

RESOLUTION 2023-0217

Adopted by the Sacramento City Council

June 20, 2023

Resolution Appropriating Funds for Redemption of Delta Shores Impact Fee Credits

BACKGROUND

- A. In 2020, the City and M&H executed the Acquisition, Reimbursement, and Credit Agreement for Construction of Delta Shores Public Infrastructure, designated as City Agreement No. 2020-2502, dated August 18, 2020 ("ARC Agreement"). Per the ARC Agreement, (1) M&H agreed to construct or advance-fund specified regional and backbone infrastructure and public facilities included in the DS Fee program (2) the City agreed to acquire the improvements from M&H; and (3) the City agreed to reimburse M&H for the eligible costs of the improvements by providing credits against, and cash reimbursement from, the DS Fee in accordance with Chapter 18.56, article X, of the Sacramento City Code and the ARC Agreement.
- B. The City has confirmed that M&H constructed the regional infrastructure, certain backbone infrastructure, and public facilities as required by the ARC Agreement and is entitled to redemption of fee credits for those improvements.
- C. Section 4 of the ARC Agreement authorizes M&H to assign the fee credits issued under the ARC Agreement to any person or entity by entering into a written assignment agreement, approved by the City, by which the assignee agrees to be subject to the ARC Agreement with respect to the fee credits. M&H therefore entered into written agreements designated as City Agreement No. 2020-3635 and City Agreement No. 2022-0650 and assigned a portion of M&H's fee credits to Kaiser Foundation Health Plan, Inc., and to DS Shopping Center, LLC.
- D. The fee Credits that M&H retains and the fee credits that it assigns have the same redemption priority, per Section 5 of the ARC Agreement which is determined by the effective date of the ARC Agreement. The City must redeem credits in the order in which each Acquisition, Reimbursement, and Credit Agreement is signed. If the funds then available in the Delta Shores Impact Fee accounts are not sufficient to redeem all fee credits of the same priority, then redemption of the tendered fee credits will be pro rata based on each Developers credit balance as of April 1, 2023.
- E. Since July 2022, the City has collected Delta Shores Impact Fee revenues totaling \$270,197.40 that can be used to redeem Delta Shores Impact Fee credits in cash.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1.

The City Council finds that background statements A through E are true and correct.

SECTION 2.

The City Manager or the City Manager's designee is hereby authorized to increase the revenue and expenditure budget in the Delta Shores MYOP (I06132130) project in the Delta Shores Fee Fund (Fund 3217) by \$270,198.

SECTION 3.

The City Manager or the City Manager's designee is hereby authorized to redeem Delta Shores Impact Fee credits in accordance with the amounts stated in Exhibit A attached hereto.

SECTION 4.

Exhibit A is part of the resolution.

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Exhibit A – Delta Shores Impact Fee Credit Redemption Amounts

Adopted by the City of Sacramento City Council on June 20, 2023, by the following vote:

Ayes: Members Guerra, Jennings, Kaplan, Maple, Loloee, Talamantes, Valenzuela, Vang, and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:  06/27/2023
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

Exhibit A

Delta Shores Impact Fee Credit Redemption Amounts

Developer	Delta Shores Regional Infrastructure Fee Credits Redemption Allocation Amount	Delta Shores Backbone Infrastructure Fee Credits Redemption Allocation Amount	Payments to Developer
M & H Realty Partners VI, LP	\$ 116,398.20	\$ 73,205.68	\$ 189,603.88
Kaiser Foundation Health Plan, Inc.	\$ 30,593.48	\$ 44,461.92	\$ 75,055.39
DS Shopping Center, LLC	\$ 2,248.20	\$ 3,289.92	\$ 5,538.13
Total	\$ 149,239.88	\$ 120,957.52	\$ 270,197.40