



INVESTING IN COMMUNITIES

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

**Wednesday, April 2, 2014 – 6:00 pm**  
**801 12<sup>th</sup> Street Sacramento, CA**

**ROLL CALL**

**APPROVAL OF AGENDA**

**APPROVAL OF MINUTES**

1. Minutes – March 5, 2014

**CITIZENS COMMENTS**

2. While the Commission welcomes and encourages participation in the Commission meetings, it would be appreciated if you would limit your comments to three minutes so that everyone may be heard. Please fill out a speaker card and present it to the Agency Clerk if you wish to speak under Citizen Comments or on a posted agenda item. Matters under the jurisdiction of the Commission, and not on the posted agenda, may be addressed by the general public at this time. Commission attendees are requested to silence any electronic devices that they have in their possession.

**CONSENT**

3. Annual Report on Residential Hotels
4. Housing Trust Fund Annual Report - City
5. Housing Trust Fund Update - County

**BUSINESS ITEMS**

6. Marshall Hotel Conversion and Replacement Housing Plan
7. Authorization to Execute Cooperative Agreement for Mortgage Credit Certificates – City
8. Application for Mortgage Credit Certificates and Execution of Cooperative Agreements With the Cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton and Rancho Cordova - County
9. Approval of Construction Loan for Del Paso Nuevo Phase IV

## EXECUTIVE DIRECTOR REPORT

## COMMISSION CHAIR REPORT

## ITEMS AND QUESTIONS OF COMMISSION MEMBERS

## ADJOURNMENT

Staff reports are available for public review on the Agency's website [www.shra.org](http://www.shra.org) and include all attachments and exhibits. Hard copies are available at the Agency Clerk's office (801 12<sup>th</sup> Street) for 10 cents per page. A copy of materials for this agenda will be available at the meeting for public review. **Assistance for the Disabled:** 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.



## MINUTES

### **Sacramento Housing and Redevelopment Commission (SHRC) Regular Meeting March 5, 2014**

Meeting noticed on February 28, 2014

#### ROLL CALL

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

**MEMBERS PRESENT:** Alcalay, Chan, Creswell, Griffin, Johnson, Le Duc, Macedo, Morton, Raab, Stivers

**MEMBERS ABSENT:** Morgan

**STAFF PRESENT:** Cindy Parker, LaShelle Dozier, Tia Patterson, Celia Yniguez, MaryLiz Paulson, Christine Weichert, Geoffrey Ross, Wayne Whitley, Sarah Thomas

APPROVAL OF AGENDA Agenda approved as submitted.

#### APPROVAL OF MINUTES

1. The minutes for February 19, 2014 were approved.

#### CITIZENS COMMENTS

2. none

#### PUBLIC NOTICE

3. Action Plan Amendment – City report
4. Action Plan Amendment – County report

The Commission recommended approval of the staff recommendation for the items listed above. The votes were as follows

**AYES:** Alcalay, Chan, Griffin, Johnson, LeDuc, Macedo, Morton, Raab, Stivers

**NOES:** none

**ABSTAIN:** Creswell

**ABSENT:** Morgan

BUSINESS ITEMS

5. Housing Authority Participation in the Renewal of the River District Property and Business Improvement District – City report
6. Housing Authority Participation in the Renewal of the River District Property and Business Improvement District – County report

The Commission recommended approval of the staff recommendation for the items listed above. The votes were as follows

AYES: Alcalay, Chan, Creswell, Griffin, Johnson, LeDuc, Macedo, Morton,  
Raab, Stivers

NOES: none

ABSENT: Morgan

EXECUTIVE DIRECTOR REPORT

LaShelle Dozier announced the following:

- Next meeting would be April 2nd
- Welcomed new commissioners: Cathy Creswell, Tawny Macedo, Jayne Raab

COMMISSION CHAIR REPORT

none

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Chair Alcalay announced the following:

- Asked staff to look into issues with the agency website
- Asked staff for feedback/additional information about agency events
- Asked staff to look into holding SHRA commission meetings in the community

ADJOURNMENT

As there was no further business to be conducted, Chair Alcalay adjourned the meeting at 6:45 p.m.

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AGENCY CLERK



March 28, 2014

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Annual Report on Residential Hotels

SUMMARY

The attached report is submitted to you for your review.

RECOMMENDATION

No action 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](http://www.CityofSacramento.org)

**Receive and File**  
**April 29, 2014**

**Honorable Mayor and Members of the City Council**

**Title: Annual Report on Residential Hotels**

**Location/Council District: Citywide**

**Recommendation: Receive and File**

**Contact: Christine Weichert, Assistant Director, Development Finance, 440-1353**

**Presenters: Not Applicable**

**Department: Sacramento Housing and Redevelopment Agency**

**Description/Analysis**

**Issue:** City Code Chapter 18.20 (Relocation Benefits Pertaining to Residential Hotel Unit Conversion or Demolition) and City Ordinance 2006-056 require that 712 residential hotel or comparable units be maintained within the City of Sacramento.

The Sacramento Housing and Redevelopment Agency (SHRA) is required to provide an annual report to the Sacramento Housing and Redevelopment Commission and City Council on the number of residential hotel units withdrawn, the number of new units expected based on approved replacement housing plans, and the number of units constructed in anticipation of conversions or withdrawals. The ordinance currently pertains to ten residential hotels located in downtown Sacramento (Location Map – Attachment 1).

In order to comply with the ordinance reporting requirements, SHRA sent correspondence in January 2014 to the owners of residential hotels subject to the ordinance, including an annual certification on the status of the residential hotel.

**Current Conditions**

There are six residential hotels regulated by SHRA and subject to the City Ordinance including:

- 22 unit Ridgeway Hotel, currently under renovation

## Annual Report on Residential Hotels

- 150 unit 7th & H Street Housing Community constructed in 2012
- 104 unit Studios at Hotel Berry renovated in 2012
- 32 unit YWCA renovated in 2010
- 80 unit Shasta Hotel renovated in 1994
- 90 unit Sequoia Hotel renovated in 1985

In addition to the six SHRA regulated residential hotels, the Wendell received conversion approval to withdraw 19 units in 2009, and there are four non-regulated residential hotels subject to the Ordinance:

- Capitol Park
- Congress
- Golden
- Marshall

The Marshall Hotel is currently applying to withdraw all of its 95 units. If approved, Replacement Housing would be provided by the 7<sup>th</sup> & H Street Housing Community.

Since last year's report, occupancy has increased or remained the same in all communities. The rental absorption of the renovated Studios at Hotel Berry and construction of the 7<sup>th</sup> and H Street Housing Community (7<sup>th</sup> & H) do not appear to have affected vacancy rates in other hotels.

### Withdrawn / Replacement Housing

A list of the residential hotels covered by the Ordinance with the results of the annual certification is included as Attachment 2.

### Boulevard Court

Additionally, information on the 75-unit Boulevard Court project completed in 2011 is included in the Certification Summary – Attachment 3. Pursuant to the project's special permit and Council Resolution 2008-526, the annual report required for the project is to be included in this annual report.

**Policy Considerations:** This report complies with the requirement of City Code Section 18.20.60, which requires an annual report on the number of residential hotel units withdrawn, the number of new units expected based on approved replacement housing plans, and units constructed in anticipation of conversions or withdrawals.

### **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) [CEQA Section 21065 and CEQA Guidelines Section 15378 (b)(5)].

Annual Report on Residential Hotels

**Sustainability Considerations:** Not Applicable

**Other:** Not Applicable

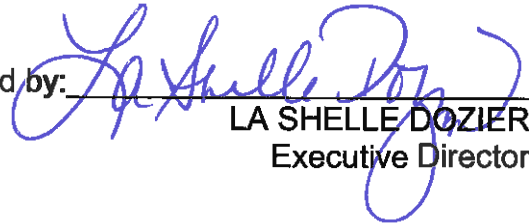
**Committee/Commission Action:** *Sacramento Housing and Redevelopment Commission:* This report was reviewed by the Sacramento Housing and Redevelopment Commission as an information only item on April 29, 2014.

**Rationale for Recommendation:** Not applicable; receive and file.

**Financial Considerations:** None

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

Respectfully Submitted by:



LA SHELLE DOZIER  
Executive Director

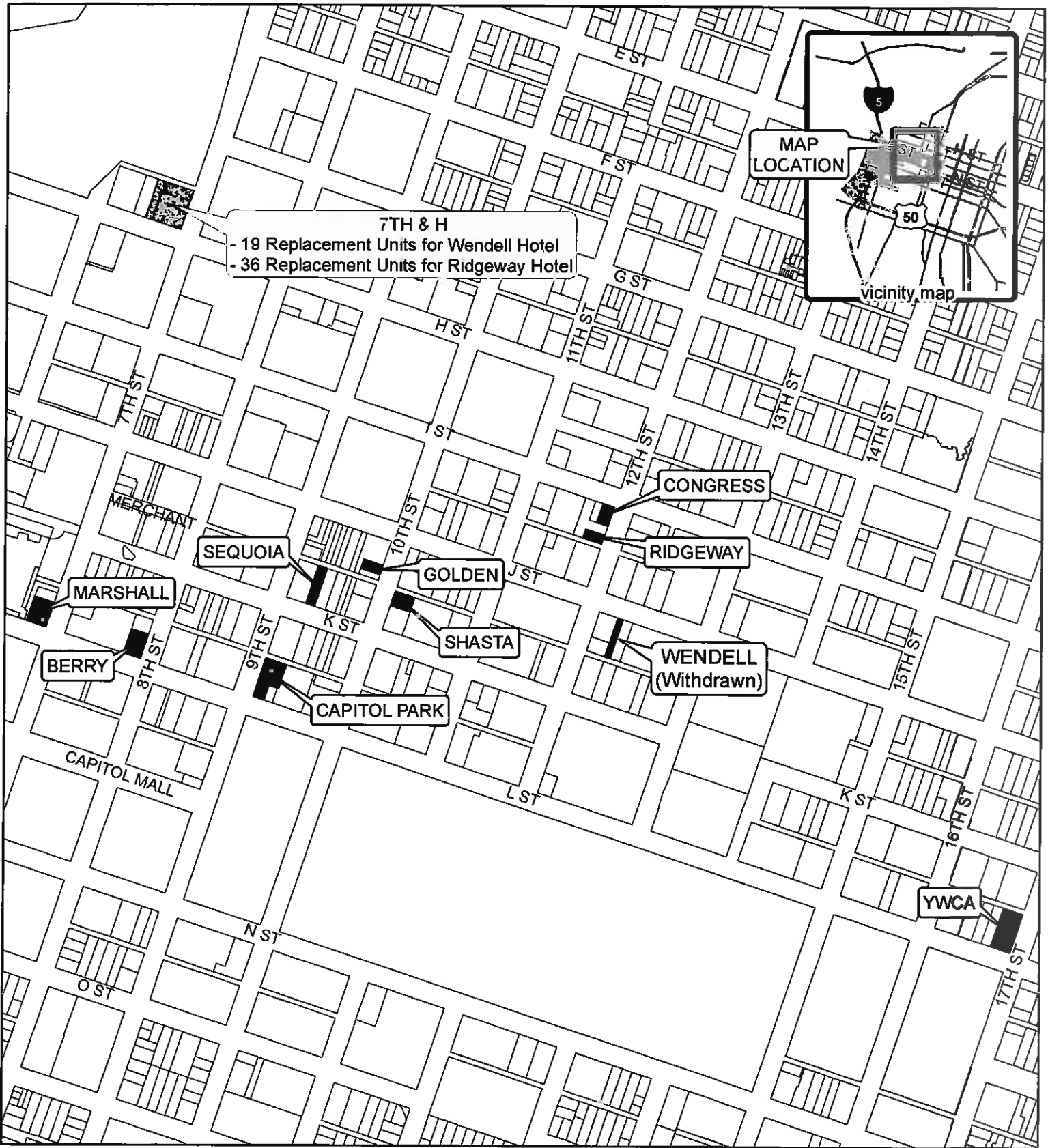
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# Residential Hotels Identified in City Code Chapter 18.20 Subject To, Withdrawn and /or Replacement Units



Withdrawn Unit	Replacement Housing Site	0      350      700 Feet		SHRA GIS April 3, 2013
Residential Hotel Included In Ordinance				

