



**Sacramento  
Housing &  
Redevelopment  
Agency**

May 18, 2005

City Council and the Redevelopment  
Agency of the City of Sacramento  
Sacramento, California

Honorable Members in Session

**SUBJECT: STOCKTON BOULEVARD LOAN APPLICATION TO THE  
CALIFORNIA INFRASTRUCTURE AND ECONOMIC  
DEVELOPMENT BANK**

**LOCATION & COUNCIL DISTRICT**

Stockton Boulevard Redevelopment Area  
Council District 6

**RECOMMENDATION**

Staff recommends that the City Council adopt the attached resolution on page 7, which:

- states that there are no other alternative sources of funding available to fund Phase III of the Stockton Boulevard Streetscape Improvement project, and
- authorizes the City Manager to enter into Individual Project Agreements with the Redevelopment Agency of the City of Sacramento for up to \$4 million to fund the project.

Staff recommends that the Redevelopment Agency of the City of Sacramento adopt the attached resolution on page 8, which authorizes the Executive Director to:



- submit a loan application for approximately \$4 million to the California Infrastructure and Economic Development Bank in order to fund streetscape improvements along Stockton Boulevard and, if approved:
- sign any financing documents or amendments, subject to the approval of Agency Counsel, for purposes of this financing; and
- accept the funds contingent upon all applicable legal requirements.

In addition, the Agency resolution on page 10, requests approval to use proceeds of the loan if entered into, to reimburse the Agency for eligible costs incurred prior to final loan approval.

### **CONTACT PERSONS**

Lisa Bates, City Community Development Director, 440-1322  
Cynthia Shallit, Redevelopment Management Analyst, 440-1322

### **FOR COUNCIL MEETING OF – MAY 31, 2005**

### **SUMMARY**

This report recommends that the Redevelopment Agency of the City of Sacramento (Agency) apply for \$4 million from the California Infrastructure and Economic Development Bank (Infrastructure Bank) to fund streetscape improvements along Stockton Boulevard within the Stockton Boulevard Redevelopment Project Area.

### **RAC ACTION**

At its meeting of April 14, 2005, the Stockton Boulevard Redevelopment Advisory Committee adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES : Bradley, Brown, Byrd, Greene, Lee, Martin

NOES: None

ABSENT: Cranshaw, Mitchell

### **COMMISSION ACTION**

At its meeting on May 18, 2005, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Burns, Burruss, Coriano, Gale, Gore, Harland, Hoag,  
Piatkowski, Shah, Simon, Stivers

NOES: None

ABSENT: None

### **BACKGROUND**

The Stockton Boulevard Streetscape project was first identified in the Stockton Boulevard Streetscape Master Plan adopted in 2002. Since that time, two phases have been funded with the first phase complete and the second phase under construction. Phase I, between Fruitridge Road and El Paraiso Avenue, was completed in 2003 for a total project cost of approximately \$2 million. Improvements included landscaped medians, streetscape landscaping, curb ramps, sidewalk, curb and gutter and related drainage improvements.

Phase II is currently under construction on Stockton Boulevard between Broadway and Fruitridge Road and is expected to be completed in June of this year for a total project cost of approximately \$7 million.

The Phase III project will be constructed between El Paraiso Avenue and the City/County boundary south of Riza Avenue (see map, Attachment I). The improvements will include sidewalks, curbs, gutters, curb ramps, intermittent landscaped medians, landscaped parkway strips, enhanced pedestrian crosswalks, dedicated bicycle lanes and other related improvements. Currently this project is being designed and is estimated to cost \$4 million.

The City currently has no funds that are reasonably available to fund the project. To fund Phase III, this report recommends that the Agency apply for a loan through the Infrastructure Bank. The Infrastructure Bank offers a revolving fund program designed to provide low-cost financing to public agencies for a wide variety of infrastructure projects. The Infrastructure Bank has provided a preliminary review of the streetscape project and found that it meets the eligibility requirements of their program. The Stockton Boulevard Project Area is eligible to apply for the maximum of \$4 million dollars which would cover the construction costs for the Phase III improvements.

