally made from the proceeds of the Series 2000T Bonds shall now be the proceeds of the Series 2006A-T Bonds, provided that the loans for the following projects (the "Tax Exempt Loans") shall be allocated to the Series 2006A Bonds in the amounts as finally determined by the Agency Treasurer, provided that such collective amount shall not exceed \$4,500,000: (i) Lincoln Court Senior Apartments, (ii) Madison Street Lofts, (iii) Oak Park Apartments, and (iv) Oakland Point Apartments.

Section 14. First Supplement to Regulatory Agreement. The First Supplement to Regulatory Agreement, substantially in the form presented to this meeting, is hereby approved, and the Agency Administrator and the Agency Treasurer, or the designee of either, each acting alone, are hereby authorized to enter into a First Supplement to Regulatory Agreement with each of the applicable borrowers, with such changes therein as the Agency Administrator and the Agency Treasurer may approve, such approval to be conclusively evidenced by the execution and delivery of each of the First Supplement to Regulatory Agreement.

Section 15. Ratification. All actions heretofore taken by the officials, employees and agents of the Agency with respect to the sale and issuance of the Series 2006 Bonds are hereby approved, confirmed and ratified.

Section 16. General Authority. The Agency Administrator, the Agency Treasurer, the Secretary of the Agency or each such person's duly authorized designee and agent, and any other officials of the Agency and their duly authorized designee and agents are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents including a Continuing Disclosure Agreement, a Tax Certificate or Certificates, an agreement relating to the delivery of a debt service reserve fund surety bond, letters of representation to any depository for the Series 2006 Bonds, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Series 2006 Bonds, and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution.

The Agency Administrator and the Agency Treasurer may designate in writing one or more persons to perform any act, which such persons are hereby authorized by this Resolution to perform.

Section 17. Effect. This Resolution shall take effect immediately upon its passage.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

AYES-

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
Secretary of the Redevelopment Agency of the
City of Oakland, California

2006 FEB 16 PM 4: 29

APPROVED AS TO FORM AND LEGALITY:


Kathleen Shea Boyd
Joint Powers Financing Authority Counsel

OAKLAND JOINT POWERS FINANCING AUTHORITY

RESOLUTION NO. _____ C.M.S.

RESOLUTION OF THE OAKLAND JOINT POWERS FINANCING AUTHORITY AUTHORIZING THE PURCHASE AND SALE OF NOT TO EXCEED \$4,500,000 PRINCIPAL AMOUNT OF THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE REFUNDING BONDS, SERIES 2006, AND NOT TO EXCEED \$94,000,000 REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE BONDS, SERIES 2006A-T (FEDERALLY TAXABLE), UPON CERTAIN TERMS AND CONDITIONS, APPROVING DISTRIBUTION OF OFFICIAL STATEMENT RELATING THERETO, AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the City of Oakland (the "City") and the Redevelopment Agency of the City of Oakland ("the Agency") have entered into a Joint Exercise of Powers Agreement, dated as of February 1, 1993 (the "Agreement"), creating the Oakland Joint Powers Financing Authority (the "Authority"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and the Agreement, the Authority is authorized to purchase bonds issued by the Agency; and

WHEREAS, pursuant to the Act and the Agreement the Authority is further authorized to sell bonds so purchased to public or private purchasers at public or negotiated sale; and

WHEREAS, the Authority desires to purchase from the Agency not to exceed \$4,500,000 aggregate principal amount of Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A (the "Series 2006A Bonds") and not to exceed \$94,000,000 aggregate principal amount of its Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable) (the "Series 2006A-T Bonds" and, together with the Series 2006A Bonds, the "Series 2006 Bonds"), solely from the proceeds received from the Authority's concurrent sale of the Bonds to E.J. De La Rosa & Co., Inc. and Stone & Youngberg LLC, as the purchasers of the Series 2006 Bonds (collectively, the "Underwriter"); and

WHEREAS, the Agency has caused an Official Statement relating to the Series 2006A Bonds (the "Official Statement") to be submitted to the Authority for approval for distribution to purchasers of the Series 2006A Bonds;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Oakland Joint Powers Financing Authority, as follows:

Section 1. Sale of Bonds. The bond purchase agreement (the "Purchase Agreement"), by and among the Agency, the Authority, and the Underwriter, substantially in the form on file with the Secretary of the Authority is hereby approved. Each of the President, the Executive Director or the Treasurer of the Authority, is hereby authorized and directed, each acting alone, for and in the name and on behalf of the Authority, to accept the offer to purchase the Series 2006 Bonds from the Agency for concurrent resale to the Underwriter, and to accept the offer of the Underwriter to purchase the Series 2006A Bonds from the Authority, subject to the terms and conditions of the Purchase Agreement, and to execute and deliver the Purchase Agreement to the Agency and the Underwriter; provided that the aggregate principal amount of Series 2006A Bonds to be issued shall not exceed \$4,500,000, the aggregate principal amount of Series 2006A-T Bonds to be issued shall not exceed \$94,000,000, the true interest cost of the Series 2006A Bonds shall not exceed seven percent (7%), the true interest cost of the Series 2006A-T Bonds shall not exceed eight and one-half percent (8 1/2%), the Underwriters' discount or fee (excluding original issue discount, if any) shall not exceed nine-tenths of one percent (0.90%), and the final maturity for the Series 2006 Bonds shall not exceed 35 years. Approval of any additions or changes in such form shall be conclusively evidenced by such execution and delivery of the Purchase Agreement.

Section 2. Official Statement. The Official Statement relating to the Series 2006 Bonds, together with such amendments and supplements as shall be necessary or convenient to accurately describe the Series 2006 Bonds in accordance with the Purchase Agreement, this Resolution and the other related proceedings and documents, is hereby approved for distribution to the purchasers of the Series 2006 Bonds.

Section 3. Official Action. The President, the Executive Director, the Treasurer and the Secretary of the Authority, and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale and delivery of the Series 2006 Bonds to the Authority for resale and delivery to the Underwriter pursuant to the Purchase Agreement approved herein.

Section 4. Effective Date. This resolution shall take effect from and after the date of approval and adoption thereof.

IN OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
LATONDA SIMMONS
Secretary of the Oakland Joint
Powers Financing Authority of the
City of Oakland

OFFICE OF THE CITY CLERK

2006 FEB 16 PM 4: 29

APPROVED AS TO FORM AND LEGALITY:

City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLAND APPROVING ISSUANCE BY THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND OF NOT TO EXCEED \$4,500,000 PRINCIPAL AMOUNT OF THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE REFUNDING BONDS, SERIES 2006, AND NOT TO EXCEED \$94,000,000 REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE BONDS, SERIES 2006A-T (FEDERALLY TAXABLE), AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the Redevelopment Agency of the City of Oakland (the "Agency") intends to issue not to exceed \$4,500,000 aggregate principal amount of Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A (the "Series 2006A Bonds") and not to exceed \$94,000,000 aggregate principal amount of its Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable) (the "Series 2006A-T Bonds" and, together with the Series 2006A Bonds, the "Series 2006 Bonds"), under and pursuant to the provisions of Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the "Law") and other applicable laws, for the purpose of financing and refinancing affordable housing throughout the City of Oakland (the "City"); and

WHEREAS, Section 33640 of the Law requires the Agency to obtain the approval of the City Council (the "City Council") of the City prior to issuance of the Series 2006 Bonds; and

WHEREAS, the City Council finds the issuance of the Series 2006 Bonds as being in the public interests of the City and of the Agency; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Oakland as follows:

Section 1. Approval of Issuance of Series 2006 Bonds. The City Council hereby approves the issuance of the Series 2006 Bonds by the Agency as being in the public interest of the City and of the Agency.

Section 2. Effect. This Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

AYES -

NOES -

ABSENT -

ABSTENTION -

Attest: _____

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