

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 JAN 29 PM 4:28

**REDEVELOPMENT AGENCY
AND THE CITY OF OAKLAND
AGENDA REPORT**

TO: Office of the City Administrator/ Agency Administrator
Executive Director of the Oakland Joint Powers Financing Authority
ATTN: Dan Lindheim
FROM: Finance and Management Agency
DATE: February 10, 2008

RE:

- 1. Resolution Of The City Council Of The City Of Oakland Approving The Issuance By The Redevelopment Agency Of The City Of Oakland Of Not To Exceed \$60,000,000 Aggregate Principal Amount Of Redevelopment Agency Of The City Of Oakland Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable), And Providing Other Matters Properly Relating Thereto; and a**
- 2. Resolution Of the Redevelopment Agency Authorizing the Issuance And Prescribing The Terms, Conditions And Form Of Not To Exceed \$60,000,000 Principal Amount Of The City Of Oakland Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable), Approving The Form Of And Authorizing The Execution And Delivery Of A Third Supplemental Indenture Of Trust And A Bond Purchase Contract; Approving The Form Of And Authorizing The Distribution Of A Preliminary Official Statement and Authorizing Execution And Delivery Of An Official Statement; Approving The Purchase and Cancellation Of A Portion Of The Series 2005 Bonds; And Authorizing And Approving Necessary Actions In Connection Therewith; and a**
- 3. Resolution Of The Oakland Joint Powers Financing Authority Authorizing The Purchase And Sale Of Not To Exceed \$60,000,000 Principal Amount Of Redevelopment Agency Of The City Of Oakland Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable), Upon Certain Terms And Conditions, Approving Distribution Of Official Statement Relating Thereto, And Providing Other Matters Property Relating Thereto**

SUMMARY

In 2005, the Redevelopment Agency of the City of Oakland ("Agency") issued \$44,360,000 aggregate principal amount of Central District Redevelopment Subordinated Project Tax Allocations Bonds, Series 2005 ("Series 2005 Bonds") to finance various projects including the

Item: _____
Finance and Management Committee
February 10, 2009

Fox Theater and Uptown Projects. Currently, the Agency is unable to spend the proceeds on the Series 2005 Bonds due to the nature of the private use aspect of the project that prohibits the use of tax-exempt proceeds under the IRS tax law. The Agency has identified approximately \$17,000,000 of unused proceeds to purchase and cancel a portion of the Series 2005 Bonds. Based on the 3 year spend down rule for tax-exempt project funds, the Agency is required to spend at least 85% of the bond proceeds or tender the bonds with the unused proceeds.

Additionally, the Agency is looking to issue new money in taxable bonds, which are less restrictive, to purchase the Telegraph Plaza Garage in the development area from the City of Oakland ("City") and to pay off a City loan in the amount of approximately \$14,000,000. Therefore, three resolutions have been prepared to authorize the issuance of the Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable), referred to here as the "Series 2009T Bonds."

The first is a resolution of the Agency authorizing the issuance of the Series 2009T Bonds in an amount not-to-exceed \$60,000,000. The resolution also authorizes the Agency to use a portion of the unused proceeds of the Series 2005 Bonds to purchase and cancel a portion of the Series 2005 Bonds.

Second is a resolution of the Oakland Joint Powers Financing Authority ("JPFA") that authorizes the purchase and sale of the Series 2009T Bonds, and the distribution of the Official Statement.

The third is a City resolution approving the Agency's issuance of the Series 2009T Bonds.

FISCAL IMPACT

- Using a portion of the unused proceeds of the Series 2005 Bonds to purchase and cancel a portion of the Series 2005 Bonds will result in lower debt service payments.
- Issuing the 2009T Bonds will allow the Agency to purchase and expand a garage thus providing benefit to the overall development area. The expansion of the garage will provide more parking spaces and uses of the facility resulting in additional revenue in the future.
- By issuing the 2009T Bonds, the Agency will be able to repay the City's loan on the City Center Garage West of approximately \$14,000,000 and will alleviate future costs.
- Lastly, the City will benefit by using the repayment of the Center Garage West loan to refund and retire the 1985 Certificates of Participation, resulting in an excess amount of approximately \$9,500,000 to be contributed to the general fund for Fiscal Year 2008-09.

BACKGROUND

On February 1, 2005, the Agency issued \$44,360,000 aggregate principal amount of the Series 2005 Bonds. The funds generated from Series 2005 Bonds were substantially allocated to the Fox Theater and Uptown Projects. When these two projects were ready for development it was determined that the available bond funds were ineligible for these uses and the Agency was therefore required to issue new taxable bonds, the Series 2006T Bonds. On November 9, 2006, the Agency issued \$33,135,000 aggregate principal amount of Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2006T (Federally Taxable), referred to as the "Series 2006T Bonds," for the Fox Theater and Uptown Projects.

