



INVESTING IN COMMUNITIES

NOTICE OF REGULAR MEETING MEETING
**Sacramento Housing and Redevelopment
Commission**

Wednesday, May 4, 2016 – 6:00 pm
801 12th Street
2nd Floor Commission Room
Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

While the Commission welcomes and encourages participation in the Commission meetings, please limit your comments to three minutes, so that everyone may be heard. If you wish to speak under Citizens Comments or on a posted agenda item, please fill out a speaker card and present it to the Agency Clerk. SHRA provides opportunities for the public to address the Commission at this time in order to listen to opinions regarding non-agendized matters within the subject matter jurisdiction of SHRA. Consistent with the Brown Act, the public comment periods on the agenda are not intended to be “question and answer” periods or conversations with Commission members. Members of the public with questions are encouraged to contact staff before or after the meeting. Commission attendees are requested to silence any electronic devices that they have in their possession during the meeting.

1. **APPROVAL OF MINUTES** - April 20, 2016 meeting

BUSINESS ITEMS

2. Housing Trust Fund and Mixed Income Housing Ordinance Annual Report - City
3. Housing Trust Fund Annual Report And Affordable Housing Program Biennial Report – County
4. Pensione K - Approval of Housing Trust Fund Loan Commitment
5. Approval of Housing Authority Participation in the Renewal and Expansion of the Oak Park Property and Business Improvement District
6. Approval of Resolution to Support The City And County Allocating Their Biannual Residual Distributions From Redevelopment Property Tax Trust Fund “Boomerang Funds” To Affordable Housing

SPECIAL PRESENTATIONS

7. Annual Public Housing Assessment System (PHAS) and Section 8 Management Assessment Program (SEMAP) presentations
8. Promise Zone update

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

REPORTS: Copies of documents relating to agenda items are available for review in the Agency Clerk's office located at 801 12th Street, Sacramento CA 95814. Agendas and reports are also posted online at www.shra.org. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Agency Clerk's office during normal business hours and will also be available at the meeting.

AMERICANS WITH DISABILITIES ACT: Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



INVESTING IN COMMUNITIES

MINUTES

Sacramento Housing and Redevelopment Commission (SHRC) Meeting April 20, 2016

Meeting noticed on April 15, 2016

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Creswell. A quorum of members was present.

MEMBERS PRESENT: Creswell, Griffin, Morgan, Raab, Rios, Stajabu

MEMBERS ABSENT: Alcalay, Johnson, Macedo, Painter, Simas

STAFF PRESENT: La Shelle Dozier, David Levin, Vickie Smith, Jim Shields, Angela Jones, Lira Goff, Christine Weichert, MaryLiz Paulson, Sarah Thomas, Geoff Ross, Celia Yniguez, Brad Satterwhite, Tyrone Williams

APPROVAL OF AGENDA – Agenda approved as submitted

CITIZENS COMMENTS – none

1. APPROVAL OF MINUTES - March 16, 2016 meeting - The meeting minutes were approved unanimously as amended.

PUBLIC HEARING

2. Approval of 2016 One-Year Action Plan Substantial Amendment and Authorization to Solicit and Award Contract for Rio Linda Superblock Environmental Remediation using United States Environmental Protection Agency Funds and Low-Mod Tax Increment Bond Proceeds
3. Approval And Adoption Of The 2016 One-Year Action Plan Substantial Amendment For The Community Development Block Grant, Home Investment Partnership Program and Emergency Solutions Grant; Amendment Of Various Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency Budget; And Other Related Activities And Findings

Brad Satterwhite presented the two items. Staff noted that the Rio Linda Boulevard Superblock action was being removed from the recommendation.

Chair Creswell opened and closed the public hearing – no comments were received.

On a motion by Commissioner Griffin, seconded by Commissioner Morgan the Commission recommended approval of the revised staff recommendation for the items listed above. The votes were as follows:

AYES: Creswell, Griffin, Morgan, Raab, Rios, Staajabu

NOES: none

ABSTAIN: none

ABSENT: Alcalay, Johnson, Macedo, Painter, Simas

BUSINESS ITEMS

4. Approval To Sell Real Property Located At 1400 North B Street

Celia Yniguez presented the item.

On a motion by Commissioner Morgan, seconded by Commissioner Griffin the Commission recommended approval of the staff recommendation for the items listed above. The votes were as follows:

AYES: Creswell, Griffin, Morgan, Raab, Rios, Staajabu

NOES: none

ABSTAIN: none

ABSENT: Alcalay, Johnson, Macedo, Painter, Simas

5. Authorize The Execution Of A Professional Services Contract With Urban Strategies For The Twin Rivers/River District-Railyards Choice Neighborhoods Initiative

Celia Yniguez presented the item.

On a motion by Commissioner Griffin, seconded by Commissioner Rios the Commission recommended approval of the staff recommendation for the items listed above. The votes were as follows:

AYES: Creswell, Griffin, Morgan, Raab, Rios, Staajabu

NOES: none

ABSTAIN: none

ABSENT: Alcalay, Johnson, Macedo, Painter, Simas

DISCUSSION

6. Discussion Regarding Support For The City And County Allocating Their Biannual Residual Distributions From Redevelopment Property Tax Trust Fund "Boomerang Funds" To Affordable Housing

Chair Creswell discussed this item with the members who agreed to place it on the next agenda for action.

SPECIAL PRESENTATIONS

7. Rental Assistance Demonstration (RAD) Program Overview

Kyle Flood presented the item.

8. Homeless Programs Overview

Geoff Ross presented the item.

Chair Creswell requested that staff keep the Commission updated on the funding situation with the Department of Finance and Shelter Plus Care.

EXECUTIVE DIRECTOR REPORT

The Executive Director reviewed the following:

- 1) The next meeting will be May 4 2016.
- 2) Informed the Commission of an issue that arose at City Council regarding a flyer that was distributed to Marina Vista residents.
- 3) Recapped two recent events at Main Avenue Elementary School and Del Paso Nuevo and informed the members of an upcoming event on May 5th at Sutterview and Sierra Vista.
- 4) Invited interested members to the Urban League Unity Ball on April 21st.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

None

COMMISSION CHAIR REPORT

Chair Creswell requested a report about the disposition of Agency owned vacant land.

ADJOURNMENT

As there was no further business to be conducted, Chair Creswell adjourned the meeting at 7:45 p.m.

Clerk



April 29, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Housing Trust Fund and Mixed Income Housing Ordinance Annual Report

SUMMARY

The attached report is submitted to you for review prior to review by the City of Sacramento.

RECOMMENDATION

For review only – no specific recommendation required.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

Attachment



REPORT TO COUNCIL
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Presentation
May 24, 2016

Honorable Mayor and Members of the City Council

Title: Housing Trust Fund and Mixed Income Housing Ordinance Annual Report

Location/Council District: Citywide

Recommendation: Receive and file

Contact: Christine Weichert, Assistant Director, Development Finance, (916) 440-1353
Tyrone Roderick Williams, Director of Development, (916) 440-1316

Presenter: Anne Nicholls

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: This report provides information on the status of the City Housing Trust Fund for calendar year 2015 and the City Mixed Income Housing Ordinance for November and December 2015.

Housing Trust Fund - The City of Sacramento (City) Housing Trust Fund (HTF) Ordinance (No. 1989-013) was adopted by the City Council (Council) on March 7, 1989. The HTF Ordinance includes a method to calculate local financing fees for affordable housing near employment centers. The Sacramento Housing and Redevelopment Agency (SHRA) administers these funds on behalf of the City. See Attachment 2 for the Housing Trust Fund Annual Report for 2015.

Mixed Income Housing Ordinance - On September 1, 2015, the Council repealed Chapter 17.712 of the City Code and adopted a revised citywide Mixed Income Housing Ordinance (No. 2015-0029) effective November 1, 2015 (Ordinance). The revised Ordinance requires an affordable housing impact fee for all new housing units and large subdivisions to assist with the provision of housing for a variety of incomes and family types. See Attachment 3 for the Mixed Income Housing Ordinance Annual Report for 2015. The fee-generated revenue is placed in the citywide Housing Trust Fund and is used to develop

affordable housing units with the goal of increasing the supply available for lower income workers. In order to implement the revised Ordinance, SHRA is preparing Mixed Income Housing Program Guidelines and will return to the Council for approval.

Policy Considerations: There are no policy implications as a result of this informational report.

Environmental Considerations:

California Environmental Quality Act (CEQA): The specific actions herein consist of the filing of a report and are not a project as defined by the California Environmental Quality Act (CEQA) Guidelines Section 15378 (b)(5); therefore, environmental review is not required. There are no federal actions associated with these reports; therefore, the National Environmental Policy Act (NEPA) does not apply.

Sustainability Considerations: Not applicable

Commission Action: At its meeting of May 4, 2016, the Sacramento Housing and Redevelopment Commission received the information presented in this report.

Rationale for Recommendation: Pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), SHRA is required to provide an annual report to the Council on revenue and production generated by the City Housing Trust Fund. Pursuant to the revised Mixed Income Housing Ordinance (No. 2015-0029), SHRA is required to provide an annual report to the City Council, the Planning and Design Commission and the Sacramento Housing and Redevelopment Commission on the status of activities generated by the housing impact fee.

Financial Considerations: The City has collected a total of \$36,344,800 in HTF fees, interest, and loan income since the inception of the fund in 1989. A total of \$30,094,958 has been expended for projects and \$2,633,972 for administration, which is approximately seven percent of total revenues. The balance remaining at the end of 2015 was \$3,615,870. After subtracting for projects with approved budgeted expenditures, the balance available for new projects is \$2,758,073 as of December 31, 2015.

November 1, 2015 was the effective date of the revised Mixed Income Housing Ordinance. The City did not collect any housing impact fees in November or December 2015.

Local Business Enterprise (LBE), M/WBE/Section 3 and First Source Considerations: Not applicable.

Respectfully Submitted by:



LA SHELLE DOZIER
Executive Director

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- 02 Housing Trust Fund Annual Report
- 03 Mixed Income Housing Ordinance Annual Report

**City of Sacramento Housing Trust Fund
Annual Report
for
January 1, 2015 to December 31, 2015**

Sacramento Housing and Redevelopment Agency

May 2016

HOUSING TRUST FUND ANNUAL REPORT FOR 2015

The City of Sacramento (City) Housing Trust Fund (HTF) ordinance was adopted in 1989 to provide local financing for affordable housing near employment centers. Fees on non-residential development generate the revenue based on an economic nexus analysis which determined that the construction of commercial developments such as offices, business parks, hotels, warehouses, and shopping centers played a major role in attracting new very low and low income workers to Sacramento.

Due to the jobs/housing linkage, trust funds assist housing likely to be occupied by persons in the labor force. Overall, developments must be located within a seven-mile radius of the employment-generating uses that pay housing trust fund fees. The City's HTF benefits both very low and low income households earning up to 80 percent of the area median income.

In 2001, the City Council (Council) amended the City Housing Trust Fund Ordinance to allow the use of commercial development impact fees paid into the North Natomas housing trust fund to be used for the same purposes as the citywide fund. Although the amendment integrated the purposes of the funds, it did not change their different fee schedules. The North Natomas fees are based on land use, while the City fees are based on building types.

On October 12, 2004, the Council approved Ordinance 2004-057 instituting an automatic annual increase for the Housing Trust Fund fee based on changes in the construction cost index. The automatic increase ensures that the fund keeps pace with housing construction costs.

Pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), this report provides the public with information on revenue and production generated by the City Housing Trust Fund for calendar year 2015.

Citywide Developments (Excluding North Natomas)

As of April 15, 2016

Building Type/HTF Fee Level (Fee/SqFt)	
Office	\$2.48
Hotel	\$2.35
Research and Development	\$2.10
Commercial	\$1.98
Manufacturing	\$1.55
Warehouse/Office*	\$0.90
Warehouse	\$0.68
*Warehouse buildings with a minor portion (25% maximum) of the space improved for incidental office use.	

North Natomas Developments
As of April 15, 2016

Use*/ HTF Fee Level (Fee/SqFt)	
Highway Commercial	\$2.71
Community/Neighborhood Commercial	\$2.04
Office/Business	\$2.04
M-50	\$1.73
M-20	\$1.43
Light Industrial	\$1.11
Highway Commercial	\$2.71
*Each nonresidential development will be subject to a fee which is based on the applicable North Natomas community plan land use category.	

The following 2015 City Housing Trust Fund Financial Information tables provide financial information for the fund in 2015, including:

- beginning and ending balance
- revenue, including the amount of fees collected, interest earned, and income from loan repayments
- amount of expenditures for developments and operations
- amount budgeted, but not expended, for developments
- balance available for new developments

2015 City Housing Trust Fund Financial Information

Beginning Balance (2015)	
	\$ 2,393,300

Income	
Fees Collected	\$ 916,249
Interest	\$ 33,472
Loan Repayment	\$ 1,159,435
Marshall Hotel SRO Fees	\$ 72,960
Total Income	\$ 2,182,116

Expense	
Developments	\$ 914,480
Operations	\$ 45,066
Total Expense	\$ 959,546

Remaining Development Budgets	
Total	\$ 857,797

Balance Available for Developments	
	\$ 2,758,073

The interest earnings include both interest earnings from the investment pool and interest earned from the interest portion of loan repayments on loans made with the Housing Trust Funds. The substantial increase in loan repayment income can be largely attributed to the payoff of the Del Paso Nuevo Phase IV home construction loan of \$942,811 principal and interest.

The 2015 City Housing Trust Fund Expenditures table below identifies current HTF developments, expenditures, and balance available. For each development, the chart also identifies the HTF restricted units, the total number of housing units, and the loan maturity date. In 2015, an expenditure totaling \$914,480 was made for one development with 20 single family HTF units and 37 total units. The 700 Block of K development did not have any residential expenditures in 2015.

