

**RESOLUTION NO. 64-07**

**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 CODE FOR THE MACDONALD PLACE SENIOR HOUSING DEVELOPMENT**

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**WHEREAS**, the proposed Macdonald Place Senior Housing Development located on Macdonald Avenue between 3<sup>rd</sup> and 5<sup>th</sup> Streets will entail the construction of approximately 66 units of affordable rental housing for low-income seniors and a designated community space area (the "Development") to be developed by MacDonald Partners, L.P. (the "Developer"), in which one of the general partners is Richmond Labor and Love Community Development Corporation, a California nonprofit public benefit corporation ("RLLCDC"); 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- and low and moderate-income households; and

**WHEREAS**, the Agency acquired and holds fee title to three (3) parcels of land located at "0", 300 and 400 Macdonald Avenue, Richmond, California (the "Property"), with the intent to sell the Property to RLLCDC; and

**WHEREAS**, RLLCDC owns six (6) parcels of land, adjacent to the Property (the "RLLCDC 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 (the "Law"), prior to entering into the Purchase Agreement (as defined below) providing for the sale of the Property to the RLLCDC, 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 July 18, 2006; and

**WHEREAS**, in furtherance of the Redevelopment Plan, the Agency subsequently entered into a Purchase and Sale Agreement (the "Purchase Agreement") dated July 18, 2006, with RLLCDC, providing for the sale of the Property to RLLCDC to cause the development of the Development on the Property and RLLCDC's Property (collectively, the "Land"); and

**WHEREAS**, the RLLCDC has secured a loan of One Million Three Hundred and Twenty-Five Thousand Dollars (\$1,325,000) of HUD Section 108 Loan Funds ("Loan") from the City to assist in certain predevelopment activities in connection with the acquisition, development and construction of the Development; and

**WHEREAS**, pursuant to the terms of the Purchase Agreement, RLLCDC intends to lease the Land to the Developer which will construct and develop the Development on the leasehold estate of the Land; and

**WHEREAS**, the Agency and the Developer have diligently negotiated the terms and conditions of a development and loan agreement and related documents to provide for the Development; and

**WHEREAS**, in connection with the negotiations of the development and loan documents, the parties determined the need to (i) increase the loan amount to the Developer to Four Million Seven Hundred Twenty Thousand Dollars (\$4,720,000) and (ii) to add a community use to the Development; and

**WHEREAS**, the terms of the development and loan agreement reached by the Developer and the Agency are reflected in the proposed Development and Loan Agreement to be entered into among the Agency, Developer and RLLCDC (the "DLA"); and

**WHEREAS**, the changes as reflected in the DLA do not materially modify the fundamental business or financial terms of the Purchase Agreement related to the purchase price, but do increase the amount of money that the Agency will provide to the Development and designates one of the parcels in the Development to be used exclusively for certain community uses to serve the surrounding community; 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 the Law, and has made the Purchase and Sale Agreement, the DLA 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 June 26, 2007, to confirm the purchase price of the Property and to consider the approval of the proposed DLA, pursuant to 33433 of the Law; and

**WHEREAS**, by the staff report accompanying this Resolution and incorporated in this Resolution by this reference (the "Staff 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 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 IT FURTHER RESOLVED** that the City Council hereby accepts the 33433 Reports which provide supplemental information regarding the Purchase Agreement and the Development as evidenced in the proposed DLA by and among the Agency, the Developer and RLLCDC, 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 Purchase Agreement and the DLA 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 Development, and the proposed DLA, all exhibits thereto and all ancillary documents and contracts; authorizes the Agency's Executive Director to execute the DLA, all exhibits thereto and all ancillary documents and contracts necessary to effectuate the intent of the Purchase Agreement and DLA, substantially in the form on file with the City Clerk, with such changes as are approved by the Agency signatory; authorizes the Agency's Executive Director to implement the DLA, all exhibits thereto and all ancillary contracts and documents necessary to effectuate the intent of the Purchase Agreement and DLA; and to negotiate and execute amendments to the DLA substantially in conformance with the intent of the DLA 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.

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I certify that foregoing was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held on June 26, 2007, by the following vote:

AYES:	Councilmember Bates, Butt, Lopez, Rogers, Sandhu, Thurmond, Viramontes, and Mayor McLaughlin
NOES:	None
ABSTENTIONS:	Councilmembers Marquez
ABSENT:	None

DIANE HOLMES  
Clerk of the City of Richmond

(SEAL)

Approved:

GAYLE McLAUGHLIN  
Mayor

Approved as to form:

LOUISE RENNE, Interim  
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. 64-07, finally passed and adopted by the Council of the City of Richmond at a meeting held on June 26, 2007.