

RESOLUTION NO. 2014-0004

Adopted by the Housing Authority of the City of Sacramento

April 22, 2014

DEL PASO NUEVO PHASE IV PROJECT: AUTHORIZING EXECUTION OF OWNER PARTICIPATION AGREEMENT AND RELATED DOCUMENTS WITH DEL PASO HOMES, INC.; AUTHORIZING THE ASSIGNMENT TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY OF THE \$370,000 BALANCE OF THE EXISTING LAND LOAN FROM THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. Del Paso Homes, Inc. has applied to Sacramento Housing and Redevelopment Agency for a revolving construction loan of up to Nine Hundred Seventy Five Thousand Dollars (\$975,000) of City Housing Trust Funds (HTF) to assist in funding the phased construction of twenty (20) single-family homes in the Del Paso Nuevo Phase IV project that will be affordable to families earning 80% or less of area median income; and
- B. The Del Paso Nuevo Phase IV project qualifies for City HTF under both the Sacramento Housing and Redevelopment Agency guidelines and the City Housing Trust Fund ordinance and related program guidelines; and
- C. In conjunction with a Bank construction loan in the minimum amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) the Developer will complete the construction of all 37 total homes remaining to be built in the project in three phases of 12, 12, and 13 homes respectively.
- D. The Developer has requested that the Housing Authority of the City of Sacramento, along with the Sacramento Housing and Redevelopment Agency, enter into an Owner Participation Agreement to facilitate completion of the project and enter into a new Promissory Note secured by deed of trust in the amount \$370,000 which is the balance of the existing land loan now held by the Housing Authority of the City of Sacramento ; and
- E. The impacts of the entire Del Paso Nuevo project were evaluated in accordance with CEQA and a Mitigated Negative Declaration was adopted for the project. This action does not constitute a new project or a change in the project under CEQA; therefore, no further environmental review is required per CEQA Guidelines Sections 15378 and 15162.; and

- F. A Finding of No Significant Impact was made pursuant to the National Environmental Policy Act (NEPA) for the Del Paso Nuevo Project and the data and conditions upon which it was based remain unchanged. There is no federal funding associated with this action and there has been no change in the scope of work and there are no new circumstances that would have any direct or indirect effect on the environment that was not previously considered. Therefore, no further action under National Environmental Policy Act (NEPA) is required.

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

- Section 1. The above recitals, including the environmental recitals, are found to be true and correct.
- Section 2. Subject to City Council approval, the Executive Director or her designee is authorized to amend the Agency budget to allocate an additional Nine Hundred Seventy Five Thousand Dollars (\$975,000) of City Housing Trust funds to the Del Paso Nuevo Phase IV project.
- Section 3. The Executive Director, or her designee, is authorized to terminate the existing Disposition and Development Agreement and to execute a new Owner Participation Agreement with Developer and to execute all related standard Agency loan documents in a form approved by Agency Counsel in accordance with the staff report accompanying 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 for the Project. The Loan may be subordinated if such subordination is required to obtain primary financing.
- Section 4. The Executive Director is authorized to assign the existing land loan promissory note and its deed of trust with a remaining amount of \$370,000 which is the balance of the existing land loan now held by the Housing Authority of the City or Sacramento to be included in the funding associated with the Owner Participation Agreement.
- Section 5. It is found that an economically feasible alternative to financing is not reasonably available on comparable terms and conditions without subordination of the existing loan. Authorization is therefore granted to subordinate the existing loan.

Adopted by the Housing Authority of the City of Sacramento on April 22, 2014, by the following vote:

Ayes: Members Ashby, Cohn, Fong, Hansen, McCarty, Pannell, Schenirer, Warren and Mayor Johnson.

Noes: None

Abstain: None

Absent: None

Attest:

Shirley A. Concolino

Digitally signed by Shirley A. Concolino
DN: cn=Shirley A. Concolino, o=City of Sacramento, ou=City
Clerk, email=sconcolino@cityofsacramento.org, c=US
Date: 2014.04.28 11:23:08 -07'00'

Shirley Concolino, Secretary