2015 City Housing Trust Fund Development Expenditures

Development	Address	HTF Units	Total Units	Total HTF Budgeted	HTF 2015 Expenditure	Remaining Balance	Loan Maturity Date
Del Paso Nuevo Phase IV	Hayes Avenue Vicinity	20	37	\$ 975,000	\$ 914,480	\$ 67,797	5/1/2017
700 Block of K	700 K St	5	137	\$ 790,000	\$ 0	\$ 790,000	10/1/2071
TOTAL		25	174	\$ 1,765,000	\$ 914,480	\$857,797	

The City Housing Trust Fund Developments table identifies all properties which received Housing Trust Funds and the total number of units produced.

City Housing Trust Fund Developments

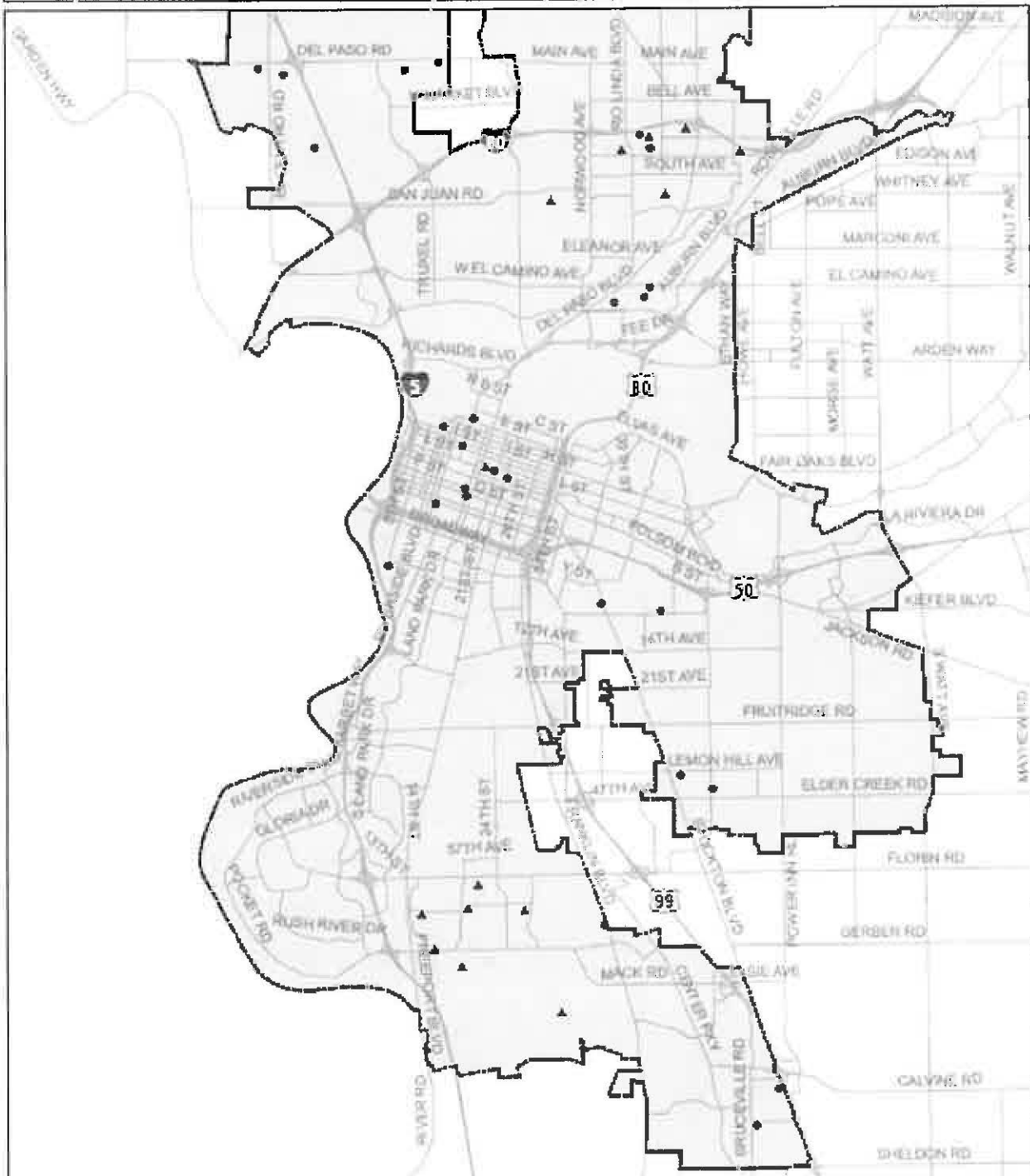
Project Status	Project Name	Total Units
Completed	1048 Jean Avenue	1
Completed	10th and T	13
Completed	1100 Harris Avenue	1
Completed	1221 Rivera Drive	1
Completed	1440 Rene Avenue	1
Completed	1500 Q Street	6
Completed	18th & L Mixed-Use Development	176
Completed	2151 68th Avenue	1
Completed	2221 63rd Avenue	1
Completed	2761 Utah Street	1
Completed	3836 Dayton St.	1
Completed	63 Butterworth Ave.	1
Under Construction	700 Block	137
Completed	729 Morrison Avenue	1
Completed	7445 Carella Drive	1
Completed	7588 Red Willow Street	1
Completed	7672 Manorside Drive	1
Completed	7860 Deerhaven Way	1

Completed	7th & H	150
Completed	Atrium Court Apartments	224
Completed	Copperstone Village	103
Completed	Coral Gables Apartments	4
Completed	Danbury Park	140
Completed	Del Paso Nuevo	54
Completed	Del Paso Nuevo Unit 2	23
Under Construction	Del Paso Nuevo Unit 4	37
Completed	Fremont Mews	119
Completed	Kelsey Village	20
Completed	Kennedy Estates Apartments	98
Completed	La Valentina	81
Completed	Land Park Woods	75
Completed	Lemon Hill Townhomes	74
Completed	Morrison Point Subdivision	22
Completed	North Avenue Apartments	80
Completed	Pensione K Apartments	137
Completed	Phoenix Park	360
Completed	Phoenix Park II	182
Completed	Ridgeway Studios	22
Completed	Silverado Creek Apartments	168
Completed	St Anton Building	64
Completed	Surreal Estates, Ink	11
Completed	Terracina Gold, Village 1 And 3	160
Completed	Terracina Gold, Village 2	120
Completed	Terracina Meadows Apartments	156
Completed	Valencia Point	168
Completed	Victory Townhomes/Evergreen Estates	76
Completed	Willow Glen	135
TOTAL UNITS		3,409

Parties interested in receiving notices of meetings at which this report is heard may request to be placed on a notification list. Notice of the time and place of the meeting will be mailed 15 days prior to the meeting. Written requests should be made to SHRA and are valid one year from the date on which they are filed. Renewal requests for mailed notices should be made on or before April 1st of each year.



Housing Trust Fund Expenditures



- City of Sacramento
- ▲ Single Family Housing Trust Fund Project
- Multi-Family Housing Trust Fund Project



SHRA GIS
April 15, 2018

City of Sacramento Mixed Income Housing Ordinance
Annual Report
for
November 1, 2015 to December 31, 2015

Sacramento Housing and Redevelopment Agency

May 2016

MIXED INCOME HOUSING ORDINANCE REPORT FOR 2015

On September 1, 2015, the City Council (Council) repealed Chapter 17.712 of the City Code known as the Mixed Income Housing Ordinance (No. 2000-039) and adopted a revised citywide Mixed Income Housing Ordinance (No. 2015-0029) effective November 1, 2015 (Ordinance). As part of this revision, the City contracted with a consultant to perform a residential nexus analysis which demonstrates the relationship between the development of market rate residential units and the need for additional affordable housing. The revised Ordinance requires an affordable housing impact fee for all new housing units and large subdivisions to provide housing for a variety of incomes and family types. The fee-generated revenue is placed in a citywide Housing Trust Fund and used to develop affordable housing units with the goal of increasing the supply available for lower income workers.

Pursuant to subsection 17.712.070 of the revised Ordinance, this annual report provides affordable housing production since the adoption of the revised Ordinance during the report period encompassing November and December 2015.

The current fee is reflected below:

Housing Impact Fee

Housing Type	November 1, 2015 Fee (per Square Foot)
Single-unit and duplex dwellings (less than 20 dwelling units per net acre)	\$2.58
High density single-unit and duplex dwellings (20 dwelling units per net acre or more*)	\$0.00
Multi-unit dwellings (less than 40 dwelling units per net acre)	\$2.58
High density multi-unit dwellings (40 dwelling units per net acre or more*)	\$0.00
Conversion of a nonresidential building to a residential use	\$0.00
Dwelling units in the Housing Incentive Zone (See Figure 1)	\$1.11

*"Net acre" for the purposes of this fee, means the total area of a site excluding portions that cannot be developed, such as public and private streets, and open space.

Statement of Income, Expenses and Disbursements

There were no fees collected, expenditures, or disbursements under the revised Ordinance during November and December 2015.

Projects Generating Fee Revenue

There were no developments generating fee revenue under the revised Ordinance during November and December 2015.

Production Accomplished

There were no developments constructed or assisted under the revised Ordinance during November and December 2015.

Future Funding

Funds collected in the future will be used for the construction of affordable housing approved by the Sacramento City Council and consistent with the Sacramento Housing and Redevelopment Agency Multi-Family Lending and Mortgage Revenue Bond Policies.

Recommended Changes to Chapter 17.712

There are no recommended changes at this time.

Adjustments to the Fee

The fees established pursuant to this section shall be adjusted automatically to take into consideration inflation on July 1 of each year by a factor equal to the percentage increase, if any, in the construction cost index for San Francisco (based on 1913 U.S. average = 100) during the 12 months ending on the preceding March 1 as published by Engineer News Record/McGraw-Hill Construction Weekly, or any substitute index that the city council adopts by resolution. The planning director shall be responsible for calculating the adjustment, if any, to the fees and shall advise the city clerk of the amended fees.



April 29, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Housing Trust Fund Annual Report and Affordable Housing Program Biennial Report

SUMMARY

The attached report is submitted to you for review prior to review by the County of Sacramento.

RECOMMENDATION

For review only – no specific recommendation required.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
May 24, 2016

To: Board of Supervisors of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Housing Trust Fund Annual Report And Affordable Housing Program Biennial Report

Supervisorial District: All

Contact: Christine Weichert, Assistant Director, Development Finance, 440-1353
Tyrone Roderick Williams, Director of Development, 440-1316

Overview

This report provides information on the status of the County Housing Trust Fund for calendar year 2015 and the County Affordable Housing Program for the years 2014 and 2015. No action is required.

Recommendations

This item is for information only and no action is required.

Measures/Evaluation

The Sacramento Housing and Redevelopment Agency (SHRA) develops and finances a continuum of affordable housing projects. This report provides the status of the County's Housing Trust Fund for 2015 and the expenditures made toward this goal. It also serves as the report on the County's Affordable Housing Program for 2014 and 2015.

Fiscal Impact

None

BACKGROUND

Housing Trust Fund - The County Housing Trust Fund (HTF) ordinance collects fees on non-residential construction to fund very low-income housing. The ordinance requires an annual report to the Board of Supervisors. The County Affordable Housing Program ordinance created a standard affordable housing fee and provides a variety of other options for developers to satisfy affordable housing obligations. Affordable Housing Program activities are reported on biennially.

The HTF ordinance was adopted in 1990 to raise local financing for affordable housing near employment centers. Fees on non-residential developments generate revenue based on an economic nexus analysis. The analysis determined that the construction of commercial projects such as offices, business parks, hotels, warehouses, and shopping centers played a major role in attracting new very low- and low-income workers to Sacramento. The fee-generated revenue is

used to develop affordable housing units with the goal of increasing the supply available for lower income workers. SHRA administers these funds on behalf of the County of Sacramento. See Attachment 1 – Housing Trust Fund Annual Report for the complete report.

Affordable Housing Ordinance - On February 25, 2014, the Sacramento County Board of Supervisors (Board) repealed Chapter 22.35 of the County Code known as the County's Affordable Housing Ordinance (Repealed Ordinance) and adopted a revised Ordinance (Ordinance) on March 26, 2014. The revised Ordinance creates a standard affordable housing fee accessible to all and also provides a variety of other options an applicant/developer may choose to satisfy a development project's affordable housing obligations. Due to a variety of factors and economic circumstances, including increasing housing development costs, new residential development does not always provide housing to low, very low, and extremely low-income households. As part of the revision to the Ordinance, the County contracted with a consultant to perform a residential nexus analysis which demonstrates the relationship between the development of market rate residential units and the need for additional affordable housing. In order to implement the Ordinance, the County and SHRA prepared the Affordable Housing Program Guidelines (Guidelines) and the Board approved the Guidelines on June 9, 2015. This biennial report quantifies affordable housing production since the adoption of the revised ordinance during the reporting period encompassing calendar years 2014 and 2015. See Attachment 2 – Affordable Housing Program Biennial Activities Report for 2014 and 2015 for the complete report.

COMMISSION ACTION

At its meeting of May 4, 2016, the Sacramento Housing and Redevelopment Commission received the information presented in these reports.

MEASURES/EVALUATIONS

This report gives the status of the County's Housing Trust Fund for 2015 and the expenditures made toward this goal. It also serves as the report on the County's Affordable Housing Ordinance for 2014 and 2015 and the expenditures made toward this goal.

FINANCIAL ANALYSIS

The County Housing Trust Fund has collected a total of \$42,823,671 in fees, interest, and loan repayments since the inception of the fund in 1990. A total of \$35,607,286 has been expended on projects, and \$3,782,744 on administration which is approximately nine percent of total fees revenue. The 2015 ending balance was \$3,433,641. After subtracting for projects with budgeted expenditures, the balance available for new projects is \$1,211,221 as of December 31, 2015.

The County Affordable Housing Program has collected a total of \$2,149,060 in fees, interest, and loan repayments since the inception of the revised Ordinance fund in 2014. A total of \$1,115,000 has been expended on projects, and \$36,556 on administration, which is approximately two percent of total fees revenue. The balance available for new projects is \$2,106,057 as of December 31, 2015.

POLICY CONSIDERATIONS

No action is required and no policy changes are being recommended.

