

RESOLUTION NO. 2007-882

Adopted by the Sacramento City Council

December 4, 2007

APPROVING CERTAIN LOANS TO BE ENTERED INTO BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, APPROVING FIRST AMENDMENT TO STOCKTON BOULEVARD ADVANCE REPAYMENT AGREEMENT AND PROVIDING OTHER MATTERS RELATING THERETO

BACKGROUND:

- A. The Redevelopment Agency of the City of Sacramento (the "Agency") is a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Part 1 of Division 24 of the Health and Safety Code of the State of California (the "Redevelopment Law"), and has the power under Section 33601 of the Redevelopment Law to borrow money for any of its corporate purposes.
- B. The Sacramento City Financing Authority (the "City Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement (the "City Authority Agreement"), dated October 1, 1989, by and between the City of Sacramento (the "City") and the Agency, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and is authorized pursuant to Article 4 of the Act and the City Authority Agreement to issue bonds for the purpose of providing funds to the City and the Agency to provide financing and refinancing for redevelopment activities of the Agency that are public capital improvements.
- C. In order to obtain funds to make an advance to the Agency for the purpose of financing redevelopment activities with respect to its North Sacramento Redevelopment Project (the "1999 North Sacramento Advance"), pursuant to an advance repayment agreement dated as of December 1, 1999 (the "1999 North Sacramento Advance Repayment Agreement"), the City leased certain City-owned properties to the City Authority and used a portion of the City Authority's one-time up-front lease payment (the "1999 City Authority Lease Payment") to fund the 1999 North Sacramento Advance.
- D. The City Authority funded the 1999 City Authority Lease Payment with a portion of the proceeds of its Sacramento City Financing Authority 1999 Capital Improvement Revenue Bonds (Solid Waste and Redevelopment Projects).

- E. In order to obtain funds to make an additional advance to the Agency pursuant to a First Amendment to North Sacramento Advance Repayment Agreement, dated as of June 1, 2005 (the "2005 North Sacramento Advance") for the purpose of repaying a portion of the 1999 North Sacramento Advance, the City leased certain City-owned properties to the City Authority and used a portion of the City Authority's one-time up-front lease payment (the "2005 City Authority Lease Payment") to fund the 2005 North Sacramento Advance.
- F. The City Authority funded the 2005 City Authority Lease Payment with a portion of the proceeds of its Sacramento City Financing Authority 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment and Master Lease Program Facilities).
- G. In order to obtain funds to make an additional advance to the Agency pursuant to a Second Amendment to North Sacramento Advance Repayment Agreement, dated as of June 1, 2006 (the "2006 North Sacramento Advance") for the purpose of financing redevelopment activities with respect to its North Sacramento Redevelopment Project the City leased certain City-owned properties to the City Authority and used a portion of the City Authority's one-time up-front lease payment (the "2006 City Authority Lease Payment") to fund the 2006 North Sacramento Advance.
- H. The City Authority funded the 2006 City Authority Lease Payment with a portion of the proceeds of its Sacramento City Financing Authority 2006 Capital Improvement Revenue Bonds, Series A (Community Reinvestment Capital Improvement Program) and its Sacramento City Financing Authority 2006 Taxable Capital Improvement Revenue Bonds, Series B (Community Reinvestment Capital Improvement Program).
- I. In order to obtain funds to make an advance jointly to the Agency and the Redevelopment Agency of the County of Sacramento (the "County Agency") with respect to their Stockton Boulevard Redevelopment Project (the "2002 Stockton Boulevard Advance"), pursuant to an advance repayment agreement dated as of July 1, 2002 (the "2002 Stockton Boulevard Advance Repayment Agreement"), the City leased certain City-owned properties to the City Authority and used a portion of the City Authority's one-time up-front lease payment (the "2002 City Authority Lease Payment") to fund the 2002 Stockton Boulevard Advance.
- J. The City Authority funded the 2002 City Authority Lease Payment with a portion of the proceeds of its Sacramento City Financing Authority 2002 Revenue Bonds, Series A (City Hall and Redevelopment Projects) (the "2002 Bonds").
- K. In order to obtain funds to make an additional advance (the "2006 Stockton Boulevard Advance") jointly to the Agency and the County Agency pursuant to a First Amendment to Stockton Boulevard Advance Repayment Agreement

(the "2005 North Sacramento Advance") for the purpose of repaying a portion of the 2002 Stockton Boulevard Advance and, thereby, refund a portion of the 2002 Bonds, the City leased certain City-owned properties to the City Authority and used a portion of the City Authority's one-time up-front lease payment (the "2006 City Authority Lease Payment") to fund the 2006 Stockton Boulevard Advance.

