

**RESOLUTION NO. 39-09**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND  
DECLARING ITS OFFICIAL INTENT TO UNDERTAKE THE FINANCING OF A  
MULTIFAMILY HOUSING DEVELOPMENT AND RELATED ACTIONS**

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**WHEREAS**, the City of Richmond (the "City") is authorized and empowered by the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") to issue and sell mortgage revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing developments, including units for households meeting the income limits set forth in the Act; and

**WHEREAS**, Community Housing Development Corporation of North Richmond and East Bay Asian Local Development Corporation, both California nonprofit public benefit corporations (together, the "Developers"), have requested that the City issue and sell its mortgage revenue bonds pursuant to the Act to provide financing for the acquisition and construction of a multifamily rental housing development consisting of 26 units located at 214 Macdonald Avenue in the City of Richmond to be known as Lillie Mae Jones Plaza (the "Development"); and

**WHEREAS**, this City Council (the "City Council") hereby finds and declares that it is necessary, essential and a public purpose for the City to finance multifamily housing developments pursuant to the Act, in order to increase the supply of multifamily housing in the City available to persons and families within the income limitations established by the Act; and

**WHEREAS**, as an inducement to the Developers to carry out the Development, this City Council desires to authorize the issuance of mortgage revenue bonds by the City in a principal amount not to exceed \$7,000,000; and

**WHEREAS**, the Developers intend to form a California limited partnership which will be the borrower of the bonds; and

**WHEREAS**, the City, in the course of assisting the Developers in the financing of the Development expects that the Developers have paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Development within 60 days prior to the adoption of this resolution prior to the issuance of indebtedness for the purpose of financing costs associated with the Development on a long-term basis; and

**WHEREAS**, Section 1.142-4 and Section 1.150-2 of the Treasury Regulations require the City to declare its reasonable official intent to reimburse prior expenditures for the Development with proceeds of a subsequent borrowing; and

**WHEREAS**, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

**WHEREAS**, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California (the "Government Code") governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue multifamily housing mortgage revenue bonds; and

**WHEREAS**, Section 8869.85 of the Government Code requires a local agency to file an application with the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of multifamily housing mortgage revenue bonds; and

**WHEREAS**, pursuant to the request of the Developers, the City desires to appoint Orrick, Herrington & Sutcliffe LLP as bond counsel for the bonds; and

**WHEREAS**, this City Council hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act;

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The above recitals, and each of them, are true and correct.
  2. This City Council hereby determines that it is necessary and desirable to provide financing for the Development by the issuance and sale of mortgage revenue bonds pursuant to the Act and hereby authorizes the issuance and sale of such bonds by the City in the aggregate principal amount not to exceed \$7,000,000. This action is taken expressly for the purpose of inducing the Developers to undertake the Development, provided that nothing contained herein shall be construed to signify that the Development complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the City or any officer, agent or employee of the City will grant any approval, consent or permit which may be required in connection with the acquisition and construction of the Development or the issuance of the bonds.
  3. The issuance and sale of the bonds shall be upon such terms and conditions as may be agreed upon by the City and the Developers and the initial purchasers of the bonds; provided, however, that the bonds shall not be sold or issued unless specifically authorized by the subsequent resolution of this City Council.
  4. This resolution is being adopted by the City for purposes of establishing compliance with the requirements of Section 1.142-4 and Section 1.150-2 of the Treasury Regulations. In that regard, the City hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. Notwithstanding the foregoing, this resolution does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Development.
  5. The proper officers of the City are hereby authorized and directed to apply to CDLAC for a private activity bond allocation for application by the City to the issuance of bonds for the Development in an amount not to exceed \$7,000,000, to collect from the Developers the amount required by CDLAC to be placed in deposit in connection with such application, and to certify to CDLAC that such amount has been placed on deposit in an account in a financial institution.
  6. The firm of Orrick Herrington & Sutcliffe LLP is hereby appointed as bond counsel for the bonds. The Developers shall be required to pay all costs for such services and the City shall not be obligated (other than from the proceeds of the Bonds) to pay any such costs.
  7. The City Council hereby authorizes and directs the City Manager or his designee to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable, including the execution of a letter of engagement with Orrick Herrington and Sutcliffe LLP, provided that the terms and conditions under which the bonds are to be issued and sold shall be approved by this City Council in the manner provided by law prior to the sale thereof.
  8. This resolution shall take effect immediately upon its adoption.
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I certify that the foregoing resolution was duly passed and adopted by the City Council of the City of Richmond at a regular meeting thereof held on May 19, 2009, by the following vote:

AYES: Councilmembers Bates, Butt, Rogers, Ritterman, Viramontes, Vice Mayor Lopez, and Mayor McLaughlin.

NOES: None.

ABSTENTIONS: 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. 39-09**, finally passed and adopted by the Council of the City of Richmond at a meeting held on May 19, 2009.