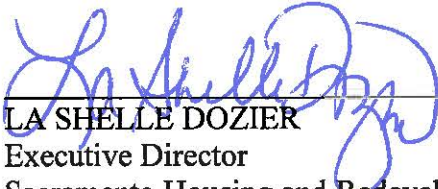
ENVIRONMENTAL REVIEW

The specific actions herein consist of the filing of a report and are not a project as defined by the California Environmental Quality Act (CEQA) Guidelines Section 15378 (b)(5); therefore, environmental review is not required. There are no federal actions associated with these reports; therefore, the National Environmental Policy Act (NEPA) does not apply.

M/WBE AND SECTION 3 CONSIDERATIONS

The items discussed in this staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED
NAVDEEP S. GILL
County Executive

Attachments

ATT 1 – Housing Trust Fund Annual Report for 2015

ATT 2 – Affordable Housing Ordinance Biennial Activities Report for 2014 and 2015

Sacramento County Housing Trust Fund
Annual Report
for
January 1, 2015 to December 31, 2015

Sacramento Housing and Redevelopment Agency
May 2016

HOUSING TRUST FUND ANNUAL REPORT FOR 2015

The County Housing Trust Fund (HTF) ordinance was adopted in 1990 to raise local financing for affordable housing near employment centers. Fees on non-residential developments generate revenue based on an economic nexus analysis. The analysis determined that the construction of commercial projects such as offices, business parks, hotels, warehouses, and shopping centers played a major role in attracting new very low- and low-income workers to Sacramento. The fee-generated revenue is used to develop affordable housing units with the goal of increasing the supply available for lower income workers. SHRA administers these funds on behalf of the County of Sacramento.

The County's Housing Trust Fund benefits very low-income households who earn up to 50 percent of the County median income. The jobs/housing linkage requires that housing projects funded with HTF be occupied by persons in the labor force. Additionally, projects must be located within a seven-mile radius of the employment-generating uses that pay Housing Trust Fund fees.

Pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), this report provides the public with information on revenue and production generated by the County Housing Trust Fund for calendar year 2015.

Current Fee Schedule

Building Use	Fee Per Square Foot
Office	\$0.97
Hotel	\$0.92
Research & Development	\$0.82
Commercial	\$0.77
Manufacturing	\$0.61
Warehouse	\$0.26

The following 2015 County Housing Trust Fund Financial Information tables provide financial information for the fund in 2015, including:

- beginning and ending balance
- revenue, including the amount of fees collected, interest earned, and income from loan repayments
- amount of expenditures for projects and operations
- amount budgeted, but not expended, for projects
- balance available for new projects

2015 County Housing Trust Fund Financial Information

Beginning Balance (2015)	
	\$6,569,845

Income	
Fees Collected	\$451,431
Interest	\$36,608
Loan Repayment	\$2,456,386
Total Income	\$2,944,425

Expense	
Projects	\$6,033,600
Operations	\$47,028
Total Expense	\$6,080,628

Remaining Project Balances	
Total	\$2,222,421

Balance Available for Projects	
	\$1,211,221

The interest earnings include both interest earned from the investment pool and interest earned from the interest portion of Housing Trust Fund loan repayments. The large increase in loan repayment income can be largely attributed to the payoff of the Terracina at Laguna Creek loan of \$892,339 principal and interest and the Affordable Housing Program fund repayment for Arbor Creek Family of \$1,115,000.

The 2015 County Housing Trust Fund Expenditures table, below, identifies current HTF projects, expenditures, and balance available. For each project the chart also identifies the HTF restricted units, the total number of housing units, and the loan maturity date.

2015 County Housing Trust Fund Project Expenditures

Project	Address	HTF Units	Total Units	Total HTF Budgeted	2015 HTF Expenditure	Remaining Balance	Loan Maturity Date
Anton Arcade	2134 Butano Drive	18	148	\$3,210,000	\$2,900,000	\$310,000	5/1/2072
Ethan Terrace	1820-1824 Ethan Terrace	14	92	\$2,200,000	\$997,306	\$1,202,694	12/1/2072
Colonia San Martin	7271 Florin Mall Drive	40	60	\$2,100,000	\$136,294	\$709,747*	11/19/2062
Olivewood Apartments	2801-2811 La Quinta Drive	21	68	\$2,000,000	\$2,000,000	\$0	4/1/2069
TOTAL		93	368	\$9,510,000	\$6,033,600	\$2,222,421	

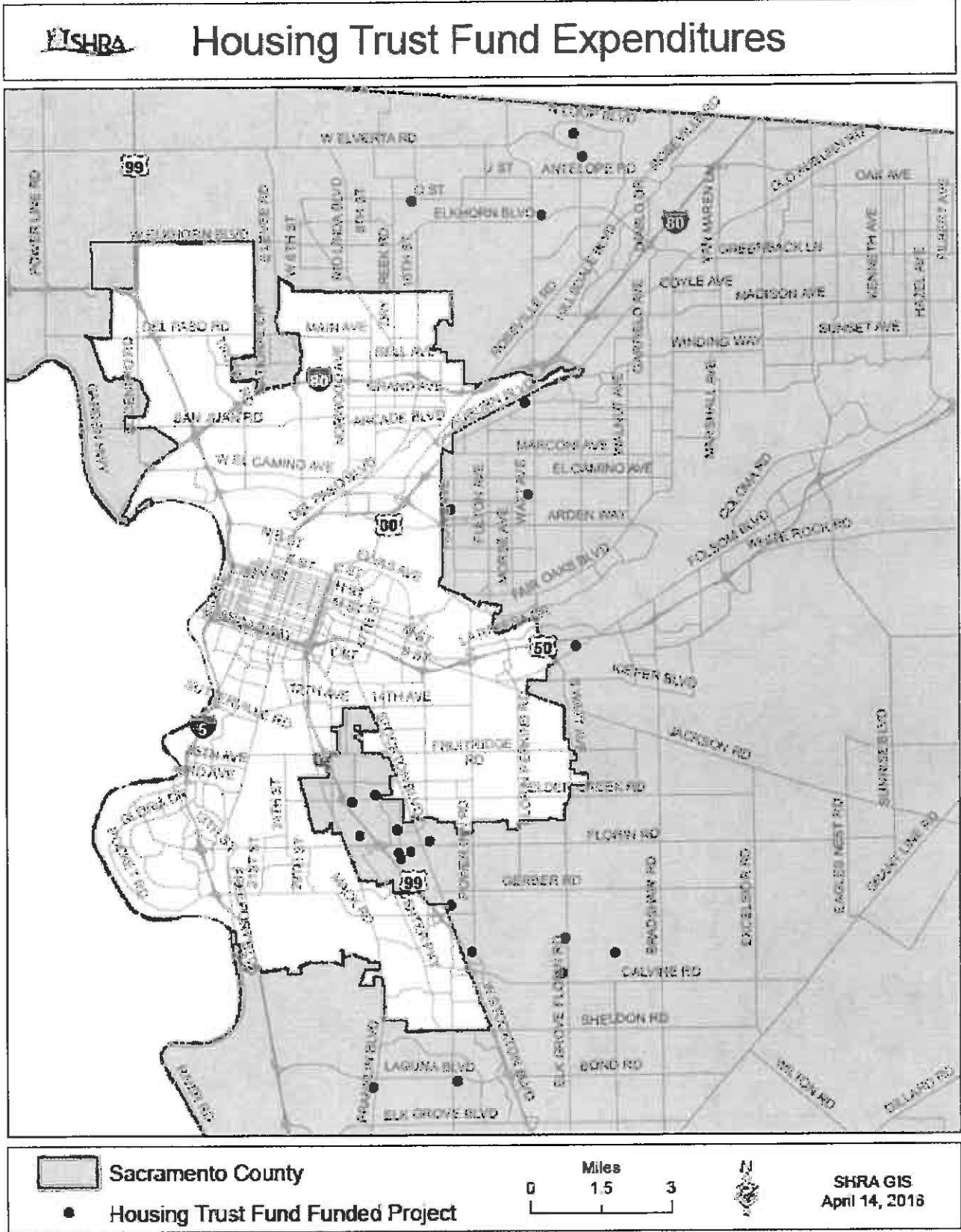
*Colonia San Martin has a remaining balance available for operating reserves. Construction of this project is complete.

The County Housing Trust Fund Developments table identifies all properties which received Housing Trust Funds and the total number of units produced. The map included below shows the location of each of the Housing Trust Fund Expenditures detailed in the below table.

County Housing Trust Fund Developments

Project Name	Total Units
Acacia Meadows Apartments	140
Anton Arcade	148
Arbor Creek Family Apartments	102
Arlington Creek Apartments	148
Asbury Place	104
Auberry Park	112
Churchill Downs Apartments	204
Colonia San Martin	60
Cordova Meadows Apartments/Park Meadows	183
Danbury Park	140
Ethan Terrace	92
Fleming Phase II	15
Fleming Place	30
Florin Woods/Crossroads Gardens	70
Greenway Village	54
Los Robles (Sky Parkway)	80
Mather Transitional Housing (Phase II)	273
Morse Glen Estates (Lerwick)	50
Norden Terrace Apartments	204
Olivewood Apartments	68
Pacific Rim/Sunnyslope	31
Sac Veterans Resource Center	32
Saybrook	61
Terracina Laguna	136
Terracina Vineyard	64
Village Crossings Apartments	196
TOTAL UNITS	2,797

Parties interested in receiving notices of meetings at which this report is heard may request to be placed on a notification list. Notice of the time and place of the meeting will be mailed 15 days prior to the meeting. Written requests should be made to SHRA and are valid one year from the date on which they are filed. Renewal requests for mailed notices should be made on or before April 1st of each year.



Sacramento County Affordable Housing Program

Biennial Activities Report

for

January 1, 2014 to December 31, 2015

Sacramento Housing and Redevelopment Agency

May 2016

AFFORDABLE HOUSING PROGRAM BIENNIAL REPORT FOR 2014-2015

On February 25, 2014, the Sacramento County Board of Supervisors (Board) repealed Chapter 22.35 of the County Code known as the County's Affordable Housing Ordinance (Repealed Ordinance) and adopted a revised Ordinance (Ordinance) on March 26, 2014. The revised Ordinance creates a standard affordable housing fee accessible to all and also provides a variety of other options an applicant/developer may choose to satisfy a development project's affordable housing obligations. For a variety of factors and economic circumstances, including increasing housing development costs, new residential development does not always provide housing to low, very low, and extremely low-income households. As part of this revision, the County contracted with a consultant to perform a residential nexus analysis which demonstrates the relationship between the development of market rate residential units and the need for additional affordable housing. In order to implement the Ordinance, the County and SHRA prepared the Affordable Housing Program Guidelines (Guidelines) and the County approved the Guidelines on June 9, 2015.

Ordinance section 22.35.060(D) calls for biennial reports to monitor the performance of the affordable housing program, including the number of units produced, the amount of land dedicated and purchased, the amount of funds collected and expended and the level of affordability in units constructed. This biennial report quantifies affordable housing production since the adoption of the revised ordinance during the reporting period encompassing calendar years 2014 and 2015.

Under the new Ordinance, new residential development projects have the following options to comply with the affordable housing requirement:

- Pay an affordability fee on all newly constructed market-rate units;
- Comply with the development project's approved affordable housing plan (AHP) if one exists under the repealed ordinance; or
- Enter into a development agreement or other form of agreement with the County, which provides for a fee credit for land dedication, construction of affordable housing units, or other mechanism that leads to the production of affordable housing in an amount at least equivalent to the affordability fee.
- Purchase Unit credits for affordable housing units banked with SHRA.

Current Fee Schedule

As of March 31, 2016, the current affordability fee is equal to \$2.61 per habitable square foot of each market rate residential unit and is paid concurrently with payments for building permit fees for the development project. The fee is adjusted annually based on the Building Cost Index 20-City Average published by Engineer News-Record/McGraw Hill.

**2014-2015 COUNTY AFFORDABLE HOUSING
 PROGRAM FINANCIAL INFORMATION**

Fees Collected 2004 - 2013¹ Beginning Balance	
\$1,108,553	

Income	
2014-2015	
Fees Collected	\$2,119,692
Interest	\$29,368
Total Income	\$2,149,060

Expense	
2014-2015	
Operations	\$36,556
Arbor Creek Family ²	\$1,115,000
Total Expense	\$1,151,556

Balance Available For Projects	
\$2,106,057	

¹ Fees collected under the Repealed Ordinance

² ELI Buydown of 41 units at Arbor Creek Family per repealed Ordinance.

At least 10 percent of the affordability fees collected are to be utilized to generate extremely low-income units by buying down affordability in very low-income units constructed as a result of the ordinance or constructed on dedicated sites.

At least 50% of the fees collected shall be used to produce affordable housing in large development projects consisting of at least 750 residential units.

Other Development Options

Compliance with the revised Ordinance requires coordination among the project sponsor/developer, SHRA staff and County staff. If a developer enters into a development agreement, a project's application for entitlements includes preparation of an Affordable Housing Strategy which details how the affordable obligation will be met. The strategy is approved by the County Board of Supervisors concurrently with the project's first legislative entitlements. An Affordable Housing Regulatory Agreement is then executed between the Developer and SHRA concurrently with the final map for the project.

Production Accomplished

The Unit Production table identifies all affordable units constructed under the Repealed Ordinance and the Revised Ordinance.

The Regulatory Agreement is recorded on the property's Title and remains in effect for either 30 years (for-sale units) or 55 years (rental units), during which rents remain affordable. Completed projects are monitored by SHRA's Portfolio Management Department for the duration of the Regulatory Agreement.

