

MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 1-98

A RESOLUTION APPROVING AN AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO AND RAY WILLEY TO TERMINATE PARKING LEASE ON 9TH STREET

BE IT HEREBY RESOLVED by the Redevelopment Agency of the City of Modesto that the agreement between the Redevelopment Agency and Ray Willey for termination of the parking lease on 9th Street be, and it is hereby approved.

BE IT FURTHER RESOLVED that the execution of said agreement by the designated agency officials be authorized.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto held on the 6th day of January, 1998, by Agency Member Friedman, who moved its adoption, which motion being duly seconded by Agency Member Dobbs, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Conrad, Dobbs, Fisher, Friedman, Serpa, Mayor Lang

NOES: Agency Members: None

ABSENT: Agency Members: Smith

ATTEST:


JEAN ADAMS, Agency Secretary

MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 2-98

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF
THE CITY OF MODESTO AUTHORIZING THE EXECUTION
AND DELIVERY OF A SITE LEASE, A REIMBURSEMENT
AGREEMENT AND AUTHORIZING AND APPROVING SUCH
OTHER DOCUMENTS AND THE TAKING OF ALL
NECESSARY ACTION IN CONNECTION THEREWITH

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California, the "Law"); and

WHEREAS, the Agency has the general purpose of redevelopment and the elimination of blight and the provision of public facilities as set forth in the Redevelopment Plan; and

WHEREAS, the City of Modesto (the "City"), the County of Stanislaus (the "County") and the City-County Capital Improvements and Financing Agency (the "Financing Agency"), in conjunction with the Agency, have determined to undertake a mixed-use development, including, among other uses, the construction and acquisition of the improvements for retail and office uses, a public parking garage, a City-County administration building, more commonly known as the 10th Street Place Project (the "10th Street Place Project") to be located in the Downtown Redevelopment Project Area (the "Project Area"), together with other public capital improvements, including the rehabilitation of a Communications Dispatch Center and the acquisition and construction of a Police Headquarters Building (collectively, the "Project"); and

WHEREAS, in order to implement the 10th Street Place Project, the City, the County, the Redevelopment Agency and the Agency have entered into, among other documents, a Master Agreement (the "Master Agreement"), dated July 22, 1997, which agreement sets forth responsibilities of the parties with respect to the development of the 10th Street Place Project; and

WHEREAS, in furtherance of the Project, the Financing Agency has agreed to undertake on behalf of the Agency the acquisition, construction and equipping of a component of the Project consisting of a Public Parking Garage and certain other related capital improvements (the "Agency Improvements"); and

~~WHEREAS, pursuant to Health and Safety Code Section 53330 of the Law, the~~
Agency is authorized, as provided in its redevelopment plan, to assist in the installation and construction of public improvements within the Project Area; and

WHEREAS, Section 33445 of the Law provides, in part, that notwithstanding Section 33440 of the Law, an agency may, with the consent of the legislative body, pay all or part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement which is publicly owned either within or without the project area, if the legislative body determines that the improvements are of benefit to the project area, no other reasonable means of financing the improvements are available to the community and the payment of funds by the agency will eliminate one or more of the blighting conditions within the project area; and

WHEREAS, on July 27, 1997 the Agency held a public hearing and pursuant to Resolution No. 23-97 made, with the consent of the City Council of the City, the findings required by Section 33445 of the Law; and

WHEREAS, the Agency has determined to direct the execution of a Site Lease (as hereinafter defined) pursuant to which the Agency will lease certain real property to the Modesto Public Financing Authority (the "Authority"), a joint exercise of powers authority duly organized and existing under a Joint Exercise of Powers Agreement, dated as of December 1, 1989, between the City and the Industrial Development Authority of the City of Modesto, and the Authority will in turn lease the Site, together with the improvements to be constructed or installed thereon, to the City to the City; and

WHEREAS, in consideration of the delivery of the Site Lease, the Authority will provide for the financing of the Project, together with the refunding of certain obligations of the City, through the issuance of its Lease Revenue Bonds, Series 1998 (Capital Improvements and Refinancing Project) (the "Bonds"); and

WHEREAS, the Agency desires to support the construction and provision of the Agency Improvements (as further described in Exhibit A to the Reimbursement Agreement as described below), such improvements to be initially paid from the proceeds of the Bonds; and

WHEREAS, the Agency has had presented to it and has considered the following:

- (1) A form of Site Lease (the "Site Lease"), by and between the Agency and the Authority pursuant to which the Agency will lease certain real property to the Authority; and
- (2) A form of Reimbursement Agreement (the "Reimbursement Agreement"), by and between the Agency and the City, pursuant

WHEREAS, all acts, conditions and things required by the Law, and by all other laws of the State of California, to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of said documents exist, have happened, and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly authorized and empowered, pursuant to each and every requirement of law, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency as follows:

SECTION 1. Declaration of Board. This Board hereby specifically finds and declares that the actions authorized hereby constitute and are public affairs of the Agency and that the statements, findings and determinations of the Board set forth in the preambles above and in the documents approved herein are true and correct.

