

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL TAX BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$6,000,000 FOR CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2023-1 (BROOKLYN BASIN FACILITIES AND SERVICES) FOR THE PURPOSE OF FINANCING AUTHORIZED FACILITIES, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS; AND ADOPTING APPROPRIATE FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City of Oakland (the “City”) approved a development now known as Brooklyn Basin (and formerly known as the Oak-to-Ninth Avenue Mixed Use Development) on approximately 64.2 acres of land area (and 7.95 acres of water surface area) along the Oakland Estuary, which included up to 3,100 residential units, up to 200,000 square feet of commercial space, a minimum of 3,534 parking spaces, approximately 31 acres of open space, two renovated marinas, as well as shoreline improvements, new roads, and other infrastructure and improvement (the “Original Brooklyn Basin Project”); and

WHEREAS, the City, as an original party and as successor to the Redevelopment Agency of the City of Oakland, and Zarsion-OHP I, LLC, a California limited liability company (“Developer”), as successor by assignment from Oakland Harbor Partners, LLC, are parties to that certain Development Agreement, dated August 24, 2006, approved by Ordinance No. 12760 C.M.S. adopted on July 18, 2006, related to development of the Original Brooklyn Basin Project (as amended and assigned, the “Development Agreement”); and

WHEREAS, on May 16, 2023, the City Council adopted Ordinance No. 13789 C.M.S., which approved a Third Amendment to the Development Agreement, which together with the related additional entitlements approved by the City Council, permits the development of an additional six hundred (600) residential units within the Original Brooklyn Basin Project (the “Updated Brooklyn Basin Project”); and

WHEREAS, the Original Brooklyn Basin Project was analyzed under the certified 2009 Brooklyn Basin Environmental Impact Report (“2009 EIR”), which is comprised of the following documents: Oak to Ninth Avenue Project Draft EIR, August 2005; Oak to Ninth Avenue Project, 2006 Addendum #1 to the Certified Environmental Impact Report, June 7, 2006; Oak to Ninth

Avenue Project Final EIR, August 2006; Revisions to the Analysis in the Oak to Ninth Project EIR (SCH. No. 2004062013) Prepared to Comply with the Alameda County Superior Court Order Case No. RG06-280345 and Case No. RG06-280471, November 2008; Oak to Ninth Avenue Project Responses to Comments on the Revisions, December 2008; and City of Oakland Resolution No. 81769 C.M.S., approved January 20, 2009; and

WHEREAS, in accordance with Public Resources Code Section 21166 and California Environmental Quality Act (“CEQA”) Guidelines Sections 15162 and 15163, the City examined whether the additional 600 units proposed in the Updated Brooklyn Basin Project would result in “substantial changes” that would trigger the need for a major modification to the previously certified 2009 EIR due to a new significant impact or a substantial increase in the severity of previously identified significant impacts. An Initial Study was not prepared for the Updated Brooklyn Basin Project, as authorized under Section 15060(d) of the CEQA Guidelines. The City, as the Lead Agency, determined that a Supplemental Environmental Impact Report (SEIR) for the Updated Brooklyn Basin Project would be required; and

WHEREAS, as further set forth in the City’s Resolution No. 89707 C.M.S., adopted on May 2, 2023 certifying the SEIR, the Updated Brooklyn Basin Project did not identify any new or more severe potentially significant or significant and unavoidable impacts than analyzed in the previous 2009 EIR for the Original Brooklyn Basin Project; and

WHEREAS, in accordance with CEQA Guidelines sections 15162 and 15163, the City hereby finds that, based on substantial evidence in the record, this action does not represent a substantive change to the Updated Brooklyn Basin Project and thus none of the circumstances necessitating preparation of a subsequent or supplemental Environmental Impact Report are present. In addition, each as a separate and independent basis, this action is otherwise exempt from CEQA review under CEQA Guidelines section 15183 (projects consistent with a community plan, general plan or zoning), 15301 (existing facilities), and 15308 (actions by regulatory agencies for the protection of the environment); and

WHEREAS, the City Council previously conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the “Act”), to form “City of Oakland Community Facilities District No. 2023-1 (Brooklyn Basin Facilities and Services)” (the “CFD”) for the purpose of authorizing the levy of special taxes upon the land within the CFD and issuing bonds secured by certain of those special taxes for financing certain public improvements related to the Updated Brooklyn Basin Project (the “Facilities”) in the aggregate principal amount of \$50,000,000, all as described in those proceedings; and

WHEREAS, in connection with the formation of the CFD, the City and the Developer have entered into that certain Acquisition Agreement Relating to: City of Oakland Community Facilities District No. 2023-1 (Brooklyn Basin Facilities and Services), dated as of February 1, 2024, pursuant to which the City may use proceeds of bonds issued by the City for the CFD and special taxes to pay the purchase price for the Facilities constructed by the Developer; and