2015 AFFORDABLE HOUSING PROGRAM UNIT PRODUCTION

REVISED ORDINANCE

2014-2015	Units Constructed		
	ELI	VLI	LI
None	0		

REPEALED ORDINANCE

2011-2012	Units Constructed		
	ELI	VLI	LI
Glenwood #5 Subdivision (Single Family)	0	0	4
2009-2010			
Arbor Creek Family (Multi-family)	41	41	19
Arbor Creek Senior (Multi-family)	7	32	20
Corsair Park Senior Apartments (Multi-family)	0	11	6
Norden Terrace Apartments (Multi-family)	0	20	10
Varena Senior (Multi-family)	0	13	6
2007-2008			
Vineyard Creek/Vineyard Pointe (Multi-family)	35	71	70
Sierra Sunrise II (Multi-family)	0	2	1
Colonia San Martin (Multi-family)	0	6	3
Robbin's Nest (Single Family)	0	0	1
Foothill Farms Senior (Multi-family)	0	17	8
Mutual Housing at the Highlands (Multi-family)	0	8	4
2005-2006			
Walerga Road Apartments (Multi-family)	0	0	26
Total Units Constructed by Affordability	83	221	178
Total Units Constructed	482		

Land Dedication

No transfer of dedicated land or land purchase has occurred.

Unit Purchase Program

No unit credits were purchased from SHRA during 2014-2015.



April 29, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Pensione K - Approval of Housing Trust Fund Loan Commitment


SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the City of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LASHELLE DOZIER
Executive Director

Attachment



**REPORT TO COUNCIL AND
HOUSING AUTHORITY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org**

**Consent
May 17, 2016**

**Chair and Members of the Housing Authority Board
Honorable Mayor and Members of the City Council**

Title: Pensione K - Approval of Housing Trust Fund Loan Commitment

Location/Council District: 1100 17th Street, Council District 4

Recommendation: Adopt: 1) a **City Council Resolution** which authorizes the Sacramento Housing and Redevelopment Agency (Agency) to a) approve a loan commitment of \$746,800 in City Housing Trust Funds to Pensione K (Project), b) execute an Amended and Restated Loan Commitment Letter with 1702 Studio Housing Partners L.P. (Barone Galasso and Associates, Inc.) or related entity, c) execute all necessary documents associated with this transaction, d) amend the Agency budget, and e) make related findings, and 2) a **Housing Authority Resolution** which authorizes the Executive Director or her designee to a) restructure and/or extend the existing debt and assign it to a new limited partnership formed by Barone Galasso and Associates, Inc., extending the loans' maturity to a date 55 years after completion of the proposed rehabilitation, b) execute the Amended and Restated Loan Commitment Letter c) consent to the assumption of the existing obligations by 1702 Studio Housing Partners L.P. (Barone Galasso and Associates, Inc.) or a related entity, in order to ensure the continued viability of the development, and d) amend the Agency budget to receive the repayment of the principal and interest on the Housing Trust Fund.

Contact: Christine Weichert, 440-1353; Tyrone Roderick Williams, 440-1316, Sacramento Housing and Redevelopment Agency

Presenter: N/A

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: On March 8, 2016, the City Council approved an application from 1702 Studio Housing Partners L.P. (Barone Galasso and Associates, Inc. or Developer) to the Agency for the issuance of up to \$4,500,000 in tax exempt mortgage revenue bonds, and a gap financing Home Investment Partnership Program (HOME) loan of \$1,190,000 for Pensione K (Project). Pensione K is an existing affordable apartment complex owned by the Developer which is in need

of rehabilitation. Project financing also included approval of the restructuring of three existing loans (two funded with Low/Moderate Housing Tax Increment and one with Housing Trust Funds) which were to be assigned to a new limited partnership formed by Barone Galasso and Associates, Inc. The restructuring of these loans and their associated documents included extending their maturity to a date 55 years after completion of the proposed rehabilitation of the Project. Staff is proposing to continue to restructure the two Low/Moderate Tax Increment loans as previously authorized. However, it is now proposed that the Housing Trust Fund (HTF) loan, with a total outstanding balance with accrued interest of approximately \$746,800, be repaid and a new HTF loan be made in an equivalent amount.

The original HTF loan was made with local funds in the name of the Redevelopment Agency of the City of Sacramento. With the dissolution of redevelopment agencies in California, redevelopment funds were transferred to the Housing Authority of the City of Sacramento. As a result, the existing HTF loan must be repaid to the Housing Authority of the City of Sacramento and a new HTF loan made in the name of the Sacramento Housing and Redevelopment Agency.

Pensione K is located on approximately 0.44 acres at 1100 17th Street in Sacramento's Midtown neighborhood. The Project was built in 1996 and includes a total of 127 studio units and two one-bedroom manager's units that comprise a four-story wood frame residential building with an elevator and stucco exterior. There is retail space on the ground floor. A vicinity map is included as Attachment 2. A photo of the Project is included as Attachment 3. Further background on the Project, Developer, property management, resident services, financing, and affordability requirements is included as Attachment 4. A project summary, including a proposed sources and uses of funds, is included as Attachment 5. A project cash flow proforma is included as Attachment 6, and a schedule of maximum rents is included as Attachment 7.

Policy Considerations: The recommended actions are consistent with: a) the Housing Trust Fund Ordinance and its adopted rules and regulations for its administration (Ordinance No. 89-013) b) the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 2. Recapitalization (Resolution No. 2009-148); c) the 2013-2021 Housing Element, which encourages the preservation and rehabilitation of existing housing to ensure neighborhood livability and promote housing affordability (Resolution No. 2013-415); d) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and e) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282).

Economic Impacts: This multifamily residential project is expected to create 23.6 total jobs (13.4 direct jobs and 10.2 jobs through indirect and induced

activities) and create \$1,964,272 in total economic output (\$1,197,346 of direct output and another \$766,926 of output through indirect and induced activities). The Developer will be encouraged to use the First Source Program for employment opportunities. *The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.*

Environmental Considerations:

California Environmental Quality Act (CEQA): On March 2, 2016, the Sacramento Housing and Redevelopment Commission found the project to be exempt in accordance with the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301. The recommended actions herein do not constitute a new project or substantive changes or modifications to the project as previously analyzed. Because there is neither any new information of substantial importance nor any substantial changes to the circumstances under which the project will be undertaken, no additional supplemental environmental documentation is required. On March 8, 2016, the Housing Authority of the City of Sacramento and the City of Sacramento each made the same environmental findings. The recommended actions do not require further environmental review.

Sustainability Considerations: The Project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the project will advance the following goal, policy and target as follows: Goal number one – Energy Independence, specifically by reducing the use of fossil fuels, improving energy efficiency, and providing long-term affordable and reliable energy.

Other: On March 2, 2016, the Sacramento Housing and Redevelopment Commission found the project to be exempt in accordance with the National Environmental Policy Act (NEPA) pursuant to 24 CFR Section 58.35(a)(3)(ii). After review, it has been determined that that the original environmental findings are still valid and that there has been no change in the data or the conditions upon which those findings were based, as there are no substantial changes in the nature, magnitude or extent of the project and no new activities that were not anticipated in the original scope of the project have been added to the project. Furthermore, there are no new circumstances and environmental conditions which may affect the project or have a bearing on its impact on the environment. On March 8, 2016, the Housing Authority of the City of Sacramento and the City of Sacramento each made the same environmental findings. The recommended actions do not require further environmental review.

Commission Action: At its meeting of May 4, 2016, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

Rationale for Recommendation: The actions recommended in this report enable the Agency to continue to fulfill its mission to provide a range of affordable housing opportunities in the City and are consistent with the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, the City of Sacramento's 2013-2021 Housing Element, Promise Zone Plans and Goals, and the Downtown Housing Initiative and Initiation of the Downtown Specific Plan.

Financial Considerations: Project financing consists of an Agency loan of \$746,800 in Housing Trust Funds and HOME loan committed on March 8, 2016. The two existing Low/Mod Tax Increment loans are being restructured and/or extended using their existing interest rates. The existing Housing Trust Fund loan with accrued interest of approximately \$746,800 will be repaid by the Developer at closing. The Amended and Restated Loan Commitment is included as Exhibit A to the City Council Resolution.

LBE/M/WBE/Section 3 and First Source Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent applicable. Developer will be encouraged to use the First Source Program for employment opportunities. Local Business Enterprise does not apply to this report.

Respectfully Submitted by:

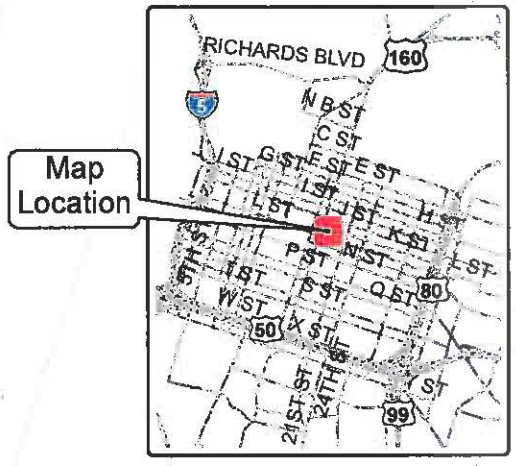
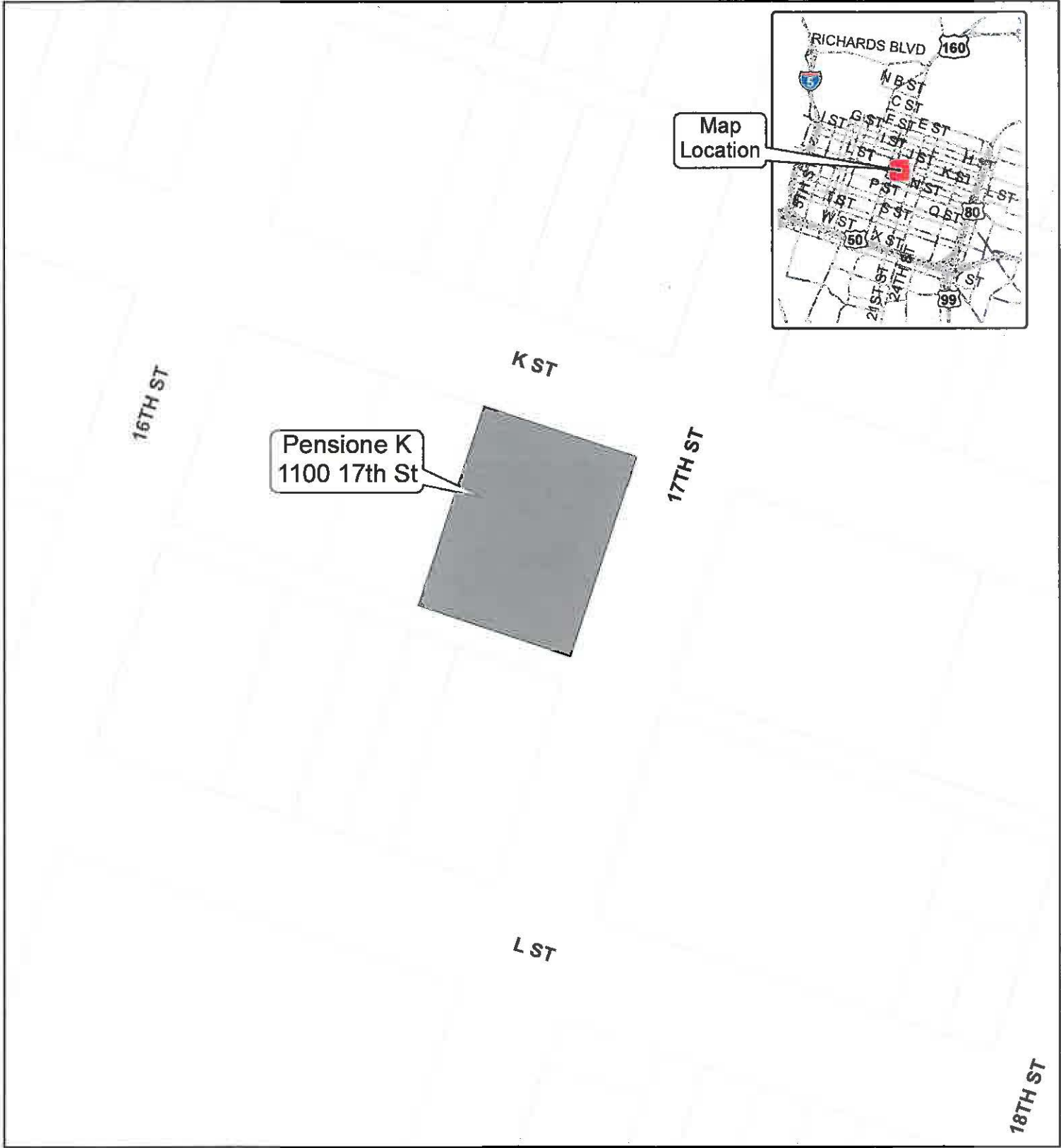

LA SHELLE DOZIER
Executive Director

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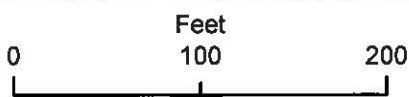
- 1 Description/Analysis
- 2 Vicinity Map
- 3 Photo
- 4 Background
- 5 Project Summary
- 6 Cash Flow Proforma
- 7 Maximum Rents and Income
- 8 City Resolution-Loan Commitment
- 9 Exhibit A: Amended and Restated Loan Commitment Letter
- 10 Housing Authority Resolution-Existing Debt



