

RESOLUTION NO. 2006-049

Adopted by the Redevelopment Agency
of the City of Sacramento

September 5, 2006

WASHINGTON SQUARE III AND SHERWOOD COURT APARTMENTS: APPROVAL OF \$500,000 ACQUISITION AND REHABILITATION TAX INCREMENT HOUSING LOAN; EXECUTION OF LOAN COMMITMENT, LOAN AGREEMENT, AND RELATED DOCUMENTS WITH COMMUNITY HOUSING OPPORTUNITIES CORPORATION; RELATED BUDGET AMENDMENT

BACKGROUND

- A. Washington Square III and Sherwood Court are two apartment projects containing 54 units for low income households located in the Alkali Flat Redevelopment Project Area.
- B. Development of these apartments was originally funded by HUD under the 236 program with project-based Section 8 operating assistance. The HUD contract has expired and the owner intends to sell the properties. All 54 units of affordable housing at these complexes are at risk of converting to market rate.
- C. Community Housing Opportunities Corporation, a 501(c)(3) public benefit corporation, has requested an Agency loan for the acquisition, rehabilitation, and permanent financing of these properties to preserve these units as affordable housing for 55 years.
- D. Allocation of Merged Downtown tax increment housing funds to finance the loan to acquire and preserve these affordable housing units will benefit these two project areas by retaining affordable housing within the downtown area.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1: All of the evidence presented having been duly considered, the findings, including the environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. The Executive Director is authorized to amend the Agency Budget to transfer \$500,000.00 from Merged Downtown Tax Allocation Bond funds to the Washington Square III and Sherwood Court Apartments.

Section 3: The Loan Commitment, attached to the staff report and incorporated in this resolution by this reference, for the financing of the Washington Square III and Sherwood Court Apartments project in an amount not to exceed \$1,638,000 ("Loan"), which includes \$1,138,000 in HOME funds from the Sacramento Housing and Redevelopment Agency and allocates \$1,375,000 for acquisition and \$263,000 for rehabilitation, is approved and the Executive Director is authorized to execute and transmit the Loan Commitment to Community Housing Opportunities Corporation or related entity.

Section 4: Subject to the satisfaction of conditions in the Loan Commitment, the Executive Director is authorized to prepare and execute any and all documents required for the making of the Loan (including without limitation the documents necessary for the use of the allocated funds and the documents necessary to make and reasonably administer the Loan); provided, however that:

- (a) The Loan shall be made on the terms set out in the Loan Commitment and the staff report that accompanies this resolution; and
- (b) Agency Counsel shall prepare the Loan documents in accordance with the Loan Commitment and the staff report that accompanies this resolution; and in accordance with all applicable laws, regulations and policies regarding the making of the Loan and the use of the allocated funds.

Section 5: The Executive Director is authorized to execute the Loan Commitment and to execute the Loan documents in a form approved by the Agency Counsel and to enter into other agreements, execute other documents, and perform other actions necessary to fulfill the intent of the staff report that accompanies this resolution, the Loan Commitment, in accordance with their respective terms, and to ensure proper repayment of Agency funds, including without limitation, subordination, extensions and restructuring of payments, all as approved by Agency Counsel.

Section 6: The Executive Director is authorized to make technical amendments to said agreements and documents with the approval of Agency Counsel, which amendments are in accordance with the Loan Commitment, with Agency policy, with this resolution, with good legal practices for the making of such a loan, and with the staff report that accompanies this resolution.

Adopted by the City of Sacramento Redevelopment Agency on September 5, 2006 by the following vote:

Ayes: Members, Cohn, Fong, McCarty, Sheedy, Tretheway, Waters.

Noes: None.

Abstain: None.

Absent: Members, Hammond, Pannell, and Chair Fargo

Attest:


Shirley Concolino, City Clerk


Robert King Fong, Vice Chair