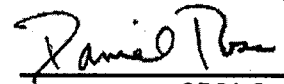


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2020 DEC 10 AM 11:20

Approved as to Form and Legality



ORSA Counsel

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION No. 2020- 005

SUCCESSOR AGENCY RESOLUTION APPROVING THE RESUBORDINATION AND MODIFICATION OF AN EXISTING COMMERCIAL DEVELOPMENT LOAN FOR THE SWANS MARKETPLACE PROJECT TO EXTEND THE TERM OF THE LOAN TO 2050

WHEREAS, on July 11, 1997, the former Redevelopment Agency of the City of Oakland (the "Redevelopment Agency") entered into a Disposition and Development Agreement ("DDA") with the East Bay Asian Local Development Corporation ("EBALDC"), pursuant to Redevelopment Agency Resolution No. 97-18 C.M.S., with regard to a proposed mixed-use retail, residential, office and community facility in the historic Swans Marketplace ("Swans Project") in the Central District Redevelopment Project Area; and

WHEREAS, on June 8, 1998, the Redevelopment Agency, pursuant to Resolution No. 97-19 C.M.S. dated May 20, 1997, executed a \$1,150,00 Commercial Development Loan with EBALDC for the Swans Project (the "Commercial Development Loan"); and

WHEREAS, the Oakland Redevelopment Successor Agency (ORSA) stepped into the rights and obligations under the DDA and the Commercial Development Loan when the Redevelopment Agency dissolved; and

WHEREAS, EBALDC has requested that ORSA resubordinate the Commercial Development Loan to new permanent financing that will replace the loan currently in place that is senior to the Commercial Development Loan; and

WHEREAS, EBALDC has requested extending the amortization schedule of the Commercial Development Loan for 22 years with a maturity of the Commercial Development Loan to be in the year 2050; and

WHEREAS, EBALDC has shown that subordinating the Commercial Development Loan to new financing will aid in avoiding potential default on the Commercial Development Loan by extending the repayment schedule; and

WHEREAS, the Commercial Development Loan only requires payments when there is available cash flow; and

WHEREAS, EBALDC has not been able to make payments to ORSA from available cash flow; and

WHEREAS, EBALDC has agreed to a one-time loan extension fee to ORSA in the amount of \$50,000; and

WHEREAS, California Health and Safety Code Section 34181(e) authorizes a successor agency, with the approval of the oversight board and the California Department of Finance, to amend agreements and modify loan terms if the amendment (1) reduces liabilities to the taxing entities, (2) increases net revenues to the taxing entities, and (3) is in the best interests of the taxing entities; and

WHEREAS, the Oakland Redevelopment Successor Agency hereby finds that the resubordination and modification of the Commercial Development Loan as set forth herein will increase revenues and decrease liabilities to the taxing entities, and is in the best interest of the taxing entities;

NOW, THEREFORE, BE IT RESOLVED: That the Oakland Successor Agency hereby authorizes and approves the resubordination of the Commercial Development Loan to a refinanced loan, and authorizes a modification to the Commercial Development Loan to (1) increase the maturity date to 2050, (2) revise the definition of surplus cash flow to (A) include debt service on unsecured debt and advances used for operating expenses as an allowable operating expense and (B) add net refinance proceeds as operating revenue, and (3) delete the due on refinance clause; and be it further

RESOLVED: That the loan modification and resubordination shall be submitted to the County of Alameda Countywide Oversight Board and the California Department of Finance for approval; and be it further

RESOLVED: That the ORSA Administrator is hereby authorized to negotiate and execute documents and take whatever action is necessary with respect to the Commercial Development Loan and the resubordination and modification of the Commercial Development Loan authorized herein consistent with this Resolution and its basic purposes.

DEC 01 2020

BY SUCCESSOR AGENCY, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

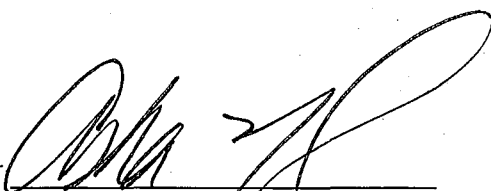
AYES - KALB, FORTUNATO BAS, GIBSON MCELHANEY, THAO, TAYLOR, GALLO, REID, AND PRESIDENT KAPLAN → 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST


ASHA REED
Acting Secretary of the
Oakland Redevelopment Successor Agency