SECTION 2. Approval of Site Lease. The Site Lease, substantially in the form submitted to this meeting, is hereby approved, and the Chairperson, Executive Director, or the Secretary of the Agency (collectively, the "Authorized Officers"), are hereby authorized and directed to execute and deliver, for and in the name of and on behalf of the Agency, the Site Lease with such additions, changes and corrections as said officers may approve upon consultation with Agency Counsel and Brown & Wood LLP, as Bond Counsel to the Agency ("Bond Counsel"), such approval to be conclusively evidenced by the execution and delivery of the Site Lease.

SECTION 3. Reimbursement Agreement. The proposed form of Reimbursement Agreement on file with the Secretary of the Agency, is hereby approved. Any of the Authorized Officers are hereby directed to execute and deliver the Reimbursement Agreement in substantially said form, with such additions thereto or changes therein as such officers may require, recommend or approve upon consultation with Agency Counsel and Bond Counsel to the Agency, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. ~~Other Actions. The Chairperson, Executive Director, Secretary,~~ and the other officers of the Agency are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the execution and delivery of the Reimbursement Agreement and the Site Lease. Such actions previously taken by such officers are hereby ratified, confirmed and approved.

SECTION 5. Effect. This Resolution shall take effect immediately upon its passage.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto held on the 10th day of February, 1998, by Agency Member Smith, who moved its adoption, which motion being duly seconded by Agency Member Friedman, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Conrad, Fisher, Friedman,
Smith, Chairperson Lang
NOES: Agency Members: Serpa
ABSENT: Agency members: Dobbs

ATTEST: Jean Adams
JEAN ADAMS, Secretary

(SEAL)

APPROVED AS TO FORM:

By: Michael D. Milich
MICHAEL D. MILICH, General Counsel

MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 3-98

A RESOLUTION APPROVING AN AMENDMENT TO THE 10TH STREET PLACE STAGING AGREEMENT
AND AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE THE AMENDMENT

BE IT HEREBY RESOLVED by the Redevelopment Agency of the City of Modesto
that the amendment to the 10th Street Place Staging agreement be, and it is
hereby approved.

BE IT FURTHER RESOLVED that the execution of said amendment to agreement
by the designated Agency officials be authorized.

The foregoing resolution was introduced at a special meeting of the
Redevelopment Agency of the City of Modesto held on the 10th day of February,
1998, by Agency Member Friedman, who moved its adoption, which motion being
duly seconded by Agency Member Lang, was upon roll call carried and the
resolution adopted by the following vote:

AYES: Agency Members: Conrad, Fisher, Friedman, Serpa, Smith, Mayor Lang

NOES: Agency Members: None

ABSENT: Agency Members: Dobbs

ATTEST: Jean Adams
JEAN ADAMS, Agency Secretary

MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 4-98

A RESOLUTION APPROVING AN AMENDMENT TO THE MASTER AGREEMENT BETWEEN THE MODESTO REDEVELOPMENT AGENCY AND THE COUNTY OF STANISLAUS, THE CITY OF MODESTO AND THE CITY/COUNTY CAPITAL IMPROVEMENTS AND FINANCING JOINT POWERS AGENCY FOR THE ELIMINATION OF THE SERVICE PARCEL WITHIN THE JPA SITE AND TO APPROVE A LOT LINE ADJUSTMENT

BE IT HEREBY RESOLVED by the Redevelopment Agency of the City of Modesto that the amendment to the Master Agreement between the Modesto Redevelopment Agency and the County of Stanislaus, the city of Modesto, and the City/County Capital Improvements and Financing Joint Powers Agency for the elimination of the service parcel within the JPA site and to approve a lot line adjustment be, and it is hereby approved.

