

RESOLUTION NO. 08-40

RESOLUTION OF THE MEMBERS OF THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY MAKING AND APPROVING CERTAIN FINDINGS AND APPROVALS UNDER SECTION 33433 OF THE CALIFORNIA HEALTH AND SAFETY CODE, APPROVING THE AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY AND COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO LOAN CONTRACTS FOR THE EXPENDITURE OF UP TO FOUR MILLION SEVENTEEN THOUSAND DOLLARS (\$4,017,000) FOR THE LILLIE MAE JONES PLAZA HOUSING DEVELOPMENT

WHEREAS, the proposed Lillie Mae Jones Housing Development located on Macdonald Avenue and 2nd Street will entail the construction of approximately 26 units of affordable rental housing for low-income households (the "Development") to be developed by Community Housing Development Corporation of North Richmond (the "Developer"); and

WHEREAS, the Richmond Community Redevelopment Agency (the "Agency") is responsible for implementation of the Amended and Restated Redevelopment Plan for Project Area No. 10-A (Downtown) ("Project Area") adopted by Ordinance No. 26-99 N.S. and dated July 13, 1999 ("Redevelopment Plan"). The Redevelopment Plan sets forth a plan for redevelopment of the Project Area consistent with the policies and standards of the General Plan of the City of Richmond ("City") and the goals for the Redevelopment Plan include alleviation of blighting conditions and expanding the community's supply of housing affordable to very low, low and moderate-income households; and

WHEREAS, the Agency intends to acquire from the City of Richmond a parcel of land located at 249 2nd Street, Richmond, California (the "Property"), and to sell the Property to Developer; and

WHEREAS, Developer owns two (2) parcels of land, adjacent to the Property (the "Developer Property"), that it intends to combine with the Property to cause the development of the Development; and

WHEREAS, pursuant to Section 33433 of the California Health and Safety Code (the "Law"), prior to entering into the DDA (as defined below) providing for the sale of the Property to the Developer, the Agency prepared and made available for public inspection a transactional summary in accordance with Section 33433 of the Law (the "Initial Section 33433 Report"), which report was approved on June 20, 2006; and

WHEREAS, in furtherance of the Redevelopment Plan, the Agency subsequently entered into a Disposition and Development Agreement (the "DDA") dated June 23, 2006, with Developer, providing for the sale of the Property to Developer to cause the development of the Development on the Property and Developer's Property (collectively, the "Land"); and

WHEREAS, the Developer has secured a loan of Seven Hundred Seventy-Two Thousand Dollars (\$772,000) of HUD HOME Funds from the City to assist in certain predevelopment activities in connection with the Development; and

WHEREAS, pursuant to the terms of the DDA, Developer intends to construct and develop the Development on the Land; and

WHEREAS, in order to eliminate the Development's financing gap and proceed with the Development, the parties determined the need (i) to increase the permanent loan amount to Developer to up to Four Million Seventeen Thousand Dollars (\$4,017,000), and (ii) to extend the deadline for opening escrow and conveying the Property to Developer to June 30, 2009; and

WHEREAS, these changes do not materially modify the fundamental business or financial terms of the DDA related to the purchase price, but do increase the amount of money that the Agency will provide to the Development and extend the time allowed for performance of certain development activities; and

WHEREAS, the Agency has placed on file a copy of the Purchase and Sale Agreement, the DLA, the Initial Section 33433 Report and an addendum to the Initial Section 33433 Report (the "Addendum Section 33433 Report") (collectively, the "33433 Reports") prepared in accordance with Section 33433 of the Law, and has made the DDA and the 33433 Reports available for public inspection and copying pursuant to Section 33433 of the Law. The Section 33433 Reports are incorporated in this Resolution by this reference; and.

WHEREAS, the completion of this Development in the Project Area will further the Agency's goals of expanding the community's supply of affordable housing to very low- and low- income households, will assist in ameliorating blight in the Project Area, and will serve as a catalyst for redevelopment of the Project Area; and

WHEREAS, the City Council and the Agency Board conducted a duly noticed joint public hearing on October 7, 2008, to confirm the purchase price of the Property and to consider the approval of the proposed amendment to the DDA (the "Amendment"), pursuant to the Section 33433 of the Law ; and

WHEREAS, by the agenda report dated October 7, 2008 accompanying this Resolution and incorporated in this Resolution by this Reference (the "Agenda Report"), the City Council has been provided with additional information, in accordance with Section 33433 of the Law, upon which the findings and actions set forth in this Resolution are based.

NOW THEREFORE, BE IT RESOLVED that the Agency Board hereby accepts that the above recitals are accurate and have served together with the Staff Report and the 33433 Reports, as the basis for the findings and approvals set forth in this Resolution; and

BE IF FURTHER RESOLVED that the Agency Board hereby accepts the 33433 Reports which provide supplemental information regarding the DDA and the Development, which Development is located within Downtown Redevelopment Project Area 10A; and

BE IT FURTHER RESOLVED that the Agency Board hereby finds that the sale of the Property will assist in the elimination of blight, is consistent with the Redevelopment Plan for the Downtown Redevelopment Project Area 10A and that the consideration for the Property is not less than the fair reuse value based on the covenants, use conditions and development costs authorized by the sale or lease of the Property; and

BE IT FURTHER RESOLVED that the Richmond Community Redevelopment Agency Board finds and determines that approval and implementation of the DDA, as amended, will assist in the elimination of blight, and is consistent with the Five-Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490; and

BE IT FURTHER RESOLVED that the Agency Board hereby approves the Development, and the proposed Amendment, all exhibits thereto and all ancillary documents and contracts; authorizes the Executive Director to execute the Amendment, all exhibits thereto and all ancillary documents and contracts necessary to effectuate the intent of the DDA, as amended, with such changes as are approved by the Agency signatory; authorizes the Executive Director to implement the DDA as amended, all exhibits thereto and all ancillary contracts and documents necessary to effectuate the intent of the DDA; and to negotiate and execute amendments to the DDA substantially in conformance with the intent of the DDA as reasonably necessary to conform to lender requirements; and

BE IT FURTHER RESOLVED that the Agency Board hereby authorizes the Executive Director to administer and expend funds for eligible activities including the expenditure of loan funds in an amount not-to-exceed the budget of the approved funds for the Development, which may be amended from time to time by action of the Agency Board.

I certify that the foregoing Resolution was passed and adopted by the Richmond Community
Redevelopment Agency of the City of Richmond at a regular meeting held on October 7, 2008,
the following vote:

AYES: Members Bates, Butt, Lopez, Marquez, Rogers, Sandhu,
 Thurmond, Viramontes, and Mayor McLaughlin

NOES: None

ABSTENTIONS: None

ABSENT: None

DIANE HOLMES
Clerk of the Redevelopment Agency

(SEAL)

Approved:

GAYLE McLAUGHLIN
Agency Chair

Approved as to form:

RANDY RIDDLE
Agency Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of Resolution No. 08-40, finally passed and
adopted by the Redevelopment Agency at a meeting held on October 7, 2008.