



INVESTING IN COMMUNITIES

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

Wednesday, November 16, 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** - November 2, 2016 Regular Meeting and November 2, 2016 Special Meeting

DISCUSSION ITEMS/STAFF REPORTS

2. Crossroad Gardens Project: Declaration Of Intention To Reimburse Expenditures From The Proceeds Of Tax-Exempt Obligations And Directing Certain Actions
3. Approval of Disposition and Development Agreement and Related Loan Agreements for the Del Paso Nuevo Phase VI Development, and Approval of the Updated Guidelines for the CalHome First-Time Homebuyer Mortgage Assistance Program
4. Bel-Vue Apartments Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, and Approval of Loan Commitment and Tax Exempt Bonds

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

November 2, 2016

Meeting noticed on October 28, 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: Alcalay, Creswell, Griffin, Johnson, Macedo, Morgan, Painter, Simas, Staajabu

MEMBERS ABSENT: Raab, Rios

STAFF PRESENT: La Shelle Dozier, David Levin, Vickie Smith, Lira Goff, Christine Weichert, Sarah Thomas, MaryLiz Paulson, Geoff Ross

APPROVAL OF AGENDA – agenda approved as submitted.

CITIZENS COMMENTS – none

1. APPROVAL OF MINUTES – October 19, 2016 meeting - The meeting minutes were approved unanimously as submitted.

PUBLIC HEARING

2. Approval To Transfer And Reallocate Neighborhood Stabilization Program Funds; Approval To Close Out The Neighborhood Stabilization Program

Geoff Ross presented the item.

Jefferey Tardaguila provided public comment.

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

AYES: Alcalay, Creswell, Griffin, Johnson, Macedo, Morgan, Painter, Simas,

Staajabu

NOES: None

ABSENT: Raab, Rios

SPECIAL PRESENTATIONS

3. SHRA Media Strategy

Angela Jones from SHRA and Scott Crocker from Crocker and Crocker presented the item.

4. Multifamily Lending and Mortgage Revenue Bond Policies – 2017 Update

Christine Weichert presented the item.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

None

EXECUTIVE DIRECTOR REPORT

The Executive Director reviewed the following:

1. The next meeting is scheduled for November 16, 2016 at 6:00 pm.
2. Final meeting of the year/holiday party is scheduled for December 7th at 6pm at the Sutterview housing development.
3. Tickets still available for the "state of the county" lunch which will be held on November 4th.
4. Tom Burruss, former commission member, passed away on October 20th.
5. Upcoming events
November 3rd - Alder Grove Clinic grand opening
November 9th – Jobs Plus opening

COMMISSION CHAIR REPORT

None

ADJOURNMENT

As there was no further business to be conducted, Commissioner Alcalay motioned to adjourn the meeting in memory of Tom Burruss at 6:50 pm.

Clerk



INVESTING IN COMMUNITIES

MINUTES
Sacramento Housing and Redevelopment Commission (SHRC)
Special Meeting
November 2, 2016
Meeting noticed on October 31, 2016

ROLL CALL

The Sacramento Housing and Redevelopment Commission special meeting was called to order at 6:51 p.m. by Chair Creswell. A quorum of members was present.

MEMBERS PRESENT: Alcalay, Creswell, Griffin, Johnson, Macedo, Morgan, Painter, Simas, Staajabu

MEMBERS ABSENT: Raab, Rios

STAFF PRESENT: La Shelle Dozier, David Levin, Vickie Smith, Lira Goff, Christine Weichert, Sarah Thomas, MaryLiz Paulson, Geoff Ross

CITIZENS COMMENTS – none

1. Authorization to submit letter on behalf of the Sacramento Housing and Redevelopment Commission to the Sacramento City Council regarding the Railyards Affordable Housing Strategy.

Jefferey Tardaguila provided public comment.

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

AYES: Alcalay, Creswell, Griffin, Johnson, Macedo, Morgan, Painter, Simas, Staajabu

NOES: None

ABSENT: Raab, Rios

ADJOURNMENT

As there was no further business to be conducted, Chair Creswell motioned to adjourn the meeting at 7:30 pm.

Clerk



November 10, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Crossroad Gardens Project: Declaration Of Intention To Reimburse Expenditures From
The Proceeds Of Tax-Exempt Obligations And Directing Certain Actions

SUMMARY

The attached report and resolution are submitted to you for review prior to review by the
County of Sacramento.