BE IT FURTHER RESOLVED that the execution of said amendment to the Master Agreement by the designated Agency officials be authorized.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto held on the 10th day of February, 1998, by Agency Member Friedman, who moved its adoption, which motion being duly seconded by Agency Member Smith, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Conrad, Fisher, Friedman, Serpa, Smith, Mayor Lang

NOES: Agency Members: None

ABSENT: Agency Members: Dobbs

ATTEST: Jean Adams
JEAN ADAMS, Agency Secretary

A RESOLUTION AMENDING THE FISCAL YEAR 1997-98 ANNUAL BUDGET TO REFLECT THE CONSTRUCTION BIDS RECEIVED FOR THE TENTH STREET PLACE PROJECT

WHEREAS, the budget estimate for the construction of 10th Street Place was \$34,115,000 with the engineer/architect estimate coming in at \$32,300,000; and

WHEREAS, on February 18, 1998, six bids were received with the range starting at \$28,994,833 to a high of \$38,545,500; and

WHEREAS, a Public Art Committee request was received for funds to provide public art in the project. These funds can be designated in the budget from the savings that result from building construction.

BE IT FURTHER RESOLVED that the Finance Director is hereby authorized to take the necessary steps to implement the provisions of this resolution.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 24th day of February 1998, by Councilmember Friedman, who moved its adoption, which motion being duly seconded by Councilmember Fisher, was upon roll call carried and the resolution adopted by the following votes:

AYES: Councilmembers: Conrad, Dobbs, Fisher, Friedman, Mayor Lang

NOES: Councilmembers: Serpa

ABSENT: Councilmembers: Smith

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(seal)

APPROVED AS TO SUFFICIENCY:

By: Stan Feathers
STAN FEATHERS, Budget Officer

MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 6-98

**A RESOLUTION AMENDING THE FISCAL YEAR 1997-98 REDEVELOPMENT AGENCY
BUDGET TO REFLECT THE FINAL FIGURES ON THE 10TH STREET PLACE PROJECT**

WHEREAS, the 10th Street Place financing is complete and funds will become available on March 11, 1998. The City needs to amend the budget to reflect final figures which will enable the necessary accounting entries for the financing.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the 1997-98 Annual Budget is hereby amended as shown on Attachment A.

BE IT FURTHER RESOLVED that the Treasurer is hereby authorized to take the necessary steps to implement the provisions of this resolution.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto held on the 10th day of March 1998, by Agencymember Friedman, who moved its adoption, which motion being duly seconded by Agencymember Fisher, was upon roll call carried and the resolution adopted by the following votes:

AYES: Agencymembers: Fisher, Friedman, Smith, Lang

NOES: Agencymembers: Serpa

ABSENT: Agencymembers: Dobbs, Conrad

ATTEST:

Jean Adams
JEAN ADAMS, City Clerk

(seal)

APPROVED AS TO SUFFICIENCY:

By: Stan Feathers
STAN FEATHERS, Budget Officer

Appropriations

Fd	Agy	Orgn	Objt	Appr Unit	Current Budget	Adjustment	Revised Budget	
210	120		0454	n/a	0	1,559,487	1,559,487	Cost of Issuance
210	700	7000	7130	n/a	0	30,503,885	30,503,885	Transfer Out to Fund 130
210	700	7000	7907	n/a	0	15,308,860	15,308,860	Transfer Out to Fund 907
210	700	7000	7945	n/a	0	9,423,322	9,423,322	Transfer Out to Fund 945
943	120	DS19	0448	n/a	0	2,954,533	2,954,533	Other Financing uses
943	120	DS19	0449	n/a	0	400,562	400,562	Advance refunding escrow
130	140	J219	6040	219	2,825,000	15,650,365	18,475,365	JPA Building
130	140	J192	6040	192	475,000	1,525,000	2,000,000	Communications Center
130	190	J299	6040	299	0	10,625,000	10,625,000	Police Headquarters
907	140	J887	6040	887	4,700,000	7,036,333	11,736,333	Block A/Parking Garage
907	140	J892	6040	892	0	100,000	100,000	Block B Improvements
907	140	J893	6040	893	0	1,878,332	1,878,332	Cinema Assistance
907	140	J894	6040	894	0	100,000	100,000	Project Administrations
907	140	J895	6040	895	0	550,000	550,000	Prior Design Costs

Revenues

210	510	9510	8301		0	56,795,552	56,795,552	Other Financing Sources(new)
943	510	9510	8301		0	2,954,533	2,954,533	Other Financing Sources(refunding)
130	700	7000	9210		0	30,503,885	30,503,885	Transfer In From Fund 210
907	700	7000	9210		0	15,308,860	15,308,860	Transfer In From Fund 210
945	700	7000	9210		0	9,423,322	9,423,322	Transfer In From Fund 210

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 7-98**

**A RESOLUTION AMENDING THE FISCAL YEAR 1997-98 REDEVELOPMENT AGENCY
BUDGET TO RECOGNIZE \$50,000 FROM THE GENERAL FUND CONTINGENCY RESERVE
TO THE REDEVELOPMENT AGENCY**

WHEREAS, the Research Team for the Regional Center for the Arts is working with a professional consultant to review the feasibility of building and operating a regional arts center in Downtown Modesto; and

WHEREAS, the feasibility study will evaluate the options, models from other communities, and develop recommendations for moving forward.

WHEREAS, an appropriation of \$50,000 is needed to provide partial funding of the feasibility.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the 1997-98 Annual Budget is hereby amended as indicated on Attachment A.

BE IT FURTHER RESOLVED that the Treasurer is hereby authorized to take the necessary steps to implement the provisions of this resolution.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto held on the 17th day of March 1998, by Agencymember Friedman, who moved its adoption, which motion being duly seconded by Agencymember Smith, was upon roll call carried and the resolution adopted by the following votes:

AYES: Agencymembers: Conrad, Dobbs, Fisher, Friedman, Serpa, Smith, Lang

NOES: Agencymembers: None

ABSENT: Agencymembers: None

ATTEST: Jean Adams
JEAN ADAMS, City Clerk

(seal)

APPROVED AS TO SUFFICIENCY:

By: Stan Feathers
STAN FEATHERS, Budget Officer

Appropriations

Fd	Agy	Orgn	Objt	Appr Unit	Current Budget	Adjustment	Revised Budget	
010	701	7001	9908	01L		0	50,000	50,000 Transfer Out to Fund 908
010	800	8000	8003	01H	10,170,336		50,000	10,220,336 Contingency Reserve
908	140	1492	0235	93B		0	50,000	50,000 Transfer Out to Fund 130
Revenue								
908	701	7001	9010	n/a		0	50,000	50,000 Transfer In to Fund 010

MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 8-98

A RESOLUTION APPROVING AN AGREEMENT BETWEEN THE MODESTO REDEVELOPMENT AGENCY AND THE RESEARCH TEAM FOR THE REGIONAL CENTER FOR THE ARTS FOR A FEASIBILITY STUDY

BE IT HEREBY RESOLVED by the Redevelopment Agency of the City of Modesto that the agreement between the Modesto Redevelopment Agency and the Research Team for the Regional Center for the Arts for a feasibility study be, and it is hereby approved.

BE IT FURTHER RESOLVED that the execution of said agreement by the designated Agency officials be authorized.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto held on the 17th day of March, 1998, by Agency Member Friedman, who moved its adoption, which motion being duly seconded by Agency Member Smith, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Conrad, Dobbs, Fisher, Friedman, Serpa, Smith, Mayor Lang

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Jean Adams
JEAN ADAMS, Agency Secretary

**MODESTO REDEVELOPMENT AGENCY OF THE CITY OF MODESTO
RESOLUTION NO. 9-98**

**A RESOLUTION ADOPTING THE 1998-99 OPERATING
BUDGET AND FIRST YEAR OF THE FISCAL YEAR 1998-
99 THROUGH 2007-08 CAPITAL IMPROVEMENT
PROGRAM FOR THE MODESTO REDEVELOPMENT
AGENCY FOR THE FISCAL YEAR ENDING JUNE 30, 1999,
AND PROVIDING FOR CERTAIN TRANSFERS OF FUNDS.**

**WHEREAS, a proposed City of Modesto Operating Budget and Capital
Improvement Program (CIP) for the 1998-99 fiscal year, which encompasses the Budget for
the Redevelopment Agency for the 1998-99 fiscal year, has been submitted to the
Redevelopment Agency by the Executive Director, and the Redevelopment Agency has made
such revisions as it has deemed advisable, and**

**WHEREAS, a duly noticed public hearing was held relating to the adoption of
the Proposed Budget, and**

**WHEREAS, copies of the Proposed Budget have been and are available for
inspection by the public at the office of the City Clerk/Secretary,**

**NOW, THEREFORE, the Modesto Redevelopment Agency does ordain as
follows:**

**SECTION 1. ADOPTION OF BUDGET. That the "City of Modesto
Proposed Annual Budget 1998-99", which encompasses the Budget for the Modesto
Redevelopment Agency, presented by the Executive Director to the Redevelopment Agency at
its meeting held on May 12, 1998, and as thereafter amended by the City
Council/Redevelopment Agency, a copy of which Budget, as amended, is on file in the office**

of the City Clerk/Secretary, is hereby adopted, as the Budget for the Modesto Redevelopment Agency for the fiscal year ending June 30, 1999, and the several amounts stated therein as proposed expenditures.

SECTION 2. ENCUMBRANCES. That the funds of the Modesto Redevelopment Agency encumbered on June 30, 1998, are hereby appropriated for the purposes for which they are encumbered and shall be a part of the Budget for the fiscal year 1998-99, adopted hereby.

SECTION 3. CAPITAL PROJECTS. That Capital Projects carried over from fiscal year 1997-98 are hereby re-appropriated as a part of the Budget for the fiscal year 1998-99, adopted hereby.

SECTION 4. REDEVELOPMENT AGENCY APPROVAL REQUIRED.

That the Redevelopment Agency is authorized by resolution to:

- a. Approve appropriation of reserves.
- b. Approve transfers between funds.
- c. Approve appropriation of any non-departmental revenues.
- d. Approve inter-fund loans.
- e. Approve the creation of new CIP projects and appropriation increases in existing CIP projects.
- f. Approve the transfer and authorize the expenditure of funds from the Reserved Fund Balances for specific purposes.

SECTION 5. EXECUTIVE DIRECTOR AUTHORITY. That the Executive Director is authorized to transfer funds between budgeted activities or departments within a

fund and to appropriate unbudgeted departmental revenues, and the Executive Director may delegate this authority to the Deputy Executive Director.

SECTION 6. DEPARTMENT HEAD AUTHORITY. That City Department Heads are authorized to allocate departmental appropriation to line item level.

SECTION 6. EFFECTIVE DATE. This ordinance shall go into effect and be in full force and operation immediately upon adoption.

SECTION 7. PUBLICATION. Copies of this ordinance shall be posted in at least three (3) prominent and distinct locations in the City; and a notice shall be published once in *The Modesto Bee*, the official newspaper of the Modesto Redevelopment Agency, setting forth the title of this ordinance, the date of its introduction and the places where this ordinance is posted.

The foregoing resolution was introduced at a regular meeting of the Modesto Redevelopment Agency held on the 16th day of June, 1998, by Agency Member Friedman, who moved its adoption, which motion being duly seconded by Agency Member Fisher, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Conrad, Dobbs, Fisher, Friedman, Serpa, Smith, Chairperson Lang

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Jean Zahr
JEAN ZAHR, Secretary

(SEAL)

APPROVED AS TO FORM:

By Michael D. Milich
MICHAEL D. MILICH, General Counsel

**RESOLUTION 10-98
WAS NOT USED**

MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 11-98

A RESOLUTION APPROVING EXTERIOR ELEVATIONS AND SIGNS FOR THE
TENTH STREET PLACE CINEMA

BE IT HEREBY RESOLVED by the Redevelopment Agency of the City of Modesto that the exterior elevations and signs for the Tenth Street Place Cinema be, and are hereby approved.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto held on the 8th day of September, 1998, by Agency Member Fisher, who moved its adoption, which motion being duly seconded by Agency Member Friedman, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Conrad, Dobbs, Fisher, Friedman, Serpa, Smith,
Chairperson Lang

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST:


JEAN ZAHR, Agency Secretary

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 12-98**

**A RESOLUTION APPROVING ALLOCATION OF
FISCAL YEAR 1998/99 REDEVELOPMENT
AGENCY SET-ASIDE FUNDS TO DEVELOPERS
FOR AFFORDABLE HOUSING PROJECTS.**

WHEREAS, State law requires the Redevelopment Agency to set aside 20% of its housing funds ("RDA Housing Funds") to provide assistance for low and moderate income housing, and

WHEREAS, the CITY has received six applications for financial assistance in connection with affordable housing proposals, including but not limited to an application from Eden Housing for financial assistance to acquire and rebuild 620 Paradise Road, and

WHEREAS, the CITY, through its Community Development Department, has held a series of meetings to hear and consider the applicants' proposals and has submitted to the City Council a report, dated September 28, 1998, containing the funding requests, an analysis of each project and recommended allocations of RDA Housing Funds ("Report"), a copy of which is attached as Exhibit "A" and incorporated herein by reference, and

WHEREAS, staff is recommending that one of the applicants receive RDA Housing Funds in the total sum of \$215,000, provided the project meets the conditions as outlined in the Report, and

WHEREAS, action was deferred on two of the requests, and

WHEREAS, approval of this recommended allocation furthers the CITY's goal to

provide affordable housing to its citizens and is consistent with the authorized use of the RDA Housing Funds,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that an allocation of \$215,000 in RDA Housing Funds for affordable housing projects is hereby approved as follows, subject to all terms and conditions set forth in the attached Report:

1. A long term, deferred interest residual receipts loan of up to \$215,000 to Eden Housing, Inc., for a 148-unit family rental housing project, affordable to low and very-low income households, at 620 Paradise Road.