The Agency has again found uses that are ineligible for Series 2005 Bonds, including refinancing the City Center West Garage debt and purchase of the Telegraph Plaza Garage. Since both of these activities are between the City of Oakland and the Oakland Redevelopment Agency, which for federal tax purposes are related entities, the Agency needs to use taxable bonds or there would be restrictions on the City's use of these funds. The proposed deal will require the Agency to reduce the allocation to the Central District Parking Garage Project by \$10,446,577 in the Series 2005 Bonds (Fund 9533). The reduction in allocations from the Series 2005 Bonds and existing interest reserves will allow the Agency to tender approximately \$17,000,000 from the Series 2005 Bonds.

KEY ISSUES AND IMPACTS

Project

The Agency has reviewed all projects associated with the Central District Project Area and has identified an excess amount of approximately \$17,000,000 of proceeds from the Series 2005 Bonds that will not be used due to projects ineligible under IRS tax law. With these unused proceeds, the Agency plans to purchase and cancel a portion of the Series 2005 Bonds, which will result in lower debt service payments on these bonds.

Currently, the City anticipates project costs of approximately \$17,000,000 for Fiscal Year 2008-09, which includes the purchase of the Telegraph Plaza Garage and the repayment of the existing loan from the Agency to meet its budget obligations for Fiscal Year 2008-09. Therefore, it is important that the Agency issue the Series 2009T Bonds.

Financing

The Agency plans to purchase Series 2005 Bonds for a not-to-exceed principal amount of \$22,000,000 in the open market at a price equal to the Series 2005 Bonds then-current market value, but in no event at a price in excess of the par amount plus any accrued interest.

As the current credit crisis extends into the municipal taxable market, there have been only a few large (over \$10 million) municipal taxable transactions over the past month. The transactions of significant size that have been well received in the market have been in the highest rated credit categories of triple A to double A. The City's underwriter expects the municipal taxable market to continue to improve for single A and lower credit ratings due to more infusion of liquidity into the market. The City's current credit rating is "A/AA-".

Due to the complexity of the structure, staff is recommending the use of previous firms and consultants who are familiar with this transaction. The resolution to be adopted by the Council directs staff to retain a financial advisor and underwriter and authorizes the payment of cost of issuance. All fees associated with this financing will be paid from bond proceeds.

SUSTAINABLE OPPORTUNITIES

Economic: The issuance of the Series 2009T Bonds and implementation of these projects will result in construction jobs, many of which will be filled by Oakland residents.

Environmental: There are no environmental opportunities associated with this transaction.

Social Equity: These various projects will help improve and enhance the quality of life for the community.

DISABILITY AND SENIOR CITIZEN ACCESS

There is no impact to disability or senior citizen access following actions under this report.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council, Oakland Redevelopment Agency Board, and the Governing Board of the JPFA approve the resolutions approving and authorizing the issuance of Oakland Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable) and approve the purchase and cancellation of a portion of the Series 2005 Bonds. Staff also recommends approving a resolution authorizing the execution of documents and the taking of all necessary actions relating to the financing.

In addition, Staff recommends that the Governing Board of the JPFA approve the resolution authorizing the purchase and sale of the Series 2009T Bonds and the distribution of the Official Statement and related actions.

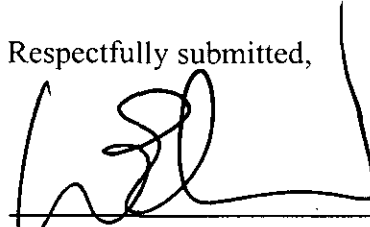
ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council, Agency Board and the Governing Board of the JPFA approve the respective resolutions authorizing the following actions:

- 1) The issuance and sale by the Agency in the amount not-to-exceed \$60,000,000 aggregate principal amount of the Redevelopment Agency of the City of Oakland Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable);
- 2) Authorize the Agency to use a portion of the unused proceeds of the Series 2005 Bonds to purchase and cancel a portion of the Series 2005 Bonds;
- 3) Authorize the execution and delivery of a Third Supplemental Indenture of Trust and Bond Purchase Contract;
- 4) Authorize the purchase and sale of the Series 2009T Bonds through the JPFA;
- 5) Authorize the execution of documents and the taking of all necessary actions relating to the financing;
- 6) Approve the appointment of the Financing Team and authorize payment of costs of issuance; and
- 7) Authorize the appropriation of bond proceeds.