Pensione K

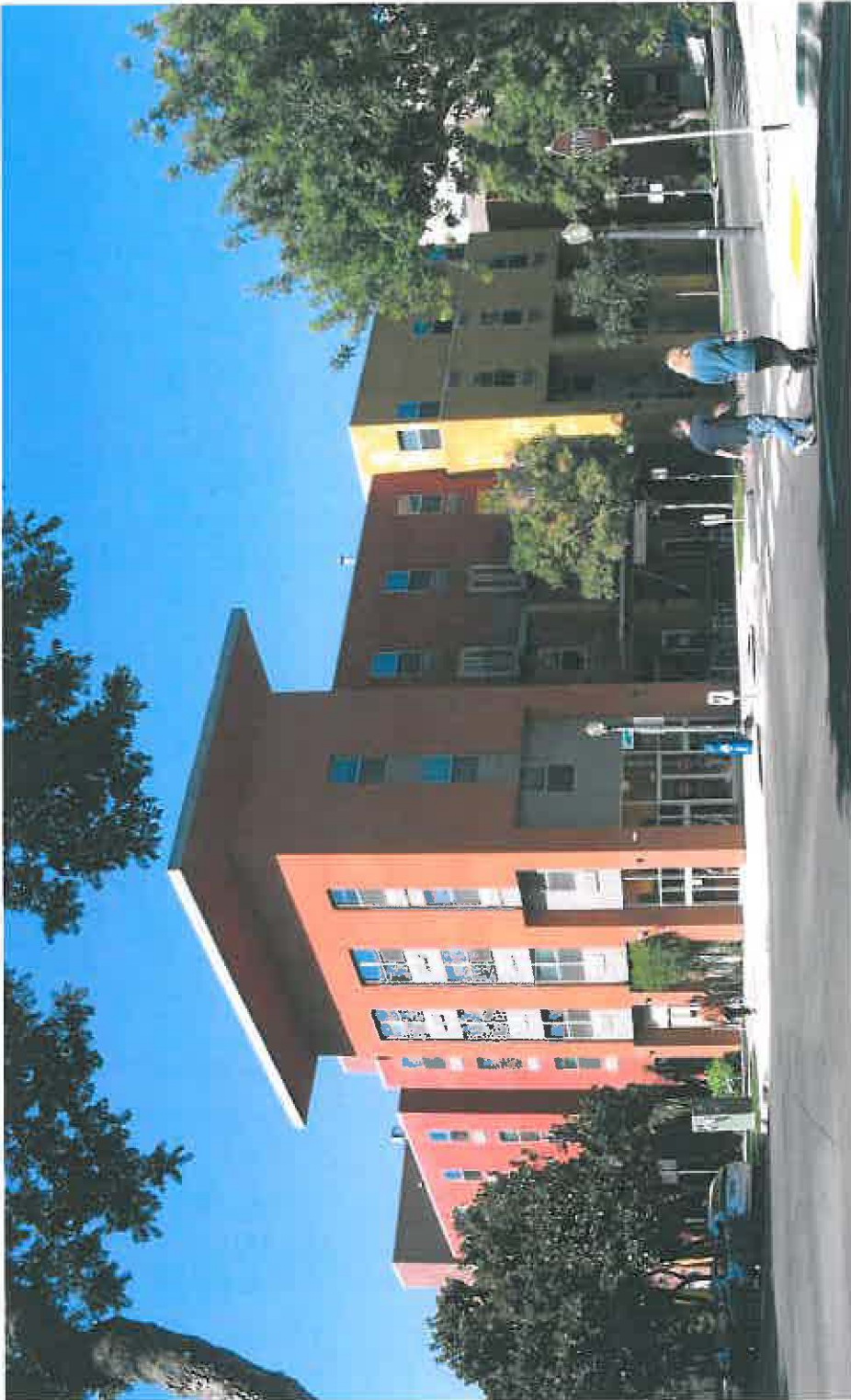


Pensione K



SHRA GIS
January 12, 2016

Pensione K



Pensione K Background Information

Description of Development: Barone Galasso and Associates, Inc. propose to rehabilitate Pensione K (Project), an existing affordable 129-unit apartment complex at 1100 17th Street. The Project was built in 1996 using Low Income Housing Tax Credits (LIHTC). The Project consists of 127 studio units and two one-bedroom manager's units in a four-story building. Income restrictions from the LIHTC financing require that no households at the 129-unit Project have an income higher than 60 percent Area Median Income (AMI). The Agency further requires 20 percent of the units to be restricted to households with incomes no greater than 50 percent AMI.

The proposed work will include a complete rehabilitation of the Project, including interior and exterior repairs to the building and site improvements. Interior improvements will include replacing finishes, community kitchen appliances, plumbing, and electrical throughout common areas. The community kitchen will be redesigned and all lighting will be replaced with LED. Four additional sets of washer/dryers will be installed in the on-site laundry room. Hallways and stairs will be upgraded to noise-reducing carpeting and new lighting. Individual unit improvements will include new flooring, window coverings, kitchen cabinets and sinks, closet shelves, low-flow bathroom faucets and showerheads, new bathroom sinks, bathtub enclosures, bathroom cabinets, low-flow toilets, and electrical fixtures including LED lighting. Six sets of balcony doors will be replaced. Each unit will be repainted and life safety issues will be addressed.

Exterior improvements include replacing roofing, repainting and repairing exterior walls, replacing the building heating ventilation and air conditioning system and boiler, and site improvements to address paving and landscaping issues. Irrigation systems will be upgraded for water efficiency. Additionally the main entryway doors will be replaced for Americans with Disabilities Act compliance.

The proposed rehabilitation conforms to the Agency's guidelines that require a 15 year useful life for all major building systems and will bring the property up to current market standards. The improvements will create a complex that is visually more appealing and functionally improved, which will increase its marketability and have a positive impact on the surrounding neighborhood.

Developer: Barone Galasso and Associates (BGA), Inc. is a real estate development and management company that has developed and managed affordable housing and residential hotels for the past 30 years throughout California. BGA owns 11 other properties in California, consisting of over 1200 affordable and market rate units. They have extensive experience in financing projects with tax credits, tax exempt bonds and other public and private funding sources.

Resident Services: Services will be provided to the residents by Pacific Housing Inc. (PHI), a non-profit with over 15 years of experience. PHI serves as the Managing General Partner in the ownership of over 90 affordable rental housing developments, consisting of 15,000 units. The service provider will be required to provide at least 20

hours of services per week. Programs will be tailored to the needs of the residents. Examples of services include Educational Classes, Service Coordination, and Social Events/Enrichment.

Property Management: The Project will be managed by Barone Galasso and Associates, Inc. Agency staff has reviewed the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures, and has found that the proposed management company meets the Agency’s requirements for property management.

Project Financing: The Project’s previously approved financing included a bank loan, tax credit equity, two existing Housing Authority loans, a deferred developer fee and an Agency loan of \$1,190,000 in City HOME Investment Partnership (HOME) funds. The Project’s anticipated financing will include an Agency loan of \$746,800 in City Housing Trust Funds. Funding sources and uses are provided in the Project Summary as Attachment 5. A Cash Flow Proforma is provided as Attachment 6.

Low-Income Set-Aside Requirements: As a condition of receiving tax credits and the benefits of tax-exempt bond financing, federal law requires that apartments be set-aside for targeted income groups. Income restrictions from LIHTC financing require that no households have income higher than 60 percent AMI. The Agency further requires that 20 percent of the units be restricted to households with income no greater than 50 percent AMI. Maximum rent and income limits can be found in Attachment 7. Project affordability restrictions will be specified in regulatory agreements with the Developer. These anticipated sources and their affordability requirements are summarized in the following table:

Unit Type	% of Units	Affordability Restrictions	Units	Regulatory Requirements
Low Income Housing Tax Credits and Agency Loan	15%	Extremely Low (30% AMI)	20	55 years
Low Income Housing Tax Credits, Tax-exempt Bonds and Agency Loan	70%	Extremely Low (40% AMI)	92	55 years
Low Income Housing Tax Credits, Tax-exempt Bonds and Agency Loan	10%	Very Low (50% AMI)	11	55 years
Low Income Housing Tax Credits and Agency Loan	3%	Low (60% AMI)	4	55 years
Low Income Housing Tax Credits and Agency Loan	2%	Low (60% AMI)	2	55 years
Total	100%		129	

Pensione K
Residential Project Financial Summary

Address	1100 17th Street			
Number of Units	129			
Year Built	1995			
Construction Type	Rehabilitation			
Acreage	0.44			
Affordability	20 units at or below 30% AMI 92 units at or below 40% AMI 11 units at or below 50% AMI 6 units at or below 60% AMI			
Unit Mix and Rents	(30% AMI)	(40% AMI)	(50% AMI)	(60% AMI)
Studio	20	92	11	4
1 Bedroom (Staff)				2
TOTAL	20	92	11	6
Square Footage	<i>Per Unit</i>		<i>Total</i>	
Studio (30% AMI)	220	4,400	square feet	
Studio (40% AMI)	260	23,920	square feet	
Studio (50% AMI)	287	3,157	square feet	
Studio (60% AMI)	440	1,760	square feet	
1 Bedroom (Staff)	500	1,000	square feet	
Common Areas		16,321	square feet	
TOTAL		50,558	square feet	
Resident Facilities	The project includes a community room and kitchen, resident lounge, courtyard and a 24 hour on-site laundry facility.			
Permanent Sources	<i>Current Total</i>	<i>Per Unit</i>	<i>Per Sq Ft</i>	
Federal Tax Credit Equity	\$ 2,399,796	\$ 18,603	\$ 47.47	
New Agency HOME Loan	\$ 1,190,000	\$ 9,225	\$ 23.54	
New Agency HTF Loan	\$ 746,800	\$ 5,789	\$ 14.77	
Existing Agency Loan	\$ 1,005,828	\$ 7,797	\$ 19.89	
Bonds	\$ 3,000,000	\$ 23,256	\$ 59.34	
NOI During Construction	\$ 176,514	\$ 1,368	\$ 3.49	
Deferred Developer Fee	\$ 195,000	\$ 1,512	\$ 3.86	
TOTAL SOURCES	\$ 8,713,938	\$ 67,550	\$ 172.36	
Permanent Uses				
Acquisition	\$ 3,800,000	\$ 29,457	\$ 75.16	
Construction	\$ 2,398,340	\$ 18,592	\$ 47.44	
Permits and Fees	\$ 10,000	\$ 78	\$ 0.20	
Architecture and Engineering	\$ 75,000	\$ 581	\$ 1.48	
Hard Cost Contingency	\$ 239,834	\$ 1,859	\$ 4.74	
Soft Cost Contingency	\$ 188,891	\$ 1,464	\$ 3.74	
Financing Costs	\$ 281,185	\$ 2,180	\$ 5.56	
Operating Reserves	\$ 250,000	\$ 1,938	\$ 4.94	
Legal Fees	\$ 155,000	\$ 1,202	\$ 3.07	
Developer Fee	\$ 792,153	\$ 6,141	\$ 15.67	
Relocation	\$ 437,485	\$ 3,391	\$ 8.65	
Insurance, Third Party, Marketing, Other	\$ 86,050	\$ 667	\$ 1.70	
TOTAL USES	\$ 8,713,938	\$ 67,550	\$ 172.36	
Management / Operations				
Proposed Developer:	Barone Galasso and Associates, Inc.			
Property Management Company:	Pacific Housing Inc.			
Operations Budget:	\$ 494,932	\$ 3,837		
Property Management	\$ 45,876	\$ 356		
Resident Services:	\$ 27,723	\$ 215		
Replacement Reserves:	\$ 38,700	\$ 300		

Unit Type	Number	Square Feet	Total Sq Feet	Gross Rent	Utility Allowance	Maximum Net Rent	Rent per Sq Foot	Total Mo. Rent	Current Annual Rent
Studio @ 30% AMI	20	220	4,400	\$ 375	\$ -	\$ 375	\$ 1.70	\$ 7,500	\$ 90,000
Studio @ 40% AMI	92	280	23,920	\$ 501	\$ -	\$ 501	\$ 1.93	\$ 46,092	\$ 553,104
Studio @ 50% AMI	11	287	3,157	\$ 626	\$ -	\$ 626	\$ 2.18	\$ 6,886	\$ 82,632
Studio @ 60% AMI	6	470	2,820	\$ 751	\$ -	\$ 751	\$ 1.60	\$ 4,508	\$ 54,072
Totals/Averages	129	266	34,297					\$ 84,984	\$ 779,808

	rate	annual increase	per unit	2018 Year 1	2019 Year 2	2020 Year 3	2021 Year 4	2022 Year 5	2027 Year 10	2028 Year 11	2029 Year 12	2030 Year 13	2031 Year 14	2032 Year 15
Potential Gross Income		2.50%		819,286	839,768	860,762	882,281	904,338	1,023,176	1,048,755	1,074,974	1,101,848	1,129,394	1,157,629
Other Income		2.50%		53,500	54,837	56,208	57,614	59,054	66,814	68,484	70,196	71,951	73,750	75,594
Less Vacancy	5.00%			40,964	41,988	43,038	44,114	45,217	51,159	52,438	53,749	55,092	56,470	57,881
Effective Gross Income				\$831,821	\$852,617	\$873,932	\$895,781	\$918,175	\$1,038,831	\$1,064,802	\$1,091,422	\$1,118,707	\$1,146,675	\$1,175,342
Operating Expenses														
Operating Expenses		3.50%	3,837	494,932	512,254	530,183	548,740	567,945	674,541	698,150	722,585	747,876	774,051	801,143
Assessments		2.00%	155	19,963	20,362	20,770	21,185	21,609	23,858	24,335	24,822	25,318	25,825	26,341
Property Management		3.50%	356	45,876	47,482	49,144	50,864	52,644	62,525	64,713	66,978	69,322	71,748	74,260
Resident Services		3.50%	215	27,723	28,694	29,698	30,737	31,813	37,784	39,106	40,475	41,892	43,358	44,876
Replacement Reserves			300	38,700	38,700	38,700	38,700	38,700	38,700	38,700	38,700	38,700	38,700	38,700
Total Expenses			4,563	\$627,194	\$647,492	\$668,495	\$690,226	\$712,711	\$837,408	\$865,004	\$893,560	\$923,108	\$953,682	\$985,318

Net Operating Income				\$204,627	\$205,125	\$205,438	\$205,555	\$205,464	\$201,423	\$199,797	\$197,862	\$195,599	\$192,993	\$190,022
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	amount	rate	amort	2018	2019	2020	2021	2022	2027	2028	2029	2030	2031	2032
Senior Loan	\$3,000,000	4.40%	35	168,150	168,150	168,150	168,150	168,150	168,150	168,150	168,150	168,150	168,150	168,150
SHRA Monitoring Fee	\$4,500,000	0.15%		6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750
Debt Service Subtotal				\$174,900	\$174,900	\$174,900	\$174,900	\$174,900	\$174,900	\$174,900	\$174,900	\$174,900	\$174,900	\$174,900
DCR on Senior Bonds				1.17	1.17	1.17	1.18	1.17	1.15	1.14	1.13	1.12	1.10	1.09