BE IT FURTHER RESOLVED that the City Manager, or his authorized designee, is hereby authorized to execute any and all documents that may be required in relation to the approval of said allocation of said RDA Housing Funds.

The foregoing resolution was introduced at a special meeting of the
Redevelopment Agency of the City of Modesto held on the 13th of October 1998, by Agency
Member Dobbs, who moved its adoption, which motion being duly seconded by Agency
Member Friedman, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Conrad, Dobbs, Friedman, Smith, Serpa, Chairperson Lang

NOES: Agency Members: None

ABSENT: Agency Members: Fisher

ATTEST: Jean Zahr
JEAN ZAHR, Secretary

(SEAL)

APPROVED AS TO FORM:

By Michael D. Milich
MICHAEL D. MILICH, General Counsel



September 28, 1998

To: Mayor and City Council
Modesto Redevelopment Agency

From: Steve Young, Housing and Neighborhoods Manager

Re: Recommendations of Allocation of HOME and Redevelopment Agency funds for Affordable Housing Applications

Recommendation: Resolution approving allocation of HOME and Redevelopment Agency funds in the amounts shown below and authorization for City Manager and Executive Director to execute all necessary documents.

Background: Each year the City receives HOME funds from HUD, the bulk of which are awarded on a competitive basis for affordable housing projects. This year, the City has made available \$829,000 in HOME funds for affordable housing projects. In addition there is \$355,000 available from the Redevelopment Agency's 20% Housing Set-Aside fund, which the Agency will be asked to allocate on their agenda on the same date.

Applications were received from six applicants for a total varying between \$2.4 million and \$4.5 million.

On August 21, a joint meeting was held between the CHCDC and the Redevelopment Agency's Housing Committee for the purpose of hearing proposals from the six applicants for financial assistance for affordable housing. Additional meetings were held by the Housing Committee of the Redevelopment Advisory Commission on September 24, the Citizen's Housing and Community Development Committee on September 30, and the Redevelopment Advisory Commission on October 7. The recommendations below reflect those of staff and the committees, unless otherwise noted. Attached is a summary of each application (Exhibit A). The full applications, along with written responses to staff inquiries, is available on file.

EXHIBIT A

1. **Eden Housing, Inc.**--Eden Housing is proposing to acquire the property at 620 Paradise Road, to demolish the 172 deteriorated units and rebuild 148 units, with some larger units. The project would also include a community center and day care center. They have presented a variety of approaches and financing options, and we believe there are two viable options at this time.

Staff feels that this is the top priority project for a variety of reasons, most of them based on the long and troubled history of the project and the negative impact it continues to have on the neighborhood and the entire West Side. In addition, Eden Housing is a very experienced non-profit developer with a sterling reputation who does very high quality projects. Staff has worked with Eden to reduce the cost and scope of this project, and the summary reflects the revised development and operating pro-formas.

The project is still extremely costly, and may be beyond the ability of the City to finance. The best possible approach at this time is to provide Eden with a commitment of enough funds to allow them to apply for 9% tax credits through the State Tax Credit Allocation Committee. This process is both competitive and largely a matter of luck, as most of the projects are approved in a lottery. However, Eden has been very successful in these competitions.

The City does have enough funds to cover the indicated funding gap in the event of a successful 9% tax credit application. If Eden is successful, this will be a transforming project for both the City and the neighborhood and is too important an opportunity to pass up. Accordingly, staff recommends \$606,000 in HOME funds and \$215,000 in RDA funds for a total of \$821,000. Staff recommends that the Agency also commit that up to \$100,000 of the RDA allocation to Eden be available to cover some pre-development expenses necessary to prepare the tax credit application. It is recommended that the Agency agree to reimburse Eden for out-of-pocket expenses paid to third parties for costs associated with the tax credit application. If the project does not come to fruition, these funds would be lost.

If Eden is not successful at the 9% tax credit application round, the alternative means of financing the project is through a tax-exempt bond issue and the use of 4% tax credits. This type of financing is much more secure, but the gap financing required of the City goes from \$821,000 to nearly \$3 million. At this time, we have not identified how we would raise those extra funds, however there will be some unexpended CDBG funds that the Council will be asked to allocate to eligible projects in the next few months. In addition, the City and Agency will have additional HOME funds next year, and Eden could possibly secure a bridge loan based on a commitment of future funds from the City.

