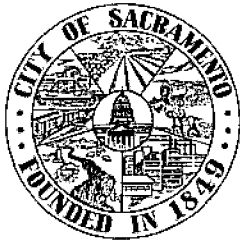


29
37



CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY MANAGER

CITY HALL
915 I STREET - 95814
(916) 449-5704

April 29, 1980

By the City Council
Office of the City Clerk

*Cont to
4-29-80*

City Council of the
City of Sacramento
City Hall, 915 I Street
Sacramento, California 95814
APR 15 1980

Honorable Members in Session:

SUBJECT: Submission of Urban Development Action Grant (UDAG)
Application for \$135,000 for Kanpai Corporation, Inc.,
Tenant in Barriga-Frey Building in Old Sacramento

SUMMARY

Attached is a resolution by which you approve an Urban Development Action Grant (Kanpai Corporation, Inc.) Application and authorize the City Manager to submit the Application to the Department of Housing and Urban Development.

BACKGROUND

The Urban Development Action Grant (UDAG) program was created by the Department of Housing and Urban Development through the Housing and Community Development Act of 1977. The purpose of UDAG is to create new jobs and assist in upgrading neighborhoods through a partnership between the City, private investment, and other agencies.

UDAG has been funded for the current year at \$600 million nationally. The Kanpai Corporation, Inc. project meets the key criteria for UDAG funding in the following ways:

1. Private capital is committed to the project via bank loan and developer equity.
2. The project will create 35 permanent new jobs and provide 12 temporary construction jobs.
3. The ratio of Federal to private funds is equal to 1 to 10.

20 Year Lease Agreement (\$.65¢/sq.ft. X 12 months X 20 years)	APPROVED BY THE CITY COUNCIL	\$1,053,000
Fixed Leasehold Improvements	APR 29 1980	243,000

	OFFICE OF THE CITY CLERK	\$1,296,000
\$130,000 to \$1,296,000 = 1:10		

City Council of the
City of Sacramento
April 29, 1980
Page Two

Kanpai Corporation, Inc., a minority firm, is proposing leasehold improvements to construct a 7,500 square feet Japanese Restaurant in Old Sacramento with the assistance of an eight-year variable interest rate UDAG loan. The terms of the UDAG loan are for 1% interest only the first three (3) years and 8% of the remaining principal balance the next five (5) years. The principal will be repaid in annual installments of \$26,000 for five years beginning with Year 4. Funds (loan repayment and interest) reverting back to the City of Sacramento will be placed into a UDAG Revolving Fund to assist other small and minority firms provide jobs through future development.

FINANCIAL DATA

This Application is for a grant to the City of Sacramento for \$135,000. The City would in turn loan \$130,000 to Kanpai Corporation, Inc. for a low variable interest rate loan. The amount of \$5,000 will be used by the Sacramento Housing and Redevelopment Agency for grant management and administration. There are no local matching requirements. The City and Agency will not have any financial obligation under this Application. This project will necessitate no increase in personnel.

UDAG Loan	\$130,000
Local Lending Institution (Bank of America)	272,000
Developer Equity	<u>68,000</u>
Total Development Cost	\$470,000

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting on April 7, 1980 the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached Resolution. The votes were recorded as follows:

AYES: Coleman, Luevano, A. Miller, Serna, Teramoto, B. Miller

NOES: None

ABSENT: Fisher, Knepprath, Walton

City Council of the
City of Sacramento
April 29, 1980
Page Three

RECOMMENDATION

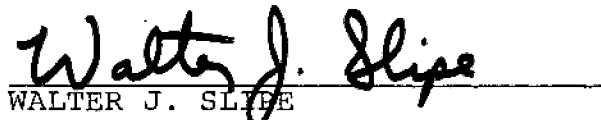
This item was heard before the Budget and Finance Committee on April 29, 1980. The Committee agreed to forward this Application to the City Council for consideration with recommendation for approval. It is my recommendation that you adopt the attached Resolution.

Respectfully submitted,



MAC MAILES
Assistant City Manager

RECOMMENDATION APPROVED:



WALTER J. SLIFE
City Manager

Contact Person: Leo T. Goto

RESOLUTION NO. 80-267

Adopted by The Sacramento City Council on date of

April 29, 1980

**APPROVAL AND SUBMISSION OF AN APPLICATION
FOR AN URBAN DEVELOPMENT ACTION GRANT**

BE IT RESOLVED BY THE CITY OF SACRAMENTO:

Section 1. The Application for an Urban Development Action Grant (Kanpai Corporation, Inc.) is approved and the City Manager is hereby authorized to submit the Application for funding to the Department of Housing and Urban Development.

Mayor

Attest:

City Clerk

APPROVED
BY THE CITY COUNCIL

APR 29 1980

OFFICE OF THE
CITY CLERK



CITY OF SACRAMENTO

OFFICE OF THE CITY CLERK
915 I STREET
CITY HALL ROOM 203

SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 449-6426

LORRAINE MAGANA
CITY CLERK

May 2, 1980

Mr. Ira Carter
Vice Chancellor, Administrative Services
Los Rios Community College District
1919 Spanos Court
Sacramento, California 95825

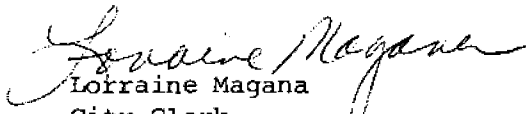
Dear Mr. Carter:

On March 11, 1980, the City Council adopted a resolution authorizing the execution of the agreement with Los Rios Community College District for the Hughes Stadium All Weather Track.

Enclosed are five (5) copies of the agreement executed by the City as authorized by the attached certified resolution.

Upon final execution, please return four (4) copies of said agreement for the City's distribution.

Sincerely,


Lorraine Magana
City Clerk

LM:sj
Encl: 5

Item No. 37