

Resolution No. 2006-238

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
APPROVING A FINANCIAL COMMITMENT OF SEVEN MILLION FOUR HUNDRED
SIXTY THOUSAND DOLLARS (\$7,460,000) AND THE IMPLEMENTING LOAN
DOCUMENTS FOR THE WATERMAN SQUARE PROJECT**

WHEREAS, the CFY Development, Inc. submitted a request for financial assistance from the City of Elk Grove for Waterman Square, a proposed affordable multifamily housing project; and,

WHEREAS, the City of Elk Grove has recognized the need to provide affordable housing to all economic segments of the City; and,

WHEREAS, the City has established an Affordable Housing Fund Fee, recognizing the need for market rate residential development to pay for its proportional share of the City's affordable housing needs; and,

WHEREAS, the proposed Waterman Square project would provide affordable housing to low and very low income households consistent with the intent of the Resolution [approving] the Affordable Housing Fund Fee; and,

WHEREAS, the proposed Waterman Square project would provide housing that furthers the goals and policies of the City of Elk Grove's Housing Element and is consistent with the City's General Plan; 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, the City Council of the City of Elk Grove does hereby determine that:

1. The City of Elk Grove shall loan up to \$7,460,000 to the Waterman Square project ("Funding Commitment"). If HOME funds are made available for financing the Project, the loan will be reduced by the available amount.
2. The Director of Finance is authorized to transfer from the Affordable Housing Fund up to \$7,460,000 to the Waterman Square Project in Elk Grove.
3. The City Manager is authorized to prepare and 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"); 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 La Amistad Elk Grove Investors, 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, and
 - e. Organizational and financial documents of CFY Development, Inc., and members of La Amistad Elk Grove Investors, L.P.

PASSED AND ADOPTED by the City Council of the City of Elk Grove on this 13th day of September 2006.



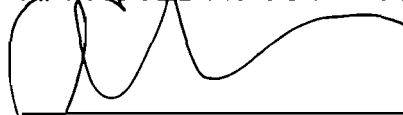
RICK SOARES, MAYOR OF THE
CITY OF ELK GROVE

ATTEST:



PEGGY E. JACKSON, CITY CLERK

APPROVED AS TO FORM:



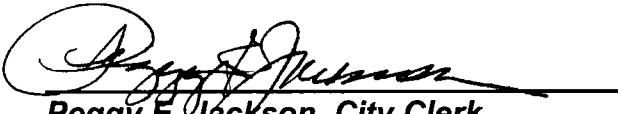
ANTHONY B. MANZANETTI,
CITY ATTORNEY

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2006-238**

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 13, 2006 by the following vote:

- AYES :** **COUNCILMEMBERS:** **Scherman, Briggs, Cooper**
- NOES :** **COUNCILMEMBERS:** **Soares**
- ABSTAIN :** **COUNCILMEMBERS:** **None**
- ABSENT:** **COUNCILMEMBERS:** **Leary**


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

