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OFFICE OF THE CITY CLERK  
OAKLAND

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

2010 SEP 30 PM 5: 16

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: October 12, 2010

RE:

- 1. 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 \$8,050,000 Aggregate Principal Amount Of Redevelopment Agency Of The City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010-T (Federally Taxable Recovery Zone Economic Development Bonds-Direct Payment)**
- 2. Resolution Of the Redevelopment Agency Of The City Of Oakland: (1) For the Purpose of Financing A Portion of the Agency's Obligations to the Broadway/MacArthur/San Pablo Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010-T (Federally Taxable Recovery Zone Economic Development Bonds-Direct Payment) In An Amount Not To Exceed \$8,050,000; (2) Approving The Form Of And Authorizing The Execution And Delivery Of An Indenture of Trust And A Bond Purchase Contract; (3) Approving The Form Of And Authorizing The Distribution Of A Preliminary Official Statement and Authorizing Execution And Delivery Of An Official Statement; (4) Approving The Form Of A First Supplemental Indenture Of Trust Relating to the Agency's Series 2006C Bonds; (5) Authorizing Payment of Costs Of Issuance; (6) Allocating Bond Proceeds To Finance Redevelopment Activities In The Redevelopment Project Area; and (7) And Authorizing Agency Officials To Take Such Other Actions Necessary To Issue The Bonds**

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**SUMMARY**

The intention of the American Recovery and Reinvestment Act of 2009 (ARRA) is to stimulate economic revitalization for cities and counties in California, by using Recovery Zone Bond Program for Recovery Zone Economic Development Bonds ("RZEDB"). The Redevelopment Agency (the "Agency") plans to issue Series 2010-T Bonds for a not-to-exceed principal amount of \$8,050,000. In order for the City of Oakland (the "City") to take advantage of this taxable financing and receive the Federal interest rate subsidy of 45% over the life of the bonds, the City must issue RZEDBs by December 31, 2010.

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This is a financing vehicle for the City to obtain lower borrowing costs for projects as well as to promote job creation, an environmentally sustainable city, and assist in the economic recovery for the City.

The debt service for the Series 2010-T Bonds will be payable from tax increment revenues from the Broadway/MacArthur/San Pablo Redevelopment Project Area (the "Project Area") and will be used to meet the Agency's financial obligation to the MacArthur Transit Village project. Utilizing the RZEDBs to meet this financial obligation will provide debt service savings from the interest rate subsidy of 45% received from the federal government compared to if the Agency were to issue regular tax-exempt bonds for this project in FY 2011.

Therefore, the proposed resolutions have been prepared to seek immediate authorization for the following actions from City Council:

- 1) City Approval for the Agency's issuance of the not-to-exceed \$8,050,000 Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010-T (Federally Taxable Recovery Zone Economic Development Bonds) (the "Series 2010-T Bonds")
- 2) Authorize the Agency to issue the Series 2010-T Bonds; and
- 3) Authorize execution of all documents and the taking of all necessary actions relating to the issuance of the Series 2010-T Bonds.

### **FISCAL IMPACT**

The debt service for the Series 2010-T Bonds will be payable from tax increment revenues. In addition, the RZEDBs will receive a 45% interest subsidy by the Federal Government. On average, the annual debt service payment for the 2010-T Bonds will be \$550,000 net of the federal subsidy. The projected gross tax increment revenues of \$4,910,902 less other obligations such as county administrative charges, housing set-aside and the senior bond debt service payments results in a net tax increment revenues of approximately \$2,732,080, which is more than sufficient to pay for the Series 2010-T Bonds debt service and staffing costs associated with the Broadway/MacArthur/San Pablo District. Therefore, it is to the benefit of the Agency to take advantage of the allocation and issue RZEDBs for this project.

