

RESOLUTION NO. 2002-052

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

DEC - 3 2002

**PING YUEN CENTER;
APPROVAL OF \$3 MILLION GRANT AND A \$1.3 MILLION
ACQUISITION LOAN (MERGED DOWNTOWN
SACRAMENTO REDEVELOPMENT PROJECT AREA FUNDS); EXECUTION OF A
DISPOSITION AND DEVELOPMENT AGREEMENT WITH A.F. EVANS
DEVELOPMENT FOR THE DEVELOPMENT OF PING YUEN CENTER; RELATED
AUTHORIZATIONS**

WHEREAS, the Agency desires to utilize Merged Downtown Sacramento Redevelopment Project Area funds for the rehabilitation of a Redevelopment Agency-owned property at 420 I Street known as Ping Yuen ("Project") which is located in the Merged Downtown Sacramento Redevelopment Project Area;

WHEREAS, the Agency and A.F. Evans Development ("Developer") desire to enter into a DDA, a copy of which accompanies this resolution and is on file with the Agency Clerk, which DDA would convey INTEREST in the Property, as specifically described in the DDA and which would require the improvements within the Property, as further described in the DDA;

WHEREAS, a report under Health and Safety Code has been prepared, filed with the Agency Clerk and duly made available for public review, and, proper notice having been given, a hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433.

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

Section 1. The Project will assist in the elimination of blight in that it will bring to current code utility conditions of the building, finished walls and floors; and renovate a deteriorated and dilapidated structure. The Project is consistent with the goals and objectives of the Redevelopment Plan and the Implementation Plan. A goal of the Redevelopment Plan, as stated in the Implementation Plan is to create attractive new housing opportunities at various affordability levels. The DDA shall be deemed an implementing document approved in furtherance of the Redevelopment Plan, the Implementation Plan for the Project Area and all applicable land use plan, studies, and strategies.

Section 2. The consideration given for the interest conveyed under the DDA is not less than the fair reuse value at the use and with the covenants, conditions, restrictions, and necessary development costs authorized by the DDA and conveyance documents.

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Section 3. In accordance with Health and Safety Code Section 33334.14 the Regulatory Agreement containing covenants imposed by the DDA may be subordinated to the lien, encumbrance or regulatory agreement of the senior lender that is providing financing for the Project, as identified by the Agency in the staff report that accompanies this resolution, because no other feasible method of financing the Project on comparable terms and conditions, but without such subordination, is reasonably available and the Agency has obtained the following written commitments from such senior lender that are designed to protect the Agency's investment: (a) a right of the Agency to cure the senior loan, (b) a right of the Agency to negotiate with the Lender after notice of default from lender, (c) an agreement that the lender will not exercise any right of acceleration based upon transfer of title to the Agency as a result of Agency's cure of the Developer's default of the senior loan and (d) a right of the Agency to purchase the Property from the Developer or the subsequent owners of the Property at any time after Developer's default of the senior loan.

Section 4. The DDA is approved and the Executive Director is authorized to execute the DDA with the Developer and to take such actions, execute such instruments, and amend the budget as may be necessary to effectuate and implement this resolution and the DDA.

Section 5. The Executive Director is authorized to disburse and receive funds for the above purposes, as provided in the DDA.

Section 6. The Agency Budget is amended to transfer \$3,000,000 from the Housing Set-aside portion of the 2001 Merged Downtown Sacramento Tax Allocation Bond.

Section 7. Any proceeds emanating from the sale of this property will be returned to the Housing Authority.



CHAIR

ATTEST:



SECRETARY

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