The allocation to Eden should be made subject to the following conditions:

1. Eden to submit copy of purchase agreement no later than December 15, 1998; with copy of appraisal supporting sales price withing 60 days of signed purchase agreement;
2. Eden to apply for and receive 9% tax credits.
3. City and Agency loans to be for 40 years, 3% interest, deferred payment loans with residual receipts note.

2. STANCO/Metro Development- There are actually two applications submitted in connection with STANCO. The first, from STANCO directly, is for the acquisition of the 16 unit Byron Lane apartments. In a separate application, Metro Development has requested funds to rehabilitate the 28 unit Candlewood apartments on Tully Drive, but only if the project is to be acquired and managed by STANCO. STANCO has indicated they are willing to buy and manage that property as well. STANCO has received \$137,000 from the FY 96-97 CHDO allocation that may be used for one of these projects. It is staff's recommendation to award the \$146,000 CHDO allocation from this year's allocation to STANCO without designating which project will be finalized, and let the STANCO Board make that decision prior to moving forward with an acquisition.

The allocation would be made subject to the following conditions:

1. Commit to one of the projects in writing prior to December 31, 1998.
2. Assure that the involvement of STANCO with the selected project conforms with HOME conflict of interest provisions.
3. For either project, submit copy of purchase contract and appraisal supporting purchase price.
4. For either project, submit sources and uses table showing all lenders, financing, and uses of funds.
5. For Candlewood project, submit additional inspections and cost estimates as called for in the termite report.
6. For either project, submit proposed rent schedule by unit.
7. Submit FY 1997-98 audited Financial Statement and identify low income board members as required by CHDO regulations.

3. Desarrollo Latino-Americano (DLA)

On September 15, 1998 DLA was designated as a CHDO by the City Council. They have applied for \$158,100 in pre-development costs and \$210,000 in land acquisition and development costs for the development of a 21 unit self-help homeownership project. Their original application was to acquire a 3.8 acre parcel in the County adjacent to the Tallow plant. After staff raised concerns about that site, DLA indicated that they are no longer interested in that site, and will work to acquire another. As a CHDO, DLA is eligible under HOME rules for an operating grant as well as a loan for pre-development costs associated with finding an alternate site for a project. HOME regulations allow an operating grant not to exceed 50% of the CHDO's operating budget and a pre-development loan not to exceed 10% of the CHDO set-aside. Accordingly, staff recommends an operating grant of \$29,000 and a pre-development loan of \$14,600 from HOME (not CHDO) funds. The pre-development loan can be used for technical assistance, seed money, or site control. In addition, it is recommended that \$23,000 in HOME funds be allocated as a loan towards the eventual purchase of property.

This allocation should be subject to the following conditions:

1. Identify site for project by December 31, 1998.
2. The awarding of the pre-development loan requires that a project be developed. DLA shall have received all required approvals and financings for the selected project by December 31, 1999. (If the project is not completed for reasons within DLA's control, the City is required to re-pay the pre-development loan with non-federal funds.)
3. DLA to execute operating grant agreement.

4. Housing Authority of Stanislaus County- the Housing Authority has made application for an acquisition loan for up to ten units on Randazzo Avenue. Randazzo Avenue is a neighborhood in danger of slipping further into decay, and the Housing Authority already has an ownership interest and is a stabilizing force in the area. Staff would like to support that effort. The Authority has asked for funds to acquire up to 10 duplex units and will use their own funds to rehabilitate them as well as continue to manage them. Staff recommends a total of \$90,000 in RDA funds to acquire one of the duplexes (two units) with the Authority responsible for rehabilitating and managing them.

The allocation should be made with the following conditions:

1. Interest rate to be 3%. Loan to be secured with residual receipts note, with excess cash flow to be split between Agency and Authority proportionate to their original investment. Authority to make interest only payments for 20 year term. At the end of twenty years, Agency and Authority to write off remaining principal owed on their separate loans in exchange for extending period of affordability for additional twenty years.

2. Authority will commit to spend an average of \$25,000 per unit on the rehabilitation of each unit.

3. Authority will submit purchase contract for units selected.

4. Authority will provide relocation plan acceptable to the City.

5. Habitat for Humanity- requested \$85,000 to acquire eight lots on Algen Way and to rezone them and build four Habitat homes. While staff is concerned that there is an existing inventory and backlog of self-help type homes waiting to go into production, Habitat has shown an ability to find participating families to participate in their projects. Accordingly, staff recommends a total of \$50,000 be allocated to Habitat for the purchase of lots at Algen Gardens.

These recommendations leave a total of \$10,400 in HOME funds un-allocated.

