

RESOLUTION NO. 2010-276

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE APPROVING A CONDITIONAL LOAN COMMITMENT OF FIVE MILLION SIX HUNDRED THOUSAND DOLLARS (\$5,600,000) FROM THE CITY'S AFFORDABLE HOUSING FUND AND VERY LOW INCOME HOUSING TRUST FUND FOR THE VINTAGE AT LAGUNA II APARTMENTS AFFORDABLE HOUSING DEVELOPMENT BY USA PROPERTIES FUND, INC. AND LIFESTEPS, INC.

WHEREAS, the City of Elk Grove (the "City") has recognized the need to provide affordable housing to all economic segments of the City; and

WHEREAS, the City's affordable housing development impact fee provides financial resources to promote and assist in the development of new affordable housing in the City; and

WHEREAS, the Affordable Housing Fund (AHF) and the Very Low Income Housing Trust Fund (VLIHTF) must be used to provide assistance with new rental residential development costs for low-income and very low-income housing and may also be used for homeowner down payment assistance for very low- and low-income households; and

WHEREAS, USA Properties Fund, Inc., and LifeSTEPS, Inc. propose to develop a sixty seven (67) unit affordable housing project plus one (1) unit for a manager, known as Vintage at Laguna II Apartments, and has submitted a request for gap financial assistance from the City to help achieve financial feasibility for the project and maximize the affordability of project units; and

WHEREAS, the use of the City's housing funds in the manner described below will be of benefit to the City in assisting in the development of affordable housing opportunities for low- and very low-income households; and

WHEREAS, the proposed Vintage at Laguna II Apartments project would provide housing that furthers the goals and policies of the City's General Plan Housing Element in a manner consistent with the state mandated Regional Housing Needs Allocation requirement determined by the Sacramento Area Council of Governments for the City; and

WHEREAS, the proposed Vintage at Laguna II Apartments project is also consistent with the intent of Resolution No. 2004-223 regarding the imposition of the affordable housing fee, and the collection and administration of the fee.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby approves the Conditional Loan Commitment request for the Vintage at Laguna II Apartments affordable housing development and does hereby determine that:

- 1) The City shall conditionally loan up to FIVE MILLION SIX HUNDRED THOUSAND DOLLARS (\$5,600,000) to Vintage at Laguna II Apartments Affordable Housing Project (Conditional Loan Commitment);
- 2) The loan terms include a four percent (4%) simple interest loan, non-amortizing but inclusive of gradually increasing fixed payments during the forty (40)-year term of the loan, and a balloon payment at maturity;
- 3) USA Properties Fund, Inc. and LifeSTEPS, Inc. have not yet received approval of their Development Review application. This Conditional Loan Commitment will be reserved for a maximum period of one year, then automatically terminates if project entitlements are not received;
- 4) Upon satisfaction of City conditions for project entitlements, draft loan documents will be prepared by City staff for City Council review and upon approval City Council will provide a Loan Commitment;
- 5) If the loan applicants make changes to the project's design, including but not limited to unit count, unit configuration, etc. and/or financial structure subsequent to the submittal of the loan application and/or receipt of a Conditional Loan Commitment and Loan Commitment, the loan applicants must receive City's prior written approval; otherwise, the City reserves the right to withdraw its Commitment; and
- 6) The loan applicants are required to maintain good financial standing subsequent to receipt of the conditional loan commitment and loan commitment; the City may request at a cost to the loan applicants, a third party audit of the loan applicants financial records to confirm good financial standing.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 8th day of December 2010.



SOPHIA SCHERMAN, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



SUSAN COCHRAN, CITY ATTORNEY

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2010-276**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)


I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on December 8, 2010 by the following vote:

AYES : COUNCILMEMBERS: Scherman, Detrick, Cooper, Davis, Hume

NOES: COUNCILMEMBERS: None

ABSTAIN : COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None


**Jason Lindgren, City Clerk
City of Elk Grove, California**