

RESOLUTION NO. 2007-217

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
APPROVING A FINANCIAL COMMITMENT OF FOUR MILLION ONE HUNDRED
FIFTY THOUSAND DOLLARS (\$4,150,000) FROM THE CITY'S AFFORDABLE
HOUSING FUND, AND THE LOAN DOCUMENTS AND REGULATORY AGREEMENT
FOR THE MONTEGO FALLS APARTMENT AFFORDABLE HOUSING
DEVELOPMENT BY MONTEGO ELK GROVE, L.P.**

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") must be used to provide assistance with new rental residential development costs for very low- and low-income housing and may also be used for homeowner down payment assistance for very low- and low-income households; and,

WHEREAS, Montego Elk Grove LP, a California Limited Partnership, proposes to develop a one hundred and thirty-two (132) unit affordable housing project 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 Montego Falls 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,

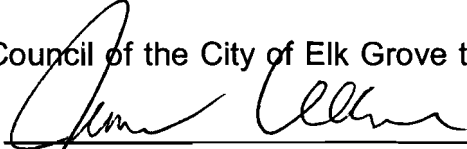
WHEREAS, the proposed Montego Falls project is also consistent with the intent of the Resolution 2004-223 regarding the imposition of the affordable housing fee, and the collection and administration of the fee; and,

WHEREAS, the commitment of financial resources is not a "project" subject to the California Environmental Quality Act because it is a funding mechanism having no physical effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby approves the loan request for the Montego Falls Apartments affordable housing development and does hereby determine that:

1. The City shall loan up to \$4,150,000 to the Montego Falls project ("Funding Commitment").
2. The Director of Finance is authorized to transfer from the Affordable Housing Fund up to \$4,150,000 to the Montego Falls project in Elk Grove based on the disbursement schedule identified in the Loan Agreement.
3. The City Manager is authorized to execute any and all documents required for the making of the Funding Commitment (including without limitation, the documents necessary for the use of the allocated funds and the documents necessary to make, reasonably administer, and enforce the affordability requirements of the Funding Commitment, such as an Affordable Housing Loan Agreement, Secured Promissory Note, Deed of Trust, Regulatory Agreement, and Subordination Agreement (the "Loan Documents") in the same substantial form as the Loan Documents attached to the September 26, 2007 City Council staff report; provided however, that the Funding Commitment and other agreements shall be made in accordance with all applicable law, regulations, and policies regarding the making of the loan and use of the allocated funds.
4. The City Manager is authorized to make technical and other minor non-substantive amendments to the Loan Documents when such amendments are in accordance with the Funding Commitment, with City policy, with this resolution, and good legal practices for the making of such a loan.
5. The Funding Commitment is contingent upon Montego Elk Grove L.P. providing or demonstrating to the satisfaction of the City:
 - a. Title Insurance
 - b. Close of bond financing for the project
 - c. Copies of the loan documents for every lender associated with the project
 - d. Maintenance of good financial standing
 - e. Organizational and financial documents of Montego Elk Grove, LP, and St. Anton Partners, on behalf of Montego Elk Grove LP.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 26th day of September 2007.



JAMES COOPER, MAYOR of the
CITY OF ELK GROVE

ATTEST: 

PEGGY E. JACKSON, CITY CLERK

APPROVED AS TO FORM: 

SUSAN COCHRAN, CITY ATTORNEY

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2007-217**

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

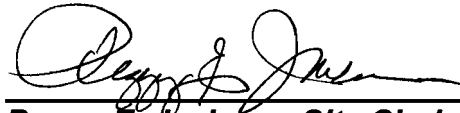
I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on September 26, 2007 by the following vote:

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

NOES: COUNCILMEMBERS: None

ABSTAIN : COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None



**Peggy E. Jackson, City Clerk
City of Elk Grove, California**