Recommended Funding Summary

	HOME	RDA	Total
Eden Housing	\$606,000	\$215,000	\$821,000
STANCO	\$146,000 (CHDO)		\$146,000
DLA	\$ 66,600		\$ 66,600
Housing Auth.		\$ 90,000	\$ 90,000
Habitat		\$ 50,000	\$ 50,000
TOTAL	\$818,600	\$355,000	\$1,173,600

	(1a)	(1b)	(2a)	(2b)	(3)	(4)	(5)
	Eden Housing		STANCO/Metro Development		DLA	Housing Authority	Habitat For Humanity
	9% Tax Cr.	4% Tax Cr.	Byron La Apts.	Candlewood	Site Unidentified	Randazzo	Algen Gardens
City Financing	\$820,979	\$2,945,818	\$330,000	\$200,000	\$368,500	\$600,000	\$85,000
Permanent Loans	2,192,340	7,045,151	350,000		1,403,181		
Local Funds (Loan)						250,000	
Tax Credits Equity-LP	13,349,099	3,847,688					
Tax Credits Equity-GP	145,273	300,683					
AHP Grant	375,000	518,000			262,500		
County Fee Waiver/Deferral					58,800		
State HCD Self-Help Grant					50,000		
Self-Help Labor/Materials					238,109		307,000
Partial Land Sale	0	0					
Oper. Income During Develop.	360,000	360,000					
Total Sources	\$17,242,691	\$15,017,340	\$680,000	\$200,000	\$2,381,090	\$850,000	\$392,000
Financing Uses:							
Land/Project Acquisition	\$2,700,000	\$2,700,000	\$660,000		\$90,000	\$600,000	\$48,000
Off-Site Improvements	\$31,336	\$31,336			\$210,000		\$10,000
Predevelopment/Soft Costs	\$2,286,558	\$1,739,871	\$20,000		\$478,141		\$31,400
Construction	10,268,869	8,502,192	0	0	782,400	0	292,040
Rehabilitation	0	0	0	200,000	0	250,000	0
Financing/TC Fees	1,576,054	1,463,905			106,549		0
Local Permit/Impact Fees	103,600	103,600			475,000		10,560
Developer Fee/Sponser Admin.	276,274	476,436			239,000		0
Total Uses	\$17,242,691	\$15,017,340	\$680,000	\$200,000	\$2,381,090	\$850,000	\$392,000
Unit Cost:							
Total Number of Units	148	148	16	28	21	10	4
Total Development Cost Per Unit	\$116,505	\$101,469	\$42,500	\$7,143	\$113,385	\$85,000	\$98,000
City Financing Per Unit Cost	\$5,547	\$19,904	\$20,625	\$7,143	\$17,548	\$60,000	\$21,250
Cost per Sq. Ft:							
Total Sq. Ft. of Structures	148,928	145,175	13,331	18,456	24,450	9,600	4,200
Construction Costs Per Sq. Ft.	\$68.95	\$58.57	N/A	N/A	\$32.00	N/A	\$69.53
Rehabilitation Costs Per Sq. Ft.	N/A	N/A	N/A	\$10.84	N/A	\$26.04	N/A
TDC Per Sq. Ft.	\$115.78	\$103.44	\$51.01	\$10.84	\$97.39	\$88.54	\$93.33
Total Land Acres	7.0	7.0	0.89	0.74	3.1	0.75	1.0
Development Units Per Acre	22 units/acre	22 units/acre	18 units/acre	38 units/acre	7 units/acre	13 units/acre	4 units/acre
Income Target & Unit Mix	40% AMI	50 & 60% AMI	55/65% AMI	?	50% AMI	50% AMI	55% AMI
1 Bedroom	0	0	0	16	0	0	0
2 Bedrooms	69	83	12	12	0	0	0
3 Bedrooms	75	60	4	0	12	10	4
4 Bedrooms	4	5	0	0	9	0	0
Total Units	148	148	16	28	21	10	4
Operations Summary:							
Effective Gross Income	\$633,257	\$913,160	\$75,977	\$128,818	N/A	\$54,834	N/A
Operating Expenses (Incl. reserves)	\$411,262	\$401,484	\$35,496	\$63,520		\$33,800	
Net Operating Income	\$221,995	\$511,676	\$40,481	\$65,298		\$21,034	
Debt Service	\$193,039	\$465,161	\$30,818	\$57,780		\$20,976	
Cash Flow	\$28,956	\$46,515	\$9,663	\$7,518		\$58	
Debt Coverage Ratio	1.15	1.10	1.31	1.13		1.00	
Annual Per Unit Oper. Expenses	\$2,779	\$2,713	\$2,219	\$2,269		\$3,380	