RESOLUTION NO. 2007-067

Adopted by the Redevelopment Agency
of the City of Sacramento

December 4, 2007

AUTHORIZING THE BORROWING OF FUNDS FROM THE SACRAMENTO COUNTY PUBLIC FINANCING AUTHORITY FOR THE PURPOSE OF FINANCING REDEVELOPMENT ACTIVITIES, AUTHORIZING AND DIRECTING EXECUTION OF RELATED LOAN AGREEMENTS, APPROVING SALE OF BONDS AND AN OFFICIAL STATEMENT, APPROVING FIRST AMENDMENT TO STOCKTON BOULEVARD ADVANCE REPAYMENT AGREEMENT AND PROVIDING OTHER MATTERS PROPERLY 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 County Public Financing Authority (the "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 1, 2003, by and between the County of Sacramento and the Redevelopment Agency of the County of Sacramento (the "Agreement"), 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 (the "Bond Law") and the Agreement to issue bonds for the purpose, among others, of providing funds to make loans to the Agency to provide financing and refinancing for public capital improvements of the Agency.

C. For the purpose of providing funds to make a loan to the Agency (the "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 Redevelopment Agency of the County of Sacramento (the "County Agency") (the "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 on a federally taxable basis 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 of not to exceed $49,000,000 (the ""Bonds").

D. The North Sacramento Loan and the Stockton Boulevard Loan (together, the "Loans") will be made pursuant to two separate loan agreements (the "Loan Agreements"), each dated as of December 1, 2003, and each by and among the Authority, the Agency and U.S. Bank National Association, as trustee, (the "Trustee") and, in addition with respect to the Stockton Boulevard Loan, the Redevelopment Agency of the County of Sacramento.

E. As a condition precedent to the issuance of the Bonds by the Authority, Section 6586.5 of the California Government Code requires that the Agency approve the proposed financing by the Authority and that the Agency make certain findings with respect to such financing, and Section 6586.5 further requires that such approval be given and findings be made only after noticed public hearing thereon.

F. The Agency has duly held such public hearing after due publication of the notice of time and place of such public hearing,

G. Stone & Youngberg LLC (the "Underwriter"), has agreed to purchase the Bonds in accordance with a bond purchase agreement substantially in the form on file with the Secretary (the "Purchase Contract"), and, in connection with the offering of the Bonds, the Authority and the Agency have caused to be prepared an Official Statement describing the Bonds (the "Official Statement"), the preliminary form of which is on file with the Secretary.

H. In order to obtain funds to make an advance jointly to the Agency and 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 of Sacramento (the "City") leased certain City-owned properties to the Sacramento City Financing Authority (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.

I. 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").

J. 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 "First Amendment to the Stockton Boulevard Advance Repayment Agreement") 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.

K. 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).

L. The Agency has duly considered the foregoing described transactions and wishes at this time to approve said transactions in the public interests of the Agency

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

Section 1. Significant Public Benefits. The Agency hereby approves the issuance of the Bonds by the Authority and determines that there are significant public benefits to the Agency from the proposed financing in that there will be demonstrable savings to the Agency from the issuance and sale of the Bonds and the use of proceeds of the Bonds to make two separate Loans (as above described), including savings in effective interest rate and issuance costs, all as evidenced by the calculations provided by the Underwriter with respect to the issuance of the Bonds and the making of the Loans on file in the official records of the Agency.

Section 2. Approval of the Loans and Loan Agreements. The Agency hereby authorizes and approves the North Sacramento Loan to be made to the Agency by the Authority in the amount not to exceed $23,000,000 and the Stockton Boulevard Loan to be made jointly to the Agency and the Redevelopment Agency of the County of Sacramento in the amount not to exceed $26,000,000. The Loans shall be made pursuant to and in accordance with the terms of the related Loan Agreements and the Agency hereby approves the Loan Agreements in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the insertion of the principal amounts of the respective Loans and the repayment schedule for the respective Loans) deemed necessary or advisable by the Executive Director, whose execution thereof shall be conclusive evidence of approval of any such additions and changes. The Executive Director is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest the Executive Director's signature to, the final form of the Loan Agreements, for and in the name and on behalf of the Agency. The proceeds of the Loans shall be applied by the Agency for the purposes and in the amounts as set forth in the Loan Agreements. The Agency hereby authorizes the delivery and performance of the Loan Agreements.

Section 3. Sale of Bonds. The Agency hereby approves the sale of the Bonds by the Authority by negotiation with the Underwriter, pursuant to the Purchase Contract by and among the Authority, the Agency, the County Agency and the Underwriter, in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by the Executive Director. The Executive Director's execution of the Purchase Contract shall be conclusive evidence of approval of any such additions and changes. The Purchase Contracts shall be executed in the name and on behalf of the Agency by the Executive Director, who is hereby authorized and directed to execute and deliver to the Underwriter the Purchase Contracts on behalf of the Agency; *provided, however,* that (i) the stated average annual interest rate payable with respect to the Bonds shall not exceed eight and a half percent (8.5%) per annum and the Underwriter's discount on the purchase price for the purchase of the Bonds shall be not greater than one percent (1.00%) of the par amount thereof, excluding any original issue discount.

Section 4. Official Statement. The Agency hereby approves the Official Statement in preliminary form, in substantially the form on file with the Secretary. Distribution of the preliminary Official Statement by the Underwriter is hereby approved in substantially the form on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director. The Executive Director is authorized and directed on behalf of the Authority to review the final form of the preliminary Official Statement and to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, prior to its distribution by the Underwriter. Distribution of the deemed "final" preliminary Official Statement by the Underwriter is hereby approved. The Agency hereby authorizes the distribution of the final Official Statement by the Underwriter. The Executive Director is hereby authorized and directed to approve any changes in or additions to a final form of the final Official Statement and to execute and deliver to the Underwriter the final Official Statement, together with the Continuing Disclosure Certificate of the Agency substantially in the form appended to the Official Statement.

Section 5. Approval of the First Amendment to the Stockton Boulevard Advance Repayment Agreement. The Agency 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 Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director, whose execution thereof shall be conclusive evidence of approval of any such additions and changes. The Executive Director 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 Agency. The Agency

hereby authorizes the delivery and performance of the First Amendment to the Stockton Boulevard Advance Repayment Agreement.

Section 6. Official Action. The Chairman, the Vice-Chairman, the Executive Director, the Finance Director, the Secretary, the Agency Counsel and any and all other officers of the Agency, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all agreements, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, sale and delivery of the Bonds and the making of the Loans pursuant to the Loan Agreements and the 2006 Stockton Boulevard Advance pursuant to the First Amendment of the Stockton Boulevard Advance Repayment Agreement, as described herein. Each of the foregoing named officers of the Agency are authorized to act on behalf of any other officer of the Agency who is authorized and directed herein to act on behalf of the Agency.

Section 7. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

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

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

Noes: None.

Abstain: None.

Absent: Mayor Fargo.

Kevin McCarty, Vice-Mayor

Attest:

for Dawn Bullwinkel
Shirley Concolino, City Clerk