

RESOLUTION NO. 2003-851

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF **DEC 02 2003**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO
APPROVING CERTAIN LOANS TO BE ENTERED INTO BY THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AND PROVIDING
OTHER MATTERS PROPERLY RELATING THERETO**

WHEREAS, the Redevelopment Agency of the City of Sacramento (the "Agency") is a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Part 1 of Division 24 of the Health and Safety Code of the State of California (the "Redevelopment Law"), and has the power under Section 33601 of the Redevelopment Law to borrow money for any of its corporate purposes; and

WHEREAS, the Sacramento City Financing Authority (the "City Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated October 1, 1989, by and between the City of Sacramento (the "City") and the Agency, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and is authorized pursuant to Article 4 of the Act to issue bonds for the purpose of making loans to the Agency to provide financing and refinancing for redevelopment activities of the Agency that are public capital improvements; and

WHEREAS, in order to provide funds to the City Authority to make a loan to the Agency with respect to the Agency's Del Paso Heights Redevelopment Project, Project No. 5 (the "1999 Del Paso Heights Loan") pursuant to a loan agreement dated as of December 1, 1999 (the "1999 Del Paso Heights Loan Agreement"), as well as for other purposes, the City Authority issued its Sacramento City Financing Authority 1999 Capital Improvement Revenue Bonds (Solid Waste and Redevelopment Projects) (the "1999 Bonds") in the aggregate principal amount of \$71,181,000; and

WHEREAS, in order to obtain funds to make an advance to the Agency with respect to its North Sacramento Redevelopment Project (the "1999 North Sacramento Advance"), pursuant to an advance repayment agreement dated as of December 1, 1999 (the "1999 North Sacramento Advance Repayment Agreement"), and for other purposes, the City leased certain City-owned properties to the City Authority and used a portion of the City Authority's one-time up-front lease payment (the "1999 City Authority Lease Payment") to fund the 1999 North Sacramento Advance; and

WHEREAS, the City Authority funded the 1999 City Authority Lease Payment with a portion of the proceeds of the 1999 Bonds; and

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WHEREAS, the Sacramento County Public Financing Authority (the "County Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of November 1, 2003, by and between the County of Sacramento and the Redevelopment Agency of the County of Sacramento (the "Agreement"), and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") and the Agreement to issue bonds for the purpose, among others, of providing funds to make loans to the Agency to provide financing and refinancing for redevelopment activities of the Agency that are public capital improvements; and

WHEREAS, for the purpose, among others, of providing funds to make a loan to the Agency to finance redevelopment activities of the Agency with respect to its Del Paso Heights Redevelopment, Project No. 5 the ("2003 Del Paso Heights Loan") pursuant to a loan agreement dated as of December 1, 2003 (the "2003 Del Paso Heights Loan Agreement") and to make a loan to the Agency with respect to its North Sacramento Redevelopment Project (the "2003 North Sacramento Loan") pursuant to a loan agreement dated as of December 1, 2003 (the "2003 North Sacramento Loan Agreement"), the County Authority has determined to issue its Sacramento County Public Financing Authority 2003 Tax Allocation Revenue Bonds, Series A (Sacramento County and City Redevelopment Projects) in the aggregate principal amount of not to exceed \$38,000,000 and its Sacramento County Public Financing Authority 2003 Tax Allocation Revenue Bonds, Series C (Sacramento City Redevelopment Projects) in the aggregate principal amount of not to exceed \$14,500,000; and

WHEREAS, The Agency desires that the 2003 Del Paso Heights Loan be payable from Tax Revenues (as defined in the 1999 Del Paso Heights Loan Agreement) on a parity with the 1999 Del Paso Heights Loan and on a basis senior to the 1999 Del Paso Heights Advance; and

WHEREAS, Section 2.07 of the 1999 Del Paso Heights Loan Agreement requires that the City approve the incurrence of the 2003 Del Paso Heights Loan in order for the 2003 Del Paso Heights Loan to be payable on a parity with the 1999 Del Paso Heights Loan and Section 4.02 of the 1999 Del Paso Heights Repayment Agreement requires that the 2003 Del Paso Loan be payable on a parity with the 1999 Del Paso Heights Loan in order for the 2003 Del Paso Heights Loan to be payable on a basis senior to the 1999 Del Paso Heights Advance; and

WHEREAS, The Agency desires that the 2003 North Sacramento Loan be payable from Tax Revenues (as defined in the 1999 North Sacramento Loan Agreement) on a basis senior to the 1999 North Sacramento Advance; and

WHEREAS, Section 2.07 of the 1999 North Sacramento Loan Agreement requires that the City approve the incurrence of the 2003 North Sacramento Loan in order for the 2003 North Sacramento Loan to be payable on a basis senior to the 1999 North Sacramento Advance; and

WHEREAS, the City desires to approve the 2003 Del Paso Heights Loan and the 2003 North Sacramento Loan for the purposes above described.

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NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. Approval of the Loans. The 2003 Del Paso Heights Loan in the amount of not to exceed \$7,000,000 to be made with respect to the Del Paso Heights Redevelopment Project, Project No. 5, pursuant to the 2003 Del Paso Heights Loan Agreement and the 2003 North Sacramento Loan in the amount of not to exceed \$5,500,000 to be made with respect to the North Sacramento Redevelopment Project, pursuant to the 2003 North Sacramento Loan Agreement, all as above described, are hereby approved.

Section 2. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

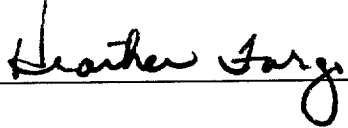
PASSED AND ADOPTED this 2nd day of December, 2003, by the following vote:

AYES: 7


NOES: 0

ABSENT: 2

ABSTAIN: 0


MAYOR

ATTEST:


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