

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

2011 FEB 10 PM 6:35

TO: Office of the City/Agency Administrator
ATTN: Dan Lindheim
FROM: Finance & Management Agency
DATE: February 22, 2011

RE: 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 \$100,000,000 Redevelopment Agency Of The City Of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2011A-T (Federally Taxable), And Providing Other Matters Properly Relating Thereto

Resolution Authorizing The Issuance And Prescribing The Terms, Conditions And Form Of Not To Exceed \$100,000,000 Redevelopment Agency Of The City Of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2011A-T (Federally Taxable), Approving The Form Of And Authorizing The Execution And Delivery Of A Second 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, Underwriters And Other Agents; Authorizing Payment Of Costs Of Issuance; Allocating Bond Proceeds To Finance Very Low, Low And Moderate Income Housing Within Or Of Benefit To Redevelopment Agency's Various Redevelopment Project Areas; And Authorizing And Approving Necessary Actions In Connection Therewith

SUMMARY

Two resolutions have been prepared that authorize the issuance of Subordinated Housing Set Aside Revenue Bonds, Series 2011A-T (Federally Taxable) (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 Very Low, Low and Moderate Income Housing Trust Fund (the "Housing Set-Aside"). The Bonds will finance low and moderate income housing activities throughout the City of Oakland (the "City").

The first resolution is a resolution of the Redevelopment Agency (the "Agency") authorizing the issuance of housing set aside revenue bonds in an amount not to exceed \$100,000,000. In addition, this resolution authorizes the Agency Administrator to execute and deliver a Second

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Supplemental indenture, a bond purchase agreement, an official statement, and to approve a preliminary official statement in connection with the financing and to take all 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 City approving the Agency's issuance of the Bonds.

FISCAL IMPACT

The bonds will be secured by capturing the 20% of tax increment revenues from all current redevelopment areas. The bonds will have interest rates which shall not exceed 12%.

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. At present, the demand for funding vastly outstrips the amounts that can be anticipated from annual housing set-aside revenues. In 2000 and 2006, the Agency issued Affordable Housing Set-Aside Bonds to provide a large amount of money at one time to help fund additional affordable housing projects. Because the Agency is obligated to finance the affordable housing component of several pending developments, the time is now appropriate to again issue bonds to leverage other housing funds and ensure that these obligations can be met.

KEY ISSUES AND IMPACTS

Issuing bonds secured by the Housing Set-Aside tax revenues 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. Despite the recent foreclosure crisis, there continues to be substantial unmet need for rental housing, particularly for very low and low income families and for homeless and other persons with supportive housing needs.

Funding Gap for Major Projects

In recent years, the City and Agency have approved a number of major market-rate housing developments that also include an affordable housing component. In some cases the Agency has explicitly committed to provide financing for the affordable units. In other cases, the Agency is obligated to ensure the development of affordable housing, either to meet the requirements of state redevelopment law, or because development of affordable housing is a condition of substantial Proposition IC grants awarded for infrastructure and transit-oriented development.

For the MacArthur BART transit-oriented development, the Agency has already committed \$16 million in housing set-aside funds to subsidize the development of affordable housing units that are part of the approved project and that are required to be provided as a condition for State Infill Infrastructure Grant Funds awarded to the project.

The development agreement for the Oak to 9th project includes plans for up to 465 affordable housing units to ensure affordability for a range of incomes and meet State redevelopment law requirements for production of affordable housing in redevelopment project areas. As a condition of that development agreement, the Agency is obligated to purchase two sites that have been identified for development of three affordable housing projects. The estimated purchase price of the land is \$28 million. Substantial additional funding – as much as \$60 million to \$80 million – will be required to subsidize the construction of the affordable housing units.

The Central Station development is the only residential development area in the Oakland Army Base redevelopment project area. A total of 1,400 units have been approved for this project. State redevelopment law requires that at least 15 percent of all housing developed by entities other than the Agency must be affordable to low and moderate income households and the Central Station development is the only area where these units can be provided. The Agency has already financed the 99-unit Ironhorse affordable housing development, and has purchased a site to accommodate the remaining 110 units required. However, additional subsidies of \$7 to \$10 million are likely to be required to make this development feasible.