With this last phase, we will have completed the streetscape scope identified in the original masterplan. If awarded the loan, construction will begin September 2006.

The proposed loan amount of \$4 million would be secured and repaid with Stockton Boulevard tax increment funds. Given the increase in property values on Stockton Boulevard, the amount of new development occurring in the area, and the structure of the financing, we anticipate that we will have additional opportunity to bond again, if desired, in the future.

### **FINANCIAL CONSIDERATIONS**

If approved, the Infrastructure Bank loan will provide up to \$4 million with a loan term of 30 years. Though the interest rate is not set until the time of loan approval, it is expected to be between 3% and 3.8%. Based upon preliminary analysis by the Agency's Finance Department, these terms are better than a tax allocation bond.

This loan requires a one-time loan origination fee of 0.85 percent of the loan amount or approximately \$34,000; which will be funded from loan proceeds. The annual debt service payment will be approximately \$225,000 annually.

### **POLICY CONSIDERATIONS**

This project is consistent with the Stockton Boulevard Redevelopment Plan to eliminate or ameliorate certain environmental deficiencies, inadequate or deteriorated public improvements. It is also consistent with the goals and objectives outlined in the Stockton Boulevard Implementation Plan (2005-09) to provide vital infrastructure improvements where currently little exists. The recommendations in this report are also consistent with the Broadway/Stockton Urban Design Plan, the draft County General Plan, Economic Development Element, and the City's Strategic Plan goals to enhance and preserve the neighborhoods and to promote and support economic vitality. The proposed action supports the Guiding Principle of that goal which states that priority should be given to infrastructure and facility projects that elevate areas of the City to a baseline level.

Although this section of the streetscape project lies entirely within city boundaries, both the city and county redevelopment agencies must approve actions in this report because Stockton Boulevard is a joint city-county redevelopment project area. Therefore both governing bodies must work together to ensure that the proposal is consistent with the redevelopment plan.

**ENVIRONMENTAL REVIEW**

The proposed action to authorize funding of the Phase III Stockton Boulevard Streetscape Improvements is exempt from environmental review under CEQA Guidelines Section 15301(c) because such improvements involve negligible or no expansion of capacity to accommodate vehicular traffic, nor a change in use. NEPA does not apply.

**M/WBE CONSIDERATIONS**

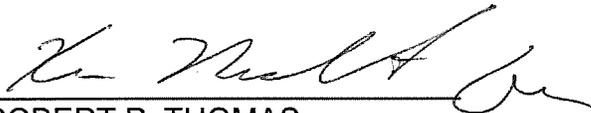
There are no federal funds allocated.