It is expected that the transaction will close in early April 2009. Documents referred to in this staff report shall be placed on file in the Office of the City Clerk/Secretary of the Redevelopment Agency/Secretary of the JPFA Governing Board.

Respectfully submitted,



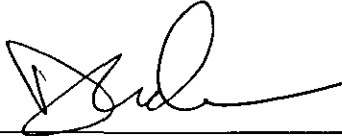
WILLIAM E. NOLAND

Finance and Management Agency/ Treasurer

Prepared by:

Katano Kasaine, Treasury Manager
Treasury Department

APPROVED AND FORWARDED TO THE
CITY COUNCIL:

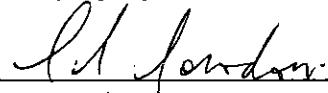


Office of the City Administrator/
Acting Agency Administrator/
Executive Director of the Oakland JPFA

Item: _____
Finance and Management Committee
February 10, 2009

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2009 JAN 29 PM 4:28

APPROVED AS TO FORM AND LEGALITY



City Attorney for ESR

CITY OF OAKLAND

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 \$60,000,000 AGGREGATE PRINCIPAL AMOUNT OF REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND CENTRAL DISTRICT REDEVELOPMENT PROJECT SUBORDINATED TAX ALLOCATION BONDS, SERIES 2009T (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 \$60,000,000, aggregate principal amount of its Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable) (the "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 redevelopment activities within and of benefit to the Agency's Central District Redevelopment Project; and

WHEREAS, Section 33640 of the Law requires the Agency to obtain the approval of the City Council of the City of Oakland prior to issuance of the Bonds; and

WHEREAS, the City Council of the City of Oakland (the "City Council") finds the issuance of the Bonds as being in the public interests of the City of Oakland and of the Agency; now, therefore, be it

RESOLVED by the City Council of the City of Oakland as follows:

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

Section 2. Subordination of Agency Loans. The City Council hereby agrees and acknowledges that the repayment of amounts which have been advanced, or which will in the future be advanced, by the City to the Agency are subordinate as to tax increment revenues to the payment of debt service on the Bonds.

Section 3. Effect. This Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2009 JAN 29 PM 4:28

[Signature]
Agency Counsel for KSB

REDEVELOPMENT AGENCY
OF THE CITY OAKLAND

RESOLUTION NO. _____ C.M.S.

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND AUTHORIZING THE ISSUANCE AND PRESCRIBING THE TERMS, CONDITIONS AND FORM OF NOT TO EXCEED \$60,000,000 PRINCIPAL AMOUNT OF THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND CENTRAL DISTRICT REDEVELOPMENT PROJECT SUBORDINATED TAX ALLOCATION BONDS, SERIES 2009T (FEDERALLY TAXABLE), APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL INDENTURE OF TRUST AND A BOND PURCHASE CONTRACT; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; APPROVING THE PURCHASE AND CANCELLATION OF A PORTION OF THE SERIES 2005 BONDS; APPROVING THE SELECTION AND RETENTION OF A FINANCIAL ADVISOR AND UNDERWRITER; AUTHORIZING PAYMENT OF COSTS OF ISSUANCE; ALLOCATING BOND PROCEEDS TO FINANCE REDEVELOPMENT ACTIVITIES IN THE REDEVELOPMENT PROJECT AREA; 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") and the powers of the Agency include the power to issue bonds to finance redevelopment activities; and

WHEREAS, on January 9, 2003, the Agency issued its \$120,605,000 aggregate principal amount of Central District Redevelopment Subordinated Project Tax Allocation Bonds, Series 2003 (the "Series 2003 Bonds"), pursuant to an Indenture of Trust dated as of January 1, 2003 (the "Series 2003 Indenture") between the Agency and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee (the "Trustee"), on February 8, 2005, the Agency issued its \$44,360,000 aggregate principal amount of Central District Redevelopment Subordinated Project Tax Allocation Bonds, Series 2005 (the "Series 2005 Bonds") pursuant to a First Supplemental Indenture of Trust dated as of February 1, 2005 (the "First Supplement") between the Agency and the Trustee, and on November 21, 2006, the Agency issued its \$33,135,000 aggregate principal amount of Central District Redevelopment Subordinated Project Tax Allocation Bonds, Series 2006T (Federally Taxable) (the "Series

2006T Bonds") pursuant to a Second Supplemental Indenture of Trust dated as of November 1, 2006 (the "Second Supplement"); and