Lastly, through the annual Notice of Funding Availability (NOPA) process for affordable housing, each year the Agency receives applications for far more funding than is available. Agency funding is particularly important to finance much needed capital improvements on older developments, including those originally developed by Oakland Community Housing, Inc. (OCHI). Other needs include development of affordable housing as part of mixed-income transit-oriented developments and housing with supportive services as called for in the adopted Permanent Access to Housing (PATH) plan for ending homelessness. Without substantial Agency support, projects cannot successfully compete for Low Income Housing Tax Credits and other outside funding sources.

PROGRAM DESCRIPTION

Current Housing Programs

Oakland's Consolidated Plan for Housing and Community Development, and the City's Housing Element, both adopted in 2010, recognize the critical need for development of affordable rental housing, and establish 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 the projects described above as well as projects that apply for funding through the annual NOFA process over the next couple of years. Individual projects will be presented to the Agency for approval before funding is committed.

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 the funds being distributed evenly between homeownership and rental housing. Bond proceeds will be used to benefit low-income (80% of median) and very-low income (50% of median or less) households for rental projects, and low and moderate-income (120% of median) for ownership projects. In annual income, this translates to income levels for a family of four that range from \$45,150 for very-low income families to \$64,400 for low-income families, and \$108,350 for moderate-income families. 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 for rental projects and 50 percent of total development cost for ownership projects.

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.

SUSTAINABLE OPPORTUNITIES

Economic: The project would encourage economic revitalization of commercial and residential districts, including transit-oriented developments, by increasing the residential population in the immediate area thereby expanding the consumer base for neighborhood businesses. Projects will also create new permanent employment opportunities, as well as temporary construction-related jobs that would create both immediate and secondary benefits for the local economy and workforce since projects are required to comply with the City's Small/Local Business and Local Employment and Apprenticeship requirements.

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. Development of affordable housing in transit-oriented development is consistent with the requirements of SB 375 to promote sustainable development and reduce regional levels of greenhouse gas emissions.

Staff will continue to encourage developers 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. Oakland's affordable housing developments are already leaders in green building and sustainable development.

Social Equity: The projects funded by these bond proceeds will provide opportunities for safe and decent affordable housing for very low and low income families, and provide opportunities for lower income families to live in mixed-income communities that otherwise would not be available.

DISABILITY AND SENIOR CITIZEN ACCESS

All projects developed with these funds must be ADA-compliant, and projects that are also financed with federal funds must include units accessible to persons with disabilities. Some of the projects assisted with these funds may include units designated for seniors.

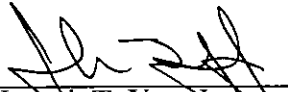
RECOMMENDATION(S) AND RATIONALE

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 Second 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 new funding for low and moderate income housing projects.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the Agency's governing body and City Council accept and approve the resolutions authorizing the issuance and sale of the Bonds; authorizing the execution and delivery of the Second 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,

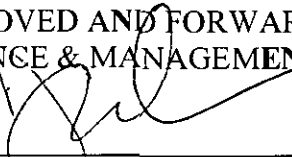


Joseph T. Yew Jr.
Finance Director/City Treasurer

Prepared by:
Katano Kasajne, Treasury Manager
Treasury Division

Jeffrey Levin, Housing Policy and Programs Manager
CEDA Housing and Community Development Division

**APPROVED AND FORWARDED TO THE
FINANCE & MANAGEMENT COMMITTEE**



Office of the City/Agency Administrator

Item: _____
Finance & Management Committee
February 22, 2011

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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 \$100,000,000 REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE BONDS, SERIES 2011A-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 \$100,000,000 aggregate principal amount of its Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2011A-T (Federally Taxable) (the "Series 2011A-T 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 2011A-T Bonds; and

WHEREAS, the City Council finds the issuance of the Series 2011A-T Bonds as being in the public interests of the City 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 Series 2011A-T Bonds. The City Council hereby approves the issuance of the Series 2011A-T 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, _____

PASSED BY THE FOLLOWING VOTE:

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

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

2011 FEB 10 PM 6:35

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE ISSUANCE AND PRESCRIBING THE TERMS, CONDITIONS AND FORM OF NOT TO EXCEED \$100,000,000 REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND SUBORDINATED HOUSING SET ASIDE REVENUE BONDS, SERIES 2011A-T (FEDERALLY TAXABLE), APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND 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, UNDERWRITERS AND OTHER AGENTS; AUTHORIZING PAYMENT OF COSTS OF ISSUANCE; ALLOCATING BOND PROCEEDS TO FINANCE VERY LOW, LOW AND MODERATE INCOME HOUSING WITHIN OR OF BENEFIT TO REDEVELOPMENT AGENCY'S VARIOUS REDEVELOPMENT PROJECT AREAS; 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 very low, low and moderate income housing in the City, the Agency has heretofore issued (i) 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 (the "Original Indenture"), by and between the Agency and BNY Western Trust Company, as initially succeeded by The Bank of New York Trust Company, N.A., and subsequently succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee")

