

RESOLUTION NO. 2012-104

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE CITY MANAGER TO REVIEW SUBORDINATION REQUESTS IN
THE AFFORDABLE HOMEOWNERSHIP PROGRAM AND TO EXECUTE THE
DOCUMENTS NECESSARY TO SUBORDINATE THE CITY'S INTEREST IN THE
PROPERTY WHEN DEEMED ADVANTAGEOUS TO THE CITY**

WHEREAS, the Affordable Homeownership Program comprises affordable units in two developments built by William Lyon Homes and Beazer Homes; and

WHEREAS, affordable units in each of the developments were subject to the terms of an Affordable Housing Agreement entered into in 2005 for William Lyon Homes and 2006 for Beazer Homes; and

WHEREAS, the terms of the Affordable Housing Agreements provided for a 55-year affordability deed restriction on certain properties, which was effectuated through the recordation of an Individual Regulatory Agreement and Shared Appreciation Deed of Trust ("Implementing Documents") on the affected properties; and

WHEREAS, the terms of the Implementing Documents did not contemplate the need for subordination of the City's interest in the property to allow refinancing beneficial to the homeowners and to the City; and

WHEREAS, staff proposes to allow refinancing and subordination of the City's interest in affordable properties when deemed advantageous for the City; and

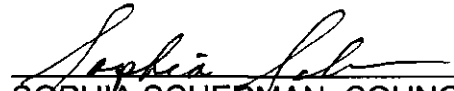
WHEREAS, the Implementing Documents allowing refinancing and subordination may, from time to time, require amendments; and

WHEREAS, the approval of the William Lyon Homes Affordable Housing Agreement allowed the City Manager to make modifications to the implementing documents, but the approval of the Beazer Homes Affordable Housing Agreement did not specifically allow modifications; and

WHEREAS, this approval does not qualify as a "project" subject to the California Environmental Quality Act (CEQA) because it will result in no direct physical effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby authorizes the City Manager to review subordination requests in the Affordable Homeownership Program, make modifications to the implementing documents as necessary, and to execute the documents necessary to subordinate the City's interest in the property when deemed advantageous to the City by the City Manager.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 13th day of June 2012.




SOPHIA SCHERMAN, COUNCIL
MEMBER and Temporary Presiding
Officer of the CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:




JONATHAN P. HOBBS,
INTERIM CITY ATTORNEY

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2012-104**

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 June 13, 2012 by the following vote:

AYES : **COUNCILMEMBERS:** **Scherman, Davis, Detrick**
NOES: **COUNCILMEMBERS:** **None**
ABSTAIN : **COUNCILMEMBERS:** **None**
ABSENT: **COUNCILMEMBERS:** **Cooper, Hume**


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