WHEREAS, the Agency intends to issue an additional series of bonds (the "Bonds") under and pursuant to the Law and the hereinafter defined Indenture, to provide funds to finance redevelopment in the Agency's Central District Redevelopment Project, and such Bonds will be issued on a parity with the Series 2003 Bonds, the Series 2005 Bonds and the Series 2006T Bonds under and pursuant to the provisions of the Series 2003 Indenture; and

WHEREAS, the Agency also desires to use a portion of the unused proceeds of the Series 2005 Bonds to purchase and cancel a portion of the Series 2005 Bonds; 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 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 Third Supplemental Indenture of Trust (the "Third Supplement" and, together with the Series 2003 Indenture, the First Supplement and the Second Supplement, the "Indenture"), between the Agency and the Trustee, in substantially the form on file with the Secretary of the Agency, is hereby approved and adopted. The Agency Administrator or the Agency Treasurer, each acting alone, or the designee of either, is hereby authorized and directed to execute and the Secretary of the Agency is hereby authorized to attest to, the Third Supplement in substantially such form, with such changes, additions, amendments or modifications (including but not limited to changes, additions, amendments or modifications necessary to obtain ratings on the Bonds or a municipal bond insurance commitment) that are approved by the Agency Administrator or the Agency Treasurer, in consultation with Agency Counsel, as being in the interest of the Agency, such approval to be conclusively evidenced by said execution. The Agency hereby 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 Bonds which shall be designated the "Redevelopment Agency of the City of Oakland Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable)" in an aggregate amount of not to exceed \$60,000,000, subject to the terms set forth in the Purchase Contract (defined below). Pursuant to Section 5903 of the Government Code, the Agency finds and determines that the interest on the Bonds shall be subject to all applicable federal income taxation.

Section 4. Form of Bonds. The form of the Bonds, in substantially the form attached to the Third Supplement, is hereby approved and adopted. The Agency Administrator or the Agency Treasurer, or the designee of either, is hereby authorized and directed to approve and to

execute the 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 Bonds, with such changes, additions, amendments or modifications made in accordance with Section 11 hereof.

Section 5. Bond Purchase Contract. The Bond Purchase Contract (the "Purchase Contract"), 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, is hereby authorized and directed to execute and deliver said Purchase Contract with such changes therein as the Agency Administrator or the Agency Treasurer may approve, such approval to be conclusively evidenced by the execution and delivery of such Purchase Contract, provided that the aggregate principal amount of Bonds to be issued shall not exceed \$60,000,000, the true interest cost of the Bonds shall not exceed twelve percent (12.00%), the Underwriters' discount (excluding original issue discount, if any) shall not exceed eighty five one-hundredths of one percent (0.85%), and the final maturity for Bonds shall not be later than September 1, 2022. RBC Capital Markets Corporation is hereby approved as the underwriter of the Bonds (the "Underwriter").

Section 6. Purchase and Cancellation of Series 2005 Bonds. The Agency is hereby authorized to utilize all or a portion of the unused proceeds of the Series 2005 Bonds, being approximately \$17,000,000, to purchase not to exceed \$22,000,000 principal amount of the Series 2005 Bonds in the open market at a price equal to their then current market value, but in no event at a price in excess of the par amount thereof plus accrued and unpaid interest thereon. Any Series 2005 Bonds so purchased shall be delivered to the Trustee for cancellation. Additionally, if required, the Agency may also apply a portion of the unused proceeds of the Series 2005 Bonds to fund the reserve requirement for the Series 2005 Bonds in the not to exceed amount of \$4,774,657.06, and the amount of the proceeds of the Series 2005 Bonds available to purchase Series 2005 Bonds will be reduced by the actual amount used to fund such reserve requirement.

Section 7. Appointment of Depositories and Other Agents. The Agency Administrator or the Agency Treasurer, each acting alone, or the designee of either, is hereby authorized and directed to appoint from time to time one or more depositories for the Bonds, as they may deem desirable. The Agency Administrator or the Agency Treasurer, each acting alone, or the designee of either, is hereby also authorized and directed to appoint from time to time one or more agents, as she may deem necessary or desirable. To the extent permitted by applicable law, and under the supervision of the Agency Treasurer, such agents may serve as paying agent, Trustee or registrar for the Bonds, or financial printer or may assist the Agency Treasurer in performing any or all of such functions and other duties as the Agency Treasurer shall determine. Such agents shall serve under such terms and conditions, as the Agency Treasurer shall determine. 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 or 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 or the Agency Treasurer are hereby authorized to negotiate such additional conditions, 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 Trust Indenture as executed by the Agency.

