

RESOLUTION NO. 2012-001

Adopted by the Sacramento City Council
Housing Authority Successor Agency

March 20, 2012

RIDGEWAY STUDIOS: APPROVAL OF THE RESTRUCTURING OF OUTSTANDING AGENCY LOAN AND ASSUMPTION OF OBLIGATIONS BY RIDGEWAY SRO INVESTORS, L.P. OR RELATED ENTITY

BACKGROUND

- A. Ridgeway SRO Investors, L.P. ("Developer") has applied for an Agency Loan of One Million Two Hundred Thousand Dollars (\$1,200,000) comprised of \$1,130,880 in City Home Investment Partnership Program Funds (HOME) and \$69,120 in proceeds from a relocation payment made by the Developer to SHRA pursuant to Residential Hotel Ordinance 2006-056 to assist in funding the construction and permanent financing of the 22-unit Ridgeway Studios Project.
- B. The Project currently has a Low/Moderate Tax Increment Agency loan outstanding. The principle balance of the loan is \$300,000 plus \$218,150 of accrued interest.
- C. The original Agency signatory for the outstanding Agency loan was the Redevelopment Agency of the City of Sacramento.
- D. In 2011 the California Legislature enacted AB 1X 26 which law, coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies as of February 1, 2012, and the transfer of all assets, properties, contracts and leases of the former redevelopment agencies to successor agencies, and requiring successor agencies to carry out the winding down of the redevelopment agencies.
- E. The City of Sacramento previously established the Redevelopment Agency of the City of Sacramento, a body corporate and politic ("Redevelopment Agency" or RDA) in order to carry out plans for the improvement, rehabilitation, and redevelopment of blighted areas within the City.
- F. On January 31, 2012, the City designated the Housing Authority of the City of Sacramento (PHA) as the local authority to retain the housing assets and functions previously performed by the RDA.
- G. On January 31, 2010 the PHA affirmatively elected pursuant to Health and Safety Code Section 34176 that it will serve as the "Successor Housing Agency" to the former Redevelopment Agency of City of Sacramento (RDA) and authorizes the Executive Director to take actions necessary to comply with the designation in a manner that is consistent with federal and state law.

- H. The existing project loan due to its Low/Moderate fund origin is a housing asset.
- I. The proposed action is categorically exempt under California Environmental Quality Act (CEQA) Guidelines Section 15301 which exempts actions on existing facilities, including rehabilitation and financing, where the use remains unchanged. The proposed action is also categorically exempt under CEQA, Section 15331, which exempts Historical Restoration/Rehabilitation actions.
- J. The specific actions herein are exempt under National Environmental Policy Act (NEPA) regulations at 24 CFR Section 58.34(a)(2) and (3), which exempt information and financial services, and administrative and management activities respectively. In accordance with 24 CFR Part 58 Subpart E, environmental review for the Ridgeway Studios Project is currently underway, and will be completed prior to any choice limiting action.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ACTING AS SUCCESSOR HOUSING AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The above recitals are found to be true and correct and the proposed Project is categorically exempt under CEQA Guidelines Section 15301 and 15331. NEPA is currently underway, and will be completed prior to any choice limiting action.
- Section 2. The restructuring of outstanding Agency loan and related documents in the amount of \$300,000 principal, plus \$218,150 of accrued interest to extend the maturity date and allow the assumption of the obligation by, Ridgeway SRO Investors, L.P., in order to ensure the continued viability of the development is approved. The loan may be subordinated if such subordination is required to obtain primary financing.

Adopted by the City of Sacramento Council as the Housing Authority Successor Agency on March 20, 2012 by the following vote:

Ayes: Councilmembers Ashby, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

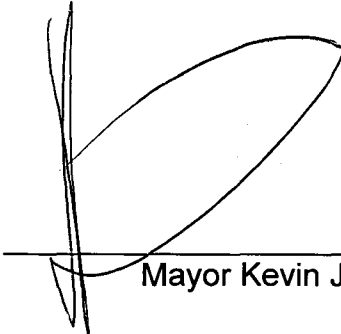
Noes: None.

Abstain: None.

Absent: Councilmember Cohn.

Attest:


Shirley Concolino, City Clerk


Mayor Kevin Johnson