### **BACKGROUND**

The MacArthur Transit Village includes the replacement of the existing surface parking lot at the Bay Area Rapid Transit ("BART") Station with a 450-space structured garage in order to accommodate the development of 624 residential units and 42,500 square feet of commercial space on the site. 108 of the 624 units will be affordable. In addition to the surface BART parking lot, 7 privately owned parcels will be acquired for the project. The first phase of the

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development specifically deals with the construction of the replacement BART parking lot and the construction of the site infrastructure including new streets through the site, utility connections, and the renovation of the BART entry plaza. The BART garage will be owned by BART. The new streets will be public right-of-way with the exception of one of the internal residential streets.

In 2009, the City and Agency approved an Owner Participation Agreement (“OPA”) between the Redevelopment Agency and MacArthur Transit Community Partners, LLC (“MTCP”). The OPA includes the commitment of \$17,600,000 from the Broadway/MacArthur/San Pablo Redevelopment Area and \$16,400,000 from the Low and Moderate Income Housing Funds. Of the \$17,600,000, \$10,500,000 is being provided from the 2006 Broadway/ MacArthur/San Pablo Tax Allocation Bonds and \$800,000 from existing land sale proceeds. The Agency agreed to provide the remaining \$6,300,000 from a future housing bond to be issued no later than July 2011 by the Broadway/MacArthur/ San Pablo Redevelopment Project.

### **KEY ISSUES AND IMPACTS**

On July 27, 2010, City Council approved the application of the City’s RZEDBs issuance authority to the MacArthur Transit Village Project within the Broadway/MacArthur/San Pablo Redevelopment Project Area. Also, the Agency submitted an application for reallocation to the California Debt Limit Allocation Committee (“CDLAC”) and has been recommended by CDLAC for an additional \$3,000,000 of RZEDBs for this project for a total of \$8,050,000. **Under the federal guidelines, these RZEDBs have to be issued by December 31, 2010.**

Issuing the RZEDBs will assist the Agency in meeting its financial obligations related to an OPA with the MTCP for the development of the MacArthur Transit Village project. The OPA requires that the Agency provide \$6,300,000 from a future housing bond issuance by the Broadway/MacArthur/San Pablo Redevelopment Project Area by July 2011. If the Agency is unable to bond at that date, the Agency must provide \$700,000 in annual tax increment revenues to the project and any future bond issuance after July 2011 will increase as follows: \$250,000 for a one year delay, \$550,000 for a two year delay, and \$900,000 for a three year delay to cover carrying costs.

Utilizing the RZEDBs to meet this financial obligation will provide a debt service savings from the interest rate subsidy of 45% received from the federal government compared to if the Agency were to issue regular tax-exempt bonds for this project in FY 2011.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** The project would encourage economic revitalization of nearby commercial and residential districts in North Oakland by increasing the residential and commercial population in the immediate area thereby expanding the home ownership and consumer base for neighborhood

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businesses. The project would also create new permanent employment opportunities, as well as, temporary construction-related work in the short-term which would create both immediate and secondary benefits for the local economy and workforce since the project is required to comply with the City's Small/Local Business and Local Employment and Apprenticeship requirements

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

**Social Equity:** The project will further materialize the City's objectives to provide employment opportunities for Oakland residents, to provide business opportunities for local businesses and to create and preserve quality neighborhoods.

### **DISABILITY AND SENIOR CITIZEN ACCESS**

The project, when constructed, will be required to comply with state and federal accessibility requirements, including Federal Americans with Disability Act Accessibility Guidelines, the Fair Housing Act and the State of California's Title 24 Accessibility regulations.

### **RECOMMENDATION(S) AND RATIONALE**

Staff recommends that the City Council and Agency Board approve the resolutions for the City to approve the Agency's issuance of the Series 2010-T Bonds and authorize the Agency's issuance of the Series 2010-T Bonds. Staff also recommends approving a resolution authorizing the execution of documents and the taking of all necessary actions relating to the financing.