Priority Distributions														
Asset Management Fee (Investor)				5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Managing General Partner Fee				3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Priority Distributions Subtotal				8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000

Net Cash after Priority Distributions				\$21,727	\$22,225	\$22,538	\$22,655	\$22,564	\$18,523	\$16,897	\$14,962	\$12,700	\$10,093	\$7,123
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Deferred Developer Fee														
Principal Balance	\$195,000	4.00%		195,000	181,073	166,091	150,197	133,550	45,974	29,289	13,563	0	0	0
Interest for Period				7,800	7,243	6,644	6,008	5,342	1,839	1,172	543	0	0	0
Accumulated Interest				7,800	7,243	6,644	6,008	5,342	1,839	1,172	543	0	0	0
Payment				21,727	22,225	22,538	22,655	22,564	18,523	16,897	14,106	0	0	0
Balance				\$181,073	\$166,091	\$150,197	\$133,550	\$116,328	\$29,289	\$13,563	\$0	\$0	\$0	\$0

Net Cash after Deferred Developer Fee				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$856	\$12,700	\$10,093	\$7,123
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SHRA New HOME loan														
Principal Balance	\$1,190,000	4.00%		1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000
Interest for Period				47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600
Accumulated Interest				47,600	95,200	142,800	190,400	238,000	476,000	523,600	571,200	618,800	666,400	714,000
Payment				0	0	0	0	0	0	0	0	0	0	0
Balance				\$1,237,600	\$1,285,200	\$1,332,800	\$1,380,400	\$1,428,000	\$1,666,000	\$1,713,600	\$1,761,200	\$1,808,800	\$1,856,400	\$1,904,000

SHRA New HTF loan														
Principal Balance	\$746,800	4.00%		746,800	746,800	746,800	746,800	746,800	746,800	746,800	746,800	746,800	746,800	746,800
Interest for Period				29,872	29,872	29,872	29,872	29,872	29,872	29,872	29,872	29,872	29,872	29,872
Accumulated Interest				29,872	59,744	89,616	119,488	149,360	298,720	328,592	358,464	388,336	418,208	448,080
Payment				0	0	0	0	0	0	0	0	0	0	0
Balance				\$ 776,672	\$ 806,544	\$ 836,416	\$ 866,288	\$ 896,160	\$ 1,045,520	\$ 1,075,392	\$ 1,105,264	\$ 1,135,136	\$ 1,165,008	\$ 1,194,880

SHRA Existing TI loan #1														
Principal Balance	\$189,628	4.00%		189,628	189,628	189,628	189,628	189,628	189,628	189,628	189,628	189,628	189,628	189,628
Interest for Period				7,585	7,585	7,585	7,585	7,585	7,585	7,585	7,585	7,585	7,585	7,585
Accumulated Interest				7,585	15,170	22,755	30,340	37,926	75,851	83,436	91,021	98,607	106,192	113,777
Payment				0	0	0	0	0	0	0	0	0	0	0
Balance				\$ 197,213	\$ 204,798	\$ 212,383	\$ 219,968	\$ 227,554	\$ 265,479	\$ 273,064	\$ 280,649	\$ 288,235	\$ 295,820	\$ 303,405

SHRA Existing TI loan #2														
Principal Balance	\$816,200	3.00%		816,200	816,200	816,200	816,200	816,200	816,200	816,200	816,200	816,200	816,200	816,200
Interest for Period				32,648	7,585	7,585	7,585	7,585	7,585	7,585	7,585	7,585	7,585	7,585
Accumulated Interest				32,648	40,233	47,818	55,403	62,988	100,914	108,499	116,084	123,669	131,255	138,840
Payment				0	0	0	0	0	0	0	0	0	0	0
Balance				\$ 848,848	\$ 229,861	\$ 237,446	\$ 245,031	\$ 252,616	\$ 290,542	\$ 298,127	\$ 305,712	\$ 313,297	\$ 320,883	\$ 328,468

Penslove K Cash Flow Problems

Attachment 6

MAXIMUM HOME RENT AND INCOME LEVELS 2015
Rents at 30%, 40%, 50% and 60% of Area Median Income

Maximum Income Limits:

Family Size	Max Income			
	30% AMI	40% AMI	50% AMI	60% AMI
1 person	\$ 15,030	\$ 20,040	\$ 25,050	\$ 30,060
2 person	\$ 17,160	\$ 22,880	\$ 28,600	\$ 34,320
3 person	\$ 19,320	\$ 25,760	\$ 32,200	\$ 38,640

Maximum Rent Limits:

HOME/CDBG/Low Income Housing Tax Credits (LIHTC's)

Unit Size	Gross Rent			
	30% AMI	40% AMI	50% AMI	60% AMI
Studio	\$ 375	\$ 501	\$ 626	\$ 751

RESOLUTION NO. 2016 -

Adopted by the Sacramento City Council

on date of

PENSIONE K: APPROVAL OF \$746,800 IN CITY HOUSING TRUST FUNDS (HTF); EXECUTION OF COMMITMENT AND RELATED DOCUMENTS WITH 1702 STUDIO HOUSING PARTNERS L.P. (BARONE GALASSO AND ASSOCIATES, INC.) OR RELATED ENTITY; RELATED BUDGET AMENDMENT; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. 1702 Studio Housing Partners L.P.(Developer) applied for an allocation of \$746,800 in HTF to assist in funding the acquisition, rehabilitation and permanent financing of the 129-unit Pensione K.
- B. At its meeting of March 8, 2016, the Sacramento City Council approved an allocation of \$1,190,000 in Home Investment Partnership Program (HOME) funds to assist in funding the acquisition, rehabilitation and permanent financing of Pensione K.
- C. Pensione K is consistent with a) the Housing Trust Fund Ordinance and its adopted rules and regulations for its administration (Ordinance No. 89-013) b) the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, priority number 2. Recapitalization (Resolution No. 2009-148); c) the 2013-2021 Housing Element, which encourages the preservation and rehabilitation of existing housing to ensure neighborhood livability and promote housing affordability (Resolution No. 2013-415); d) the Sacramento Promise Zone plans and goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and e) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282).
- D. The Project currently has a Housing Authority of the City of Sacramento (Housing Authority) Low/Moderate Tax Increment loan at 4% interest, with a total outstanding balance with accrued interest of approximately \$189,628 which will mature in 2027. The Project has a second Low/Moderate Tax Increment loan at 3% interest, with a total outstanding balance with accrued interest of approximately \$816,200 which will mature in 2027.
- E. At its meeting of March 8, 2016, the City Council granted the Agency the authority to restructure and/or extend the existing debt and assign it to a new limited partnership formed by Barone Galasso and Associates, Inc. Any restructuring of these loans and associated documents also included extending their maturity to a date 55 years after the proposed rehabilitation of the Project.

- F. The existing loans, due to the funding source (Low/Moderate Tax Increment funds) and related regulatory agreements, are housing assets under California Health and Safety Code Section 34176.
- G. The existing Housing Trust Fund loan, with an outstanding balance of \$746,800, will be repaid by the Developer at closing.
- H. On March 2, 2016, the Sacramento Housing and Redevelopment Commission found the project to be exempt in accordance with the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301. The recommended actions herein do not constitute a new project or substantive changes or modifications to the project as previously analyzed. Because there is neither any new information of substantial importance nor any substantial changes to the circumstances under which the project will be undertaken, no supplemental environmental documentation is required. On March 8, 2016, the Housing Authority of the City of Sacramento and the City of Sacramento each made the same environmental findings. The recommended actions do not require further environmental review.
- I. On March 2, 2016, the Sacramento Housing and Redevelopment Commission found the project to be exempt in accordance with the National Environmental Policy Act (NEPA) pursuant to 24 CFR Section 58.35(a)(3)(ii). After review, it has been determined that that the original environmental findings are still valid and that there has been no change in the data or the conditions upon which those findings were based, as there are no substantial changes in the nature, magnitude or extent of the project and no new activities that were not anticipated in the original scope of the project have been added to the project. Furthermore, there are no new circumstances and environmental conditions which may affect the project or have a bearing on its impact on the environment. On March 8, 2016, the Housing Authority of the City of Sacramento and the City of Sacramento each made the same environmental findings. The recommended actions do not require further environmental review

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

- Section 1. All of the evidence having been duly considered, the facts as presented and stated above, including the environmental facts and findings, as stated above, are found to be true and correct and are hereby adopted.
- Section 2. The Amended and Restated Loan Commitment, attached as Exhibit A, for financing the Project with \$746,800 in HTF funds is approved, and the Agency is delegated the authority to execute and transmit the Amended and Restated Loan Commitment to 1702 Studio Housing Partners L.P. (Barone Galasso and Associates, Inc.) or related entity.
- Section 3. The Agency is authorized to enter into and execute other documents, as approved to form by Agency Counsel, and to perform other actions

necessary to fulfill the intent of the Amended and Restated Loan Commitment that accompanies this resolution, in accordance with its terms, and to ensure proper repayment of the Agency funds including without limitation, subordination, extensions consistent with Agency adopted policy and with this resolution.

Section 4. The Agency is authorized to amend the Agency budget and allocate up to \$746,800 in HTF funds to Pension K.

Table of Contents:

Exhibit A – Amended and Restated Loan Commitment Letter

Date: May 17, 2016

Barone Galasso and Associates, Inc.
c/o Michael B. Galasso, Principal
1528 India Street
San Diego, CA 92101

RE: Amended and Restated Conditional Loan Commitment for Pensione K

Dear Mr. Galasso:

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of its commitment of permanent loan funds (Loan) comprised of \$1,190,000 in City Home Investment Partnership Program (HOME) and \$746,800 in City Housing Trust Funds (HTF) for the purpose of financing the acquisition, rehabilitation and development of certain real property known as Pensione K, located at 1100 17th Street, Sacramento, California (Property). **The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this commitment is void.** Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

The Loan shall be made on standard Agency loan documents. No loan terms not in this funding commitment and the attached loan document forms shall be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this commitment and the loan documents, the terms stated in the loan commitment letter shall be deemed to be terms of this commitment.

Unless otherwise agreed in writing by the Agency in exercise of its absolute discretion, the following shall be considered conditions to Agency approval of a financing commitment. The Agency may, in exercise of its absolute discretion, modify its requirements upon written notice to Borrower given at least sixty (60) days prior to close of escrow for the Property.

This commitment will expire March 8, 2017.

1. **PROJECT DESCRIPTION:** Pensione K (Project) is an existing 129-unit affordable development located in the Midtown area of Sacramento. Built in 1996, the Project consists

of 127 studio units and two one-bedroom manager units that comprise a four-story wood frame residential building with an elevator and stucco exterior. On-site amenities include a community room and kitchen, resident lounge, courtyard, and a 24 hour laundry facility. The development includes 23 open parking spaces, which are accessible from an alley. There is commercial space on the ground level.

2. BORROWER: The name of the Borrower for the Loan is 1702 Studio Housing Partners L.P., a California limited partnership (Barone Galasso and Associates, Inc., LLC, or related entity).
3. PURPOSE OF LOAN: The Loan is to be used by Borrower solely to pay the costs of acquisition, rehabilitation, development, and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. PRINCIPAL AMOUNT: The combined principal amount of the Loan will be the lesser of (a) \$1,190,000 in HOME funds and \$746,800 in HTF funds or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency.
5. TERM OF LOAN: The Loan shall mature 57 years or 684 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. INTEREST RATE: The Loan will bear simple interest at four percent (4%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.
7. ANNUAL REPAYMENT: Monthly installments shall be made according to the structured payment schedule contained in the final Loan Agreement, calculated to achieve annual 1.2 debt coverage ratio. Monthly payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date.
8. SOURCE OF LOAN FUNDS: Agency is making the Loan from the following sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: City HOME and HTF funds. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including, among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

Borrower acknowledges that, as a condition of the Agency's making of the Loan, the Property will be subject to restrictions on future sales and rentals which may result in less income to Borrower than could otherwise be realized, and that such restrictions run with the land, and during their operational term, will bind all successors in interest.

_____ (Borrower Initial)

9. ACCELERATION: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. SECURITY: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to liens senior to the Agency's lien securing loans from Citibank and Royal Bank of Canada and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency may subordinate said deeds of trust in order to accommodate completion of rehabilitation of the Property.
11. LEASE AND RENTAL SCHEDULE: All leases of the Property and Improvements shall be subject to Agency's review and approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval; provided, however, that such approval shall not be required for annual adjustments to rental rates as permitted by the California Tax Credit Allocation Committee.
12. PROOF OF EQUITY: Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than \$2,399,796 in Low Income Housing Tax Credit Equity and no less than \$195,000 in deferred developer fee. If LIHTC equity goes below \$2,399,796 it must be offset by an increase in deferred developer fee.
13. EXTENSION PERIOD: The Project currently has a Housing Authority of the City of Sacramento (Housing Authority) Low/Moderate Tax Increment loan at 4% interest, with a total outstanding balance with accrued interest of approximately \$189,628 which will mature in 2027. The Project has a second Low/Moderate Tax Increment loan at 3% interest, with a total outstanding balance with accrued interest of approximately \$816,200 which will mature in 2027. The existing debt on the two Low/Moderate Tax Increment loans will be restructured and/or extended and assigned to a new limited partnership formed by Barone Galasso and Associates, Inc. Any restructuring of these loans and their associated documents includes extending their maturity to a date 55 years after the proposed rehabilitation of the Project. The Housing Trust Fund loan will be paid off at closing by the Developer.
14. OTHER FINANCING: Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
 - (a) As a condition precedent to disbursement of the remainder of the Agency loan, construction financing from a private lender(s) in an amount(s) sufficient to complete

construction of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performances for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.

(b) Commitments for permanent financing sufficient to "take out" all liens senior to the Agency's lien.

(c) Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.

(d) Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the Project or be subject to conditions which require amendment of the DDA, OPA or other agreements.