and (ii) its \$2,195,000 aggregate principal amount of its Subordinated Housing Set Aside Revenue Bonds, Series 2006A (the "Series 2006A Bonds") and its \$82,645,000 aggregate principal amount of its Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable) (the "Series 2006A-T Bonds") pursuant to the Original Indenture and a First Supplemental Indenture dated as of April 1, 2006 (the "First Supplement") between the Agency and the Trustee;

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, the Series 2006A Bonds and the Series 2006A-T Bonds, subject to the terms and conditions set forth in the Original Indenture;

WHEREAS, in order to provide additional necessary funds to finance loans or programs implemented to increase, improve and/or preserve the supply of very low, low and moderate income housing in the City, the Agency proposes to issue, on a parity with the Series 2000T Bonds, the Series 2006A Bonds and the Series 2006A-T Bonds, its not to exceed \$100,000,000 aggregate principal amount of its Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2011A-T (Federally Taxable) (the "Series 2011A-T 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 the Series 2011A-T 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 Second Supplemental Indenture (the "Second Supplement" and, together with the Original Indenture and the First Supplement, the "Indenture"), between the Agency and the Trustee supplementing and amending the Original Indenture and the First Supplement, substantially in the form presented to this meeting, 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 Second Supplement, with such changes, additions, amendments or modifications (including but not limited to changes, additions, amendments or modifications necessary to obtain ratings on the Series 2011A-T 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 Subordinated Housing Set Aside Revenue Bonds, Series 2011A-T (Federally Taxable)" in an

aggregate amount of not to exceed \$100,000,000, subject to the terms set forth in the Purchase Agreement (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 Series 2011A-T Bonds, in substantially the form attached to the Second 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 2011A-T 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 2011A-T 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 between the Agency 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, each acting alone, or the designee of either, 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 2011A-T Bonds to be issued shall not exceed \$100,000,000, the true interest cost of the Series 2011A-T Bonds shall not exceed twelve percent (12.00%) per annum, the Underwriter's discount or fee (excluding original issue discount, if any) for the Series 2011A-T Bonds shall not exceed one and ten one-hundredths percent (1.10%), and the final maturity for the Series 2011A-T 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 2011A-T Bonds (the "Underwriter").

Section 6. Appointment of Depositories and Other Agents. The Agency Administrator and the Agency Treasurer, each acting alone, are hereby authorized and directed to appoint from time to time one or more depositories for the Series 2011A-T Bonds, as they may deem desirable. The Agency Administrator and the Agency Treasurer, each acting alone, or the designee of either, 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 2011A-T 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 7. 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 8. 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 2011A-T 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 12 hereof. The Agency Administrator and the Agency Treasurer are hereby authorized to cause the distribution of a Preliminary Official Statement for the Series 2011A-T 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 2011A-T 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 2011A-T Bonds copies of the Preliminary Official Statement and the final Official Statement.

Section 9. Appointment of Financial Advisor. The retention of the firm of Urban Futures Inc., as financial advisor to the Agency for the Series 2011A-T Bonds, is hereby approved. The Agency Treasurer is hereby authorized to negotiate and execute contractual agreements with Urban Futures Inc., in connection with the issuance of the Bonds.

Section 10. Payment of Costs of Issuance and Administration. The Agency Administrator is hereby authorized and directed to appropriate from the proceeds of the Series 2011A-T Bonds funds for the payment of expenditures, fees and other costs related to issuance and administration of the Series 2011A-T Bonds. 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 2011A-T Bonds.

Section 11. Allocation of Bond Proceeds. The Agency hereby allocates the proceeds of the Series 2011A-T Bonds to finance very low, low, and moderate income housing within or benefit to the various redevelopment project areas of the Agency, including the payment of the costs of issuance associated with the 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 2011A-T Bonds in excess of \$100,000,000. 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. Ratification. All actions heretofore taken by the officials, employees and agents of the Agency with respect to the sale and issuance of the Series 2011A-T Bonds are hereby approved, confirmed and ratified.

Section 13. 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 Series 2011A-T Bonds, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Series 2011A-T 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 14. Effect. This Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

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