

RESOLUTION NO. 2004-072

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF DEC 14 2004

APPROVAL OF OWNER PARTICIPATION AGREEMENT AND LOAN TO THE 12TH STREET COLLABORATIVE FOR THE PROJECT AT 1123 D STREET

WHEREAS, the Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Alkali Flat Park Redevelopment Plan ("Redevelopment Plan") and an Implementation Plan for Alkali Flat Project Area ("Project Area");

WHEREAS, The 12th Street Collaborative ("Developer") intends to purchase the property and child care business located at 1123 D Street ("Property") located in the Project Area and to rehabilitate this Property using with tax increment funds;

WHEREAS, the current owner of the Property, Hiatt Partnership, obtained a loan with tax increment funds from the Agency for development of the Property as a child care business and a Deed of Trust and a Regulatory Agreement was recorded against the Property requiring that its use be restricted to a child care business;

WHEREAS, Agency and the Developer desire to enter into an Owner Participation Agreement ("OPA") and Loan Agreement to allow the Developer to acquire the Property and business and make improvements to the Property to continue its use as a child care facility in accordance with the terms of the Regulatory Agreement as more specifically described in the OPA and the Loan Agreement (collectively, "Project"); and

WHEREAS, a copy of the OPA and Loan Agreement is on file with the Agency Clerk.

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

Section 1. The Executive Director is directed to prepare a Notice of Exemption for the Project based on the findings in the accompanying staff report in accordance with CEQA Guidelines Section 15062.

Section 2. The purchase of the Property by the Developer to allow for the continued use of the Property as a child care business is consistent with the goals and objectives of the Redevelopment Plan and the Implementation Plan. The OPA shall be deemed an implementing document approved in furtherance of the Redevelopment Plan and Implementation Plan for the Project Area, and all applicable land use plan, studies, and strategies.

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Section 3. The Executive Director is authorized to amend the Agency budget to transfer \$254,000 of the Alkali Flat tax Increment funds from the LaValentina Montessori School Project and \$246,000 from the Alkali Flat Developer's Assistance to the Sacramento Montessori School Project, for a total of \$500,000 for the Sacramento Montessori School Project.

Section 4. The Owner Participation Agreement (OPA) and the Loan Agreement in the amount of \$500,000, of which \$260,000 is a forgivable loan over a 10 year period and \$240,000 would be due upon the subsequent sale of the Property or the child care business located on the Property, are approved. The Executive Director is authorized to execute the OPA, the Loan Agreement, Escrow Instructions and related conveyance documents, and to perform other actions as necessary to implement the terms of the OPA and the Loan Agreement. In accordance with Health and Safety Code Section 33334.14, the existing Regulatory Agreement containing covenants referred to in the OPA and the Agency Loan may be subordinated to the lien or encumbrance of the Developer's lender.

FEATHER FARGO

CHAIR

ATTEST:

SHIRLEY CONCOLINO

SECRETARY

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