### **ACTION REQUESTED OF THE CITY COUNCIL**

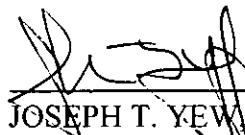
Staff requests that the City Council and Agency Board approve the respective resolutions authorizing the following actions:

- 1) City approval for the Agency's issuance of the Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010-T (Federally Taxable Recovery Zone Economic Development Bonds)
- 2) The issuance and sale by the Agency in the amount not-to-exceed \$8,050,000 aggregate principal amount of the Series 2010-T Bonds;
- 3) Authorize the execution and delivery of an Indenture of Trust and Bond Purchase Contract;
- 4) Approving the form of and authorizing the distribution of the Preliminary Official Statement and the Final Official Statement;

- 5) Approving the form of a First Supplemental Indenture of Trust relating to the Agency's Series 2006C Bonds;
- 6) Authorize payment of costs of issuance and allocation of bond proceeds to finance redevelopment activities; and
- 7) Authorizing Agency Officials to take such other actions necessary to issue the bonds


It is expected that the transaction will close by December 2010. Documents referred to in this staff report shall be placed on file with the Office of the City Clerk and Secretary of the Redevelopment Agency.

Respectfully submitted,

  
\_\_\_\_\_  
JOSEPH T. YEW, JR.  
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

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Finance and Management Committee  
October 12, 2010

FILED  
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APPROVED AS TO FORM AND LEGALITY

  
City Attorney

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 \$8,050,000 AGGREGATE PRINCIPAL AMOUNT OF REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT PROJECT SECOND LIEN TAX ALLOCATION BONDS, SERIES 2010-T (FEDERALLY TAXABLE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS - DIRECT PAYMENT)**

**WHEREAS**, the Redevelopment Agency of the City of Oakland (the "Agency") intends to issue not to exceed \$8,050,000, aggregate principal amount of its Broadway/MacArthur/San Pablo Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010-T (Federally Taxable Recovery Zone Economic Development Bonds - Direct Payment) (the "Bonds"), under and pursuant to the provisions of Part I 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 Broadway/MacArthur/San Pablo Redevelopment Project (the "Project"); and

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

**WHEREAS**, the Agency may issue recovery zone economic development bonds ("RZEDBs"), the interest on which is subsidized by the federal government pursuant to the American Recovery and Reinvestment Act of 2009 ("ARRA");

**WHEREAS**, by its Resolution No. 82504 C.M.S. adopted January 19, 2010, the City established the area within the City as a recovery zone within the meaning of ARRA and the Project is within such recovery zone;

**WHEREAS**, under ARRA, the City has been allocated the authority to issue up to \$5,054,000 principal amount of RZEDBs and the City desires to allocate all of such authority to the Bonds for the financing of the Project;

**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 and of the Agency; now, therefore be it

**RESOLVED** as follows:

Section 1.      Approval of Issuance of Bonds. The City Council hereby approves the issuance of the 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 \_\_\_\_\_, 2010

**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

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APPROVED AS TO FORM AND LEGALITY

*Kathleen Salen Boyd*  
Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION NO. \_\_\_\_\_ C.M.S.

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND: (1) FOR THE PURPOSE OF FINANCING A PORTION OF THE AGENCY'S OBLIGATIONS TO THE BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT PROJECT, AUTHORIZING THE ISSUANCE OF THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT PROJECT SECOND LIEN TAX ALLOCATION BONDS, SERIES 2010-T (FEDERALLY TAXABLE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS - DIRECT PAYMENT) IN AN AMOUNT NOT TO EXCEED \$8,050,000; (2) APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND A BOND PURCHASE CONTRACT; (3) APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; (4) APPROVING THE FORM OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST RELATING TO THE AGENCY'S SERIES 2006C BONDS; (5) AUTHORIZING PAYMENT OF COSTS OF ISSUANCE; (6) ALLOCATING BOND PROCEEDS TO FINANCE REDEVELOPMENT ACTIVITIES IN THE REDEVELOPMENT PROJECT AREA; AND (7) AUTHORIZING AGENCY OFFICIALS TO TAKE SUCH OTHER ACTIONS NECESSARY TO ISSUE THE BONDS**

