

RESOLUTION NO. 2010-001

Adopted by the Financing Authority
of the City of Sacramento

September 21, 2010

AUTHORIZING THE DEEMED REISSUANCE OF NOT TO EXCEED \$10,000,000 AGGREGATE PRINCIPAL AMOUNT OF PREVIOUSLY ISSUED SACRAMENTO CITY FINANCING AUTHORITY 2005 TAX ALLOCATION REVENUE BONDS, SERIES A (MERGED DOWNTOWN AND OAK PARK PROJECTS) AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

BACKGROUND

- A. The Sacramento City Financing Authority (the "Authority") is a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California.
- B. The Authority previously issued its 2005 Tax Allocation Revenue Bonds, Series A (Merged Downtown and Oak Park Projects) (the "Bonds") as tax-exempt bonds under the Internal Revenue Code of 1986 (the "Code") for the purpose, among others, of making a loan (the "Loan") to the Redevelopment Agency of the City of Sacramento (the "Agency") for the financing by the Agency of certain redevelopment projects located within the Agency's Merged Downtown Redevelopment Project Area.
- C. A portion of the proceeds of the Loan has been used to make a grant to the original developer of, and to pay certain other costs associated with, a project located at 729 L Street in the City of Sacramento, California and commonly known as the Hotel Berry (the "Project").
- D. The Agency has acquired ownership of the Project from the original developer and now proposes to transfer ownership of the Project to an organization as described in Section 501(c)(3) of the Code or a limited liability company the sole corporate members of which are organizations described in Section 501(c)(3) of the Code.
- E. In order to maintain the tax-exempt status of the Bonds under the Code following such transfer of the Project, the Authority and the Agency propose that the portion of the Bonds allocable to the Project in an aggregate principal amount not to exceed \$10,000,000 (the "Allocable Bonds") be deemed reissued by the Authority for federal tax purposes as "Qualified 501(c) (3) Bonds" under the Code.
- F. Pursuant to Section 147(f) of the Code, the City Council of the City of Sacramento, as the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, has, following notice duly given, held a public

hearing regarding the deemed reissuance of the Allocable Bonds by the Authority, and has approved the deemed reissuance of the Allocable Bonds by the Authority.

- G. In order to effectuate the deemed reissuance of the Allocable Bonds it will be necessary for the Authority to execute and deliver a Supplemental Tax Certificate (the "Supplemental Tax Certificate") supplemental to that certain Tax Certificate, dated December 7, 2005, executed by the Authority and the Agency and certain other documents or certificates.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE SACRAMENTO CITY FINANCING AUTHORITY RESOLVES AS FOLLOWS:

- Section 1. All of the above recitals are true and correct, and the Authority so finds and determines.
- Section 2. The Authority hereby authorizes the deemed reissuance for federal tax purposes of the Allocable Bonds as "Qualified 501(c) (3) Bonds" under the Code.
- Section 3. The officers of the Authority, each acting alone, are hereby authorized and directed to do any and all things and to execute and deliver any and all documents, including, without limitation, the Supplemental Tax Certificate, and any other documents as may be required or which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, and any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

This resolution shall take effect from and after its passage and adoption.


Adopted by the Financing Authority of the City of Sacramento on September 21, 2010 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, and Waters.

Noes: None.

Abstain: None.

Absent: Mayor Johnson.


Vice Chair Robbie Waters

Attest:


Shirley Concolino, Secretary