**Revised Residential Hotel Certification Summary 2014  
February 28, 2014**

Property	Address	Subject to Ordinance	Planned Change In Use	Original Number Units	Approved Withdrawn Units	Approved Replacement Units	Current Number Units	Total Number Vacant Units	Mthly Rent w/ Bath	Mthly Rent w/o Bath	Resident Services	Agency Reg. Agmt.	Comments
Hotel Berry	729 L St.	Yes	No	105	0	0	105	7	\$533 - \$599	N/A	Yes	Yes	
Capitol Park Hotel	1125 9th St.	Yes	No	180	0	0	180	41	\$535	\$500	*	No	Most vacant units used for storage, laundry, or maintenance supplies. Some are being remodeled.
Congress Hotel	906 12th St.	Yes	No	27	0	0	27	4	\$525	\$500	*	No	
Golden Hotel	1010 10th St.	Yes	No	26	0	0	26	1	N/A	\$340	*	No	
Marshall Hotel	1122 7th St.	Yes	Yes	95	0	0	95	39	\$495	\$485	*	No	
Ridgeway Hotel	914 12th St.	Yes	Yes	58	36	0	22	22	Under construction		N/A	Yes	7th & H provided the 36 replacement units.
Sequoia Hotel	911 K St.	Yes	No	90	0	0	90	12	\$415	\$390	*	Yes	
Shasta Hotel	1017 10th St.	Yes	No	80	0	0	80	4	N/A	\$422-\$437	*	Yes	
YWCA	1122 17th St.	Yes	No	32	0	0	32	0	\$618	\$313	*	Yes	
7th & H Project	625 H St.	Replacement Units	No	0	0	55	150	1	\$266-\$666	N/A	Yes	Yes	150 total units. Replacement units for the withdrawn Wendell (19), Ridgeway (36), and proposed Marshall withdrawl (95).
Wendell Hotel	1208 J St.	No	N/A	19	19	0	0	0	N/A	N/A	N/A	N/A	7th & H provided the 19 replacement units.

**Total Current Units                    807**  
**Total Units Subject To Ordinance    712**  
**Total Replacement Units Available    95**

\* **Downtown SRO Collaborative Services**

**Boulevard Court Certification Summary**  
**February 28, 2014**

<b>Property</b>	<b>Address</b>	<b>Total Number Units</b>	<b>Total Number Vacant Units</b>	<b>Mthly Rent w/ Bath</b>	<b>Resident Services</b>	<b>Agency Reg. Agmt.</b>	<b>Comments</b>
<b>Boulevard Court</b>	5321 Stockton Blvd	75	3	394-428	Yes	Yes	



March 28, 2014

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Housing Trust Fund Annual Report - City of Sacramento

SUMMARY

The attached report is submitted to you for your review.

RECOMMENDATION

No action required.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Lashelle Dozier".

LA SHELLE DOZIER  
Executive Director

Attachment



**REPORT TO COUNCIL**  
**City of Sacramento**  
915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

Consent  
**April 22, 2014**

**Honorable Mayor and Members of the City Council**

**Title: Housing Trust Fund Annual Report**

**Location/Council District: Citywide**

**Issue:** Annual report on housing revenue and production utilizing City Housing Trust Fund

**Recommendation:** Receive and file

**Contact:** Christine Weichert, Assistant Director, Development Finance, 440-1353

**Presenters:** N/A

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue:** The City Housing Trust Fund ordinance (#89-013) was adopted by the City Council on March 7, 1989. The ordinance included a method to calculate local financing fees for affordable housing near employment centers. The City Housing Trust Fund is administered by the Sacramento Housing and Redevelopment Agency (SHRA).

Pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), the Agency is required to provide an annual report to City Council on revenue and production generated by the City Housing Trust Fund (HTF). Attachment 1 provides background information on the City Housing Trust Fund. Attachment 2 shows the fee schedule for 2012-2013. Attachment 3 charts financial information for the funds for 2013, 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

Attachment 4 identifies current HTF projects, expenditures, and balance available. For each project the chart also identifies the HTF restricted and total number of housing units, and the loan maturity date. In 2013, expenditures totaling \$1,469,120 were made for two projects with 19 HTF units and 103 total units.

Attachment 5 identifies all properties which received Housing Trust Funds and the total number of units produced.

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 it is filed. Renewal requests for mailed notices should be made on or before April 1<sup>st</sup> of each year.

**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) [CEQA Section 21065 and CEQA Guidelines Section 15378 (b)(5)].

**Sustainability Considerations:** Not applicable

**Other:** The National Environmental Policy Act (NEPA) does not apply.

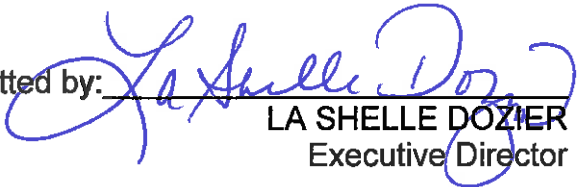
**Commission Action:** At its meeting of April 2, 2014, the Sacramento Housing and Redevelopment Commission received the information presented in this report.

**Rationale for Recommendation:** Pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), the Agency is required to provide an annual report to City Council on revenue and production generated by the City Housing Trust Fund (HTF).

**Financial Considerations:** The City has collected a total of \$33,221,229 in fees, interest, and loan income since the inception of the fund in 1989. A total of \$28,212,755 has been expended for projects and \$2,551,508 for administration, (approximately eight percent of total revenues). The balance remaining at the end of 2013 was \$2,256,966.

**M/WBE and Section 3 Considerations:** The activities in this staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements.

Respectfully Submitted by:



LA SHELLE DOZIER  
Executive Director

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## **Housing Trust Fund Annual Report Background**

The City Housing Trust Fund ordinance, which includes a North Natomas Housing Trust Fund, was adopted in 1989 to provide local financing for affordable housing near employment centers. Fees on non-residential development generate the funds' revenue based on an economic nexus analysis which 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.

Due to the jobs/housing linkage, trust funds assist housing likely to be occupied by persons in the labor force. Overall, projects 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 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 City 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. Attachment 2 identifies HTF fee levels for the City and North Natomas.



## HOUSING TRUST FUND FEE SCHEDULE

### CITYWIDE PROJECTS (Excluding North Natomas)

<b>BUILDING TYPE/ HTF FEE LEVEL (FEE/SQ.FT)</b>	<b>Fee Schedule ( FY 2013-14)</b>
Office	\$2.25
Hotel	\$2.14
Research and Development	\$1.91
Commercial	\$1.80
Manufacturing	\$1.41
Warehouse/Office*	\$0.82
Warehouse	\$0.61
* Warehouse buildings with a minor portion (25% maximum) of the space improved for incidental office use.	

### NORTH NATOMAS PROJECTS ONLY

<b>Use*/ HTF Fee Level (fee/sq ft)</b>	<b>Fee Schedule (FY 2013-14)</b>
Highway Commercial	\$2.47
Community/Neighborhood Commercial	\$1.86
Office/Business	\$1.86
M-50	\$1.57
M-20	\$1.30
Light Industrial	\$1.01
* Each nonresidential development project will be subject to a fee which is based on the applicable North Natomas community plan land use category.	

## 2013 City Housing Trust Fund Financial Information

**2013**

<b>Beginning Balance</b>		<b>\$1,928,199</b>
<b>Fees Collected</b>	<b>\$382,413</b>	
<b>Interest</b>	<b>\$188,291</b>	
<b>Income / Loan Repayment*</b>	<b>\$1,466,191</b>	
<b>Total Income</b>		<b>\$2,036,895</b>
<b>Projects</b>	<b>\$1,469,120</b>	
<b>Operations</b>	<b>\$39,008</b>	
<b>Total Expense</b>		<b><u>(\$1,508,128)</u></b>
<b>End Balance</b>		<b>\$2,456,966</b>

### Remaining Project Budgets

<b>La Valentina</b>		<b>\$200,000</b>
<b>TOTAL</b>		<b><u>\$200,000</u></b>
<b>Balance Available for Projects</b>		<b>\$2,256,966</b>

\* Includes \$1,210,770 in Greenfair Sales Proceeds

## 2013 City Housing Trust Fund Expenditures

Project Name	Address	HTF Units	Total Units	Total HTF Budgeted	2013 HTF Expenditure	Remaining Balance	Loan Maturity Date
La Valentina	12 <sup>th</sup> Street and D Street	18	81	\$3,535,000	\$0	\$200,000	11/18/2065
Greenfair	5505 Broadway			\$3,645,641 *	\$1,400,000	\$0	N/A
Ridgeway Studios	912-914 12 <sup>th</sup> Street	1	22	\$69,120	\$69,120	\$0	4/26/2068
	<b>TOTAL</b>	<b>19</b>	<b>103</b>	<b>\$7,249,761</b>	<b>\$1,469,120</b>	<b>\$200,000</b>	

\*Ten percent of future units must be sold to buyers earning 80% or less of Area Median Income.

## HOUSING TRUST FUND DEVELOPMENTS

<b>Project Status</b>	<b>Project Name</b>	<b>Total Units</b>
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
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	Asbury Place	104
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
Completed	Fremont Mews	119
Planning	Greenfair	TBD
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
Under Construction	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	76
Completed	Willow Glen	135
<b>Total</b>		<b>3,339</b>



March 28, 2014

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

**SUBJECT:**

Housing Trust Fund Annual Report - County of Sacramento

**SUMMARY**

The attached report is submitted to you for your review.

**RECOMMENDATION**

No action required.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "LaShelle Dozier", is written over the typed name and title.

LA SHELLE DOZIER  
Executive Director

Attachment

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
April 22, 2014

To: Board of Supervisors of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Housing Trust Fund Annual Report  
Supervisorial  
District: All

Contact: Christine Weichert, Assistant Director, Development Finance, 440- 1353

**Overview**

This report provides information on the status of the County Housing Trust Fund for calendar year 2013. No action is required.

**Recommendations**

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

**Measures/Evaluation**

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 2013 and the expenditures made toward this goal.

**Fiscal Impact**

None

**BACKGROUND**

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 2013.

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.

## **DISCUSSION**

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.

The current fee schedule is as follows:

Building Use	Fee Per Square Foot
Office	\$.97
Hotel	\$.92
Research & Development	\$.82
Commercial	\$.77
Manufacturing	\$.61
Warehouse	\$.26

Attachment I provides financial information for the fund in 2013, 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

Attachment II 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. In 2013, an expenditure totaling \$119,544 was made for Colonia San Martin which has 40 HTF units and 60 total units.

Attachment III identifies all properties which received Housing Trust Funds and the total number of units produced.

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 the Agency and are valid one year from the date on which it is filed. Renewal requests for mailed notices should be made on or before April 1<sup>st</sup> of each year.

## **COMMISSION ACTION**

At its meeting of April 2, 2014, the Sacramento Housing and Redevelopment Commission received the information presented in this report.

**MEASURES/EVALUATIONS**

This report gives the status of the County's Housing Trust Fund for 2013 and the expenditures made toward this goal.

**FINANCIAL ANALYSIS**

The County has collected a total of \$36,429,259 in fees, interest, and loan repayments since the inception of the fund in 1990. A total of \$28,862,695 has been expended on projects, and \$3,668,156 on administration which is approximately ten percent of total fees revenue. The 2013 ending balance was \$3,898,407. After subtracting for projects with budgeted expenditures, the balance available for new projects is \$922,366 as of December 31, 2013.

**POLICY CONSIDERATIONS**

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

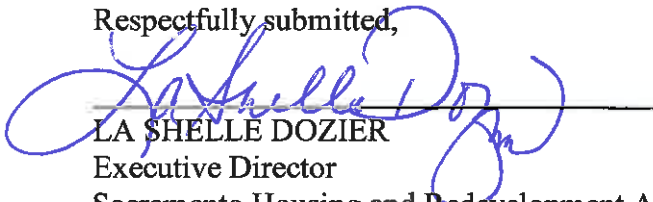
**ENVIRONMENTAL REVIEW**

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) [CEQA Section 21065 and CEQA Guidelines Section 15378 (b)(5)]. The National Environmental Policy Act (NEPA) does not apply.

