



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO REDEVELOPMENT AGENCY
AND HOUSING AUTHORITY
City of Sacramento**
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
September 13, 2005

Honorable Mayor and
Members of the City Council

Subject: 65th Street Redevelopment Area Loan

Location/Council District: 65th Street Redevelopment Project Area
(Districts 3 and 6)

Recommendation:

Staff recommends approval of the attached resolutions (pages 5 and 6) authorizing the Executive Director or her designee to:

- make a loan of \$500,000 from the Housing Authority's Mortgage Revenue Bond Administrative fund to the Redevelopment Agency's 65th Street Redevelopment Project Area; and
- amend the Redevelopment Agency Budget to appropriate the loan funds to the 65th Street Redevelopment Project Area Development Assistance project.

Contact: Lisa Bates, City Community Development Director, (916) 440-1316
Ya-yin Chiang, Senior Redevelopment Planner, (916) 440-1399 x1430

Presenters: Lisa Bates, City Community Development Director

Department: Sacramento Housing and Redevelopment Agency

Summary:

In accordance with California Redevelopment Law, Redevelopment Agencies are required to have a sufficient amount of debt to receive the tax increment revenues generated from increases in property tax assessments above the base year assessment at the time the redevelopment plan was enacted. This report seeks to create sufficient debt for the 65th Street Redevelopment Project Area by recommending approval of a loan in the amount of \$500,000 to be made from the Housing Authority's Mortgage Revenue Bond Administrative fund to the Agency's 65th Street Redevelopment Project Area Development Assistance project.

Commission Action:

At its meeting on August 17, 2005, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

65th Street Redevelopment Area Loan

AYES: Burns, Burruss, Coriano, Fowler, Gore, Hoag, Piatkowki, Shah,
Simon, Stivers

NOES None

ABSENT: Gale

Background Information:

The 65th Street Redevelopment Project Area was adopted by the City Council and Redevelopment Agency in June 2004. California Redevelopment Law requires that a redevelopment project area have sufficient debt to receive tax increment funds generated by that area. To receive tax increment funds for the 65th Street Redevelopment Project Area, the Agency needs to have incurred debt in the 65th Street Redevelopment Project Area by entering into a loan with repayment obligations. Staff anticipates the need for a \$500,000 loan that will be made from the Housing Authority's Mortgage Revenue Bond Administrative fund to the Agency. The funds will be appropriated to the 65th Street Redevelopment Project Area Development Assistance project. The approval and funding of specific projects from the 65th Street Development Assistance project will require additional Council action and approval.

Financial Considerations:

This report recommends that the Housing Authority make a loan of \$500,000 to the Agency from the Authority's Mortgage Review Bond Administrative fund and that the Agency appropriate those funds to the 65th Street Redevelopment Project Area Development Assistance project. The loan will include an interest rate of six percent, and a term of five years, beginning with the first loan disbursement and a graduated repayment provision based upon the amount of tax increment revenues received.

The total debt for the area with this action will be \$750,000, which includes a previous loan from CDBG to pay for costs to form the project area. The Agency anticipates the need to establish additional debt next year as tax increment continues to grow in the Redevelopment Area due to new development.

Environmental Considerations:

The proposed action does not constitute a project subject to environmental review under CEQA per Guidelines Section 15378(b)(4) and is not a federal undertaking pursuant to NEPA.

Policy Considerations:

The recommendations in this report are consistent with the 65th Street Redevelopment Plan and the 65th Street 2004-2008 Implementation Plan. In addition, this project meets the City's Strategic Plan goal of enhancing and preserving the neighborhoods.

M/WBE Considerations:

