

**RESOLUTION NO. 2017-116**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE  
APPROVING THE TRANSFER OF OWNERSHIP OF THE GENEVA POINTE  
APARTMENTS FROM GENEVA ELK GROVE, LP, TO AVANATH GENEVA POINTE,  
LP, AND THE GENEVA POINTE APARTMENTS PROPERTY MANAGEMENT  
CHANGE TO AVANATH REALTY, INC.**

**WHEREAS**, the City of Elk Grove (the "City"), on March 25, 2004, entered into an Affordable Housing Loan Agreement ("Loan Agreement") with Geneva Elk Grove, LP ("Developer"), the purpose of which was to assist with the construction of the Geneva Pointe Apartments ("Project") located at 8280 Geneva Pointe Drive; and

**WHEREAS**, the City and the Developer on March 25, 2004 entered into a Regulatory Agreement ("Regulatory Agreement") and on August 30, 2004 entered into an Affordable Housing Fee Waiver and Regulatory Agreement ("Fee Waiver Regulatory Agreement") with Geneva Elk Grove, LP (collectively, "Regulatory Agreements"), the purpose of which was to implement affordability restrictions on 91 of the 152 units at the Project; and

**WHEREAS**, the Developer, on March 25, 2004, entered into Deed of Trust for the benefit of the City ("Deed of Trust"), the purpose of which was to secure obligations of the Loan Agreement and Regulatory Agreements; and

**WHEREAS**, Section 36 of the Loan Agreement and Section 22 of the Deed of Trust set forth the City's right to review any sale or transfer of the Project; and

**WHEREAS**, Section 21 of the Regulatory Agreement and Section 32 of the Fee Waiver Regulatory Agreement set forth the City's right to review and approve the management entity for the Project; and

**WHEREAS**, the Developer is proposing to transfer ownership of the Project to Avanath Geneva Pointe, LP ("Buyer"); and

**WHEREAS**, the Developer is proposing to pay off the \$1.7 million loan made in 2004 in support of the Project, concurrent with the transfer of the Project; and

**WHEREAS**, the Developer, Buyer, and City have negotiated an Assignment and Assumption of and Amendment to Deed of Trust, Regulatory Agreement, and Affordable Housing Fee Waiver and Regulatory Agreement ("Assignment and Assumption Agreement"), to be executed in coordination with the transfer of property from Developer to Buyer; and

**WHEREAS**, Buyer proposes to change the property management company to Avanath Realty, Inc.; and

**WHEREAS**, the City Council has reviewed the proposed ownership transfer and the proposed management transfer in light of the Project's finances and the new entities' qualifications, and found the transfers to be in the City's best interest; and

**WHEREAS**, neither of these approvals qualifies as the approval of a "project" subject to the California Environmental Quality Act (CEQA) because they will result in no direct physical effect on the environment, and are, therefore, exempt from CEQA. (Pub. Res. Code § 21065, CEQA Guidelines §§ 15060(c),(2)(3); 15378(a)).

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Elk Grove hereby:

- 1) Approves the transfer of the Project from Developer to Buyer, subject to:
  - a. The payoff of the current \$1.7 million City loan on the property, including all interest owed; and
  - b. Execution of the Assignment and Assumption Agreement; and
- 2) Approves the proposed Project property management change to Avanath Realty, Inc.; and
- 3) Authorizes the City Manager to execute the Assignment and Assumption Agreement in substantially the form provided subject to approval by the City Attorney and City Manager of the CBRE Multifamily Capital, Inc. (Senior Lender) final transaction loan documents.


**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 24<sup>th</sup> day of May 2017.

  
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STEVE LY, MAYOR of the  
CITY OF ELK GROVE

ATTEST:

  
\_\_\_\_\_  
JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:

  
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JONATHAN P. HOBBS,  
CITY ATTORNEY

**CERTIFICATION**  
**ELK GROVE CITY COUNCIL RESOLUTION NO. 2017-116**

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

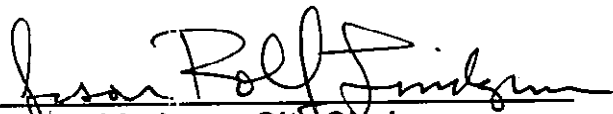
*I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on May 24, 2017 by the following vote:*

**AYES:           COUNCILMEMBERS:       Ly, Detrick, Hume, Nguyen, Suen**

**NOES:           COUNCILMEMBERS:       None**

**ABSTAIN:       COUNCILMEMBERS:       None**

**ABSENT:        COUNCILMEMBERS:       None**

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