**M/WBE AND SECTION 3 CONSIDERATIONS**

The activities 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

\_\_\_\_\_  
BRADLEY J. HUDSON  
County Executive

Attachments:

- ATT I – 2013 HTF Financial Information
- ATT II – 2013 HTF Expenditures
- ATT III – Housing Trust Fund Developments



**2013 County Housing Trust Fund Financial Information**

		<u>2013</u>
<b>Beginning Balance</b>		\$2,510,754
<b>Fees Collected</b>	\$350,148	
<b>Interest</b>	\$483,884	
<b>Loan Repayment</b>	\$718,436	
<b>Total Income</b>		\$1,552,468
<b>Projects</b>	\$119,544	
<b>Operations</b>	\$45,271	
<b>Total Expense</b>		<u>\$164,815</u>
<b>End Balance</b>		\$3,898,407
 <b>Remaining Project Budgets</b>		
Colonia San Martin (Operational Reserves)		\$976,041
Olivewood Apartments		\$2,000,000
<b>TOTAL</b>		<u>\$2,976,041</u>
<b>Balance Available for Projects</b>		\$922,366

**2013 County Housing Trust Fund Expenditures**

<b>Project Name</b>	<b>Address</b>	<b>HTF Units</b>	<b>Total Units</b>	<b>Total HTF Budgeted</b>	<b>2013 HTF Expenditure</b>	<b>Remaining Balance</b>	<b>Loan Maturity Date</b>
Colonia San Martin (Operational Reserves)	7271 Florin Mall Drive	40	60	\$2,022,370	\$119,544	\$976,041*	11/19/2062
Olivewood Apartments	2801-2811 La Quinta Drive	21	68	\$2,000,000	\$0	\$2,000,000	7/1/2069
		<b>61</b>	<b>128</b>	<b>\$4,022,370</b>	<b>\$119,544</b>	<b>\$2,976,041</b>	

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

**County Housing Trust Funds  
Developments**

<b>Project Name</b>	<b>Total Units</b>
Fleming Place	30
Danbury Park	140
Los Robles (Sky Parkway)	80
Terracina Vineyard	64
Greenway Village	54
Olivewood Apartments	68
Terracina Laguna	136
Sac Veterans Resource Center	32
Auberry Park	112
Cordova Meadows Apartments/Park Meadows	183
1500 Q Street	6
Village Crossings Apartments	196
Churchill Downs Apartments	204
Fleming Phase II	15
Arlington Creek Apartments	148
Saybrook	61
Pacific Rim/Sunnyslope	31
Mather Transitional Housing (Phase II)	273
Acacia Meadows Apartments	140
Colonia San Martin	60
Asbury Place	104
Norden Terrace Apartments	204
Arbor Creek Family Apartments	102
Florin Woods/Crossroads Gardens	70
Morse Glen Estates (Lerwick)	50
<b>TOTAL UNITS</b>	<b>2,575</b>



March 28, 2014

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Marshall Hotel Withdrawal, Conversion Certificate and Replacement Housing Plan

SUMMARY

The attached report is submitted to you for review 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



**Sacramento  
Housing &  
Redevelopment  
Agency**

**REPORT TO CITY COUNCIL**  
**City of Sacramento**  
915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

Public Hearing  
**April 29, 2014**

**Honorable Mayor and Members of the City Council**

**Title: Marshall Hotel Withdrawal, Conversion Certificate and Replacement Housing Plan**

**Location/Council District:** 1122 7<sup>th</sup> Street; District 4

**Recommendation:** Adopt: 1) a **City Resolution**, a) approving the Conversion Certificate for the Marshall Hotel; and b) approving the Replacement Housing Plan for the Marshall Hotel.

**Contact:** Christine Weichert, Assistant Director, Development Finance, 440-1353

**Presenters:** Christine Weichert

**Department:** Sacramento Housing and Redevelopment Agency (Agency)

**Description/Analysis**

**Issue:** In 2006, the City Council adopted an Ordinance encouraging the rehabilitation and preservation of 712 Single Room Occupancy (SRO) units in ten downtown residential hotels [Sacramento City Ordinance No. 2006-056 (the Ordinance) and Title 18, Chapter 18.20, of the City of Sacramento City Code (the Code)]. A major provision of the Ordinance is the No Net Loss policy. This No Net Loss Policy requires SRO owners to notify Sacramento Housing and Redevelopment Agency (Agency) if they plan to withdraw, convert or demolish units, and to submit a relocation assistance plan for review. The City Council has the authority to approve and issue a Conversion Certificate if they deem the applicant has complied with the requirements of the ordinance. The city shall replace or cause to be replaced the residential hotel units subject to this Ordinance that are withdrawn. Additional background is included as Attachment 1.

The Marshall Hotel, located at 1122 7th Street, is one of the downtown residential hotels subject to the Ordinance. The owner is requesting the withdrawal of all of the Marshall Hotel units from the requirements of the Ordinance and a Conversion Certificate. The Marshall Hotel is comprised of a total of 95 units. Fifty-six units were occupied on February 27, 2014, the date the owner notified the tenants that he would be applying for a Conversion Certificate. Tenants moving in to the Marshall after February 27, 2014 are not eligible to

## Approval of Marshall Hotel Conversion Certificate, Replacement Housing Plan and Residential Hotel Conversion Guidelines

receive relocation benefits, per the Ordinance. The Marshall Hotel is a 5-story building, with the 1<sup>st</sup> floor serving as a lobby. A vicinity map is included as Attachment 2.

In 2011, the owner started the process of working with the Agency to apply for a Conversion Certificate. Later, the owner decided to put the request on hold. The owner began working with the Agency again in fall 2013. In January 2014, the owner submitted an application for a Conversion Certificate to the Agency which included the request to withdraw the units. In addition to the withdraw request, the owner submitted information about the tenants residing in the building, information regarding the vacant units, draft notification to tenants of withdrawal, and a relocation plan, as required by the Ordinance. SHRA approved the withdrawal notice and all related documentation prior to the owner noticing the tenants. The relocation plan is included as Attachment 3. Upon approval of the application, the owner would receive a Conversion Certificate, included as Exhibit A.

In 2012, the 150 unit 7<sup>th</sup> & H Street Housing Community was constructed. Ninety-five SRO units at 7<sup>th</sup> & H Street have been identified as replacement housing units for The Marshall units being withdrawn. Beyond these 95 units, no additional units remain available for SRO replacement housing. Forty-five units at 7<sup>th</sup> & H Street have already been used as replacement housing for other SRO Conversion Certificate approvals. The Replacement Housing Plan is provided as Exhibit B.

Other residential hotels currently subject to the ordinance include: Hotel Berry, Ridgeway Hotel, Sequoia, Shasta, the YWCA, Capitol Park, Congress, and Golden. Upon approval of the Conversion Certificate for the Marshall, any additional requests for Conversion Certificates cannot be approved until new SRO replacement housing units are created or identified.

**Policy Considerations:** Approval of the Conversion Certificate for the withdrawal of 95 SRO units at the Marshall Hotel, and corresponding Replacement Housing Plan, is consistent with the City's Ordinance.

### **Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The recommended actions approving the replacement housing plan and issuing the Conversion Certificate is not the approval of a project as defined in CEQA Guidelines Section 15378 and will not have a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

**National Environmental Policy Act (NEPA):** The National Environmental Policy Act (NEPA) does not apply.

Approval of Marshall Hotel Conversion Certificate, Replacement Housing Plan and Residential Hotel Conversion Guidelines

**Sustainability Considerations:**

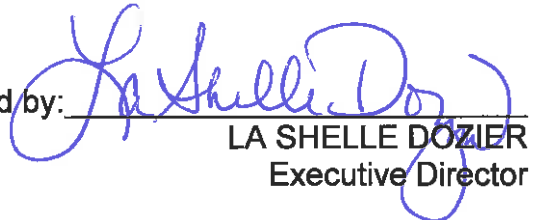
**Other:** Not Applicable

**Rationale for Recommendation:** This report requests the approval of a Conversion Certificate and Replacement Housing Plan for the Marshall Hotel. These documents are consistent with Municipal Code 18.20 as amended by City Resolution 2006-056. The purpose of Municipal Code 18.20 is to mitigate the adverse effects on displaced low income, elderly and disabled persons caused by withdrawal from rent or lease of residential hotel units in the downtown area. The property is subject to the relocation benefits in the municipal code. The relocation plan identifies eligible tenants and estimates relocation benefits for occupied and vacant units. The owner provided 60 day notice of the conversion application to eligible tenants of the hotel. The Replacement Housing Plan identifies replacement housing units equal in number to the number of units being withdrawn.

**Financial Considerations:** There are no financial considerations associated with this staff report.

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

Respectfully Submitted by:

  
LA SHELLE DOZIER  
Executive Director

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## Background

### Marshall Hotel Conversion

The Marshall Hotel is a residential hotel located at 1122 7th Street in downtown Sacramento. The Marshall Hotel does not carry a regulatory agreement requiring that the units remain affordable over a specified period of time.

The owners of the Marshall Hotel are requesting to withdraw the units under the Ordinance. They are considering several options for the building, including a hotel. The Agency's role in the conversion process is to ensure that the Ordinance and the Residential Hotel Conversion Guidelines (adopted by the City Council September 15, 2009) are adhered to, and to provide a replacement housing plan, since units will be lost. The Agency has no authority to stop a conversion from taking place.

The existing code and Residential Hotel Conversion Guidelines require:

- Owner provides a notice of conversion application to eligible tenants
- Owner posts this notice in a public area at least 60 days
- A relocation plan
- City adopt a replacement housing plan

The property is subject to the relocation benefits in the municipal code. The relocation plan identifies eligible tenants and estimates relocation benefits for occupied and vacant units. The relocation plan is included as Attachment 3. The owner provided 60 day notice of the conversion application to eligible tenants of the hotel. The Marshall Hotel Conversion Certificate and Replacement Housing Plan are included as Exhibits A and B, respectively.

### History of the Residential Hotel Ordinance

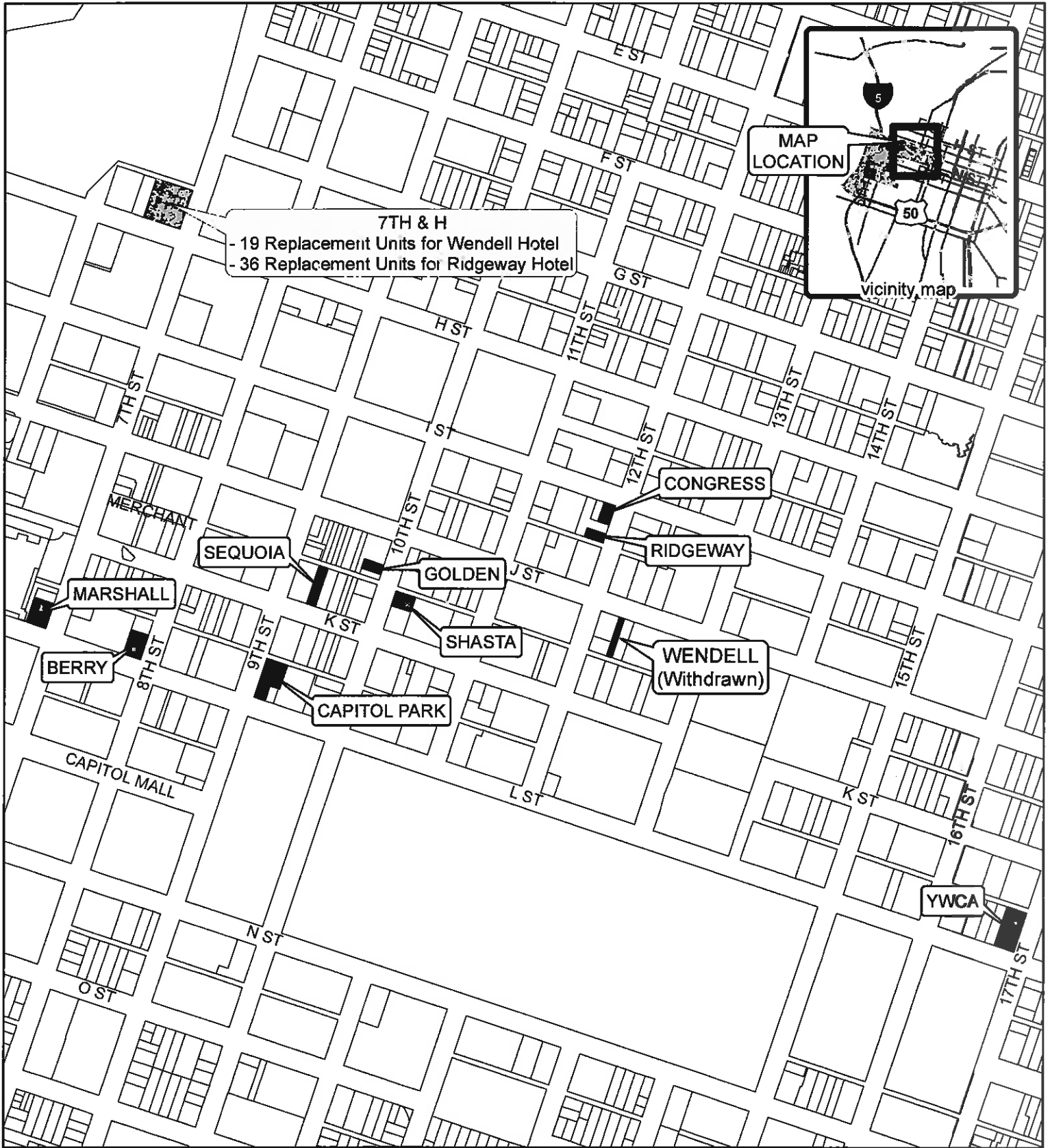
Since 1987, the central city area has lost over 300 SRO units. This fact, in addition to the renewed awareness of the importance of residential hotels to low-income residents, prompted the City Council to take actions to secure this type of housing. In 2005, the City Council approved a resolution calling for rehabilitation of existing residential hotels in the downtown, and a strategy for creation of new units for very low income tenants.

