

RESOLUTION NO. 2004-001

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF JAN 0 8 2004

**SACRAMENTO FAMILY MEDICAL CLINICS, INC. AND HELVID, LLC – DEL PASO
HEIGHTS MEDICAL ARTS CENTER PROJECT:
DEL PASO HEIGHTS PROJECT AREA, CEQA EXEMPTION, AND PROJECT
APPROVAL, AND AUTHORIZATION FOR EXECUTION OF A DISPOSITION AND
DEVELOPMENT AGREEMENT WITH SACRAMENTO FAMILY MEDICAL
CLINICS, INC. AND HELVID, LLC. REGARDING 3441 MARYSVILLE BOULEVARD
AND 1536 NOGALES STREET; RELATED AUTHORIZATIONS**

WHEREAS, the Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Del Paso Heights Redevelopment Plan ("Redevelopment Plan") and an "Implementation Plan" for the Del Paso Heights Project Area ("Project Area");

WHEREAS, the Agency owns certain real property ("Property"), in the Project Area and acquired with Project Area tax increment funds, which property is generally described as 3441 Marysville Boulevard and 1536 Nogales Street, and more particularly described in the legal description as set forth in the Disposition and Development Agreement ("DDA").

WHEREAS, the Agency and the Sacramento Family Medical Clinics, Inc. and Helvid, LLC ("Developer") desire to enter into a DDA, a copy of which accompanies this resolution and is on file with the Agency Clerk, which DDA would convey interest in the Property, as more specifically described in the DDA, and which would require the improvements within the Property, as further described in the DDA (collectively, "Project");

WHEREAS, approval of the DDA is in furtherance of the Del Paso Heights Redevelopment Plan, as amended. Per the California Environmental Quality Act ("CEQA") Guidelines Section 15180, activities undertaken pursuant to and in furtherance of a redevelopment plan were deemed approved at the time of adoption of the redevelopment plan and no subsequent or supplemental EIR is required because there are no changes in the Plan or major revisions of the Plan EIR required due to this project or new information of substantial importance not previously known, and the project will not create any significant impacts that were not previously addressed in the Plan EIR or a substantial increase in the severity of previously identified impacts (Sections 15162 and 15163). NEPA does not apply; and

WHEREAS, a report under Health and Safety Code has been prepared, filed with the Agency Clerk and duly made available for public review, and, proper notice having been given, a hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433.

**BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF
SACRAMENTO:**

Section 1. An Environmental Determination has been prepared and the Planning Commission of the City of Sacramento has found and determined that approval of the DDA is in

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furtherance of the Del Paso Heights Redevelopment Plan as amended. Per CEQA Guidelines Section 15180, actions to eliminate blight and encourage redevelopment in a redevelopment area were deemed approved at the time of adoption of the redevelopment plan. Per Guidelines Sections 15162 and 15163, there are no significant new impacts or changes in circumstances associated with this project, thus no further environmental documentation is required at this time. NEPA does not apply.

Section 2. The Project will assist in the elimination of blight in that it will reduce vacant lots and alleviate inadequate parking facilities. The Project is consistent with the goals and objectives of the Redevelopment Plan and the Implementation Plan. Goals of the Redevelopment Plan, as stated in the Implementation Plan are "Recruit new businesses, organizations and agencies to provide goods and services, training, and employment opportunities for local residents; Create employment opportunities and engage neighborhood-based employment and training agencies in promoting jobs and job-readiness training created through redevelopment activity; and Eliminate or ameliorate certain environmental deficiencies such as insufficient off-street and on-street parking, storm drainage, sidewalks, and other similar public improvements and facilities adversely affecting the Project Area". The DDA shall be deemed an implementing document approved in furtherance of the Redevelopment Plan, the Implementation Plan for the Project Area and all applicable land use plan, studies and strategies.

Section 3. The consideration given for the interest conveyed under the DDA is not less than the fair reuse value at the use and with the covenants, conditions, restrictions, and necessary development costs authorized by the DDA and conveyance documents.

Section 4. In accordance with Health and Safety Code Section 33334.14 the Regulatory Agreement containing covenants imposed by the DDA may be subordinated to the lien, encumbrance or regulatory agreement of the senior lender that is providing financing for the Project, as identified by the Agency in the staff report that accompanies this resolution, because no other feasible method of financing the Project on comparable terms and conditions, but without such subordination, is reasonably available and the Agency has obtained, as a minimum, the following written commitments from such senior lender that are designed to protect the Agency's investment: (a) a right of Agency to cure the senior loan, (b) a right of Agency to negotiate with the Lender after notice of default from lender, (c) an agreement that the lender will not exercise any right of acceleration based upon transfer of title to the Agency as a result of Agency's cure of the Developer's default of the senior loan and (d) a right of the Agency to purchase the Property from the Developer or the subsequent owners of the Property at any time after Developer's default of the senior loan.

Section 5. The DDA is approved and the Executive Director is authorized to execute the DDA with the Developer and to take such actions, execute such instruments, and amend the budget as may be necessary to effectuate and implement this resolution and the DDA.

Section 6. The Agency Budget is amended to transfer \$550,000 from the Del Paso Heights 1999 Taxable Capital Improvement Revenue Bonds (CIRBs) to the Del Paso Heights Medical Arts Center project to be lent to Helvid, LLC per the terms of the DDA and Loan Agreement.

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Section 7. The Executive Director is authorized to negotiate and enter into any Intercreditor Agreements as may be necessary solely to manage the disbursement and priorities of Project funding.

Debbie Fargy CHAIR

ATTEST:

Shirley Concolino SECRETARY

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