

## **RESOLUTION NO. 2007-804**

Adopted by the Sacramento City Council

November 6, 2007

### **SOUTHCREST APARTMENTS: APPROVAL OF UP TO \$1,500,000 DEVELOPMENT LOAN; EXECUTION OF LOAN COMMITMENT, LOAN AGREEMENT, AND RELATED DOCUMENTS WITH SOUTHCREST APARTMENTS ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, OR RELATED ENTITY; RELATED BUDGET AMENDMENT**

#### **BACKGROUND**

- A. Southcrest Apartments Associates, L.P. has requested allocation of One Million Five Hundred Thousand Dollars (\$1,500,000) from the City Home Investment Partnership ("HOME") Program to the Southcrest Apartments project to assist in funding the acquisition and development of a 30 unit multifamily housing project that will include six very low income and 23 low income units.
- B. The Southcrest Apartments project qualifies for HOME funding under the applicable HUD regulations.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. All of the evidence presented having duly considered, the findings, including the environmental findings regarding this action are approved.
- Section 2. The Sacramento Housing and Redevelopment Agency ("Agency") is authorized to amend the Agency Budget to transfer up to \$1,500,000 from the HOME Program to the Southcrest Apartments project.
- Section 3. The Loan Commitment, attached to and incorporated in this resolution by this reference, for financing the Southcrest Apartments project with HOME Program funds in the amount of up to \$1,500,000 is approved and the Agency is authorized to execute and transmit the Loan Commitment to Southcrest Apartments Associates L.P., or related entity.
- Section 4. Subject to the satisfaction of conditions in the Loan Commitment, the Agency is authorized to prepare and execute all Loan documents required for making of the \$1,500,000 Loan for a term of 33 years, with an interest rate of 4% (simple), and a loan repayment deferral until the beginning of the 4th year with Southcrest Apartments Associates L.P. or related entity to fund the acquisition and construction of the Southcrest Apartments.

Section 5. The Agency is authorized to enter into and execute other documents and perform other actions necessary to fulfill the intent of the staff report that accompanies this resolution, the Loan Commitment, in accordance with their respective terms, and to ensure proper repayment of the Agency funds including without limitation, subordination, extensions and restructuring of payments, all as approved by Agency Counsel.

Section 6. The Agency is authorized to make technical amendments to said agreements and documents with approval of Agency Counsel, which amendments are in accordance with the Loan Commitment, with Agency policy, with this resolution, with good legal practices for making of such a loan, and with the staff report that accompanies this resolution.

Adopted by the City of Sacramento City Council on November 6, 2007 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.

  
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Mayor Heather Fargo

Attest:

  
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Shirley Concolino, City Clerk