RECOMMENDATION

Approve staff recommendation as outlined in the report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
December 6, 2016

To: Housing Authority of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Crossroad Gardens Project: Declaration Of Intention To Reimburse Expenditures From The Proceeds Of Tax-Exempt Obligations And Directing Certain Actions

Supervisory
District: Kennedy

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

Overview

This report declares the intention of the Housing Authority of the County to issue up to \$13,500,000 in tax-exempt mortgage revenue bonds for the 70 unit Crossroad Gardens Project (Project).

Recommendations

Staff recommends adoption of the attached Housing Authority Resolution:

1. Indicating the intention of the Housing Authority of the County to issue up to \$13,500,000 in tax-exempt mortgage revenue bonds to provide construction financing for the Project;
2. Authorizing an application to the California Debt Limit Allocation Committee (CDLAC) for allocation authority to issue the bonds;
3. Declaring it is reasonable to expect that a portion of the proceeds of the Obligations will be used for reimbursements of expenditures for the acquisition, rehabilitation and development of the Project.

The clerk is requested to certify six (6) copies of the resolutions and forward them to staff.

Measures/Evaluation

The Project will preserve and extend the affordability of 70 rehabilitated units, thereby contributing to the County of Sacramento's 2013-2021 Housing Element goals. Affordability restrictions placed on Crossroad Gardens will be monitored by the Sacramento Housing and Redevelopment Agency (Agency) for 55 years.

Fiscal Impact

The Agency will receive a one-time issuance fee of 0.25 percent of the bond amount, which is payable at bond closing, and an annual payment for monitoring the regulatory restrictions and administration of the bonds, in the amount of 0.15 percent of the bond amount for the term of 55 years. The Developer will be responsible for payment of all costs, fees, and deposits relating to the bond application. Mortgage revenue bonds do not represent a financial obligation of the Agency, Housing Authority, or County of Sacramento.

BACKGROUND

Mercy Housing California (Developer) has applied to the Agency for the issuance of up to \$13,500,000 in tax-exempt mortgage revenue bonds and a gap financing loan for the rehabilitation of Crossroad Gardens (Project). The Agency anticipates returning to the Board on January 24, 2017 to hold the required Tax Equity and Fiscal Responsibility Act (TEFRA) hearing and to request approval for a loan in the approximate amount of \$5 million dollars for the Project which will consist of HOME Investment Partnership (HOME) and Community Development Block Grant (CDBG) funds. Due to the Project's timing, this report requests approval of the Housing Authority's intention to issue bonds in December 2016 in order to meet the California Debt Limit Allocation Committee's (CDLAC) January 13, 2017 application deadline. The 70 unit Crossroad Gardens Project is located in the unincorporated County of Sacramento at 7322 Florin Woods Drive, on approximately 7 acres. A vicinity map and a project photo are provided as Attachment 1 and Attachment 2.

Both a four percent Low Income Housing Tax Credit (LIHTC) application to the California Tax Credit Allocation Committee (CTCAC) and an application for an allocation of tax-exempt Mortgage Revenue bonds from the California Debt Limit Allocation Committee (CDLAC) will be submitted on January 13, 2017.

DISCUSSION

Project Description: Crossroad Gardens is an existing 70-unit affordable development located in the South Sacramento area of Sacramento County. Built in 1995, the project consists of 12 one-bedroom, 32 two-bedroom, and 26 three-bedroom units located within 8 two-story buildings framed with wood studs, which are clad with stucco and vinyl siding. The development includes 154 parking spaces throughout the site, including 14 carport structures, which provide 70 covered parking spaces, and 4 disabled parking spaces. Other than routine maintenance, no significant rehabilitation has taken place since the project was originally constructed in 1995. The proposed rehabilitation will ensure a 15 year useful life.

The interiors of each unit will be upgraded. Approximately half of the kitchen appliances, including electric ranges, exhaust hoods, and refrigerators were replaced within the last two years, the remaining appliances will be replaced. All of the kitchen and bathroom vanity cabinets, countertops, and faucets will be replaced. Bathrooms will receive new tubs and surrounds, fixtures, and cabinets. All plumbing will be low-flow, high efficiency fixtures. All interior and exterior doors will be replaced. Sheet vinyl in bathrooms and carpet in bedrooms will be replaced. New vinyl plank will be installed in living rooms and hallways.

The Project was originally designed to be disabled accessible, and all of the first story units are considered Americans with Disabilities Act (ADA) adaptable. The rehabilitation will meet CTCAC's requirements for unit accessibility.