The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

65th Street Redevelopment Area Loan

Respectfully Submitted by: 
for ANNE M. MOORE
Executive Director

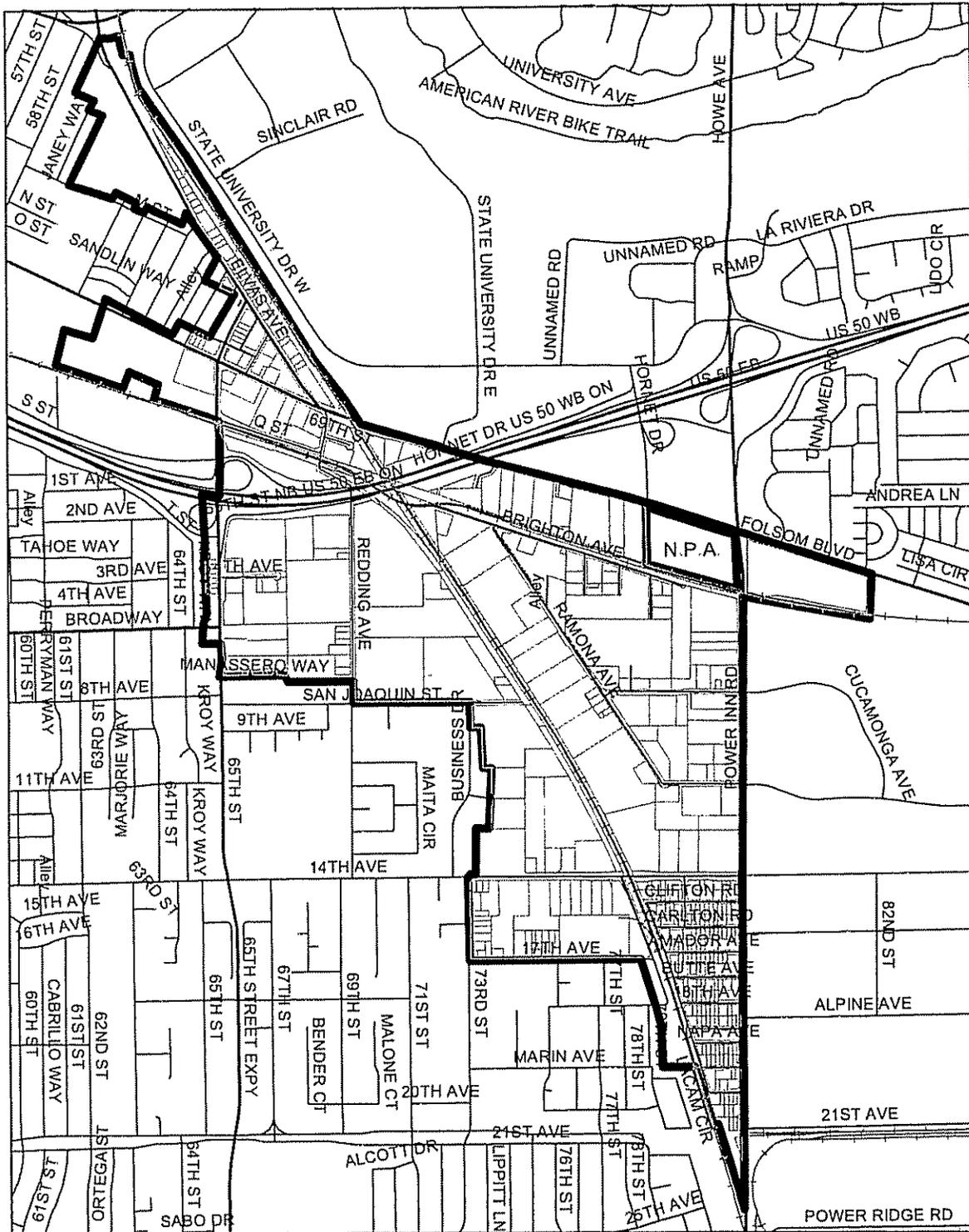
Recommendation Approved:


ROBERT P. THOMAS
City Manager

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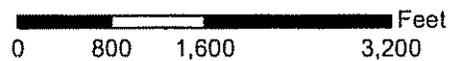
Pg	Description
4	Attachment 1 – 65 th Street Redevelopment Area Map
5	Authority Resolution
6	Agency Resolution

65th Street Redevelopment Area



Legend

-  Railroad
-  65th Street Redevelopment Area
- N P A denotes Not in Project Area



RESOLUTION NO. 2005 -

Adopted by the Housing Authority of the City of Sacramento

APPROVAL OF \$500,000 LOAN FROM THE MORTGAGE REVENUE BOND FUND TO THE REDEVELOPMENT AGENCY FOR THE 65TH STREET REDEVELOPMENT PROJECT AREA

BACKGROUND

- A. The Housing Authority of the City of Sacramento (Authority) receives fees for issuance of mortgage revenue bonds that is deposited into the Mortgage Revenue Bond Administrative fund.
- B. The Redevelopment Agency of the City of Sacramento desires to obtain a loan from the Authority in order to incur debt to allow for receipt of tax increment revenues from the 65th Street Redevelopment Project Area.

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

Section 1. The Executive Director or her designee is authorized to make a loan of \$500,000 from the Authority's Mortgage Revenue Bond Administrative fund to the Agency for the 65th Street Redevelopment Project. The loan terms include an interest rate of six percent and a repayment term of five years, beginning with the first loan disbursement and a graduated repayment provision based upon the amount of tax increment revenues received. The Executive Director or her designee is authorized to execute the loan documents.

RESOLUTION NO. 2005 -

Adopted by the Redevelopment Agency of the City of Sacramento

\$500,000 LOAN FOR 65TH STREET REDEVELOPMENT PROJECT AREA AND RELATED BUDGET AMENDMENT

BACKGROUND

- A. California Redevelopment Law requires that a redevelopment project area have sufficient debt in order to receive the tax increment revenues generated by the increase in property tax assessments in that project area above the base year assessment at the time the redevelopment plan was adopted.
- B. The Redevelopment Agency of the City of Sacramento (Agency) desires to accept a loan from the Housing Authority of the City of Sacramento (Authority) for the 65th Street Redevelopment Project Area in order to create debt to allow for receipt of future tax increment revenues within this Project Area.

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

Section 1. The Executive Director or her designee is authorized to accept a \$500,000 loan from the Authority for the 65th Street Redevelopment Project Area. The loan terms include an interest rate of six percent and a repayment term of five years, beginning with the first loan disbursement and a graduated repayment provision based upon the amount of tax increment revenues received. The Executive Director or her designee is authorized to execute the loan documents.

Section 2. The Agency Budget is hereby amended to appropriate the \$500,000 in loan funds to the 65th Street Redevelopment Project Area Development Assistance project.