RESOLUTION NO. 109-08

RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND MAKING AND APPROVING CERTAIN FINDINGS AND APPROVALS UNDER SECTION 33433 OF THE CALIFORNIA HEALTH AND SAFETY FOR THE LILLIE MAE JONES PLAZA HOUSING DEVELOPMENT

WHEREAS, the proposed Lillie Mae Jones Plaza 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”), a California nonprofit public benefit corporation; 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 and hold fee title to a parcel of land located at 249 2nd Street, Richmond, California (the "Property"), and intends 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 Health and Safety Code Section 33433, 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 California Health and Safety Code (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 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 to (i) increase the permanent financing amount to the 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, the Developer and the Agency have agreed to reflected these changes in the proposed amendment the DDA to be entered into between the Agency and the Developer (the "Amendment"); and

WHEREAS, the changes as reflected in the Amendment 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 DDA, the Amendment, 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 the Law, and has made the Amendment and the 33433 Reports available for public inspection and copying pursuant to Section 33433 of the Law. The Section 33433 Reports are incorporated into 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, pursuant to 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 City Council hereby accepts the 33433 Reports which provide supplemental information regarding the DDA and the Development as evidenced in the proposed Amendment by and between the Agency and the Developer, which Development is located within Downtown Redevelopment Project Area 10A; and

BE IT FURTHER RESOLVED that the City Council 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 City Council finds and determines that approval and implementation of the DDA and the Amendment, 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 City Council hereby approves the proposed Amendment, all exhibits thereto and all ancillary documents and contracts; and the execution of the Amendment, all exhibits thereto and all ancillary documents and contracts necessary to effectuate the intent of the DDA and the Amendment, substantially in the form on file with the City Clerk, with such changes as are approved by the signatory; all exhibits thereto and all ancillary contracts and documents necessary to effectuate the intent of the DDA and Amendment; and the negotiation and execution of 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 this Resolution shall take immediate effect from and after its passage.
I certify that the foregoing Resolution was duly passed and adopted by the City Council of the City of Richmond at a meeting thereof held on October 7, 2008, by the following vote:

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

NOES: None

ABSTENTION: None

ABSENT: None

DIANE HOLMES
Clerk of the City of Richmond

(SEAL)

Approved:

GAYLE McLAUGHLIN
Mayor

Approved as to form:

RANDY RIDDLE
City Attorney

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

I certify that the foregoing is a true copy of Resolution No. 109-08, finally passed and adopted by the Council of the City of Richmond at a meeting held on October 7, 2008.