

RESOLUTION NO. 2009-529

Adopted by the Sacramento City Council

August 11, 2009

APPROVING THE DEEMED REISSUANCE BY THE SACRAMENTO CITY FINANCING AUTHORITY OF NOT TO EXCEED \$10,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS PREVIOUSLY ISSUED 2005 TAX ALLOCATION REVENUE BONDS, SERIES A (MERGED DOWNTOWN AND OAK PARK PROJECTS)

BACKGROUND

- A. The Sacramento City Financing Authority (the "Authority") previously issued its 2005 Tax Allocation Revenue Bonds, Series A (Merged Downtown and Oak Park Projects) (the "Bonds") as tax-exempt bonds under the Internal Revenue Code of 1986 (the "Code") for the purpose, among others, of making a loan (the "Loan") to the Redevelopment Agency of the City of Sacramento (the "Agency") for the financing by the Agency of certain redevelopment projects located within the Agency's Merged Downtown Redevelopment Project Area.
- B. A portion of the proceeds of the Loan has been used to make a grant to the original developer of, and to pay certain other costs associated with, a project located at 729 L Street in the City of Sacramento, California and commonly known as the Hotel Berry (the "Project").
- C. The Agency has acquired ownership of the Project from the original developer and now proposes to transfer ownership of the Project to an organization as described in Section 501(c)(3) of the Code or a partnership comprised of two or more of such organizations.
- D. In order to maintain the tax-exempt status of the Bonds under the Code following such transfer of the Project, the Authority and the Agency propose that the portion of the Bonds allocable to the Project in an aggregate principal amount not to exceed \$10,000,000 (the "Allocable Bonds") be deemed reissued by the Authority for federal tax purposes as "Qualified 501(c)(3) Bonds" under the Code.
- E. Pursuant to Section 147(f) of the Code, the Allocable Bonds will be treated for federal tax purposes as reissued by the Authority and must be approved by the City because the Project is located within the territorial limits of the City.
- F. The City Council of the City (the "City Council") is the elected legislative body of the City and is one of the applicable elected representatives required to approve the deemed reissuance of the Allocable Bonds by the Authority under Section 147(f) of the Code.
- G. The Authority and the Agency have requested that the City Council approve the deemed reissuance of the Allocable Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code.

H. Pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the deemed reissuance of the Allocable Bonds by the Authority, and now desires to approve the deemed reissuance of the Allocable Bonds by the Authority.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council hereby approves the deemed reissuance of the Allocable Bonds by the Authority. It is the purpose and intent of the City Council that this Resolution constitute approval of the Project and the reissuance of the Allocable Bonds by the Authority for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f).
- Section 2. The officers of the City, each acting alone, are hereby authorized and directed to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the transaction approved hereby.
- Section 3. This Resolution shall take effect from and after its passage and adoption.

Adopted by the City of Sacramento City Council on August 11, 2009 by the following vote:

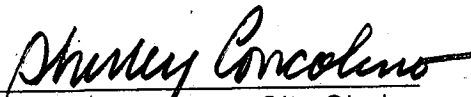
Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, and Mayor Johnson.

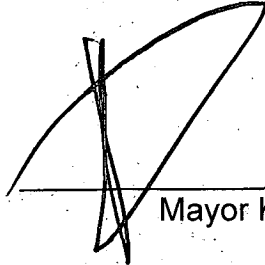
Noes: None.

Abstain: None.

Absent: Councilmember Waters.

Attest:


Shirley Concolino, City Clerk



Mayor Kevin Johnson