Respectfully submitted,



ANNE M. MOORE  
Executive Director

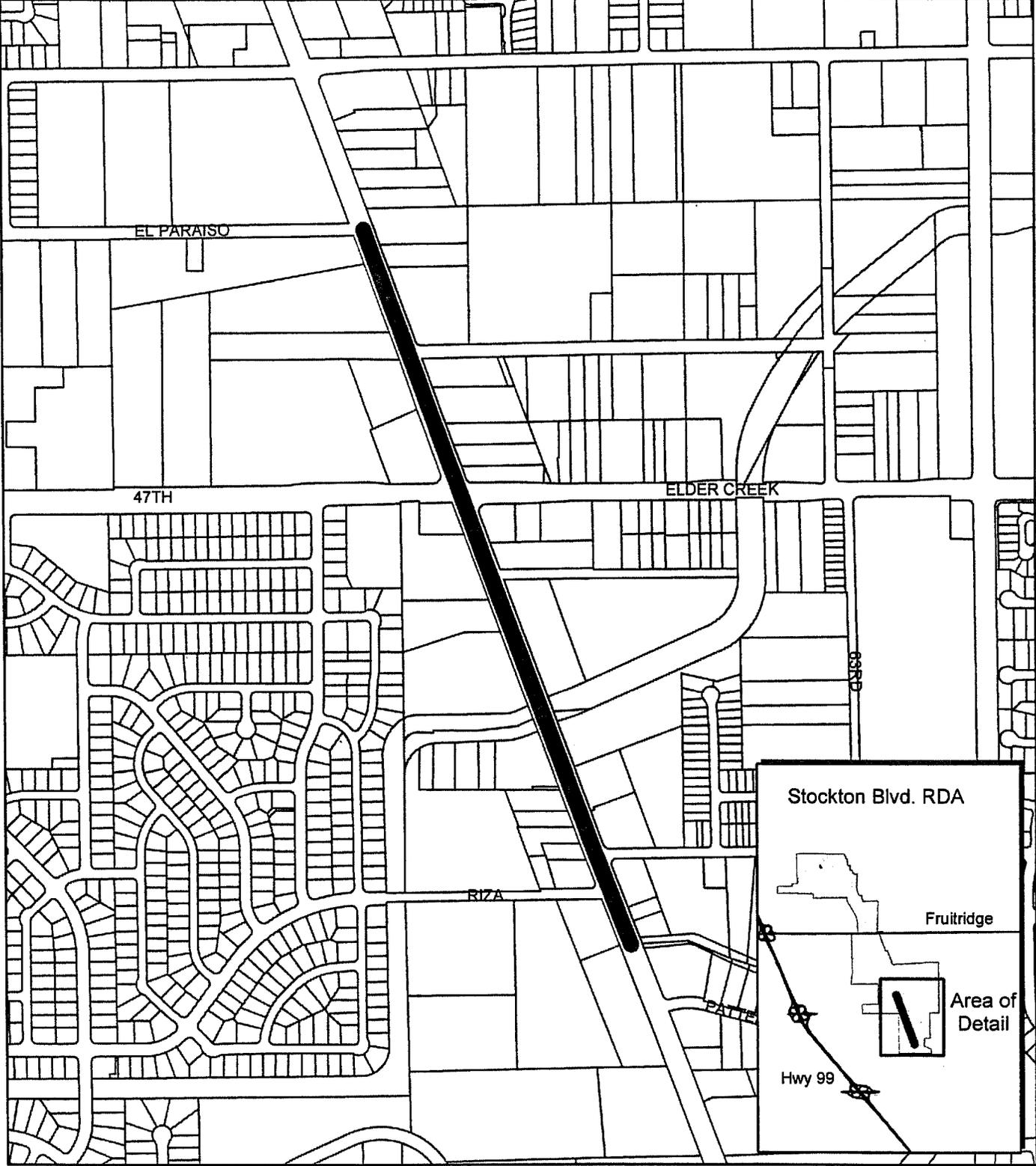
Recommendation approved,



ROBERT P. THOMAS  
City Manager

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**Stockton Blvd.  
Streetscape Phase III**

GA 5/19/05

**Legend**

-  Stockton Blvd. RDA
-  Stockton Blvd. Streetscape Phase III

0 250 500 750 1,000 Feet




**RESOLUTION NO. \_\_\_\_\_**

**ADOPTED BY THE SACRAMENTO CITY COUNCIL**

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

**STOCKTON BOULEVARD STREETScape IMPROVEMENTS PHASE III FINDINGS**

WHEREAS, the City of Sacramento adopted the Broadway/Stockton Urban Design Plan and desires to commence work on Phase III of the Stockton Boulevard Streetscape Improvements;

WHEREAS, the Redevelopment Agency of the City of Sacramento is applying for a loan of up to \$4 million from the California Infrastructure and Economic Development Bank in order to benefit the Stockton Boulevard Redevelopment Project Area.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:**

Section 1. The foregoing recitals and the statements contained in the staff report that accompanies this resolution are true and correct.