Section 9. Official Statement. The Agency Administrator is hereby authorized and directed, in consultation with the Agency Counsel, to prepare a preliminary official statement for the Bonds authorized by this Resolution. The form of proposed preliminary official statement (the "Preliminary Official Statement"), in substantially the form presented to this Agency Board and on file with the Secretary of the Agency, 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 is hereby authorized to cause the distribution of a Preliminary Official Statement for the Bonds, deemed final by this Agency Board 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 Treasurer and the Agency Administrator are each separately authorized to execute a certificate to that effect. The Agency Treasurer and the Agency Administrator are each separately authorized and directed to sign a final Official Statement for the Bonds. The Agency Administrator is hereby authorized and directed to cause to be printed and mailed to prospective purchasers of the Bonds copies of the Preliminary Official Statement and the final Official Statement.

Section 10. Appointment of Financial Advisor. The retention of the firm of KNN Public Finance, A Division of Zions First National Bank, as financial advisor to the Agency on this issuance is hereby approved. The Agency Administrator or the Agency Treasurer, each acting alone, or the designee of either, is hereby authorized to negotiate and execute contractual agreements with KNN Public Finance, A Division of Zions First National Bank in connection with the issuance of the Bonds.

Section 11. Payment of Costs of Issuance. The Agency Treasurer is hereby authorized and directed to pay, or cause to be paid on behalf of the Agency, the costs of issuance associated with the Bonds.

Section 12. Allocation of Bond Proceeds. The Agency hereby allocates the bond proceeds to finance redevelopment activities in the Redevelopment Project, including the payment of the costs of issuance associated with the Bonds.

Section 13. 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 the 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 Bonds in excess of \$60,000,000 or the purchase and cancellation of an aggregate amount of Series 2005 Bonds in excess of \$22,000,000. 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 14. Ratification. All actions heretofore taken by the officials, employees and agents of the Agency with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

Section 15. 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 Certificate, an agreement relating to the delivery of a debt service reserve fund surety bond, and a letter of representation to any depository for the Bonds, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 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 16 . Effect. This Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20 _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and CHAIRPERSON BRUNNER

NOES -

ABSENT -

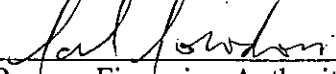
ABSTENTION -

ATTEST: _____

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2009 JAN 29 PM 4:28

APPROVED AS TO FORM AND LEGALITY


Joint Powers Financing Authority Counsel
for RSR

OAKLAND JOINT POWERS FINANCING AUTHORITY

RESOLUTION NO. _____ J.P.F.A.

RESOLUTION OF THE OAKLAND JOINT POWERS FINANCING AUTHORITY AUTHORIZING THE PURCHASE AND SALE OF NOT TO EXCEED \$60,000,000 PRINCIPAL AMOUNT OF REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND CENTRAL DISTRICT REDEVELOPMENT PROJECT SUBORDINATED TAX ALLOCATION BONDS, SERIES 2009T (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 for financing and refinancing public capital improvements; 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 \$60,000,000 aggregate principal amount of Redevelopment Agency of the City of Oakland Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable) (the "Bonds"), solely from the proceeds received from the Authority's concurrent sale of the Bonds to RBC Capital Markets Corporation (the "Underwriter"); and

WHEREAS, the Agency has caused an Official Statement relating to the Bonds (the "Official Statement") to be submitted to the Authority for approval for distribution to purchasers of the 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 contract (the "Purchase Contract"), 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 Bonds from the Agency for concurrent resale to the Underwriter, and to accept the offer of the Underwriter to purchase the Bonds from the Authority, subject to the terms and conditions of the Purchase Contract, and to execute and deliver the Purchase Contract to the Agency and the Underwriter; provided that the aggregate principal amount of Bonds to be issued shall not exceed \$60,000,000, the true interest cost of the Bonds shall not exceed twelve percent (12.00%), the Underwriter's discount (excluding original issue discount, if any) shall not exceed eighty five one-hundredths of one percent (0.85%). Approval of any additions or changes in such form shall be conclusively evidenced by such execution and delivery of the Purchase Contract.

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

Section 4. Effective Date. This Resolution shall take effect immediately upon its passage.

The foregoing resolution was passed and adopted by the Board of Directors of the Oakland Joint Powers Financing Authority at a special meeting held on _____, by the following vote:

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and CHAIRPERSON BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons

Secretary of the Oakland Joint Powers Financing
Authority of the City of Oakland, California

DATE OF ATTESTATION: _____