

RESOLUTION NO. 2008-013

Adopted by the Housing Authority
of the City of Sacramento

August 7, 2008

RIVERVIEW PLAZA: APPROVAL OF THE SUBSTITUTION OF THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO (HOUSING AUTHORITY) AS THE LIMITED PARTNER OF RIVERVIEW PLAZA ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP (PARTNERSHIP); AUTHORIZE ACCEPTANCE OF \$300,000 GROUND LEASE PARTIAL PAYMENT FROM THE PARTNERSHIP; AUTHORIZE AMENDING THE BUDGET TO APPROPRIATE \$300,000 GROUND LEASE PAYMENT FOR THE PURCHASE OF CHEVRON'S LIMITED PARTNER INTEREST; AUTHORIZE THE PURCHASE OF CHEVRON'S LIMITED PARTNER INTEREST FOR \$300,000; AUTHORIZE INTERIM EXECUTIVE DIRECTOR TO AMEND THE BUDGET TO PAY FOR ALL TRANSFER FEES, COSTS AND LEGAL EXPENSES ON BEHALF OF THE PARTNERSHIP AND HOUSING AUTHORITY IN CONNECTION WITH THE LIMITED PARTNER SUBSTITUTION AND PURCHASE; AUTHORIZE EXECUTION OF DOCUMENTS TO PURCHASE CHEVRON'S LIMITED PARTNER INTEREST AND SUBSTITUTE THE HOUSING AUTHORITY AS LIMITED PARTNER OF THE PARTNERSHIP; ACCEPTANCE OF OWNER PARTICIPATION AGREEMENT, FORGIVABLE LOAN OF UP TO \$5,000,000 AND RELATED DOCUMENTS TO THE PARTNERSHIP; MODIFICATION AND EXTENSION OF AFFORDABILITY RESTRICTIONS ON THIRTY-THREE (33) UNITS IN THE RIVERVIEW PLAZA RESIDENTIAL PROJECT

BACKGROUND

- A. Riverview Plaza is a 16-story commercial and age-restricted residential project located at 600 I Street, Sacramento. The commercial portion is owned by the Housing Authority of the City of Sacramento. The 124-unit residential portion is owned by Riverview Plaza Associates, A California Limited Partnership (Partnership).
- B. The residential portion of the project was financed with 9% low income housing tax credits in 1989. The 15 year tax credit compliance period expired in 2004.
- C. The investor limited partner, Chevron U.S.A. Inc., has received all of its tax benefits under the tax credit financing and would like to be released from the Partnership.
- D. McGinnis Chen Associates performed a comprehensive capital needs assessment in 2006 that evaluated the condition of the building components and systems.
- E. Riverview Plaza is in need of immediate repairs to the exterior shell of the building and replacement of outdated portions of the Fire, Life and Safety evacuation system.
- F. Riverview Plaza does not have sufficient reserves or the financial capacity to fund needed repair work to ensure the building continues to operate properly and efficiently.

- G. The Partnership has made a funding request to the Redevelopment Agency of the City of Sacramento for a forgivable loan of \$5,000,000 to fund immediate repair needed to the Riverview Plaza development.

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

- Section 1. It is determined that the action proposed by this resolution is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Sections 15310 and 15301(a) and (d) which exempts bond and loan financing and rehabilitation of existing facilities where the use remains unchanged.
- Section 2. The Interim Executive Director is authorized to substitute the Housing Authority of the City of Sacramento as the limited partner of the Partnership.
- Section 3. The Interim Executive Director or designee is authorized to execute all documents required to substitute the Housing Authority of the City of Sacramento as the limited partner of the Partnership.
- Section 4. The Housing Authority is authorized to accept a \$300,000 partial ground lease payment from the Partnership.
- Section 5. The Interim Executive Director is authorized to amend the budget to appropriate the \$300,000 ground lease payment from the Partnership for the purchase of the current limited partner's (Chevron U.S.A. Inc.) interest.
- Section 6. The Housing Authority is authorized to purchase Chevron's limited partner interest for \$300,000.
- Section 7. The Interim Executive Director or designee is authorized to execute all documents required to purchase Chevron's limited partner interest.
- Section 8. The Interim Executive Director is authorized to amend the budget to pay for all transfer fees, costs and legal expenses on behalf of the Partnership and Housing Authority, itself, in connection with the substitution of the Housing Authority as limited partner and purchase of Chevron's limited partner interest.
- Section 9. The Housing Authority approves the Partnership's funding request to the Redevelopment Agency of the City of Sacramento for a forgivable loan of \$5,000,000 from Downtown Tax-Exempt Tax Allocation Bonds to the Partnership to complete immediate needs repair work to Riverview Plaza.
- Section 10. The Partnership is authorized to apply cost savings, if any, under the immediate needs budget, toward other priority capital needs identified in the 2006 McGinnis Chen Associates Needs Assessment Report.

Section 11. The Partnership is authorized to accept recordation of a regulatory agreement on the property modifying and extending affordability restrictions on thirty three (33) of the residential units in the project for 55 years.

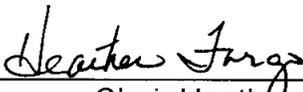
Adopted by the Housing Authority of the City of Sacramento on August 7, 2008 by the following vote:

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

Noes: None.

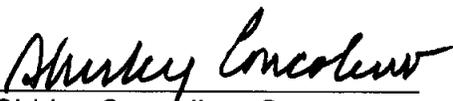
Abstain: None.

Absent: Councilmember McCarty.



Chair Heather Fargo

Attest:



Shirley Concolino, Secretary