

RESOLUTION NO. 2019-193

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
APPROVING THE TRANSFER OF THE LIMITED PARTNER INTERESTS IN THE
AGAVE APARTMENTS PROPERTY FROM AMTAX HOLDINGS 431, LLC AND TCH
II PLEDGE POOL, LLC TO VINTAGE HOUSING HOLDINGS, LLC AND
AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDMENT TO DEED
OF TRUST AND REGULATORY AGREEMENT (CEQA EXEMPT)**

WHEREAS, the City of Elk Grove (the "City"), on October 1, 2003, entered into an Affordable Housing Loan Agreement ("Loan Agreement") with Agave Associates, LP ("Owner"), the purpose of which was to assist with the construction of the Agave Apartments ("Project") located at 10070 Willard Parkway; and

WHEREAS, the City and the Owner on October 1, 2003 entered into a Regulatory Agreement ("Regulatory Agreement"), the purpose of which was to implement affordability restrictions on 150 of the 188 units at the Project; and

WHEREAS, the Owner, on October 1, 2003, entered into a 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 Agreement; and

WHEREAS, Section 34 of the Loan Agreement and Section 31 of the Regulatory Agreement set forth the City's right to review any sale or transfer of the Project; and

WHEREAS, the Owner is proposing to transfer the Owner's limited partner interests in the Project from Amtax Holdings 431, LLC and TCH II Pledge Pool, LLC to Vintage Housing Holdings, LLC; and

WHEREAS, the Owner is proposing to pay off the \$2.5 million loan made in 2003 in support of the Project, concurrent with the transfer of the ownership interests, and all or in part with financing obtained through Citibank, N.A., a national banking association ("Lender"); and

WHEREAS, the Owner, Lender, and City have negotiated an Amendment to Deed of Trust and Regulatory Agreement, to be executed and recorded in coordination with the closing of Lender's financing on the Property; and

WHEREAS, the City Council has reviewed the proposed ownership interest 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, the actions taken by this resolution do not constitute the approval of a "project" subject to the California Environmental Quality Act (CEQA), 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 limited partner interests in the Agave Apartments property from AMTAX Holdings 431, LLC and TCH II Pledge Pool, LLC to Vintage Housing Holdings, LLC, subject to:
 - a. The payoff of the current \$2.5 million City loan on the property, including all interest owed; and
 - b. Execution of a document entitled "Amendment to Deed of Trust and Regulatory Agreement"; and
- 2) Authorizes the City Manager to execute the Amendment to Deed of Trust and Regulatory Agreement, in substantially the form provided, subject to approval by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 11th day of September 2019



STEVE LY, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JENNIFER ALVES,
ASSISTANT CITY ATTORNEY

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2019-193**

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 September 11, 2019 by the following vote:

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

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN: **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



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