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**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**, pursuant to the American Recovery and Reinvestment Act of 2009 ("ARRA"); the City of Oakland (the "City") received from the federal government an initial allocation of authority to issue recovery zone economic development bonds ("RZEDBs") within the meaning of Section 1400U-2 to the Internal Revenue Code of 1986, as amended (the "Code") in the aggregate principal amount of \$5,054,000 and pursuant to its resolution adopted on the date hereof, the City has transferred such allocation to the Agency and the Bonds (defined below); and

**WHEREAS**, pursuant to ARRA, by its Resolution No. 82504 C.M.S. adopted January



19, 2010, the City established the area within the City as a recovery zone within the meaning of ARRA and the Agency desires to confirm the City's establishment of the area within the Agency's Broadway/MacArthur/San Pablo Redevelopment Project (the "Project Area") as within a recovery zone; and

**WHEREAS**, the Agency, pursuant to a reallocation process undertaken by the California Debt Limit Allocation Committee, the Agency has received an additional allocation of authority to issue RZEDBs in the amount of \$3,000,000; and

**WHEREAS**, the Agency intends to issue its Redevelopment Agency of the City of Oakland Second Lien Tax Allocation Bonds, Series 2010-T (Federally Taxable Recovery Zone Economic Development Bonds - Direct Payment) (the "Bonds") under and pursuant to the Law;

**WHEREAS**, the Agency issued its Redevelopment Agency of the City of Oakland Tax Allocation Bonds, Series 2006C-TE (the "Series 2006C-TE Bonds"), and the Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds, Series 2006C-T (Federally Taxable) (the "Series 2006C-T Bonds" and, together with the Series 2006C-TE Bonds, the "Series 2006C Bonds; and

**WHEREAS**, the Series 2010-T Bonds will be secured by a edge of certain tax revenues deriving from the Agency's Broadway/MacArthur/San Pablo Redevelopment Project Area on a basis subordinate to the pledge thereof securing the Series 2006C Bonds; and

**WHEREAS**, in order to enhance the marketability of the Bonds, the Agency desires to covenant not incur additional obligations secured by tax revenues on parity with the pledge thereof securing the Series 2006C 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 Indenture of Trust (the "Indenture"), between the Agency and the Trustee, selected by the Agency by a competitive process through a Request for Proposals (RFP), 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 Broadway/MacArthur/San Pablo Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010-T (Federally Taxable Recovery Zone Economic Development Bonds - Direct Payment)" in an aggregate amount of not to exceed \$8,050,000, 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 \$8,050,000, 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 one and five one-hundredths percent (1.050 %), and the final maturity for Bonds shall not be later than September 1, 2045. E. J. De La Rosa & Co., Inc and Blaylock Robert Van, LLC are hereby approved as the underwriters of the Bonds (the "Underwriters").

Section 6. First Supplemental Indenture Relating to Series 2006C Bonds. The First Supplemental Indenture of Trust (the "First Supplemental Indenture"), amending and supplementing the Indenture of Trust by and between the Agency and Wells Fargo Bank, National Association, as trustee, relating to the Series 2006C Bonds, 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 First Supplemental Indenture in substantially such form, with such changes, additions, amendments or modifications 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 First Supplemental Indenture.

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. 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 11. 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 12. Recovery Zone. The Agency hereby confirms the establishment by the City of the area within the Project Area as within a recovery zone and confirms that projects funded with Bond proceeds will be in such recovery zone. The Agency expressly assigns to the Bonds its allocations of authority to issue RZEDBs in the respective amounts of \$5,054,000 and \$3,000,000 received by the Agency as described in the recitals of this Resolution.

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 \$8,050,000. 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 Tax Certificate, 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 \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

AYES: BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID,  
AND PRESIDENT BRUNNER

NOES:

ABSENT:

ABSTENTION:

ATTEST: \_\_\_\_\_

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