Upgrades to existing amenities include a community room expansion and bathroom addition to an existing community structure, additional laundry machines, two additional disabled accessible parking spaces, repair of concrete walkways, landscaping improvements, and two new playground areas for both younger and older children. The property will be upgraded with LED

Declaration Of Intention To Reimburse Expenditures From The Proceeds Of Tax-Exempt Obligations And Directing Certain Actions For The Crossroad Gardens Project

Page 3

site lighting fixtures and the installation of high resolution security cameras. The wood perimeter fencing will be replaced along the northern and western property lines. Chain link fencing in tenant backyards will be replaced with wood fencing.

Improvements to the project exterior will be significant. The buildings are wood-framed structures with an exterior façade of stucco and vinyl siding. The vinyl siding, wood trim, and stucco will all be replaced. Wooden trellises will be removed. All windows and flashing will be replaced, as will the aluminum sliding glass doors. Exterior stairs will be brought up to code and replaced with closed risers. Heating, ventilation and air conditioning (HVAC) equipment, water heaters, and bathroom exhaust fans will be replaced.

Developer: Mercy Housing California (MHC) was formed through the merger of Rural California Housing Corporation and Mercy Charities Housing California in July 2000. Mercy Housing is a nonprofit public benefit corporation dedicated to providing quality affordable housing with supportive programs to low-income persons in California. Mercy Housing California has developed over 10,900 affordable homes including over 7,900 rental and 3,000 homeownership. Their portfolio includes 19 properties with over 1,300 units in Sacramento County alone.

Property Management: Crossroad Gardens will be managed by Mercy Housing Management Group (MHMG), an affiliate of Mercy Housing. MHMG manages 220 properties nationally, comprised of more than 11,000 affordable housing units and 100 developments in California. Agency staff has reviewed MHMG's qualifications and the management plan, and has found that the proposed management company meets the Agency's requirements.

Resident Services: Resident services will be provided by Mercy Housing California. A minimum of 15 hours per week of on-site resident services will be provided. Resident services will include but are not limited to after-school programs, economic development assistance, exercise classes, and health and wellness education. An on-site coordinator will be assigned to the property.

Project Financing: The Developer proposes to finance Crossroad Gardens with up to \$13,500,000 in tax-exempt mortgage revenue bonds issued by the Housing Authority and four percent Low Income Housing Tax Credits. The Agency anticipates returning for a TEFRA Hearing and approval of approximately \$5 million in loan financing in early 2017.

Bond Financing: As a public entity, the Housing Authority can issue tax-exempt bonds, the proceeds of which can provide acquisition, construction, and permanent financing for multi-family housing projects. Interest paid on the bonds is exempt from federal and state income tax, so bondholders will accept a below-market yield from the bonds. These savings are, in turn, passed on to the project owner in the form of a below-market rate loan, with interest rates approximately one to two percent below prevailing market rates.

The bonds for the project are intended to be privately-placed. The Agency will report back to the Housing Authority on the placement and the actual bond amounts with the request for final approval of the bond documents. The law firm of Orrick, Herrington and Sutcliffe LLP, is serving as bond counsel to the Housing Authority on this matter.

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 Area Median Income (AMI). The Agency further requires that 20 percent of the units be restricted to households with income no greater than 50 percent AMI. The Project affordability restrictions will be specified in regulatory agreements with the Developer.

Project Inducement: CDLAC requires that an “inducement” resolution be adopted by the entity proposing to issue the bonds. Inducement at this time will allow the Developer to be reimbursed from bond issue proceeds for acquisition expenses that have already been incurred and will be incurred in the future. Staff recommends that the Housing Authority adopt a resolution to indicate its intent to issue bonds to finance the construction and permanent financing of the Project. Adoption of the resolution will not bind the Housing Authority to issue bonds until and unless all other necessary actions are taken in accordance with all applicable laws.

COMMISSION ACTION

At its meeting on November 16, 2016, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

This Project contributes to the County’s 2013-2021 Housing Element goals by preserving and renovating 69 existing regulated affordable housing units. A very low-income unit is defined as being affordable to a household with income up to 50 percent of Area Median Income (AMI), while a low-income unit is defined as being affordable to a household with income of 60 percent of AMI. The Project allows the County to preserve units for both low and very low income households as represented in the following table:

Affordability	Area Median Income	Units
Very Low Income	35%	15
Very Low Income	50%	39
Low Income	60%	15
Unrestricted (Manager)	-	1
Total		70

FINANCIAL ANALYSIS

The proposed bond issuance will not be an obligation of the County, the Housing Authority, or the Sacramento Housing and Redevelopment Agency. The bonds will be the obligation solely of the project’s owner, who will bear all costs associated with the issuance of the bonds. The Agency will receive a one-time issuance fee of 0.25 percent (25 basis points) of the bond issuance amount, which is payable at bond closing. The Agency will also collect an annual payment of 0.15 percent (15 basis points) of the total bond issuance amount for monitoring of the regulatory restrictions and administration of the bonds. The law firm of Orrick, Herrington and Sutcliffe LLP, is acting as bond counsel for the Housing Authority.