In 2006, the City Council adopted a resolution to create a SRO preservation Ordinance by modifying Municipal Code Section 18.20. This Ordinance sought to preserve 712 SRO units downtown, and to provide relocation benefits to tenants of residential hotels or SROs displaced by the conversion or demolition of an SRO (City Code 18.20). The ordinance requires noticing, relocation payments, a Conversion Certificate acknowledging that the requirements have been met, and replacement housing. In 2009, the City adopted SRO guidelines to address residential hotel owners' requests to convert or demolish existing SROs. The guidelines are outlined in Attachment 4.





# Residential Hotels Identified in City Code Chapter 18.20 Subject To, Withdrawn and /or Replacement Units



**7TH & H**  
 - 19 Replacement Units for Wendell Hotel  
 - 36 Replacement Units for Ridgeway Hotel

MAP  
LOCATION

vicinity map

Withdrawn Unit	Replacement Housing Site	0      350      700 Feet		SHRA GIS April 3, 2013
Residential Hotel Included In Ordinance				

**Marshall Hotel  
Sacramento, CA  
Residential Hotel Withdrawal and Conversion  
Preliminary Draft Relocation Plan**

**For**

**Marshall Hotel Investors, LP  
And  
City of Sacramento**

**By**



**8950 Cal Center Drive, Suite 102  
Sacramento, CA 95826  
(916) 857-1520**

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## **INTRODUCTION**

Marshall Hotel Investors, LP (MHI), also referred to herein as Owner plan to convert the Marshall Hotel located at 1122 7<sup>th</sup> Street (the Property) in Downtown Sacramento, CA from a residential hotel to a commercial, nightly stay hotel or a commercial mixed use project. MHI is in the process of planning for and financing the project that will renovate and improve the property. The property has five floors with the first floor being a lobby area and floors two-five the location of the rooms. A map of the subject property is shown in Attachment 1.

The intended change of use of the property will remove the property from the City of Sacramento's supply of residential hotel rooms and affordable housing stock. For this change of use, the City of Sacramento (the City) requires that the Owner comply with Sacramento City Ordinance NO. 2006-056 (the Ordinance) and Title 18, Chapter 18.20, of the City of Sacramento City Code (the Code).

This Relocation Plan has been prepared to satisfy the Owner's obligation to prepare a Relocation Plan (Plan) in accordance with the Code and the Ordinance. This preliminary Plan is a requirement for the Owner's Notice of Withdrawal to be made the City of Sacramento. This Plan will form the basis of the Final Relocation Plan, which is required to be submitted with the Owner's application for a Conversion Certificate.

This plan intends to provide City, Tenants at the Property and the Owner with a guide and monitoring tool for the future permanent relocation of the Tenants should the City approve the Owner's application for a Conversion Certificate.

This plan will provide for key elements of the relocation program including noticing requirements, methodology for assessing tenant relocation needs, tenant relocation assistance payments, the methodology for preparing a comparable housing analysis and provision of referrals to replacement housing.

**Overview of the Project**

As indicated in the Introduction of the Plan, MHI will carry out a major renovation to the Property should the City of Sacramento provide the required Conversion Certificate. The owner will request that all residential rooms be withdrawn from the supply of residential hotel rooms in order to convert the use to a commercial hotel or commercial mixed use property.

The Property is comprised of a total of 95 residential rooms. All 95 rooms are subject the provisions of the Code and Ordinance. Presently 66 rooms occupied and 29 are presently vacant.

The Sacramento Housing and Redevelopment Agency (SHRA) has identified Mercy Housing's low income housing project at 7<sup>th</sup> and H Street in downtown Sacramento as the replacement housing for conversion and removal of the rooms at the Marshall Hotel.

**Funding Sources**

The Owner will carry out the conversion and renovation solely with private sources of funding. No Federal, State, City or County funds will be used for the project.

**Overview of Relocation Planning and Implementation**

Overland, Pacific & Cutler, Inc. (OPC), a public real estate services consulting firm specializing in relocation assistance consulting services prepared this Relocation Plan (Plan) for MHI. OPC will also provide MHI consultation on the relocation process and provide relocation assistance services to the Tenants. This Plan has been prepared to evaluate the present circumstances and the relocation needs of the tenants. This project is not subject to the Uniform Relocation Act, California Relocation Assistance Law or the California Relocation Assistance and Real Property Acquisition Guidelines.

This project is subject to Sacramento City Ordinance NO. 2006-056 and Title 18, Chapter 18.20, of the City of Sacramento City Code.

## **RELOCATION ASSISTANCE PLAN**

In accordance with the definition of Relocation Assistance Plan under 18.20.030 of the Code and the Ordinance, this Plan intends to explain the Owner's plan to accomplish the following,

1. Inform eligible tenants of the programs benefits,
2. Meet with eligible tenants to determine specific needs,
3. Locate Comparable Units that are available to lease,
4. Offer referral to available Comparable Units,
5. Allocate resources and make payment to assist the displaced tenant secure a replacement unit, and
6. Provide a schedule for the Plan's implementation

The sections below address the required elements of the Plan.

### **A. ELIGIBILITY**

Relocation benefits shall be paid to the current occupant of each unit withdrawn if the occupant occupied the withdrawn unit, or another unit within the Property for thirty (30) consecutive days or more immediately prior to the Notice to Tenants.

If the current occupant is not eligible, relocation benefits shall be paid to the most eligible tenant of the unit if;

1. Such tenant occupied the unit within one year prior to the withdrawal, and
2. The tenancy of such tenant was terminated without Just Cause or the tenant voluntarily vacated the premise within sixty (60) days after receiving a notice of rent increase.

In instances where a room is vacant, relocation assistance shall be paid to the most recent occupant if:

1. That occupant was a tenant within one year prior to the withdrawal, and
2. Tenancy of that tenant was terminated without just cause or tenant vacated voluntarily within 60 days of receiving a notice of a rent increase.

Tenants who occupy the units after the Notice to Tenants (Notice) will not be eligible to receive relocation assistance unless the Owner does not personally serve the new occupant with a copy of the Notice upon occupancy.

Each tenant will be provided with an eligibility letter, which the tenant will be required to acknowledge receiving. The letter of eligibility will be retained in the tenants file. Based upon occupant information provided to OPC by the owner and OPC's interview process there are 56 eligible persons presently occupying 56 of the 66 occupied rooms based upon their dates of occupancy meaning that these persons were occupants on or prior to the posting and delivery of Notice to Tenants per the Code and Ordinance was posted on February 27, 2014. Ten rooms were occupied after the Notice to Tenants per the Code and Ordinance was posted on February 27, 2014. The present occupants of these ten rooms are not eligible to receive relocation assistance, however, there are 35 former occupants that need to be located and further evaluated for their relocation eligibility. Three occupants have been evicted in the past twelve months and are not eligible for relocation assistance.

Reasonable efforts to locate potentially eligible former occupants will be made.

A list of project occupants by room number is provided in Attachment 2 of this plan.

## **B. ASSESSMENT OF NEEDS**

OPC conducted interviews with the current tenants the week of March 10, 2014. OPC these interviews were required for the Final Relocation Plan to be submitted with the Conversion Certificate Application. These interviews allowed OPC to provide each tenant with an overview of the relocation program, explain their eligibility to receive assistance, and give OPC the opportunity to collect data on the number, age, and special needs of the occupants in each occupied room.

As part of OPC's interview process a review of the property files was conducted including vacant units to determine if any presently vacant units were occupied by eligible persons as described in Section A above.

During the interview process and review of tenant information with the property manager, it was not determined that there are eligible persons have vacated the property. If it is later determined that any eligible persons are no longer residing at the property OPC will attempt contact with them by mailing a notice to their last known

address, calling their last known phone number and if needed calling any emergency contacts available. Additional methods to locate potentially eligible persons may include posting notices of OPC's inquiry at the property and in local newspapers. Should these persons be found, OPC will inquire why they vacated the property, have the former tenant sign an acknowledgment for the reason of their vacation and if applicable provide them with a relocation assistance eligibility letter.

**C. PROJECT OCCUPANCY/OVERCROWDING**

Overcrowding is not an issue at the property. All occupied rooms are occupied by a single person.

**D. CONCURRENT RESIDENTIAL DISPLACEMENT**

There are no concurrent displacement activities underway or anticipated in the near future which would impact negatively upon the Owner's ability to relocate the impacted households.

**E. COMPARABLE UNIT HOUSING RESOURCES**

The Owner's obligation per the Code and the Ordinance is to provide each displaced tenant household with a referral to at least one comparable housing unit. A comparable unit is defined as a residential hotel unit, an efficiency unit or a one-bedroom apartment unit that is decent, safe and sanitary that is similar in amount of habitable living space, and that has a listed rent that is similar to the unit being withdrawn. The unit shall also be accessible to public transportation or transit. Additional definitions related to comparable housing units such as efficiency unit can be found in 18.20.030 Definitions of the Ordinance and the Code.

Should the tenant reject the first offered comparable unit, the Owner or its relocation agent shall offer the tenant a second unit. Should the tenant reject all offers of a comparable unit, the Owner or its relocation agent shall have the tenant sign an acknowledgment that they are rejecting all offers for a comparable unit. The tenant shall be directly paid their full relocation benefit within 30 days after the Conversion Certificate is issued should they reject all offers of a comparable unit.



The existing conditions at the property are that all rooms are classified as single room occupancy/hotel room units and current rents range from \$485-\$510 per month for non-employee rooms. There is one room occupied by a hotel employee who pays \$250 per month.

In accordance with the Code and Ordinance, OPC conducted a comparable housing resource survey. OPC's survey included Single Room Occupancy and Studio apartment units in and around downtown Sacramento, preferably within one mile of the Property and either on or near a transit line. Only properties with vacancies as of March 18, 2014 were included in the survey. Some properties greater than one mile were included because they present opportunities to house displaced residents in permanently affordable housing, housing owned by SHRA or near transit lines.

Properties that did not have vacancies as of March 18, 2014 may have units available at the time that OPC begins to work with displaced persons. OPC's survey located 81 prospective units' currently vacant and good housing opportunities with open waitlists. The rents found range from \$313-\$650 with an average rent of \$496. Details of this survey are provided in Attachment 3 of this plan.

Based on research of commercially available websites including [hotpads.com](http://hotpads.com), [craigslist.com](http://craigslist.com), and [sacselfhelp.org](http://sacselfhelp.org) there are many more potential opportunities than what have been included in the plan's survey which are located outside of downtown including South and North Sacramento, and the Arden Area that may be acceptable locations by the current residents of the Property. Sacramento Self Help provides listings for several boarding houses and room and board arrangements that may present good opportunities to assist the displaced residents reduce their overall cost of living. Should a resident indicate that they would like to be referred to properties outside of downtown, OPC will provide such referrals.