WHEREAS, the City Council wishes to provide for the issuance of its City of Oakland Community Facilities District No. 2023-1 (Brooklyn Basin Facilities and Services) Special Tax Bonds, Series 2024 (the “2024 Bonds”), pursuant to a Fiscal Agent Agreement (the “Fiscal Agent Agreement”) by and between the City, for and on behalf of the CFD, and Wilmington Trust, National Association, as fiscal agent (the “Fiscal Agent”), and there have been submitted to the City Council certain documents described below providing for the issuance of the 2024 Bonds for the CFD and the use of the proceeds of those 2024 Bonds, and the City Council with the aid of its staff, has reviewed the documents and found them to be in proper order; and

WHEREAS, there has also been submitted to the City Council a form of preliminary Official Statement in connection with the marketing of the 2024 Bonds, and the City Council, with the aid of its staff, has reviewed the preliminary Official Statement (the “Preliminary Official Statement”); and

WHEREAS, in accordance with Government Code Section 5852.1, the City Council has obtained and disclosed the information set forth in Exhibit A hereto; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the 2024 Bonds and the levy of the special taxes as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act; now, therefore be it

RESOLVED: That the foregoing recitals are all true and correct; and be it

FURTHER RESOLVED: That, pursuant to the Act, this Resolution and the Fiscal Agent Agreement, the 2024 Bonds are hereby authorized to be issued in the principal amount not to exceed \$6,000,000; and be it

FURTHER RESOLVED: That the 2024 Bonds shall be dated, bear interest at the rates, mature on the dates, be issued in the form, be executed, be subject to redemption, and otherwise be issued on the terms and conditions, all as set forth in the Fiscal Agent Agreement and in accordance with this Resolution; provided, however, that the true interest cost shall not exceed six and one-half percent (6.50%); and be it

FURTHER RESOLVED: That the 2024 Bonds will be payable only from Special Tax Revenues (as defined in the Fiscal Agent Agreement) and the other funds pledged for payment of the 2024 Bonds under the Fiscal Agent Agreement; neither the faith and credit nor the taxing power of the City (except to the limited extent set forth in the Fiscal Agent Agreement) or the State of California or any political subdivision thereof is pledged to the payment of the 2024 Bonds; and be it

FURTHER RESOLVED: That the Fiscal Agent, an Authorized Officer (as defined below) and other responsible officers of the City are hereby authorized and directed to take such actions as are required to cause the delivery of the 2024 Bonds upon receipt of the purchase price thereof; and be it

FURTHER RESOLVED: That the City Council hereby finds the following:

(a) The issuance of the 2024 Bonds is in compliance with the Act, the Fiscal Agent Agreement and the City’s “Amended and Restated Local Goals and Policies and Appraisal Standards for Community Facilities Districts” adopted by the City Council on June 17, 2015, by Resolution No. 85664 C.M.S. (“Goals and Policies”).

(b) The appraisal described in the Preliminary Official Statement (the “Appraisal”) has been prepared consistent with the Goals and Policies.

(c) The current draft of the Appraisal concludes that the taxable property in the CFD has a market value (subject to the various assumptions and conditions set forth in the Appraisal) that would be at least three times the maximum authorized principal amount of the 2024 Bonds approved pursuant to this Resolution and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the CFD or a special assessment levied on property within the CFD; and be it

FURTHER RESOLVED: That the City Administrator (or designees) (each, an “Authorized Officer”) is hereby authorized and directed to execute and deliver the documents approved herein in substantially the form on file with the City Clerk, together with such additions or changes as are approved by such Authorized Officer, including such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the 2024 Bonds; the approval of such additions or changes shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the documents herein specified; and be it

FURTHER RESOLVED: That the City Council hereby approves the Fiscal Agent Agreement, in substantially the form on file with the City Clerk; the terms and provisions of the Fiscal Agent Agreement, as executed, are incorporated herein by this reference as if fully set forth herein; an Authorized Officer is hereby authorized and directed to execute the Fiscal Agent Agreement on behalf of the City, with such changes, additions or deletions as may be approved by the Authorized Officer, and the City Clerk is hereby authorized and directed to attest thereto; and be it

FURTHER RESOLVED: That the City Council hereby approves the Preliminary Official Statement prepared in connection with the 2024 Bonds in substantially the form on file with the Clerk of the City Council, together with any changes therein or additions thereto deemed advisable by an Authorized Officer; the City Council hereby approves and authorizes the distribution by the underwriter of the 2024 Bonds of the Preliminary Official Statement to prospective purchasers of the 2024 Bonds, and authorizes and directs an Authorized Officer on behalf of the City to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) prior to its distribution to prospective purchasers of the 2024 Bonds; the execution of the final Official Statement, which shall include 2024 Bond pricing information, such other changes and additions thereto deemed advisable by an Authorized Officer, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official Statement by the City Council; and be it

FURTHER RESOLVED: That the City Council hereby approves the form of the Continuing Disclosure Certificate with respect to the 2024 Bonds in substantially the form thereof attached to the Official Statement on file with the City Clerk; an Authorized Officer is hereby authorized and directed to complete and execute the Continuing Disclosure Certificate on behalf of the City (for and on behalf of the CFD) with such changes, additions or deletions as may be approved by the Authorized Officer; and be it