POLICY CONSIDERATIONS

The recommended actions are consistent with approved Agency’s Multifamily Lending and Mortgage Revenue Bond Policies.

ENVIRONMENTAL REVIEW

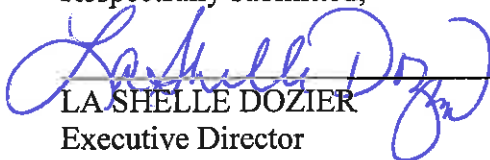
California Environmental Quality Act (CEQA): The project has been determined to be categorically exempt under CEQA pursuant to CEQA Guidelines Section §15301(a), “Existing Facilities”.

National Environmental Policy Act (NEPA): The project has been determined to be categorically excluded per 24 CFR §58.35(a)(3)(ii), and converts to exempt, per §58.34(a)(12), because there are no circumstances which require compliance with any of the federal laws and authorities cited at §58.5.

M/WBE/SECTION 3 AND FIRST SOURCE CONSIDERATIONS

The activities recommended 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:

- RES – Housing Authority Bond Authorization
- ATT 1 – Vicinity Map
- ATT 2 – Project Photo

RESOLUTION NO. _____

**ADOPTED BY THE HOUSING AUTHORITY OF THE
COUNTY OF SACRAMENTO**

ON DATE OF

**CROSSROAD GARDENS: A RESOLUTION OF THE HOUSING AUTHORITY OF
THE COUNTY OF SACRAMENTO DECLARING INTENTION TO
REIMBURSE EXPENDITURES FROM THE PROCEEDS OF
TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS**

WHEREAS, the Housing Authority of the County of Sacramento (Authority) intends to issue tax-exempt obligations (Obligations) for the purpose, among other things, of making a loan to Mercy Housing California, a California nonprofit public benefit corporation (Developer), or a limited partnership or a limited liability company related to or formed by the Developer, the proceeds of which shall be used by the Developer to finance the acquisition, rehabilitation and development of a 70-unit multifamily housing residential facility to be located at 7322 Florin Woods Drive in the County of Sacramento, California (the Project); and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer must declare an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the Authority declare its official intent to reimburse the expenditures referenced herein;

WHEREAS, California Environmental Quality Act (CEQA): The project has been determined to be categorically exempt under CEQA pursuant to CEQA Guidelines Section §15301(a), "Existing Facilities".

WHEREAS, National Environmental Policy Act (NEPA): The project has been determined to be categorically excluded per 24 CFR §58.35(a)(3)(ii), and converts to exempt, per §58.34(a)(12), because there are no circumstances which require compliance with any of the federal laws and authorities cited at §58.5.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO

Section 1. The Housing Authority of the County of Sacramento hereby finds the facts as both presented in the staff reported and stated in the recitals above are found to be true and correct and hereby approved and adopted.

Section 2. The Authority intends to issue the Obligations for the purpose of paying the costs of financing the acquisition, rehabilitation and development of the Project.

Section 3. The Authority hereby declares that it reasonably expects that a portion of the proceeds of the Obligations will be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations.

Section 4. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$13,500,000.

Section 5. The foregoing declaration is consistent with the budgetary and financial circumstances of the Authority in that there are no funds (other than proceeds of the Obligations) that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the Authority, or any public entity controlled by the Authority, for the expenditures for the acquisition, rehabilitation and development of the Project that are expected to be reimbursed from the proceeds of the Obligations.

Section 6. The Developer shall be responsible for the payment of all present and future costs in connection with the issuance of the Obligations, including, but not limited to, any fees and expenses incurred by the Authority in anticipation of the issuance of the Obligations, the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Obligations. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Developer. The Obligations shall not constitute a debt or obligation of the Authority.

Section 7. The appropriate officers or the staff of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to make an application to the California Debt

Declaration Of Intention To Reimburse Expenditures From The Proceeds Of Tax-Exempt Obligations And Directing Certain Actions For The Crossroad Gardens Project
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Limit Allocation Committee for an allocation of private activity bonds for the financing of the Project.