Each tenant will be provided with a list of available comparable units, which the tenant will be required to acknowledge receiving. The acknowledgment will be retained in the tenants file. Where possible, OPC will assist tenants apply permanently affordable and/or obtain a place on waiting list for affordable and special needs housing units they may be eligible and qualify for.

In addition, the Ordinance and the Code require that a replacement housing plan be prepared; this document is being prepared by the City of Sacramento. The City has

identified the 150 unit low income housing project developed by Mercy Housing at 7<sup>th</sup> and H Street as the replacement housing location for this conversion.

**F. PROGRAM ASSURANCES AND STANDARDS**

Relocation assistance services will be provided to ensure that the relocation does not result in different, or separate treatment of households based on race, nationality, color, religion, national origin, sex, marital status, familial status, disability or any other basis protected by the federal Fair Housing Amendments Act, the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, the Unruh Act, as well as any otherwise arbitrary or unlawful discrimination.

No tenant will be permanently displaced without 60-days advance written notice to the tenant.

**G. RELOCATION ASSISTANCE PROGRAM**

OPC will be available to assist any household with questions about the relocation program. Relocation staff will be available from 9:00 AM to 6:00 PM, Monday through Friday during the conversion and relocation process. A relocation assistance program, suitable to provide necessary technical and advisory assistance, will be provided to the households. Close personal contact will be maintained with each household. Specific activities will include:

1. Distribution of informational notices.
2. Assistance in viewing replacement comparable units and making application for units.
3. Assistance with completion and filing of relocation claims and making special arrangements as needed.

**H. CITIZEN PARTICIPATION/PLAN REVIEW**

This Plan will be made available to the residents for their review throughout the project.

**I. TENANT NOTIFICATION**

The Code requires that at least 60 days prior to the application for a Conversion Certificate, the Owner shall post notices on each door of each unit on each floor of the property informing the tenants that the Owner is applying for a conversion certificate,

the date the unit is expected to be withdrawn, that they may be eligible for relocation assistance, the tenant shall have at least 60 days to remain in the unit after the Conversion Certificate is issued, and that the tenant will have the right to appear at the hearing for the Conversion Certificate. The notice will provide the date of the conversion certificate hearing as well as the local telephone contact number for the Owner and OPC. This notice shall also be given to the last eligible occupant.

This notice was posted on February 27, 2014. A notice addressed to each occupant was hand delivered to the tenant and the tenant was asked to sign the notice acknowledging their receipt of the notice. A copy of the signed notice or proof of its posting will be kept in each tenant's individual file.

Notification within the property and to the residents is required prior to the SHRA Commission and City Council hearings to inform the residents that they have the right to appear and speak at the hearings.

Once the City Council approves the conversion and issues the Conversion Certificate the Owner may serve each tenant a 60 Day Notice to Vacate immediately. The notice will communicate that the conversion action has been approved, the date the conversion will commence and that they have 60 days to vacate the property. This notice will also explain the relocation assistance benefits available to the displaced tenant.

#### **J. PAYMENT OF RELOCATION BENEFITS**

In accordance with the Code and the Ordinance eligible tenant households shall receive \$2,400 for a single person. In cases where a room is occupied by two or more persons they will receive \$4,000 divided proportionally among the persons.

Eighty percent (80%) shall be paid directly to the owner or manager of the tenant's replacement unit for their benefit. This amount shall pay the first and last month's rent as well as the security deposit for the unit. The remaining twenty percent (20%) shall be paid to the tenant to assist with moving personal property. Should less than 80% of the total benefit be needed to secure the unit, the remainder shall be paid directly to the tenant.

Twenty percent of the relocation payment shall be paid to the tenant 30 days prior to their required vacation date. If there is no current tenant, payment shall be made to the last eligible tenant of the room within 30 days after the issuance of the Conversion Certificate.

The Owner or its relocation agent will provide the resident with a claim form, assist them in preparing that form and provide payment 30 days prior to their move. The tenant must sign a claim form in order to receive payment. The signed tenant claim form will be retained in the tenants relocation file.

**K. EVICTION POLICY**

MHI recognizes that eviction is permissible only as a last resort and that relocation records must be documented to reflect the specific circumstances surrounding any eviction. Eviction will only take place in cases of nonpayment of rent; a serious violation of the rental agreement; a dangerous or illegal act in the unit; or, if the household refuses all reasonable offers to move.

**L. APPEALS POLICY**

Household will have the right to ask for review when there is a perceived grievance regarding any of its (the household's) rights to relocation and relocation assistance; including the determination as to eligibility, the amount of payment, or the failure to provide comparable replacement housing.

**M. PROJECTED TIMELINE**

A preliminary timeline of the conversion and relocation process is provided below. This timeline is subject to change.

**Table 1: Preliminary Relocation Timeline**

<b>Task</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>
Owner Submits Withdrawal/Conversion Application	1/9/2014	1/9/2014
SHRA Review of Withdrawal Application	1/10/2014	2/10/2014
Post Withdrawal Application Notice at Property	2/27/2014	2/27/2014
Tenant Interviews to Finalize Plan	3/10/2014	3/20/2014
Finalize Relocation Plan for SHRA Review	3/21/2014	3/21/2014
SHRA Review of Final Relocation Plan	3/22/2014	3/22/2014
Owner Submits Application for Conversion Certificate	3/23/2014	3/23/2014
SHRA Accepts Application for Conversion Certificate	3/24/2014	3/24/2014
SHRA Makes Replacement Housing Plan Available for 30 Day Review	3/28/14	4/28/14
SHRA Commission Hearing	4/2/2014	4/2/2014
Post Notice of City Council Hearing At Property	3/18/2014	3/18/14
City Council Hearing and Anticipated Approval of Replacement Housing Plan and Conversion Certificate	4/29/2014	4/29/2014
Serve 60 Day Notice to Tenants	4/30/2014	4/30/2014
Administer Relocation Program	4/30/2014	6/29/2014

**N. ESTIMATED RELOCATION COSTS**

The estimate of relocation costs are Two Hundred Twenty-one Thousand Dollars (\$221,000). This budget accounts for the full exposure of the potential need to provide a relocation assistance payment all current occupants, former eligible occupants of and a payment for vacant rooms. A 10% contingency has been provided to mitigate budget increases multi-tenant rooms and/or benefit increases by SHRA. Actual cost will be based on the actual amounts required to be based on the claimants eligibility in accordance with the Code and Ordinance.

Table 2 below provides an overview of the relocation cost estimate.

**Table 2: Relocation Budget Estimate**

<b>Case Description</b>	<b>Eligible for Relocation Assistance</b>	<b>Number of Cases</b>	<b>Per Unit Cost</b>	<b>Potential Relocation Exposure</b>
Current Occupant Eligible to Receive Relocation Assistance	Yes	56	\$2,400	\$134,400
Potentially Eligible Former Tenant	Potentially	39	\$1,920	\$74,880
<b>Sub-total</b>		<b>95</b>		<b>\$209,280</b>
<b>Contingency (10%)</b>				<b>\$11,520</b>
<b>Total Relocation Estimate</b>				<b>\$220,368</b>

[End of Plan]

## **TABLE OF ATTACHMENTS**

- Attachment 1:** Project Site Map  
**Attachment 2:** Project Occupants List  
**Attachment 3:** Comparable Housing Units List

ATTACHMENT 1:  
PROJECT SITE MAP

Site-specific Location





**ATTACHMENT 2:  
OCCUPANT LIST**

**MARSHALL HOTEL – PRELIMINARY RELOCATION PLAN**

Rm. #	Current Occupant Name	Former Known Occupant if Room Vacant or Current Occupant Not Eligible	Current Occupant Move In Date if Occupied	Current Occupant Eligible for Relocation Assistance *	Former Occupant Eligible for Relocation Assistance ^
201	Donald Gayler	N/A	7/2/2013	Yes	N/A
202	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
203	Cooling Room	N/A	N/A	N/A	N/A
204	Jimmy Levine	N/A	9/21/2010	Yes	N/A
205	Ross McKibben	N/A	8/10/2013	Yes	N/A
206	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
207	Alvin Keahey	N/A	3/20/2012	Yes	N/A
208	Lawrence Chavez	N/A	10/3/2012	Yes	N/A
209	Edward Roschbach	Further Documentation Required for Eligibility Determination	3/1/2014	No	Further Documentation Required for Eligibility Determination
210	Floyd Merchant	N/A	5/30/2008	Yes	N/A
211	James Woodberry	N/A	Prior to 2/27/2014	Yes	N/A
212	Vacant Room	Carver Truss	N/A	N/A	Further Documentation Required for Eligibility Determination
214	Daryl Collins	N/A	11/1/2011	Yes	N/A
215	Robert Sangster	N/A	11/3/2013	Yes	N/A
216	Michael Heard	N/A	Prior to 2/27/2014	Yes	N/A
217	Jeffery Dynes	Further Documentation Required for Eligibility Determination	11/22/2013	TBD. Tenant Move In Date Conflicts w/ Property Records	Further Documentation Required for Eligibility Determination

**MARSHALL HOTEL – PRELIMINARY RELOCATION PLAN**

		Further Documentation Required for Eligibility Determination			Further Documentation Required for Eligibility Determination
218	Gary Hodgson		2/19/2014	No	
219	Gordon Belcher	N/A	6/16/2010	Yes	N/A
220	Paul Jonelous	N/A	Prior to 2/27/2014	Yes	N/A
					Further Documentation Required for Eligibility Determination
221	Kenneth Dowdell	David Hedeem	1/19/2014	Yes	
222	Storage	N/A	N/A	N/A	N/A
224	George Thornally	N/A	1/4/2004	Yes	N/A
225	Carlos Verdecia	N/A	12/1/2013	Yes	N/A
226	Linnen	N/A	N/A	N/A	N/A
					Further Documentation Required for Eligibility Determination
301	Vacant Room	Alvin Ashand	N/A	N/A	
302	Elizabeth Ricci	N/A	Prior to 2/27/2014	Yes	N/A
303	Jason Sciba	N/A	2/1/2013	Yes	N/A
304	Maintenance Room	N/A	N/A	N/A	N/A
305	Michael Lewis	N/A	2/27/2011	Yes	N/A
		Further Documentation Required for Eligibility Determination			Further Documentation Required for Eligibility Determination
306	Vacant Room		N/A	N/A	
307	Victor Stukalo	N/A	Prior to 2/27/2014	Yes	N/A
308	Paul Muskeni	N/A	10/25/2012	Yes	N/A
		Further Documentation Required for Eligibility Determination			Further Documentation Required for Eligibility Determination
309	Vacant Room		N/A	N/A	
		Further Documentation Required for Eligibility Determination			Further Documentation Required for Eligibility Determination
310	Vacant Room		N/A	N/A	
311	Oscar Johnson	N/A	12/16/2013	Yes	N/A
312	Edward Anderson	N/A	3/1/2013	Yes	N/A

**MARSHALL HOTEL – PRELIMINARY RELOCATION PLAN**

		Further Documentation Required for Eligibility Determination			Further Documentation Required for Eligibility Determination
314	Jeffery Henley		After 2/27/14	No	
315	Jacob Walker	N/A	12/3/2013	Yes	N/A
316	Rick Byrd	N/A	Prior to 2/27/2014	Yes	N/A
317	Cooling Room	N/A	N/A	N/A	N/A
					Further Documentation Required for Eligibility Determination
318	Sammie Lawrence	Cary Ragan	3/8/2014	No	
		Further Documentation Required for Eligibility Determination			Further Documentation Required for Eligibility Determination
319	Rudy Trujilo		After 2/27/14	No	
320	David Brown	N/A	11/18/2013	Yes	N/A
321	Steve Vasquez	N/A	9/21/2013	N/A	N/A
322	Storage	N/A	N/A	N/A	N/A
					Further Documentation Required for Eligibility Determination
324	Vacant Room	N/A	N/A	N/A	
		Further Documentation Required for Eligibility Determination			Further Documentation Required for Eligibility Determination
325	Robert Helms		After 2/27/14	No	
326	Roy Winn	N/A	12/31/2010	Yes	N/A
327	Christopher D'Vince	N/A	10/1/2012	Yes	N/A
401	Vacant Room	Dennis Jenkins	N/A	N/A	No
402	Robert Hickman	N/A	Prior to 2/27/2014	Yes	N/A
403	Terry Sackrider	N/A	7/2/2009	Yes	N/A
404	Brandon Fassett	N/A	9/1/2013	Yes	N/A
405	Douglas Koleada	N/A	11/30/2013	Yes	N/A
406	Norman Otsby	N/A	10/11/2013	Yes	N/A
407	Robbie Pence	N/A	10/9/2010	Yes	N/A
					Further Documentation Required for Eligibility Determination
408	Victor Compos	Ralph Mendez	3/8/2014	No	
409	Raymond Haskins	N/A	12/1/2013	Yes	N/A
410	Cooling Room	N/A	N/A	N/A	N/A
411	Philip Gregory	N/A	11/1/2008	Yes	N/A

