

**RESOLUTION NO. 2010-221**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE APPROVING A CONDITIONAL LOAN COMMITMENT OF NINE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$9,700,000) FROM THE CITY'S AFFORDABLE HOUSING FUND AND VERY LOW INCOME HOUSING TRUST FUND FOR THE LAGUNA RIDGE APARTMENTS AFFORDABLE HOUSING DEVELOPMENT BY ST. ANTON PARTNERS AND PACIFIC HOUSING, 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**, St. Anton Partners and Pacific Housing Inc, propose to develop a two hundred three (203) unit affordable housing project plus one (1) unit for a manager, known as Laguna Ridge 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 Laguna Ridge 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 Laguna Ridge 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 Laguna Ridge Apartments affordable housing development and does hereby determine that:

- 1) The City shall conditionally loan up to NINE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$9,700,000) to Laguna Ridge Apartments Affordable Housing Project ("Conditional Loan Commitment").
- 2) The loan terms shall include a 4% simple interest loan, non-amortizing but inclusive of gradually increasing fixed payments during the 38 year term of the loan, and a balloon payment at maturity.
- 3) St. Anton Partners and Pacific Housing Inc. have not yet received approval of their Development Review application nor completed the project's environmental review under the California Environmental Quality Act ("CEQA"). This approval of a conditional loan commitment does not reflect nor shall it be deemed to be any commitment by the City to approve the project, either in whole or in part. This Conditional Loan Commitment will be reserved for a maximum period of one year, then automatically terminate 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) 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 27<sup>th</sup> day of October 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. 2010-221**

**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 special meeting of said Council held on October 27, 2010 by the following vote:***

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

**NOES:            COUNCILMEMBERS:        *None***

**ABSTAIN :        COUNCILMEMBERS:        *None***

**ABSENT:         COUNCILMEMBERS:        *None***

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