

RESOLUTION NO. 2007-027

Adopted by the Redevelopment Agency
of the City of Sacramento

May 22, 2007

APPROVAL OF EXTENSION OF LOAN COMMITMENT WITH AURA AT 601 CAPITOL MALL, LLC FOR DEVELOPMENT OF THE AURA PROJECT AT 601 CAPITOL MALL

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Merged Downtown Redevelopment Plan ("Redevelopment Plan") and an Implementation Plan for the Merged Downtown Project Area ("Project Area").
- B. One of the outcomes of the JKL Corridor Workshop was an interest in looking at stimulating redevelopment, especially new housing, to eliminate both the physical and economic conditions causing blight.
- C. Development of additional residential units is in keeping with the Agency's goals of enhancing housing opportunities in the downtown.
- D. On February 6, 2007, the Agency approved business terms for a market-rate loan of \$10,000,000 to be incorporated into an Owner Participation Agreement with the Developer. The report and accompanying resolution provided sixty days for staff to return to the Agency Board with the Owner Participation Agreement and any related documents.
- E. On April 3, 2007, The Agency approved a 45-day extension of the loan commitment.
- E. Due to continued negotiations with the other lenders on the project the final terms of the OPA have not been determined and an additional 68 days is required to complete these actions.

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

- Section 1. After due consideration of the facts presented, it is found and determined that the proposed action is exempt from environmental review under the California Environmental Quality Act Guidelines Section 15262 as planning for possible future action.

Section 2. Agency approves the negotiations with Aura at 601 Capitol Mall, LLC for a proposed Owner Participation Agreement including a market-rate construction loan in the amount of \$10,000,000 with final terms of the loan to be negotiated.

Section 3. Agency approves an extension of this loan commitment until July 31, 2007.

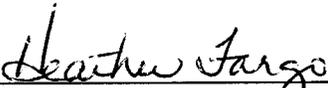
Adopted by the City of Sacramento Redevelopment Agency on May 22, 2007 by the following vote:

Ayes: Members Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Waters and Chair Fargo.

Noes: None.

Abstain: None.

Absent: Member Tretheway



Chair Heather Fargo

Attest:



Dawn Bullwinkel, Assistant Secretary