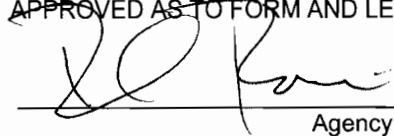


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2011 OCT 13 PM 6:19

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**
2011 - 0068
RESOLUTION No. _____ C.M.S.

A RESOLUTION AMENDING AGENCY RESOLUTION NO. 2011-0010 C.M.S. TO ALLOW A PORTION OF THE AGENCY LOAN TO THE CALIFORNIA HOTEL PROJECT TO BE USED TO ESTABLISH A TRUST ACCOUNT IN THE AMOUNT OF \$1.5 MILLION FOR AN OPERATING RESERVE

WHEREAS, Resolution No. 2011-0010 C.M.S. dated March 3, 2011 (the "Resolution") authorized an affordable housing development loan in an amount not to exceed \$5,253,000 to East Bay Asian Local Development Corporation (the "Developer") for the California Hotel housing project (the "Project"), rehabilitation of a 137 unit rental housing project located at 3501 San Pablo Avenue in the City of Oakland; and

WHEREAS, the Resolution allocated \$1,683,802 from Low Mod Operations funds and \$3,569,198 from 2006 Affordable Housing Set-Aside Bond funds; and

WHEREAS, in June 2011, the Developer was awarded Low Income Housing Tax Credits to help finance the project that will result in the creation of a limited partnership between the equity investor and the Developer; and

WHEREAS, the limited partnership will dissolve after 15 years, and EBALDC will become the full owner for the remaining life of the Project; and

WHEREAS, the Project requires the creation of an operating reserve to subsidize future operating deficits to ensure the long term financial feasibility of the Project; and

WHEREAS, a third-party trust account is needed for the first 15 years of the Project to protect the operating reserves remaining in the Project from tax liabilities when the partnership dissolves; and

WHEREAS, the trust account will close at the end of 15 years when the limited partnership dissolves and the funds will be placed in the Project's operating reserve for use according to the Project's Regulatory Agreement now, therefore, be it

RESOLVED: the Redevelopment Agency hereby amends Resolution No. 2011-0010 C.M.S. to establish a trust account in the amount of \$1.5 million for an operating reserve with a portion of the Agency funds already awarded to the Project; and be it

FURTHER RESOLVED: That \$1,500,000 shall be allocated from Low Mod Operations Funds (9580), Housing Development Organization (88929), California Hotel Project (L438210) for this purpose; and

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or her designee to conduct negotiations, execute documents, and take any other action with respect to the trust account and the Project consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That all loan documents shall be reviewed and approved by Agency Counsel for form and legality prior to execution.

DEC - 6 2011

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2011

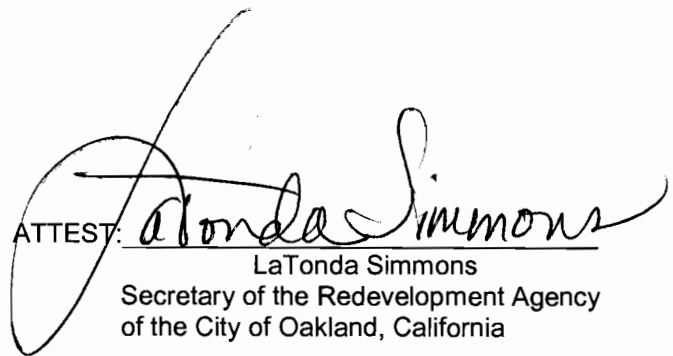
PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, ~~BRUNNER~~, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF, AND CHAIRPERSON REID -7

NOES- 0

ABSENT- 0

ABSTENTION- Brunner - 1

ATTEST: 
LaTonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland, California