Section 8. The adoption of this Resolution shall not obligate (i) the Authority to provide financing to the Developer for the acquisition, rehabilitation and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the Authority, of or any department of the Authority or the County of Sacramento to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.

Section 9. This resolution shall take effect immediately upon its adoption.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Housing Authority of the County of Sacramento, State of California, this ___th day of _____, 2016, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSENT: Members,

ABSTAIN: Members,

RECUSAL: Members,

(PER POLITICAL REFORM ACT (§ 18702.5.))

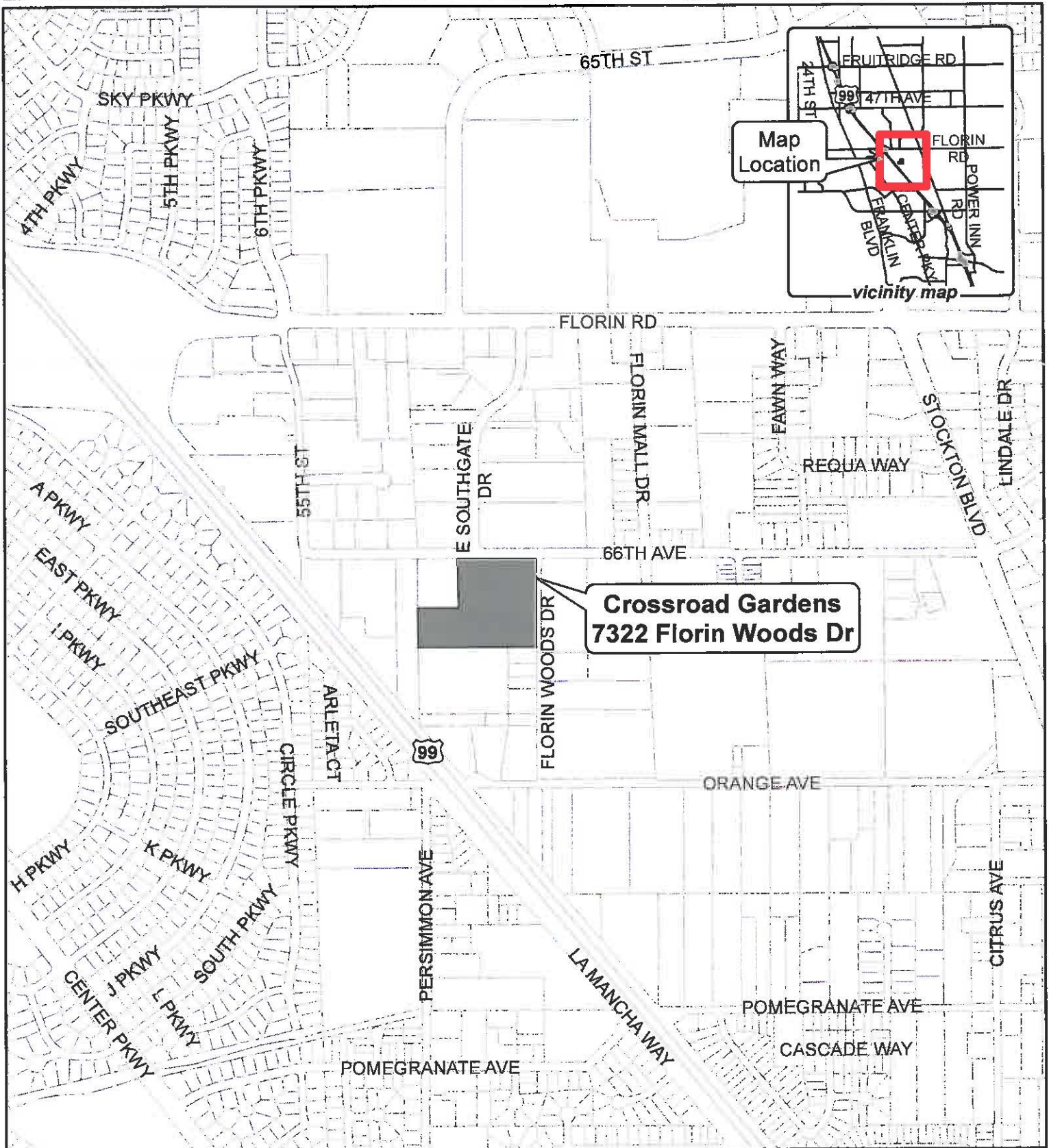
Chair of the Housing Authority
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk



Crossroad Gardens



Crossroad Gardens



SHRA GIS
September 20, 2016

Crossroad Gardens
Project Photo