15. EVIDENCE OF FUNDS: Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.
16. SOILS AND TOXIC REPORTS: The proposed action has been analyzed in accordance with the California Environmental Quality Act (CEQA) and is categorically exempt under CEQA Guidelines Section 15301 which exempts actions on existing facilities, including rehabilitation and financing, where the use remains unchanged. It has also been analyzed in accordance with the National Environmental Policy Act (NEPA) and is categorically excluded pursuant to 24 CFR Section 58.35(a)(3)(ii) as it consists of the rehabilitation of a multifamily residential complex in which the unit density will not be changed by more than 20 percent and the estimated cost of rehabilitation is less than 75 percent of the cost of replacement after rehabilitation.
17. LOAN IN BALANCE: Borrower will be required to maintain the Loan "in balance". The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the Project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance", the Agency may declare the Loan to be in default.
18. PLANS AND SPECIFICATIONS: Final plans and specifications, if any, for the Project must be in accordance with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursal of Agency

Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the Project.

19. ARCHITECTURAL AGREEMENT: The architectural agreement (Agreement), if any, for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
20. CONSTRUCTION CONTRACT: The construction contract (Contract), if any, and any change orders issued thereunder, and the contractor (Contractor) to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency may require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.
21. RETENTION AMOUNT: The Agency shall retain ten percent (10.0%) as retention from each disbursement, not to exceed a total of ten percent (10.0%) of the total amount of the Loan.
22. COST BREAKDOWN: Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Improvements. The breakdown shall conform to the Project plans and specifications and the budget approved with this commitment. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.

All contracts, subcontracts, contractors, and subcontractors shall be subject to Agency's approval prior to close of the Loan. Agency also reserves the right to require performance and material payment bonds on any or all contractors, or in lieu of bond a letter of credit acceptable to Agency.

Agency shall make disbursements of the Loan based on a cost breakdown that lists line items in cost categories. Agency shall require that Borrower provide documentation supporting all requests for disbursement of Loan funds, including proof of work done and actual expenditure. Agency shall conduct inspections of the Property to assure that the work was done before making a disbursement.

23. COST SAVINGS: At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency. The cost certification shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source including any

loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the Project.

24. START OF CONSTRUCTION: Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.
25. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
26. SECURITY CAMERAS AND OUTSIDE LIGHTING: Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, all as approved by the Agency.
27. INSURANCE PROVIDER: Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A+ VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.
28. HAZARD INSURANCE: Borrower shall procure and maintain fire and extended coverage insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00).
29. PUBLIC LIABILITY AND OTHER INSURANCE: Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than \$1,000,000, per occurrence limit; \$5,000,000 general aggregate limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion

Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.

30. TITLE INSURANCE: Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116 and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.
31. ORGANIZATIONAL AGREEMENTS: Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.
32. PURCHASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.
33. FINANCIAL INFORMATION: During the term of the Loan, Borrower shall deliver to Agency within 120 days of the end of each fiscal year an audited income and expense statement, a balance sheet, and a statement of all changes in financial position signed by authorized officers of Borrower. Prior to close of the Loan and during its term, Borrower must deliver to Agency such additional financial information as may be requested by Agency. Agency reserves the right to review and approve financial statements and other credit information and references prior to closing. During the term of the Loan, Borrower must deliver to Agency a monthly rent-roll including household composition information and operating statements with respect to the Property and Improvements, as Agency may request.
34. MANAGEMENT AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.
35. RESIDENT SERVICES AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement is

subject to Agency Approval. The agreement must include a minimum of twenty (20) hours per week of on-site resident services.

36. LOW INCOME HOUSING TAX CREDITS (LIHTC): Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and to meet all requirements to maintain the LIHTC allocation if granted.
37. SMOKE-FREE ENVIRONMENT: At least 50% of the units must be smoke free. All indoor common areas must be smoke-free.
38. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
39. CONSISTENCY OF DOCUMENTS: As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply, in all respects, with this commitment letter.
40. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
41. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.

Sincerely,

La Shelle Dozier
Executive Director

The undersigned acknowledges and accepts the foregoing Commitment and its terms and conditions.

Dated: May 17, 2016

BORROWER:

1702 Studio Housing Partners L.P., a California limited partnership
(Barone Galasso and Associates, Inc., or related entity)

By: _____
Michael B. Galasso, Principal

RESOLUTION NO. 2016 –

Adopted by the Housing Authority of the City of Sacramento

on date of

PENSIONE K: APPROVAL OF RESTRUCTURING AND/OR EXTENDING THE EXISTING DEBT AND ASSIGNMENT TO 1702 STUDIO HOUSING PARTNERS L.P. (BARONE GALASSO AND ASSOCIATES, INC.) OR RELATED ENTITY

BACKGROUND

- A. At its meeting of March 8, 2016, the Sacramento City Council approved an allocation of \$1,190,000 in Home Investment Partnership Program (HOME) funds to assist in funding the acquisition, rehabilitation and permanent financing of Pensione K (Project).
- B. The Project currently has a Housing Authority of the City of Sacramento (Housing Authority) Low/Moderate Tax Increment loan at 4% interest, with a total outstanding balance with accrued interest of approximately \$189,628 which will mature in 2027. The Project also has a second Low/Moderate Tax Increment Housing Authority loan, with 3% interest, with a total outstanding balance with accrued interest of approximately \$816,200 which will mature in 2027. The Developer has requested that this existing tax increment debt be restructured and/or extended and assigned to a new limited partnership formed by Barone Galasso and Associates, Inc. Any restructuring of the loans and associated documents includes extending their maturity to a date 55 years after the proposed rehabilitation of the Project.
- C. The existing Project tax increment loans, due to the funding source (Low/Moderate Tax Increment funds) and related regulatory agreements, are housing assets under California Health and Safety Code Section 34176.
- D. On April 1, 2013, the California Department of Finance issued its final determination related to the Housing Asset Transfer assets. This final determination included these existing tax increment loans.
- E. The Project also currently has a City of Sacramento Housing Trust Fund Loan at 3% interest, with a total outstanding balance with accrued interest of approximately \$746,800 which will mature in 2027.
- F. On March 2, 2016, the Sacramento Housing and Redevelopment Commission found the project to be exempt in accordance with the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301. The recommended actions herein do not constitute a new project or substantive changes or modifications to the project as previously analyzed. Because there is neither any new information of substantial importance nor any substantial changes to the circumstances under which the project will be undertaken, no supplemental environmental documentation is required. On March 8, 2016, the Housing

Authority of the City of Sacramento and the City of Sacramento each made the same environmental findings. The recommended actions do not require further environmental review.

- G. On March 2, 2016, the Sacramento Housing and Redevelopment Commission found the project to be exempt in accordance with the National Environmental Policy Act (NEPA) pursuant to 24 CFR Section 58.35(a)(3)(ii). After review, it has been determined that that the original environmental findings are still valid and that there has been no change in the data or the conditions upon which those findings were based, as there are no substantial changes in the nature, magnitude or extent of the project and no new activities that were not anticipated in the original scope of the project have been added to the project. Furthermore, there are no new circumstances and environmental conditions which may affect the project or have a bearing on its impact on the environment. On March 8, 2016, the Housing Authority of the City of Sacramento and the City of Sacramento each made the same environmental findings. The recommended actions do not require further environmental review

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO, RESOLVES AS FOLLOWS:

- Section 1. The facts as presented and stated in the Background above, including the environmental facts are found to be true and correct and are hereby adopted.
- Section 2. The Executive Director, or designee, is authorized to restructure and/or extend the existing debt and assign it to a new limited partnership formed by Barone Galasso and Associates, Inc., extending the loans' maturity to a date 55 years after completion of the proposed rehabilitation.
- Section 3. The Executive Director, or designee, is authorized to execute the Amended and Restated Loan Commitment Letter and related documents with 1702 Studio Housing Partners L.P. (Barone Galasso and Associates, Inc.) or a related entity.
- Section 4. The Executive Director, or designee, is authorized to release or amend and restate the outdated recorded restrictions associated with the original loan to be consistent with current, more comprehensive regulations and policies.
- Section 5. The Executive Director, or designee, is authorized to consent to the assumption of the existing obligations by 1702 Studio Housing Partners L.P. (Barone Galasso and Associates, Inc.) or a related entity, in order to ensure the continued viability of the development.
- Section 6. The Executive Director, or designee, is authorized to amend the Agency budget to receive the repayment of the principal and interest on the Housing Trust Fund loan back into the Housing Trust Fund for future use under that program.

RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF

PENSIONE K: AUTHORIZING A LOAN COMMITMENT CONSISTING OF \$746,800 IN CITY HOUSING TRUST FUNDS (HTF); EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH 1702 STUDIO HOUSING PARTNERS L.P. (BARONE GALASSO AND ASSOCIATES, INC.) OR RELATED ENTITY; RELATED BUDGET AMENDMENT; AND ENVIRONMENTAL FINDINGS

NOW, THEREFORE, BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1: On March 2, 2016, the Sacramento Housing and Redevelopment Commission found the project to be exempt in accordance with the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301. The recommended actions herein do not constitute a new project or substantive changes or modifications to the project as previously analyzed. Because there is neither any new information of substantial importance nor any substantial changes to the circumstances under which the project will be undertaken that would require the preparation of supplemental environmental documentation. On March 8, 2016, the Housing Authority of the City of Sacramento and the City of Sacramento each made the same environmental findings. The recommended actions do not require further environmental review.

Section 2: On March 2, 2016, the Sacramento Housing and Redevelopment Commission found the project to be exempt in accordance with the National Environmental Policy Act (NEPA) pursuant to 24 CFR Section 58.35(a)(3)(ii). After review, it has been determined that the original environmental findings are still valid and that there has been no change in the data or the conditions upon which those findings were based, as there are no substantial changes in the nature, magnitude or extent of the project and no new activities that were not anticipated in the original scope of the project have been added to the project. Furthermore, there are no new circumstances and environmental conditions which may affect the project or have a bearing on its impact on the environment. On March 8, 2016, the Housing Authority of the City of Sacramento and the City of Sacramento each made the same environmental findings. The recommended actions do not require further environmental review.

Section 3: Subject to approval by the City Council, the Amended and Restated Loan Commitment attached to and incorporated in this resolution by this reference for the financing of Pensione K (Loan Commitment) is approved and the Executive Director, or designee, is authorized to execute the Loan Commitment and related documents and transmit to 1702 Studio Housing Partners L.P. (Barone Galasso and Associates, Inc.) or related entity.

Pensione K: Authorizing A Loan Commitment Consisting Of \$746,800 In City Housing Trust Funds (Htf); Execution Of Loan Commitment And Related Documents With 1702 Studio Housing Partners L.P. (Barone Galasso And Associates, Inc.) Or Related Entity; Related Budget Amendment; And Environmental Findings
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Section 4: The Executive Director, or designee, is authorized to amend the Sacramento Housing and Redevelopment Agency (Agency) budget to transfer \$746,800 from City Housing Trust Funds (HTF) to Pensione K.

Section 5: Subject to approval by the City Council, the Executive Director, or designee, is authorized to execute the Amended and Restated Loan Agreement and related documents, and perform other actions necessary to fulfill the intent of repayment of funds, including without limitation, subordination, extensions and restricting of payments, all as approved by Agency Counsel.

Pensione K: Authorizing A Loan Commitment Consisting Of \$746,800 In City Housing Trust Funds (Htf); Execution Of Loan Commitment And Related Documents With 1702 Studio Housing Partners L.P. (Barone Galasso And Associates, Inc.) Or Related Entity; Related Budget Amendment; And Environmental Findings
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CHAIR

ATTEST:

CLERK



April 29, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Housing Authority Participation in the renewal and expansion of the Oak Park Property and Business Improvement District

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the City of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



REPORT TO HOUSING AUTHORITY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
May 10, 2016

Chair and Members of the Housing Authority Board

Title: Approval of Housing Authority Participation in the Renewal and Expansion of the Oak Park Property and Business Improvement District

Location/Council District: Oak Park – Council District 5

Recommendation: Adopt a **Housing Authority Resolution** a) authorizing the Executive Director, or her designee, to sign petitions, cast a vote for the assessment ballot, and execute other documents on behalf of Housing Authority-owned properties included in the proposed Oak Park Property and Business Improvement District, b) allocating approximately \$14,702 in Housing Authority Funds on an annual basis for the assessment, subject to annual increases not to exceed 3% per year, and c) authorizing the Executive Director, or her designee, to pay the annual assessment.

Contact: MaryLiz Paulson, Assistant Director, 916-440-1334

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The Oak Park Property and Business Improvement District (PBID) was first formed in August 5, 2004 and has been renewed once with the last renewal approved by City Council for a seven year term from 2009-2016. From 2009-16 there were two assessment levels:

- \$0.145024 per square foot for standard assessments,
- \$0.0371 per square foot for private tax exempt.

The Housing Authority of the City of Sacramento owns a total of eight parcels that are located within the Oak Park PBID boundary - two vacant lots and six developed parcels which contain a total of 49 units of housing, 25 of which are public housing and 24 which are not under contract with the United States Department of Housing and Urban Development (HUD). Recently, the Oak Park Business Association approved adding a third assessment level for publicly owned housing which will now be assessed at \$0.0700 per square foot. As a

result, the proposed annual assessment for the Housing Authority owned parcels is approximately \$14,702.

This report recommends that the Housing Authority, as property owner of the eight parcels, participate in renewing the Oak Park PBID by signing petitions and voting during the formation process. Should the PBID be renewed, the report also recommends authorizing the Executive Director to allocate funds and pay the annual assessment.

Policy Considerations: The proposed renewal of the Oak Park PBID is consistent with the Public Housing Authority's Annual Plan as the PBID promotes an increased level of safety and security in the community through its efforts at graffiti abatement, litter removal, streetscape maintenance, and additional safety measures.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): The renewal of a PBID does not constitute a project under CEQA and is therefore exempt from review pursuant to Guidelines Section 15378(b).

Sustainability Considerations: There are no sustainability considerations applicable to the formation process and administration of a special district.

Other: As an administrative activity, this activity has been determined to be exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(3) and (a)(4) and Categorically excluded per 24 CFR 58.35(b)(3).