**MARSHALL HOTEL – PRELIMINARY RELOCATION PLAN**

412	Vacant Room	Karl Schmidt	N/A	N/A	No
413	Does Not Exist	N/A	N/A	N/A	N/A
414	Kenneth Hicks	N/A	7/13/2012	Yes	N/A
415	Michael Torres	N/A	Prior to 2/27/2014	Yes	N/A
416	Donald Kraus	N/A	3/13/2013	Yes	N/A
417	Jeff Perkins	N/A	2/24/2013	Yes	N/A
418	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
419	Jesus Alcaraz	N/A	9/20/2013	Yes	N/A
420	Jimmy Garlin	N/A	3/24/2012	Yes	N/A
421	Scott Young	N/A	9/3/2013	Yes	N/A
422	Storage	N/A	N/A	N/A	N/A
423	Does Not Exist	N/A	N/A	N/A	N/A
424	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
425	Billy Reynolds	N/A	12/26/2010	Yes	N/A
426	Tim Ordny	N/A	7/30/2009	Yes	N/A
427	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
501	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
502	John Gregg	N/A	8/1/2012	Yes	N/A
503	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
504	Ronald Downs	N/A	7/19/2013	Yes	N/A
505	Patrick Lewis	N/A	1/1/2012	Yes	N/A
506	Elias Rodriguez	N/A	7/17/2013	Yes	N/A
507	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
508	Homer Bagby	Jimmy Negrete	1/31/2014	Yes	N/A

**MARSHALL HOTEL – PRELIMINARY RELOCATION PLAN**

509	Manuel Barboza	John Vice	12/30/2013	Yes	Further Documentation Required for Eligibility Determination
510	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
511	Jeffrey Marsh	N/A	5/12/2013	Yes	N/A
514	Vacant Room	Michael Martinez	N/A	N/A	Further Documentation Required for Eligibility Determination
515	Robert Swanson	N/A	Prior to 2/27/2014	Yes	N/A
516	Maurice Jones	N/A	12/30/2011	Yes	N/A
517	Edward Larson	George Craig	Yes	Yes	Yes
518	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
519	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
520	Robert Ray Boyd	N/A	11/30/2013	Yes	N/A
521	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
522	Storage	N/A	N/A	N/A	N/A
524	Vacant Room	Phillip McLoughlin	N/A	N/A	Yes
525	Charles Reimers	Further Documentation Required for Eligibility Determination	3/5/2014	No	Further Documentation Required for Eligibility Determination
526	Joeseeph Netto	Further Documentation Required for Eligibility Determination	3/5/2014	No	Further Documentation Required for Eligibility Determination

**MARSHALL HOTEL – PRELIMINARY RELOCATION PLAN**

527	Vacant Room	Further Documentation Required for Eligibility Determination	N/A	N/A	Further Documentation Required for Eligibility Determination
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**Notes:**

*\*Occupant in residence prior to delivery of Notice to Tenants 2/27/14  
 ^Reasonable effort will be made to locate former potentially eligible occupants. Former occupants who have been evicted for cause are not eligible.*

**MARSHALL HOTEL – PRELIMINARY RELOCATION PLAN**

**ATTACHMENT 3:  
COMPARABLE UNIT LIST**

Property Name	Property Address	Phone Number	Rent	# of Vacant Units	Distance From Marshall Hotel
YWCA	1122 17th St, Sacramento	(925) 323-5106	\$313	0	0.9
Hotel Berry	3960 67th St, Sacramento	(916) 452-9125	\$340	6	5.4
CADA	1619 Q St, Sacramento	(916) 322-2114	\$380	1	1.1
Pensione K	1100 17th St, Sacramento	(916) 443-2766	\$399	4	0.6
Park Place Senior Apartments	1230 N St, Sacramento	(916) 444-8400	\$400	25	0.7
Sequoia Hotel	911 K St, Sacramento	(916) 446-4040	\$415	4	0.3
Shasta Hotel	1017 10 <sup>th</sup> St, Sacramento	(916) 448-7510	\$437	4	0.6
No Marketing Name	13th Street and D St, Sacramento	(805) 636-9544	\$480	1	1
E Street Apartments	1106 E St, Sacramento	916-837-7089	\$485	1	0.8
Congress Hotel	906 12th St, Sacramento	(916) 441-2673	\$525	4	0.5
Capital Park Hotel	1125 9th St, Sacramento	(916) 441-5361	\$535	4	0.2
No Marketing Name	1415 G St, Sacramento	(916) 905-6665	\$550	1	0.9
No Marketing Name	420 I St, Sacramento	(916) 930-9100	\$550	1	0.6
No Marketing Name	F and 15th St, Sacramento	(916) 539-4150	\$580	1	1
Park Mansion Building	1325 15th St, Sacramento	(916) 322-2114	\$600	6	0.8
No Marketing Name	525 13th St, Sacramento	(916) 601-4676	\$635	1	0.9
No Marketing Name	525 13th St, Sacramento	(916) 601-4676	\$635	1	0.9
Maydestone	1001 15th St, Sacramento	(916) 448-5443	\$650	1	0.7
La Valentina Station	429 12th St, Sacramento	(916) 446-9090	30% of Income	10	0.9
Quninn Cottages	1500 North A St, Sacramento	(916) 492-9065	30% of Income	1	1.1
Boulevard Court	5321 Stockton Blvd, Sacramento	(916) 414-4445	30% of income	3	5.2
Normandy Apartments	1329 E St., Sacramento	(916) 531-6434	30% of Income	Waitlist	1
7 <sup>th</sup> and H	720 7 <sup>th</sup> St, Sacramento	(916) 520-8641	30% of Income	1	0.5
<b>Total</b>				<b>81</b>	



## Residential Hotel Conversion Guidelines

### Withdrawal /Conversion Procedures

Action	Timeline
<p>Owner sends planned withdrawal or conversion notice to SHRA prior to any withdrawal or conversion of use.</p> <p>Withdrawal of a unit includes changing the use of any residential unit whether occupied or vacant to a use which is not a residential hotel unit including the following circumstances:</p> <ol style="list-style-type: none"> <li>1. demolition or destruction of a unit/s</li> <li>2. failure to offer publicly a residential hotel unit/s for rent</li> </ol>	<p>9 months before any planned withdrawal</p>
<p>Owner sends planned withdrawal or conversion application to SHRA which includes: application cover letter, list of units to be withdrawn or converted, names of current or last eligible tenant in the units to be withdrawn or converted, current rent roll, preliminary relocation plan, and copy of notice to be sent to tenants.</p> <p>The application cover letter should include the owner's formal request for withdrawal or conversion, site name, site address, and the number and identification of units to be withdrawn or converted. The preliminary relocation plan should include the process for identifying comparable units for eligible tenants, estimated relocation benefits for each tenant, and tentative schedule for relocation.</p>	<p>60 days prior to posting notice of withdrawal</p>
<p>Owner posts notice of withdrawal or conversion approved by SHRA in a prominent location and sends each current tenant a copy of the notice.</p>	<p>After notice is approved by SHRA</p>
<p>Owner submits required application for a conversion certificate to SHRA which includes current tenant information, evidence of notice of withdrawal or conversion sent to tenants, a final relocation plan, and relocation benefits as defined below.</p> <p>The relocation plan will include a current list of tenants, a list of comparable units which will be offered to tenants, and a corresponding budget for relocation benefits. Relocation</p>	<p>60 days after posting notice of withdrawal</p>

<p>benefits must be consistent with Municipal Code 18.20.060, specifically:</p> <ol style="list-style-type: none"> <li>1. The owner shall set aside a cash amount for relocation benefits to each eligible tenant in the amount of \$2,400 per person or \$4,000 for two or more people in the same room, which will be divided equally among the occupants. The owner will pay relocation costs accordingly: 80% of the relocation benefits will go directly to the new landlord for the total of first and last month's rent and a security deposit on a comparable unit, and the remaining 20% of the relocation benefits will go directly to the tenant for moving and miscellaneous expenses. Current tenants must be paid at least their 20% of the relocation benefits at least 30 days before they are required to vacate.</li> <li>2. In the absence of a current tenant, the 20% payment will be made to an eligible past tenant who occupied the unit within one year prior to the withdrawal and but no more than 30 days after the issuance of the conversion certificate.</li> <li>3. In the absence of a current tenant or an eligible past tenant, the 80% relocation payment must be made to SHRA for future claim by an eligible tenant. If that relocation benefit is not claimed within one year, those funds will be deposited by SHRA into the City Housing Trust Fund.</li> </ol>	
<p>SHRA determines that the application is acceptable and all requirements have been met and begins process for approval of a conversion certificate.</p>	<p>After all notice of withdrawal requirements have been met</p>

**Withdrawal and Conversion Certificate Approval**

<b>Action</b>	<b>Timeline</b>
SHRA prepares replacement housing plan which must be available for general public review.	30 days prior to City Council approval
Notice of public hearing must be posted at SRO at least 15 days prior to meeting	15 days prior to Commission meeting
City Council approves or denies issuance of conversion certificate and replacement housing plan	
Owner may withdraw vacant units as soon as conversion certificate has been approved. Owner must allow tenants to remain in occupied units for at least 60 days from approval of the conversion certificate.	Up to 60 days after Council approval

**Annual Review/Certification: SHRA to conduct**

<b>Action</b>	<b>Timeline</b>
SHRA will send correspondence to owners of all SROs identified in Municipal Code 18.20.040. This correspondence will include a summary of the owner's obligation under the City Ordinance 2006-56 and a request for information.	Annually
SRO owner required to submit requested information to SHRA. This information will include the following: property name, property owner name and contact information, property manager name and contact information, total number of units, vacancy and occupancy information for both residential and commercial space, resident services (if any), and any planned use changes that may prompt a withdrawal or conversion certificate request in the future.	Annually, and within 60 days of receipt of correspondence from SHRA

## **RESOLUTION NO. 2014-**

### **Adopted by the Sacramento City Council**

On date of

#### **APPROVAL OF MARSHALL HOTEL CONVERSION CERTIFICATE AND REPLACEMENT HOUSING PLAN**

##### **BACKGROUND**

- A. The Marshall Hotel is a residential hotel located at 1122 7th Street in downtown Sacramento that is subject to the provisions set forth in Title 18, Chapter 18.20, of the City of Sacramento.
- B. The owners of the Marshall Hotel have submitted an application for residential hotel conversion.
- C. The owners of the Marshall Hotel have completed a relocation plan which identifies eligible tenants and estimates relocation benefits for occupied and vacant units.
- D. The owners of the Marshall Hotel posted a sixty (60) day notice of withdrawal or conversion that was reviewed and approved pursuant to the provisions set forth in Title 18, Chapter 18.20, of the City of Sacramento.
- E. The proposed action approving the replacement housing plan and issuing the Conversion Certificate is not the approval of a project as defined in CEQA Guidelines Section 15378. The National Environmental Policy Act (NEPA) does not apply
- F. A public hearing was held on April 29, 2014 regarding the approval of the conversion certificate and replacement housing plan.

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

- Section 1. The recitals stated above are found to be true and correct.
- Section 2. The Conversion Certificate for the Marshall Hotel, located at 1122 7th Street (property) set forth as Exhibit A is approved.
- Section 3. The Replacement Housing Plan for the property, set forth in Exhibit B.is approved.

Date – *DRAFT – SUBJECT TO REVIEW AND APPROVAL*

Guneet Bajwa  
Marshall Hotel/Presidio Companies  
1011 10<sup>th</sup> Street  
Sacramento, CA 95814

RE: Marshall Hotel Conversion Certificate

Dear Mr. Bajwa:

On April 29, 2014, the City Council approved a Conversion Certificate for all 95 single room occupancy units of the Marshall Hotel. You may withdraw these units on June 29, 2014. All current tenants have a right to occupancy until that date.

