

RESOLUTION OF MEMBERS OF THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE ACCEPTANCE AND EXPENDITURE OF HUD SECTION 108 LOAN AND BROWNFIELDS ECONOMIC DEVELOPMENT INITIATIVE GRANT FUNDS FOR THE MIRAFLORES DEVELOPMENT PROJECT AND PLEDGE OF CERTAIN TAX INCREMENT REVENUES AS SECURITY FOR THE SECTION 108 LOAN

WHEREAS, the City of Richmond applied for \$1,000,000 from the Department of Housing and Urban Development (“HUD”) in Brownfields Economic Development Initiative grant funds in July 2002 and \$1,000,000 in Section 108 loan funds to provide financing for the development of a mixed income housing development known as the Miraflores Housing Development Project (the “Project”); and

WHEREAS, the City Council amended its 5-year Consolidated Action Plan to include the Miraflores Housing Development and add \$2,000,000 in HUD 108/BEDI funds for the project through Resolution 86-04 on June 8, 2004; and

WHEREAS, the City Council adopted its Annual Consolidated Plan for 2006-2007 authorizing the Richmond Community Redevelopment Agency (the “Agency”) to administer all activities as required by HUD including the development of the Project through Resolution 162-05 on December 6, 2005; and

WHEREAS, the Agency determined that the proposed site for the Project, 99, 130, 223 and 242 S. 47th Street, 4606 Florida Avenue, 4809 and 4855 Wall Avenue (the “Property”) is of strategic importance in the removal of blight, and desires to increase and improve the quantity and quality of affordable housing made available for low and moderate income individuals and families through the development of the Project on the Property; and

WHEREAS, the Agency purchased the Property on June 30, 2006 as the site for the Project using Agency funds approved by Resolution 06-13 on June 6, 2006 and desires to cause the Property to be developed using HUD 108/BEDI Miraflores Funds to finance the acquisition, remediation and cleanup of the Property; and

WHEREAS, the City received final approval of the HUD 108/BEDI Miraflores funds on January 30, 2006 and final loan and other legal documents from HUD relative to the acceptance, use and administration of the HUD 108/BEDI Miraflores Funds on July 21, 2006; and

WHEREAS, the Agency desires to have the City transfer the HUD 108/BEDI Miraflores Funds to the Agency to finance the acquisition, remediation and cleanup of the Property by the developer of the Project; and

WHEREAS, the City and Agency entered into a Funds Administration Agreement that specifies the terms for the Agency administration of HUD Section 108 and BEDI grant funds on February 6, 2006; and

WHEREAS, HUD requires the Agency to pledge certain tax increment revenues generated by Agency redevelopment project areas as security for the loan of HUD 108/BEDI Miraflores Funds, and the Agency desires to pledge legally available and unencumbered tax increment revenue from the Redevelopment Project Areas as security for the 108/BEDI Miraflores Funds; and

WHEREAS, Health and Safety Code Section 33671 authorizes a redevelopment agency to pledge tax increment revenues as security for indebtedness incurred for a redevelopment project; and

WHEREAS, HUD requires the Agency to enter into a Subrecipient Agreement with the City evidencing the loan of HUD 108/BEDI Miraflores Funds and enter into a Pledge, Assignment and Security Agreement for the benefit of HUD to evidence the Agency's pledge of tax increment revenue as security for the HUD 108/BEDI Miraflores Funds.

NOW, THEREFORE, BE IT RESOLVED that the Richmond Community Redevelopment Agency Board of Richmond, California hereby authorizes the transfer of HUD Section 108 loan funds in an amount not-to-exceed one million dollars (\$1,000,000) and Brownfields Economic Development Initiative grant funds in an amount not-to-exceed one million dollars (\$1,000,000) for use in the Miraflores Housing Development; and

BE IT FURTHER RESOLVED, that the Agency Board hereby authorizes the pledge of legally available and unencumbered Tax Increment funds as security for the Section 108 loan pursuant to Health and Safety Code Section 33671; and

BE IT FURTHER RESOLVED, that the Agency Board hereby authorizes the Executive Director to administer the HUD Section 108 and BEDI funds and to negotiate and execute any and all documents necessary to effectuate the intent of this resolution including but not limited to a Subrecipient Agreement with the City and a Pledge, Assignment and Security Agreement in favor of HUD.

I certify that the foregoing resolution was passed and adopted by the Richmond Community Redevelopment Agency of the City of Richmond at a joint meeting held on October 17, 2006, 2006 by the following vote:

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| AYES: | Members Bates, Butt, Griffin, Marquez, McLaughlin, Rogers, Thurmond, and Chairperson Anderson |
| NOES: | None |
| ABSTENTIONS: | None |
| ABSENT: | Member Viramontes |

DIANE HOLMES
Clerk of the Redevelopment Agency

(SEAL)

Approved:

IRMA L. ANDERSON
Agency Chair

Approved as to form:

JOHN EASTMAN
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. 06-27, finally passed and adopted by the Redevelopment Agency at a joint meeting held on October 17, 2006.