

**RESOLUTION NO. 2011-53**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE  
APPROVING A FUNDING COMMITMENT UP TO THE AMOUNT OF NINE MILLION  
SEVEN HUNDRED THOUSAND DOLLARS (\$9,700,000) FROM THE CITY'S  
AFFORDABLE HOUSING FUND AND VERY LOW INCOME HOUSING TRUST FUND  
AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE IMPLEMENTING  
LOAN DOCUMENTS FOR THE LAGUNA RIDGE APARTMENTS AFFORDABLE  
HOUSING DEVELOPMENT BY RIDGE ELK GROVE, LP**

**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**, Ridge Elk Grove, LP, proposes to develop a two hundred three (203) unit affordable housing project plus one (1) unit for a property manager 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; 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. Additionally, the underlying development project and this subsequent project (the loan commitment) are exempt from the California

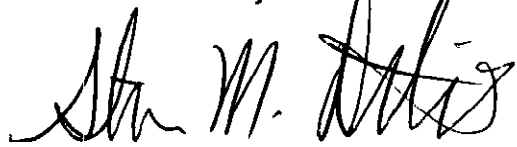
Environmental Quality Act pursuant to the California Code of Regulations, Title 14, Chapter 3 (State CEQA Guidelines) Section 15183, because the project is consistent with the Laguna Ridge Specific Plan EIR (SCH 2000082139) and the Laguna Ridge Town Center Subsequent EIR (SCH 2007082169), both of which have been certified.

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

- 1) The City shall loan up to NINE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$9,700,000) to the Laguna Ridge Apartments Project ("Funding Commitment").
- 2) The Director of Finance is authorized to transfer from the Affordable Housing Fund and Very Low Income Housing Trust Fund up to NINE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$9,700,000) to the Laguna Ridge Affordable Housing 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 ( collectively, the "Loan Documents") in the same substantial form as the Loan Documents attached to the March 23, 2011 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 with the approval of such amendments by the City Attorney.
- 5) The Funding Commitment is contingent upon Ridge Elk Grove, LP providing or demonstrating to the satisfaction of the City:
  - a. Title Insurance
  - b. An ALTA Loan Extended Coverage Policy of Title Insurance in the amount of the City loan
  - c. Close of bond and equity financing for the project

- d. Copies of the loan documents and other agreements for every lender and investor associated with the project
- e. Maintenance of good financial standing
- f. Organizational and financial documents of Ridge Elk Grove, LP, the General Partner entities (approved by the City), and the investment limited partners, on behalf of Ridge Elk Grove, LP.
- g. Submittal of the City required due diligence documents at each loan disbursement, including but not limited to CLTA 122 endorsements

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 23<sup>rd</sup> day of March 2011.



STEVEN M. DETRICK, 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. 2011-53**

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 March 23, 2011 by the following vote:*

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

**NOES:**        **COUNCILMEMBERS:**     *None*

**ABSTAIN :**   **COUNCILMEMBERS:**     *None*

**ABSENT:**     **COUNCILMEMBERS:**     *None*

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