- L. The City Authority funded the 2006 City Authority Lease Payment with a portion of the proceeds of its Sacramento City Financing Authority 2006 Refunding Revenue Bonds, Series E (Master Lease Program Facilities).
- M. The Sacramento County Public Financing Authority (the "County Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of November 25, 2003, by and between the County of Sacramento and the County Agency (the "County Authority Agreement"), and under the provisions of the Act and is authorized pursuant to Article 4 of the Act and the County Authority Agreement to issue bonds for the purpose, among others, of providing funds to make loans to the Agency to provide financing and refinancing for redevelopment activities of the Agency that are public capital improvements.
- N. For the purpose of providing funds to make a loan to the Agency (the "2007 North Sacramento Loan") to finance redevelopment activities, including low and moderate income housing activities, with respect to its North Sacramento Redevelopment Project, and to make a loan jointly to the Agency and the County Agency (the "2007 Stockton Boulevard Loan") to finance redevelopment activities, including low and moderate income housing activities, with respect to their Stockton Boulevard Redevelopment Project, the Authority has determined to issue its Sacramento County Public Financing Authority 2007 Taxable Tax Allocation Revenue Bonds, Series C (North Sacramento and Stockton Boulevard Redevelopment Projects) in the aggregate principal amount not to exceed \$49,000,000 (the "2007 Bonds").
- O. The loan payments by the Agency pursuant to the 2007 North Sacramento Loan and the 2007 Stockton Loan Agreement will be used to pay debt service on the 2007 Bonds.
- P. In order to enhance the security of the 2007 Bonds, the Agency desires that the 2007 North Sacramento Loan be payable from Tax Revenues (as defined in the 1999 North Sacramento Advance Repayment Agreement) on a basis senior to the 1999 North Sacramento Advance, the 2005 North Sacramento Advance and the 2006 North Sacramento Advance.
- Q. Section 2.07 of the 1999 North Sacramento Advance Repayment Agreement requires that the City approve the incurrence of the 2007 North Sacramento Loan in order for the 2007 North Sacramento Loan to be payable on a basis

senior to the 1999 North Sacramento Advance, the 2005 North Sacramento Advance and the 2006 North Sacramento Advance.

- R. The Agency desires that the 2007 Stockton Boulevard Loan be payable from Tax Revenues (as defined in the 2002 Stockton Boulevard Loan Agreement) on a basis senior to the 2002 Stockton Boulevard Advance and the 2006 Stockton Boulevard Advance.
- S. Section 2.08 of the 2002 Stockton Boulevard Advance Repayment Agreement permits the 2007 Stockton Boulevard Loan to be payable on a basis senior to the 2002 Stockton Boulevard Advance and the 2006 Stockton Boulevard Advance.
- T. The City Council desires to approve the 2007 North Sacramento Loan and the 2007 Stockton Boulevard Loan and to approve the execution and delivery of the First Amendment to the Stockton Boulevard Advance Repayment Agreement for the purposes above described

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

- Section 1. Approval of the Loans. The 2007 North Sacramento Loan in the amount not to exceed \$23,000,000 to be made with respect to the North Sacramento Redevelopment Project and the 2007 Stockton Boulevard Loan in the amount not to exceed \$26,000,000 to be made with respect to the Stockton Boulevard Redevelopment Project, all as above described, are hereby approved.
- Section 2. Approval of the First Amendment to the Stockton Boulevard Advance Repayment Agreement. The City Council hereby confirms the 2006 Stockton Boulevard Advance made jointly to the Agency and the County Agency by the City pursuant to and in accordance with the terms of the First Amendment to the Stockton Boulevard Advance Repayment Agreement in substantially the form on file with the City Clerk together with any additions thereto or changes therein deemed necessary or advisable by the Treasurer, whose execution thereof shall be conclusive evidence of approval of any such additions and changes. The Treasurer is hereby authorized and directed to execute the final form of the First Amendment to the Stockton Boulevard Advance Repayment Agreement for and in the name and on behalf of the City. The City Council hereby authorizes the delivery and performance of the First Amendment to the Stockton Boulevard Advance Repayment Agreement.
- Section 3. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

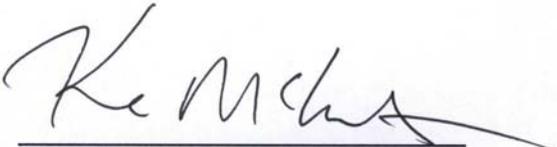
Adopted by the City of Sacramento City Council on December 4, 2007 by the following vote:

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

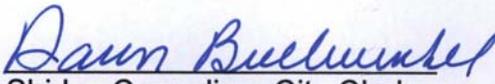
Noes: None.

Abstain: None.

Absent: Mayor Fargo.


Kevin McCarty, Vice-Mayor

Attest:

for 
Shirley Concolino, City Clerk