Commission Action: *Sacramento Housing and Redevelopment Commission:* It is anticipated that at its meeting of May 4, 2016, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Board in the event this does not occur.

Rationale for Recommendation: In 2004, it was determined that formation of a PBID would enhance the viability of Oak Park. The PBID services benefit approximately 388 parcels with 115 parcel owners and numerous businesses. The approximate boundaries are parcels fronting Martin Luther King Jr. Boulevard between 12th Avenue and Broadway Street, parcels fronting Broadway between Solidad Way and Alhambra Boulevard, and parcels on the adjacent streets. The services and activities of the PBID improve district cleanliness and safety, increase building occupancy and lease rates, and encourage new business development and services for properties. Overall, they support a safer and more economically vital Oak Park area which benefits Housing Authority residents and the community.

Financial Considerations: This report recommends authorizing the Housing Authority to allocate and utilize Conventional Housing funds to pay the annual PBID assessment. From 2004-2016, there were two tiers of assessments in the PBID based on ownership which were:

- Standard (Zone 1: \$0.145024 per square foot per year and Zone 2: \$0.048719 per square foot per year), and
- Private Tax-Exempt (Zone 1: \$0.037100 per square foot per year).

The amount of the assessment is based on the size of the lot and is charged at a rate based on its ownership.

In the past, the assessment on property within the PBID boundary was paid with redevelopment funding. Though there is the desire to continue to support the PBID, with the demise of redevelopment and the decline of federal dollars for public housing, the Housing Authority is not able to pay the current standard assessment of approximately \$0.14 per square foot. Staff met with PBID management and advocated for the addition of a third tier for publicly owned housing. The Business Association agreed and approved a third assessment tier of \$0.07 per square foot for Housing Authority property. In their evaluation, the Business Association stated *"Since public housing parcels will not benefit from District programs designed to increase profitable commercial activity but are used twenty-four hours a day seven days a week, it is our professional estimation that these parcels will receive approximately fifty percent (50%) of the benefit conferred to standard parcels."*

Beginning in 2017, the Housing Authority's annual assessment is estimated at \$14,702. This assessment could increase up to 3% each year, upon approval of the PBID Board. Upon approval of the attached resolution and renewal of the PBIDs, the Housing Authority will be participating as a property owner with respect to the Housing Authority of the City of Sacramento owned sites.

LBE/M/WBE/Section 3 and First Source Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable. The City's Local Business Enterprise (LBE) Program and the First Source Program are not applicable to this report.

Respectfully Submitted by:



LA SHELLÉ DOZIER
Executive Director

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1	Description/Analysis
2	Resolution
3	Public Housing Rate Change Agreement
4	Map of Oak Park PBID

RESOLUTION NO. 2016 -

Adopted by the Housing Authority of the City of Sacramento

on date of

AUTHORIZATION AND APPROVAL OF PARTICIPATION IN THE RENEWAL AND EXPANSION OF THE OAK PARK PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PBID)

BACKGROUND

- A. The boundaries of the Oak Park Property and Business Improvement District (PBID) include eight Housing Authority owned properties in Oak Park. In compliance with the Property and Business Improvement District Law of 1994, owners of properties and businesses within the PBID boundaries have proposed the renewal and expansion of the Oak Park PBID for an additional ten (10) years, from 2017 to 2026, to provide funding for graffiti abatement, litter removal, streetscape maintenance and safety.
- B. The proposed renewal and expansion of the Oak Park PBID is consistent with the goals of the Housing Authority of the City of Sacramento as it supports the following goals and objectives: increases the safety of public housing residents, and keeps the housing and the immediate neighborhood appealing and welcoming to prospective residents and businesses.
- C. Within the Oak Park PBID the Housing Authority of the City of Sacramento is assessed for the following properties:
- 01301420110000 - 2966 35th Avenue (Oak Park Townhomes)
 - 01301420120000 - 2970 35th Avenue (Oak Park Townhomes)
 - 01301420370000 - 2910 35th Avenue (Oak Park Townhomes)
 - 01301430300000 - 2939 35th Avenue (Oak Park Duplexes)
 - 01301430380000 - 2937 35th Avenue (Oak Park Duplexes)
 - 01301530410000 - 3635 5th Avenue (Vista Arms)
 - 01401720010000 - 3900 Broadway (vacant lots)
 - 01401720300000 - 3908 Broadway (vacant lots)
- D. The assessment is based on the ownership of the property and the square footage of the parcel. The Housing Authority is charged at a rate of \$0.07 per square foot per year for publicly owned housing properties.
- E. The renewal of a PBID does not constitute a project under California Environmental Quality Act and is therefore exempt from review pursuant to 14 California Code of Regulations section 15378(b)(5). As an administrative activity, this activity has been determined to be exempt under the National Environmental

Policy Act per 24 CFR section 58.34(a)(3) and (a)(4), and categorically excluded per 24 CFR 58.35(b)(3).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. All evidence presented having been duly considered, the background facts, as stated above, including the environmental facts, are found to be true and correct.

Section 2. The Executive Director, or her designee, is authorized to sign petitions, cast a vote for an assessment ballot and execute other related documents to further the renewal of the Oak Park PBID on behalf of the Housing Authority of the City of Sacramento properties described above for housing owned sites.

Section 3. The Executive Director, or her designee, is authorized to amend the budget to pay the annual PBID assessment, initially totaling \$14,702.87, subject to annual increases not to exceed 3% per year from 2017-2026 utilizing Housing Authority funds, for the following properties:

- 01301420110000 - 2966 35th Avenue (Oak Park Townhomes)
- 01301420120000 - 2970 35th Avenue (Oak Park Townhomes)
- 01301420370000 - 2910 35th Avenue (Oak Park Townhomes)
- 01301430300000 - 2939 35th Avenue (Oak Park Duplexes)
- 01301430380000 - 2937 35th Avenue (Oak Park Duplexes)
- 01301530410000 - 3635 5th Avenue (Vista Arms)
- 01401720010000 - 3900 Broadway (vacant lots)
- 01401720300000 - 3908 Broadway (vacant lots)

Oak Park PBID Management District Plan Public Housing Rate Change Agreement

Management District Plan Public Housing Parcel Description:

“Public Housing” is defined in this document as a publicly owned housing parcel, as shown on the County Assessor’s records. Because “Public housing” does not have a commercial component, public housing parcels will be assessed at the public housing rate shown in the table below. These parcels will receive and benefit from maintenance services which will make them cleaner and safer. However, because public housing parcels are used twenty-four hours a day seven days a week, they will require more intensive provision of District services than private tax-exempt parcels that are only used for a limited period of time per day. They benefit to a lesser degree than parcels with for profit businesses because they do not enjoy the benefit of increased profits resulting from increased commerce, created by District services including marketing, signage, and business attraction. Since public housing parcels will not benefit from District programs designed to increase profitable commercial activity but are used twenty-four hours a day seven days a week, , it is our profession estimation that these parcels will receive approximately fifty percent (50%) of the benefit conferred to standard parcels. Thus, public housing parcels will be assessed approximately fifty percent (50%) of the standard parcel rate.

Management District Plan Parcel Assessment Rates:

Parcel Type	Initial Parcel Assessment Rate (\$/sqft/yr)	
	Zone 1	Zone 2
Standard	\$0.145024	\$0.048719
Private Tax-Exempt	\$0.037100	\$0.011870
Public Housing	\$0.070000	\$0.070000

The parties agree that the proposed “Public Housing” parcel definition and assessment rate are appropriate and reflect the discussion and agreement between the parties related to “Public Housing” parcels:

SHRA Signature

Oak Park Business Association Signature

Print Name

Print Name

Title

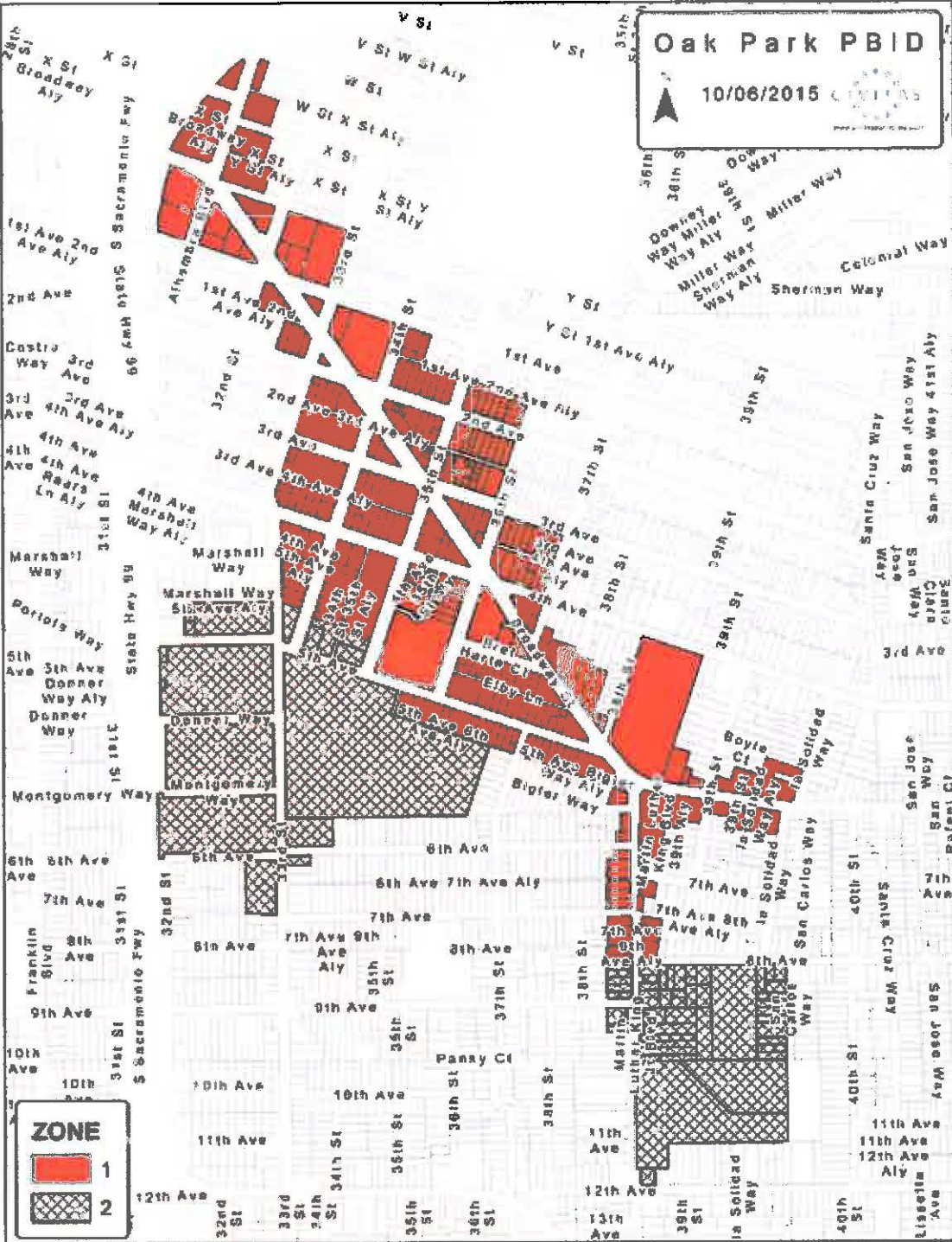
Title

Date

Date

Oak Park PBID

10/06/2015



RESOLUTION NO. SHRC-

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

RESOLUTION SUPPORTING THE CITY AND COUNTY ALLOCATING ITS BIENNIAL RESIDUAL DISTRIBUTIONS FROM REDEVELOPMENT PROPERTY TAX TRUST FUND "BOOMERANG FUNDS" TO AFFORDABLE HOUSING

ON DATE OF
May 4, 2016

WHEREAS, the Sacramento Housing and Redevelopment Commission has a long-standing commitment to the preservation and development of affordable housing for very-low, low and moderate income households throughout Sacramento.

WHEREAS, affordable housing has long been identified by both the City and County as a priority need. The Regional Housing Needs Allocation for Sacramento has determined that 13,768 new affordable units will be needed in the City and County of Sacramento by the year 2021.

WHEREAS, prior to the dissolution of redevelopment in California, redevelopment funding was the largest single source of affordable housing funds in Sacramento and redevelopment agencies were required to set aside at least twenty percent of gross tax increment funds into a low and moderate income housing fund to provide funding for affordable housing.

WHEREAS, with the dissolution of redevelopment agencies, these funds are no longer available and other critical state and federal housing resources have diminished significantly.

WHEREAS, ABX 26, AB 1484, SB 341, SB 107 and other statutes governing the dissolution of redevelopment agencies and the wind-down of redevelopment activities provide for the distribution of funds to taxing entities, including cities and counties, in a variety of circumstances, including, among other things, ongoing distributions of property tax from the Redevelopment Property Tax Trust Fund ("RPTTF") from funds

Resolution Supporting The City And County Allocating Its Biannual Residual Distributions From Redevelopment Property Tax Trust Fund "Boomerang Funds" To Affordable Housing
Page 2

not needed by successor agencies to fulfill enforceable obligations, distributions of sales proceeds and other revenues from the use or disposition of assets of successor agencies, and distributions of available cash assets of successor agencies.

WHEREAS, the housing needs of lower income families, seniors, individuals with disabilities and workers continue to grow. Homelessness in the City and County continues and is exacerbated by the loss of funding resources.

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1. The Sacramento Housing and Redevelopment Commission (SHRC) reaffirms its commitment to the production of decent, safe and sanitary affordable housing, and strongly encourages the City and County of Sacramento to do likewise.

Section 2. The SHRC strongly urges the City and County of Sacramento to maintain its strong leadership in providing ongoing financial assistance to develop and maintain affordable housing in Sacramento. Toward this end, the City and County are urged to place all or a significant portion of monies contributed pursuant to Redevelopment Property Tax Trust Fund (RPTTF), on an ongoing basis, into accounts for affordable housing.

Section 3. The SHRC urges that this policy apply to distributions from the RPTTF under California Health and Safety Code Section 34183.

CHAIR

ATTEST:

CLERK