Sincerely,

Christine Weichert  
Assistant Director, Development Finance

**REPLACEMENT HOUSING PLAN FOR  
SRO DWELLING UNITS**

**MARSHALL HOTEL  
1122 7th STREET, SACRAMENTO**

**Description of Property**

The subject property is located at 1122 7th Street downtown Sacramento, City Council District 4, near K Street. This property consists of residential hotel single room occupancy (SRO) units. The owner of the Marshall Hotel proposes to withdraw the SRO units and is considering several options for the property, including conversion to a hotel. Please refer to Exhibit 1 for a map of the project site.

Based on an analysis of replacement housing requirements as outlined in Municipal Code 18.20.160, discussed more fully below, the Sacramento Housing and Redevelopment Agency (Agency) is required to replace SRO housing units subject to the Code. The Agency worked on development and financing of the 7th and H Street Housing Community, which was constructed in 2013. The 7<sup>th</sup> and H Street property will serve as the replacement housing for the Marshall Hotel units which will be lost due to withdrawal.

**Project Status**

The Marshall Hotel has 95 units, 56 of which were occupied on February 27, 2014, the date the owner notified the tenants that he would be applying for a Conversion Certificate. The remaining units are vacant. The owner has requested a conversion certificate which will allow the property to be used for purposes other than residential hotel SRO units.

**Replacement Housing Needs**

The Marshall Hotel is subject to Municipal Code 18.20 governing downtown residential hotels, which requires a replacement housing plan under section 18.20.160. According to the code, residential hotel SRO units may be replaced within three (3) years of the date of the approval of the conversion certificate by the construction of new housing, rehabilitation of non-regulated property, or acquisition or purchase of covenants of existing non-regulated housing. Replacement units must have rents not to exceed an average of forty percent (40%) of the Sacramento metropolitan area median income (AMI). Furthermore, the replacement units must be located in close proximity to transportation and services and have an affordability covenant of no less than fifty-five (55) years.

The Agency has identified the following units at the Marshall Hotel that must be replaced within the required three-year time period: ninety-five (95) units.

### **Replacement Dwelling Units**

The Agency will replace the required units at the 7th and H Street property.

The 7<sup>th</sup> and H Street property includes approximately 150 mixed one-bedroom and studio units with one-third to one-half of the units for special needs households that require case management. These Permanent Supportive Housing units serve a range of formerly homeless and at-risk populations. The project was developed in accordance with the City's Single Room Occupancy (SRO) Strategy, and thus targeting a mixed population of single individuals working in low wage jobs in the central city, and people living on social security and disability income. Unit rents are affordable to those not exceeding 40% AMI on average. The building features a variety of amenities, including community gathering rooms on each floor, roof gardens, retail space on the ground floor and a clinic.

The Agency will replace the 95 SRO units lost at the Marshall Hotel with units at the 7th and H Street property with ninety-five (95) studio and one-bedroom units at an average affordability level of 40% AMI (extremely low income). Nineteen units at 7<sup>th</sup> and H Street were used as replacement housing units for the Wendell Hotel conversion in 2009. Thirty-six units at 7<sup>th</sup> and H Street were used as replacement housing units for the Ridgeway Hotel conversion in 2013.

### **Article XXXIV**

The City of Sacramento is currently in compliance with its requirements under the California Constitution, Article XXXIV. The project being used as replacement housing for the units located at 1122 7<sup>th</sup> Street in Sacramento, CA is within the current allocation and does not require a vote of the public.



March 28, 2014

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Execution of Cooperative Agreement for Mortgage Credit Certificates

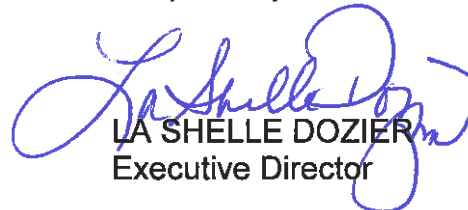
SUMMARY

The attached report is submitted to you for review 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 CITY COUNCIL**  
**City of Sacramento**  
915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

Consent  
**April 22, 2014**

**Honorable Mayor and Members of the City Council**

**Title: Execution of Cooperative Agreement for Mortgage Credit Certificates**

**Location/Council District: All Districts**

**Issue:** This report recommends renewal of the cooperative agreement for the issuance of Mortgage Credit Certificates.

**Recommendation:** Adopt a Council Resolution authorizing the City Manager to execute the Cooperative Agreement between the City of Sacramento and the County of Sacramento for the purpose of issuing Mortgage Credit Certificates (MCCs).

**Contact:** Christine Weichert, Assistant Director, Development Finance 440-1353  
Susan Perry, Supervisor, Portfolio Management and Homeownership 440-1386

**Presenters:** Not applicable.

**Department:** Sacramento Housing and Redevelopment Agency

### **Description/Analysis**

**Issue:** This staff report authorizes renewal of the cooperative agreement between the City of Sacramento and County of Sacramento for the purpose of issuing certificates under the Mortgage Credit Certificate (MCC) Program. An MCC is a certificate issued by certain state or local governments to an eligible homebuyer that allows the homebuyer to claim a tax credit for a portion of mortgage interest paid during a given tax year. The MCC Program has been in existence since 1986 and the Sacramento Housing and Redevelopment Agency ("Agency") has administered the MCC Program on behalf of the City and County of Sacramento for 28 years.

**Policy Considerations:** The recommended action in this report will allow the Agency to apply for and issue MCCs in the City of Sacramento and is consistent with Agency policies to increase homeownership opportunities. The MCC Program will result in approximately forty-five additional homeowners throughout

Execution of Cooperative Agreement for Mortgage Credit Certificates

the City of Sacramento, contributing to goals in the City's 2013-2021 Housing Element. No policy changes are recommended.

**Economic Impacts:** Not applicable.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The proposed action does not constitute a project under CEQA per Guidelines Sections 15378 (b)(2)(4), and (5).

**Sustainability Considerations:** There are no sustainability considerations applicable to the administration of a Mortgage Credit Certificate program.

**Other:** There is no federal involvement in this administrative activity; therefore, the National Environment Policy Act does not apply.

**Commission Action:**

At its meeting April 2, 2014, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES:

NOES:

ABSENT:

**Rationale for Recommendation:** The Mortgage Credit Certificate (MCC) Program has been a successful tool to increase homeownership opportunities in the City of Sacramento. The recommended actions in this report are necessary to continue to offer the MCC Program in the City of Sacramento.

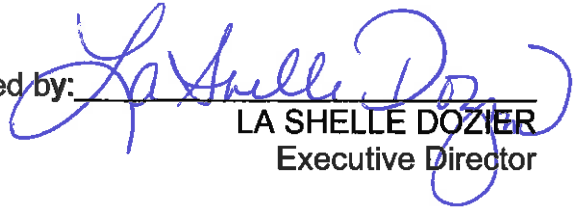
**Financial Considerations:** The Agency will administer the MCC Program. There are no financial considerations for the City of Sacramento.

**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.

April 22, 2014

Execution of Cooperative Agreement for Mortgage Credit Certificates

Respectfully Submitted by:



LA SHELLE DOZIER  
Executive Director

**Table of Contents**

	Report	pg. 1
<b>Attachments</b>		
1	Background	pg. 4
2	Resolution	pg. 5
3	MCC Program Guidelines	pg. 6
4	Cooperative Agreement	pg. 8
5	Map	pg. 11

## Background Information

History: The Sacramento Housing and Redevelopment Agency's ("Agency") Mortgage Credit Certificate (MCC) Program has been in existence since 1986. The Agency has administered the MCC Program on behalf of the City and the County of Sacramento for 28 years since inception of the program. Countywide, over 11,200 certificates have been issued. The elimination of Redevelopment is requiring the technical change of delegating program authority to the Housing Authority of the County of Sacramento, but the operation and implementation of the MCC Program will remain the same.

The MCC Program provides first-time homebuyers with an income tax credit of twenty percent of the mortgage interest paid each year on their mortgage. By reducing taxes, the MCC gives the homebuyers more disposable income which lenders can use when qualifying a homebuyer. This is a key component in the Agency's effort to provide assistance to first-time homebuyers in the current real estate market where values are appreciating. During the last five years, the countywide average MCC participant's home purchase price was \$170,000 and the average household income was \$46,100. Attachment 3 provides the current MCC Program Guidelines.

The Agency's MCC Program operates by means of a cooperative agreement, as required by California Debt Limit Allocation Committee, between the County of Sacramento and the City of Sacramento. The last cooperative agreement was signed in 2003. Additional municipal corporations participating in the Agency's MCC Program include the City of Citrus Heights, City of Elk Grove, City of Folsom, City of Galt, City of Isleton and the City of Rancho Cordova. The updated cooperative agreement for the City of Sacramento is included as Attachment 4.

Discussion: The Mortgage Credit Certificate Program will be offered by the Agency to help first-time homebuyers purchase homes in areas within the City of Sacramento. In Federally Designated Target areas, MCC Program applicants do not need to be first-time homebuyers and higher income and sales price limits apply. Please refer to the Target Areas Map as Attachment 5.

The MCC reduces the amount of the Federal income tax homebuyers pay, thus giving the homebuyers more available income to qualify for a mortgage loan and to make monthly mortgage payments. In general, each allocation will be exhausted within two-years of funding award. A countywide estimation of 90 homebuyers will receive an MCC per allocation. Approval of this item contributes to the City of Sacramento's 2013-2021 Housing Element goals in the preservation of affordable housing stock.

# **RESOLUTION NO. 2014 -**

**Adopted by the Sacramento City Council**

On date of

## **AUTHORIZATION AND EXECUTION OF THE COOPERATIVE AGREEMENT WITH THE COUNTY OF SACRAMENTO AND ENVIRONMENTAL FINDINGS**

### **BACKGROUND**

- A. The City of Sacramento has participated in the Mortgage Credit Certificate Program (MCC) since 1986.
- B. The MCC Program is awarded to and operated by counties throughout the state. The Redevelopment Agency previously operated this program on behalf of the County of Sacramento. In the future the Housing Authority of the County of Sacramento, as staffed by the Sacramento Housing and Redevelopment Agency, will be operating the MCC program.
- C. The proposed action does not constitute a project under California Environmental Quality Act (CEQA) per Guidelines Sections 15378 (b)(2)(4), and (5).

### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL 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 true and correct.
- Section 2: The City Manager is authorized to execute the Cooperative Agreement between the City of Sacramento and the County of Sacramento for the purpose of issuing Mortgage Credit Certificates (MCCs);



# Fact Sheet

801 12<sup>th</sup> Street • SACRAMENTO, CA 95814 (916) 440-1393

## SACRAMENTO MORTGAGE CREDIT CERTIFICATE PROGRAM 20 PERCENT PROGRAM GUIDELINES

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### Mortgage Credit Certificate

The Mortgage Credit Certificate (MCC) Program is being offered by the Sacramento Housing and Redevelopment Agency (SHRA) to help home buyers purchase homes in areas within the cities of Sacramento, Elk Grove, Folsom, Isleton, Galt, Citrus Heights, Rancho Cordova and the County of Sacramento. The MCC reduces the amount of the Federal income tax you pay, thus giving you more available income to qualify for a mortgage loan and to make your monthly mortgage payments.

### Eligible Applicants Must

- Be a first-time homebuyer. (You cannot have had an ownership in a principal residence at any time in the last three years). In federally designated target areas, you do not have to be a first-time homebuyer.
- Occupy the home
- Not exceed the Income and Purchase Price Limitations below:

### Maximum Annual Gross Income

	<u>Non-Target Areas</u>	<u>Target Areas</u>
1 or 2 person household	\$68,000	\$81,600
3 or more person household	\$78,200	\$95,200

### Low-Income Set Aside

40 percent of the allocation will be reserved for households whose income does not exceed 80 percent of the area median adjusted for family size.

### Maximum Purchase Price

	<u>Non-Target Areas</u>	<u>Target Areas</u>
New or Existing Homes	\$438,415	\$535,841

### How Will the MCC Assist My Home Purchase?

You will receive a tax credit for 20 percent of the annual interest you pay on the mortgage loan. The amount of the credit will not be more than your annual federal income tax liability after all other credits and deductions have been taken into account. Your ability to take full advantage of the tax credit will depend on your individual tax liability.