Section 2. The total cost for the Project is estimated at \$4 million, the City does not have sufficient funding to pay the Project costs, and the City has allocated all of its available funding to the Project, and the City Council finds that there are no other feasible alternative sources of funding available;

Section 3. The Project is exempt from environmental review for the reasons set out in the said staff report.

Section 4. The City Manager, or his designee, is authorized to enter into an Individual Project Agreement (IPA) with the Redevelopment Agency of the City of Sacramento for Phase III of the Stockton Boulevard Streetscape Improvement project to accept up to \$4 million from the Agency's state Infrastructure Bank Loan, if approved. for construction of the project and is authorized to take all actions and execute such instruments as may be necessary to implement the IPA.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

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

**RESOLUTION NO. \_\_\_\_\_**

**ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO**

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

**AUTHORIZATION FOR SUBMISSION OF THE APPLICATION TO  
THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC  
DEVELOPMENT BANK FOR FINANCING OF STOCKTON  
BOULEVARD STREETScape PROJECT AND APPROVING  
CERTAIN OTHER MATTERS IN CONNECTION THEREWITH**

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

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

WHEREAS, the Agency desires to submit an application (“Financing Application”) to the Infrastructure Bank for the financing of Stockton Boulevard Streetscape Project (“Project”) within the Stockton Boulevard Redevelopment Project Area (“Project Area”) in an amount not to exceed \$4 million; and

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

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

Section 1. The Agency hereby approves the filing of a Financing Application with the Infrastructure Bank for the Project; and in connection therewith certifies:

- a. That the Project is consistent with the General Plan of the City of Sacramento;
- b. That the proposed financing is appropriate for the Project;
- c. That the Project facilitates effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources;

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RESOLUTION NO.: \_\_\_\_\_

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

- 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, to the best of the Agency's knowledge of the Infrastructure Bank's Criteria Priorities and Guidelines for the Infrastructure State Revolving Fund Program, the Project is consistent therewith.

Section 2. The Executive Director, or her designee, is hereby authorized and directed to act on behalf of the Redevelopment Agency of the City of Sacramento in all matters pertaining to this application.

Section 3. If the application is approved and the Agency has commenced and completed environmental review of the Project under the California Environmental Quality Act, approved the environmental findings and based upon such findings approved the Project, the Executive Director is authorized to enter into and sign the financing documents and any amendments thereto with the Infrastructure Bank for the purposes of this financing.

Section 4. Based upon findings for the adoption of the Stockton Boulevard Redevelopment Plan and subsequent findings for the adoption of Implementation Plans for the Project Area, the Project Area meets the current definition of blighted area contained in Health and Safety Code Section 33030.

Section 5. This resolution shall become effective immediately upon adoption.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

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

**RESOLUTION NO. \_\_\_\_\_**

**ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO**

ON DATE OF

**DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF OBLIGATION**

WHEREAS, the Redevelopment Agency of the ("Agency") intends to install streetscape improvements along Stockton Boulevard from El Parioso to Riza (the "Project") in the Stockton Boulevard Redevelopment Project Area ("Project Area") including land within the City of Sacramento; and

WHEREAS, the Agency anticipates that it may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to incurring indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the Agency reasonably expects that a financing arrangement ("Obligation") in an amount not expected to exceed Four Million Dollars (\$4,000,000.00) will be entered into and that certain of the proceeds of such Obligation, if entered into, will be used to reimburse the Reimbursement Expenditures.

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

Section 1. The foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations, and does not bind the Agency to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The Agency hereby declares its official intent to use proceeds of the Obligation, if entered into, to reimburse itself for Reimbursement Expenditures.

Section 4. All of the Reimbursement Expenditures defined herein were made no earlier than 60 days prior to the date of this declaration. The Agency will allocate proceeds of the Obligation, if entered into, to pay Reimbursement Expenditures within eighteen (18) months after the later of the date the original expenditure is paid or the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid.

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**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

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

Section 5. This declaration shall be effective on and after the date of adoption of this Resolution.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_  
DATE ADOPTED: \_\_\_\_\_