

Downtown Development Group

5.1B

June 7, 2000

Redevelopment Agency of the City of Sacramento  
Sacramento, California



Honorable Members in Session:

**SUBJECT: RESOLUTION AUTHORIZING SUBMISSION OF AN APPLICATION TO THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (CIEDB) FOR FINANCING OF PUBLIC INFRASTRUCTURE IMPROVEMENTS FOR "CAPITOL PARK BY POST, CITY APARTMENT HOMES"**

**LOCATION/COUNCIL DISTRICT:** Council District 1  
City Block bounded by 5<sup>th</sup> and 7<sup>th</sup> and O and P Streets

**RECOMMENDATION:**

This report recommends that the Redevelopment Agency of the City of Sacramento (Agency) authorize submission of an application to the California Infrastructure and Economic Development Bank for financing of public infrastructure improvements associated with the proposed development of Capitol Park by Post.

**CONTACT:** Michelle Nelson, Senior Management Analyst, 264-7064  
Wendy Saunders, Downtown Development Manager, 264-8196

**FOR COUNCIL MEETING OF:** June 27, 2000

**SUMMARY**

This report provides information about the State-funded CIEDB loan program that was created to lend low interest infrastructure loans to local governments. This report requests authorization to apply for a CIEDB loan as a potential funding source for public infrastructure component of the proposed development project Capitol Park by Post.

## BACKGROUND

- The California Infrastructure and Economic Development Bank (CIEDB) is a State funded entity created to lend low interest infrastructure loans to local governments. In December 1999, CIEDB announced the creation of its \$350 million two-tiered reserve fund leveraged loan program.
- Tier 1 consists of \$275 million initially and is available to applicants that meet CIEDB underwriting criteria and that satisfy all threshold eligibility requirements. Loans must be in the range of \$250,000 minimum and \$20 million maximum per project with a \$27.5 aggregate financing limit per local jurisdiction.
- Tier 2 consist of \$75 million initially and is available only to communities experiencing economic distress and are unable to meet the underwriting criteria for Tier 1. Tier 2 loans must be in the range of \$250,000 minimum and \$5 million maximum per project with a \$7.5 aggregate financing limit per local jurisdiction.
- Loans funded by CIEDB are made on a fixed rate basis, at approximately 67% of the Thompson's Municipal Market Data Index.
- Eligible applicants for CIEDB loans include any local government subdivisions, such as cities, counties, departments, agencies, commissions, non-profit corporations, special districts, and joint power authorities.
- Eligible projects include city streets, state and county highways, public transit, drainage and flood control, educational facilities, environmental mitigation, port facilities, sewage collection and treatment, solid waste collection and disposal, public safety facilities, defense conversion, parks and recreational facilities and communications facilities.
- Staff requests authorization to submit a Tier 1 CIEDB loan application for the public infrastructure associated with the proposed development of Capitol Park by Post, City Apartment Homes. Proposed public infrastructure includes utility (water, sewer, storm drain) and streetscape improvements associated with the re-establishment of 6<sup>th</sup> and O Streets as public rights-of-way.
- Once constructed, the public improvements will be conveyed to the Agency for the life of the loan to satisfy the CIEDB loan underwriting criteria that require that the repaying entity have an interest in the public improvements. After the loan is repaid, the improvements will be conveyed to the City.

**FINANCIAL CONSIDERATIONS**

If approved, staff will apply for a CIEDB loan as outlined the Conceptual Term Sheet between the Agency and Post Apartment Homes, LP. Repayment of the loan will be made from Merged Downtown Sacramento Redevelopment Project Area tax increment funds. The City will own all of the public improvements.

**ENVIRONMENTAL CONSIDERATONS**

Environmental review of the Capitol Park by Post development project, including public infrastructure improvements outlined in this report, is required prior to Agency approval of the project.

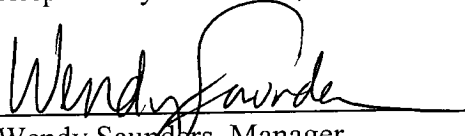
**POLICY CONSIDERATIONS**

Submittal of an application for low cost financing is consistent with Agency economic development goals for exploring alternative financing mechanisms for projects of critical importance to the implementation of the Five-Year Implementation Plan 2000-2005 and the Central City Housing Strategy.

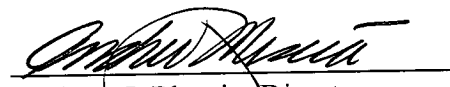
**ESBD CONSIDERATIONS**

There are no ESBD considerations associated with the submission of a loan application.

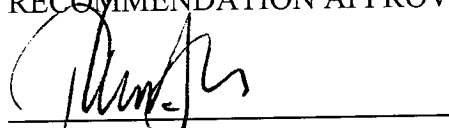
Respectfully Submitted,

  
Wendy Saunders, Manager  
Downtown Development

APPROVED:

  
Andrew J. Plescia, Director  
Economic Development Department

RECOMMENDATION APPROVED:

  
ROBERT P. THOMAS  
City Manager

**RESOLUTION NO. 2000-049**

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

**APPROVED**  
JUN 27 2000  
OFFICE OF THE  
CITY CLERK

ON DATE OF \_\_\_\_\_

**AUTHORITY TO SUBMIT AN APPLICATION TO THE CALIFORNIA  
INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR FINANCING OF  
POST DOWNTOWN APARTMENT HOMES INFRASTRUCTURE PROJECT, AND  
RELATED ACTIONS**

WHEREAS, the California Infrastructure and Economic Development Bank ("Infrastructure Bank") administers a financing program to assist local governments with financing of Public Development Facilities as described in Section 63000 et seq. of the California Government ("the Act");

WHEREAS, the Infrastructure Bank has instituted an application process for financing under its Infrastructure State Revolving Fund Program;

WHEREAS, the Redevelopment Agency of the City of Sacramento ("Agency") desires to submit an application ("Loan Application") to the Infrastructure Bank for the financing of Post Downtown Apartment Homes Infrastructure Project ("Project");

WHEREAS, the Act requires the Applicant to certify by resolution certain findings prior to a Project being selected for financing by the Infrastructure Bank.

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

Section 1. The Director of the Economic Development Department of the City of Sacramento is authorized to file a Loan Application for the Project, on behalf of the Agency, with the Infrastructure Bank for the Project:

Section 2. In connection with such application, and to the best of its information and belief, the Agency certifies:

- a. That the Project is consistent with the General Plan of both the City of Sacramento and the County of Sacramento;
- b. That the proposed financing is appropriate for the Project;

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DATE ADOPTED: \_\_\_\_\_

- c. That the Project facilitates effective and efficient development and conservation of natural resources;
- d. That the Project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities; and
- e. That the Project is consistent with the Infrastructure Bank's Criteria, Priorities and Guidelines for the Infrastructure State Revolving Fund Program.

Section 3. This resolution shall become effective immediately upon adoption.

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CHAIR

ATTEST:

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SECRETARY

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ORDINANCE NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

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