

RESOLUTION NO. 2006-121

Adopted by the Sacramento City Council

February 14, 2006

APPROVING THE PROPOSED FINANCING OF THE DEL PASO HEIGHTS PROJECT AND THE PROPOSED REFINANCING OF THE OAK PARK PROJECT THROUGH THE ISSUANCE BY THE SACRAMENTO CITY FINANCING AUTHORITY OF ITS 2006 TAX ALLOCATION REVENUE BONDS, SERIES A (DEL PASO HEIGHTS AND OAK PARK PROJECTS), AND ITS 2006 TAXABLE TAX ALLOCATION REVENUE BONDS, SERIES B (DEL PASO HEIGHTS PROJECT) AND THE LOAN OF THE PROCEEDS THEREOF TO THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento (the "Agency") proposes to enter into a Loan Agreement (the "Del Paso Heights Loan Agreement") with the Sacramento City Financing Authority (the "Authority") and a trustee to be named therein (the "Trustee"), relating to the proposed financing by the Agency of the Del Paso Heights Project Area Redevelopment Project located within the geographic boundaries of the Agency, as more particularly described in the copies of such loan agreement on file with the City Clerk of the City of Sacramento (the "City").
- B. The Agency proposes to enter into a Loan Agreement (the "Oak Park Loan Agreement" and together with the Del Paso Heights Loan Agreement, the "Loan Agreements") with the Authority and the Trustee, relating to the proposed refinancing by the Agency of the Oak Park Project Area Redevelopment Project located within the geographic boundaries of the Agency, as more particularly described in the copies of such loan agreement on file with the City Clerk of the City.
- C. In order to provide funds to the Authority to make the loans to the Agency pursuant to the Loan Agreements concurrent with the execution and delivery of the Loan Agreements, the Authority proposes to issue its 2006 Tax Allocation Revenue Bonds, Series A (Del Paso Heights and Oak Park Projects) (the "Series A Tax-Exempt Bonds") and its 2006 Taxable Tax Allocation Revenue Bonds, Series B (Del Paso Heights Project) (the "Series B Taxable Bonds" and together with the Series A Tax-Exempt Bonds, the "Bonds").

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

Section 1. All of the foregoing recitals are true and correct, and the City Council so finds and determines. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. The City Council approves of the Agency entering into the Del Paso Heights Loan Agreement in the aggregate principal amount of not to exceed twelve million dollars (\$12,000,000) and the Oak Park Loan Agreement in the aggregate principal amount of not to exceed thirteen million dollars (\$13,000,000), in substantially the forms of such loan agreements presented to this meeting, with such insertions, deletions and other modifications considered appropriate by the Agency and otherwise not inconsistent with this resolution, provided that the true interest cost of such Loan Agreements shall not exceed six percent (6.0%) per annum with respect to the portion of the loans made from proceeds of the Series A Tax-Exempt Bonds and seven percent (7.0%) per annum with respect to the portion of the loans made from the proceeds of the Series B Taxable Bonds.

Section 3. This resolution shall take effect from and after its passage and adoption.

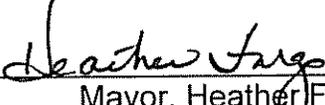
Adopted by the City of Sacramento City Council on February 14, 2006 by the following vote:

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

Noes: None.

Abstain: None.

Absent: Councilmember Waters and Mayor Fargo.



Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk