

RESOLUTION NO. 2005-015

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF **MAR 01 2005**

**APPROVAL OF DISPOSITION AND DEVELOPMENT
AND LOAN AGREEMENTS WITH GMA INVESTORS, LP
FOR DEVELOPMENT OF THE
GLOBE MILLS ADAPTIVE REUSE PROJECT
AT 1131 C STREET AND AMENDING AGENCY BUDGET**

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

WHEREAS, Agency owns certain real property generally described as the Globe Mills Development Site at 1131 C Street (002-0074-007 and 011) ("Property") in the Project Area, which was acquired with tax increment funds;

WHEREAS, Agency and GMA Investors, LP ("Developer") desire to enter into Disposition and Development Agreement ("DDA") to convey the Property to Developer for adaptive reuse as senior and market rate housing; as more specifically described in the DDA, and which would require the improvements within the Property contingent on Agency grant and loan funding, as further described in the DDA (collectively, "Project");

WHEREAS, a copy of the DDA is on file with the Agency Clerk and made available for public review;

WHEREAS, in accordance with the California Environmental Quality Act ("CEQA") and the National Environmental Protection Act ("NEPA") and their respective implementing regulations, an Environmental Impact Report and Environmental Assessment for the Project has been completed, certified by the City of Sacramento and considered by the Agency as set out in a separate Agency resolution accompanying the staff report;

WHEREAS, a report under Health and Safety Code Section 33433 ("Section 33433 Report") has been prepared, filed with the Agency Clerk, and made available for public review; and

WHEREAS, proper notice of this action has been given and a public hearing has been held in accordance with Health and Safety Code Sections 33431.

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NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. After due consideration of the evidence presented, the findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. The sale of the Property and construction of the Project is consistent with the goals and objectives of the Redevelopment Plan to develop and rehabilitate housing for all income groups, restore historically and architecturally significant structures, and eliminate environmental deficiencies, including substandard alleys and sidewalks., and is consistent with the Implementation Plan. The DDA 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.

Section 3. The Project will assist in the elimination of blight. The Report as required under Health and Safety Code Section 33433 is hereby approved.

Section 4. The consideration for the Agency's conveyance of the Property to Developer is based on the Developer's commitment to develop the Project in accordance with the terms of the DDA, and the terms of the sale of the Property as set out in the DDA is not less than the fair reuse value of the Property at the use and with the covenants, conditions, restrictions required by the DDA and the related Regulatory Agreement and Grant Deed.

Section 5. The Disposition and Development Agreement is approved and the Executive Director is authorized to execute the DDA, Grant Deed, Regulatory Agreement, Escrow Instructions and related conveyance documents, and to perform other actions as necessary to implement the terms of the DDA.

Section 6. The Agency's Budget is hereby amended to transfer \$1,540,000 from Tax Exempt Alkali Flat Tax Allocation Bonds ("Bond Funds") and \$600,000 from Alkali Flat Low/Mod Tax Increment revenues to the Globe Mills Adaptive Reuse Project, and transfer \$1,430,000 from Alkali Flat Tax Increment Developer Assistance to the Globe Mills Adaptive Reuse Project.

Section 7. The Executive Director is authorized to expend an amount not to exceed the amount of \$1,540,000 using Bond Funds for payment of remediation costs and City's fees for the Project, and to make a loan to the Developer in the amount of \$2,030,000 ("TI Loan") using tax increment revenues, as specified above, conditioned on Developer's receipt of tax credits and conventional financing, and in accordance with the terms as described in the accompanying staff report. Pursuant to Health and Safety Code Section 33334.14, the Grant, Loan and Regulatory Agreement containing covenants imposed by the DDA may be subordinated to the lien or encumbrance of the Developer's lender.

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Section 8. The Agency hereby commits an amount not to exceed \$4,000,000 in future Alkali Flat Alkali Flat Tax Increment revenues, with payments commencing in 2013, as a pledge towards payment of the debt service for the U.S. Department of Housing and Urban Development Section 108 loan that the City of Sacramento has made to the Developer for the Project, to the extent that the Agency is obligated to pay the debt service pursuant to the terms of the Loan.

Section 9. The Executive Director of the Agency is authorized to execute contracts for remediation of the Project property, and execute the TI Loan and related documents for the financing of development of the Project in a form approved by the Agency Counsel; to enter into other agreements, execute other documents, and perform other actions necessary to fulfill the intent of the staff report that accompanies this resolution in accordance with their respective terms; and to ensure proper repayment of Agency funds, including without limitation, subordination, extensions and restructuring of payments, all as approved by Agency Counsel.

Section 10. The Executive Director is authorized to make technical amendments to said agreements and documents with the approval of Agency Counsel, which amendments are in accordance with Agency policy, this resolution, good legal practices for the making of such grants and loans, and with the staff report that accompanies this resolution.

HEATHER FARGO

CHAIR

ATTEST:

SHIRLEY CONCOLINO

SECRETARY

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