FURTHER RESOLVED: That the Bond Purchase Agreement, between the City, for and on behalf of the CFD, and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), in substantially the form on file with the City Clerk and made a part hereof as though set forth in full herein, is hereby approved by the City Council; an Authorized Officer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in such form, together with such changes, insertions and omissions that are approved by an Authorized Officer and that are in accordance with the provisions of this Resolution, such execution to be conclusive evidence of such approval; subject to the requirement that the Underwriter’s discount on the purchase of the 2024 Bonds may not exceed 1.75% of the par amount of the 2024 Bonds and the interest rate may not exceed the rate specified herein; in addition, and pursuant to Section 53345.8 of the Act, the City Council hereby finds and determines that an Authorized Officer may not execute and deliver the Bond Purchase Agreement unless the Appraisal concludes that the taxable property in the CFD has a market value (subject to the various assumptions and conditions set forth in the Appraisal) at least three times the principal amount of the 2024 Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the CFD or a special assessment levied on property within the CFD; and be it

FURTHER RESOLVED: That the Council hereby approves the negotiated sale of the 2024 Bonds to the Underwriter pursuant to such Bond Purchase Agreement; and be it

FURTHER RESOLVED: That the City Council hereby finds that sale of the 2024 Bonds to the Underwriter at a negotiated sale pursuant to the Bond Purchase Agreement will result in a lower overall cost than would be achieved by selling the 2024 Bonds at a public sale utilizing competitive bidding; and be it

FURTHER RESOLVED: That all actions heretofore taken by the officers and agents of the City with respect to the establishment of the CFD and the sale and issuance of the 2024 Bonds are hereby approved, confirmed and ratified, and the appropriate officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2024 Bonds in accordance with this resolution, including but not limited to any actions required in connection with issuance of ratings or a municipal bond insurance policy with respect to the 2024 Bonds, and any certificate, agreement, and other document described in the documents herein approved; all actions to be taken by an Authorized Officer, as defined herein, may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer; and be it

FURTHER RESOLVED: That the City Council independently finds and determines that the CFD is subject to the 2009 EIR for the Original Brooklyn Basin Project and the SEIR for the Updated Brooklyn Basin Project and, because the issuance of the 2024 Bonds by the City for and on behalf of the CFD is not a substantive change to the Updated Brooklyn Basin Project, that no further environmental review is required; none of the circumstances that require a supplemental or subsequent EIR pursuant to CEQA Guidelines Sections 15162 or 15163 have occurred; in addition, with each serving as a separate and independent basis, this action approving the issuance of the 2024 Bonds is otherwise exempt from CEQA review under CEQA Guidelines section 15183 (projects consistent with a community plan, general plan or zoning), 15301 (existing facilities), and 15308 (actions by regulatory agencies for the protection of the environment); and be it

FURTHER RESOLVED: That the Environmental Review Officer is directed to file, or cause to be filed, a Notice of Determination/Exemption with the appropriate agencies; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution; and be it

FURTHER RESOLVED: That this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES – FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND
PRESIDENT FORTUNATO BAS

NOES –
ABSENT –
ABSTENTION –

ATTEST: _____
ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

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EXHIBIT A

Government Code Section 5852.1 Disclosure

The good faith estimates set forth herein are provided with respect to the 2024 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by KNN Public Finance, the City's Municipal Advisor in consultation with Stifel, Nicolaus & Company, Incorporated, Underwriter of the 2024 Bonds.

Principal Amount. The Municipal Advisor has informed the City that, based on the CFD financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2024 Bonds to be sold is approximately \$5,060,000 (the "Estimated Principal Amount"), less approximately \$68,000 of net original issue discount estimated to be generated from current market pricing, for a total estimated amount of bond proceeds of approximately \$4,992,000. Net original issue discount is generated when, on a net aggregate basis for a single issuance, the prices paid for the bonds are lower than the face values of such bonds.

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2024 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is approximately 5.20%.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2024 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2024 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2024 Bonds), is approximately \$480,000. Such fees and charges include fees for bond and disclosure counsel, municipal advisor, appraiser, special tax consultant, fiscal agent, city attorney and staff time related to bond issuance, CFD administrative expenses, printing, underwriting and initial administrative expenses.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2024 Bonds is sold minus net original issue discount, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received on behalf of the CFD for sale of the 2024 Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2024 Bonds, is approximately \$4,050,000.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2024 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments that the CFD property owners will make to pay debt service on the 2024 Bonds, plus the finance charge for the 2024 Bonds, as

described above, not paid with the proceeds of the 2024 Bonds, and exclusive of any reserve funds or capitalized interest that could offset such costs, calculated to the final maturity of the 2024 Bonds, is approximately \$10,600,000.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2024 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2024 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2024 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2024 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2024 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the CFD financing plan, delays in the financing, or a combination of such factors. The actual date of sale of the 2024 Bonds and the actual principal amount of 2024 Bonds sold will be determined by the City based on the timing of the need for proceeds of the 2024 Bonds and other factors. The actual interest rates borne by the 2024 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2024 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.