

**RESOLUTION NO. 11-14**

**RESOLUTION OF THE MEMBERS OF THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY BOARD AUTHORIZING THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY (AGENCY) TO ENTER INTO A SERVICES FUNDING AGREEMENT WITH COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND (CHDC) AND A SECOND AMENDMENT TO LOAN DOCUMENTS WITH LILLIE MAE JONES PLAZA, LP AND CHDC FOR THE PURPOSE OF PROVIDING THE SUPPORTIVE SERVICES PORTION OF THE AGENCY FUNDING FOR THIS AFFORDABLE RENTAL HOUSING DEVELOPMENT, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE ANY NECESSARY DOCUMENT TO CARRY OUT THESE ACTIONS, AND APPROVING THE COUNTY MHSA OPERATING RESERVE AGREEMENT TERM SHEET AND AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE THE COUNTY MHSA OPERATING RESERVE AGREEMENT WITH LILLIE MAE JONES PLAZA, LP AND THE COUNTY OF CONTRA COSTA FOR THE PURPOSE OF ADMINISTERING THE SERVICES AND OPERATING RESERVE FUNDS CONSISTENT WITH THE TERM SHEET.**

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**WHEREAS**, the Community Housing Development Corporation of North Richmond (“CHDC”) and East Bay Asian Local Development Corporation formed Lillie Mae Jones Plaza, L.P., a California limited partnership (the “Developer”), which has developed Lillie Mae Jones Housing Development located on Macdonald Avenue and 2<sup>nd</sup> Street, entailing the construction of 26 units of affordable rental housing for very-low, low- and moderate-income households, including a resident manager unit, and community room and tenant service coordination office (the “Development”); 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 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 Board approved Resolution 08-40 on October 7, 2008 authorizing the Agency to lend up to Four Million Seventeen Thousand Dollars (\$4,017,000) for the Development; and

**WHEREAS**, in furtherance of the Redevelopment Plan, the Agency entered into a Development and Loan Agreement dated January 19, 2010 and First Amendment to Loan Documents dated April 30, 2010, with Developer and CHDC, providing Three Million One Hundred Nineteen Thousand Dollars (\$3,119,000) in permanent financing for the Development (together, the “Loan Agreement”); and

**WHEREAS**, Developer has requested that Three Hundred Thousand Dollars (\$300,000) of the Agency funds reserved for supportive services for the residents of the Development be provided through a grant agreement instead of as a loan (the “Services Funding Agreement”); and

**WHEREAS**, the Developer and County of Contra Costa (the “County”) entered into a loan agreement dated April 27, 2010, pursuant to which the County agreed to loan Developer Two Hundred Ninety Three Thousand Eight Hundred Eighty Four Dollars (\$293,884) in Mental Health Services Act funds (“County MHSA”) to cover development costs related to two units of the Development (the “County MHSA Loan Agreement”); and

**WHEREAS**, the Loan Agreement provides for an operating reserve to be created and used in case rental subsidies expire or are otherwise not available, in order to provide for a transition period before the rents charged to tenants may be increased to levels affordable to

households earning 50-60% of the area median income and/or for operating costs shortfalls not covered by the County MHSA or other reserves (the “Operating Reserve II”); and

**WHEREAS**, the Developer and the County have requested that the Agency enter into an agreement (the “County MHSA Operating Reserve Agreement”) to govern the administration of a reserve account (“Reserve”) for the two units funded by the County MHSA program consistent with following terms (the “Term Sheet”):

- 1) The purpose, amount and duration of the Reserve, as well as the disposition of any funds remaining at the end of the term shall be consistent with the Loan Agreement.
- 2) Responsibilities of Parties:
  - a) Agency: authorizing withdrawals from the Reserve,
  - b) Developer: requesting withdrawals and submitting reports in a format and frequency acceptable to the Agency,
  - c) County: notifying the Agency and Developer of any default under the County MHSA Loan Agreement that would serve to reduce or deny a request for withdrawal from the Reserve; and

**WHEREAS**, the Agency desires to amend the Loan Agreement to reflect the County MHSA Operating Reserve Agreement and to include procedures for the administration of the Operating Reserve II (the “Second Amendment to Loan Documents”); and

**WHEREAS**, the completion of the 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**, by the Agenda Report the Agency Board has been provided with additional information upon which the findings and actions set forth in this Resolution are based.

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

**BE IT FURTHER RESOLVED** that the Agency Board hereby approves the Term Sheet for the County MHSA Operating Reserve Agreement; and authorizes the Executive Director to negotiate and execute the County MHSA Operating Reserve Agreement consistent with the Term Sheet; and

**BE IT FURTHER RESOLVED** that the Agency Board hereby approves the proposed Services Funding Agreement and Second Amendment to Loan Documents, all exhibits thereto and all ancillary documents and contracts; and authorizes the Executive Director to execute and implement such agreements, documents, contracts and exhibits and all other documents, contracts and agreements necessary to effectuate the intent thereof.

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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 Tuesday, July 5, 2011, by the following vote:

AYES: Boardmembers Bates, Beckles, Booze, Ritterman, Rogers, Vice  
Chairperson Butt, and Chairperson McLaughlin.

NOES: None.

ABSENT: None.

ABSTENTIONS: None.

DIANE HOLMES  
Clerk of Redevelopment Agency

(SEAL)

Approved:

GAYLE MCLAUGHLIN  
Chairperson

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. 11-14**, finally passed and adopted by the Richmond Community Redevelopment Agency at a meeting held on July 5, 2011.