### For example

You obtain a mortgage loan of \$225,000 from your lender at an interest rate of four and one-half percent for 30 years. In the first year, the interest on this loan would amount to \$10,125. With a 20 percent MCC, you would receive a Federal income tax credit of \$2,025, or 20 percent of \$10,125. If your annual Federal income tax is \$2,025 or more after all other credits and deductions have been subtracted, you would receive all the benefits of the MCC. To realize this tax savings on a monthly basis, you would file a revised W-4 withholding form, and your Federal tax withholding would be reduced by \$168.75 per month (\$2,025 divided by 12).

Lenders may use this tax savings in the underwriting of your loan, thus increasing the amount of loan you may qualify for.

### Whom Do I Contact to Obtain a Mortgage Credit Certificate?

You may obtain a mortgage credit certificate by contacting any of the approved lenders who participate in the MCC Program. An Approved Lender List can be obtained on the Agency website which is referenced below.

How Do I Apply?	You apply for the mortgage credit certificate at the same time you make a formal application for a mortgage loan. Lenders vary in their requirements for mortgage loan application, but generally you will have made a purchase offer to buy a house and will be ready to supply credit information, employment data and other information to the lender. You may not apply for MCC after you have already purchased your home.
Is There a Fee to Apply?	There is a \$350 fee to apply for an MCC. This is a non-refundable fee. The lender may also charge an additional fee of \$50 for processing the MCC. There is no allocation of Mortgage Credit Certificates by the lender. After you have made a formal application, the lender will arrange with SHRA to reserve funds for your MCC-assisted mortgage loan. This reservation will hold the MCC while your application is being processed by the lender and SHRA. The lender must receive a signed copy of the MCC Commitment, before the loan may close escrow.
What Are the Loan Terms?	<p>The loan terms depend upon the lender and the type of loan you obtain. Depending on the mortgage marketplace and your borrowing requirements, each lender can set its own interest rate, length of mortgage term, down payment requirement, fees, points, closing costs and other loan terms.</p> <p>MCCs are available with conventional loans, FHA and VA loans, and privately insured loans. Fixed rate or adjustable rate loan types are allowed. MCCs are not available with bond-backed loans (e.g., Single Family Bond Programs, Cal Vet Loans, CalHFA). You may be able to use MCCs with other Agency homebuyer assistance programs according to the Agency Layering Policy.</p> <p>Borrowers are subject to provisions of the Federal Tax Law for the recapture of all or a part of the subsidy provided by the Mortgage Credit Certificate Program.</p>
How Long Does the MCC Last?	As long as the home remains your principal residence and the original loan is not refinanced, the MCC will be in effect for the life of your mortgage loan. Each year, the credit certificate is calculated on the basis of 20 percent of the total interest you paid on your mortgage loan that year.
Can I Refinance?	If you refinance your mortgage you will lose your MCC. You must then apply to have your MCC reissued, one time only.
What Kinds of Properties Are Eligible?	The MCC can only be used for owner-occupied single family residences (including condominiums and half-plexes). You are responsible for finding your own home to purchase. Listings of homes for sale, real estate agents, or builders are not maintained by SHRA.
Where Is the Program Available?	The program is currently available anywhere within the County of Sacramento including the cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Isleton, Galt, Rancho Cordova and the unincorporated areas of the County.
Federally Designated Target Areas	The following census tracts are Federally Designated Target areas. In these areas the applicants do not need to be first-time buyers and higher income and sales price limits apply. 0005.00, 0006.00, 0007.00, 0011.01, 0018.00, 0020.00, 0022.00, 0027.00, 0028.00, 0032.02, 0032.03, 0032.04, 0037.00, 0041.00, 0042.02, 0042.03, 0043.00, 0044.01, 0044.02, 0045.01, 0045.02, 0046.01, 0046.02, 0047.01, 0048.01, 0048.02, 0049.03, 0049.05, 0050.02, 0052.01, 0052.05, 0053.01, 0055.02, 0055.05, 0055.06, 0055.09, 0056.01, 0056.05, 0061.01, 0062.01, 0062.02, 0063.00, 0064.00, 0065.00, 0066.00, 0067.02, 0068.00, 0070.01, 0070.19, 0073.01, 0074.13, 0074.14, 0074.23, 0074.24, 0081.33, 0089.11, 0090.06, 0090.07, 0090.08, 0091.05, 0091.10, 0092.01, 0095.03, 0096.06, 0096.33.
For Additional Information:	Contact the Homeownership Services Department (916) 440-1393, or visit our web site at <a href="http://www.shra.org">www.shra.org</a>

COOPERATIVE AGREEMENT BETWEEN  
THE COUNTY OF SACRAMENTO AND THE CITY OF SACRAMENTO

THIS COOPERATIVE AGREEMENT (“Agreement”), made and entered into as of April 22, 2014, by and between the County of Sacramento, a political subdivision of the State of California (the “County”) and the City of Sacramento, a California Municipal Corporation (the “City”),

WITNESSETH

WHEREAS, the County has determined to engage in a home mortgage finance and mortgage credit certificate program pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”) in connection with the construction, acquisition, rehabilitation or improvement of homes in the County, all are provided for in the Act (the “Program”);

WHEREAS, the County, pursuant to the Act, has adopted a home finance program by Ordinance No. 1235, adopted on November 25, 1980, and has determined to cooperate with the City pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the City, pursuant to the Act, has adopted the Program and has determined to cooperate with the County pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the County has determined to finance the Program by the issuance of mortgage revenue bonds as authorized by the Act and/or mortgage credit certificates as authorized by the Internal Revenue Code of 1986 (the “Code”);

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the parties hereto agree as follows:

Section 1. The terms used in this Agreement shall, for all purposes of this Agreement, unless otherwise defined herein, have the meanings assigned to such terms in the Act.



Section 2. The County agrees to undertake the Program and to issue mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code from time to time to the extent that the county receives allocations from the State.

Section 3. The City hereby agrees to cooperate with the County in the exercise, jointly or otherwise, of its own powers for the purpose of lender financed home mortgages secured by mortgage revenue bonds and/or mortgage credit certificates issued under the Program and by agreeing that the County shall exercise such powers to make or acquire home mortgages and issue mortgage credit certificates under the Program all as more specifically set forth in the Act, with respect to property located within the geographic boundaries of the City.

Section 4. The City agrees to undertake such further proceedings or actions as may be necessary in order to carry out the terms and the intent of this Agreement; provided, however, that nothing contained in this Agreement shall obligate the City to issue debt, acquire any interest in real property, expend or encumber funds or revenue, or take other similar actions. Nothing in this agreement shall prevent the County from entering into one or more agreements with other political subdivisions or public entities within the County, if deemed necessary and advisable to do so by the County.

Section 5. This Agreement may be amended by one or more supplemental written agreements executed by the County and the City at any time, except that no such amendment or supplement shall be made which shall adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County pursuant to the Act in connection with the Program.

Section 6. Nothing contained in this Agreement shall prevent the City in its own name from issuing mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code, provided that such actions do not adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County.

Section 7. The term of this Agreement shall extend until the bonds or mortgage credit certificates issued from allocations are fully paid and retired, or shall terminate if bonds or mortgage credit certificates are not issued to finance the Program.

Section 8. This Agreement shall take effect from and after its adoption and execution.

Section 9. No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

Section 10. Notices pursuant to this Agreement to County and City shall be sent to:

County:  
County of Sacramento  
C/O Sacramento Housing and Redevelopment Agency  
801 12<sup>th</sup> Street  
Sacramento, CA 85814

City:  
City of Sacramento  
300 Richards Boulevard  
Sacramento, CA 95811

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

**COUNTY OF SACRAMENTO**

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
Clerk of the Board

By: \_\_\_\_\_  
County Counsel

**CITY OF SACRAMENTO**

By: \_\_\_\_\_  
City Manager

[SEAL]

ATTEST

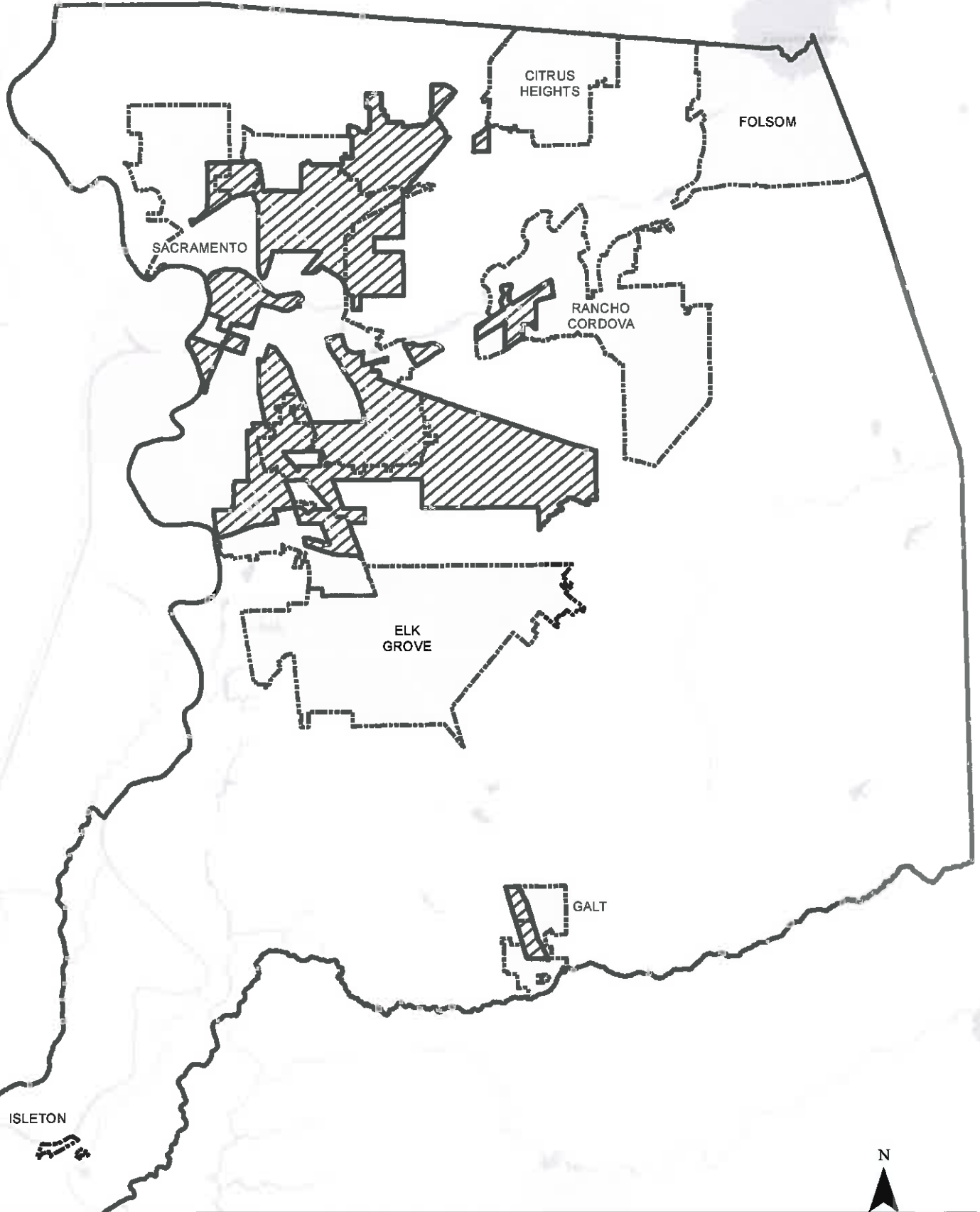
APPROVED AS TO FORM

By: \_\_\_\_\_  
City Clerk

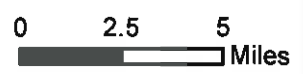
By: \_\_\_\_\_  
City Attorney



# Mortgage Credit Certificate Program Target Areas



- Federally Designated Census Tract
- Incorporated City
- Sacramento County



Map Date: March 14, 2014



March 28, 2014

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Application for Mortgage Credit Certificates and Execution of Cooperative Agreements with the Cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton and Rancho Cordova

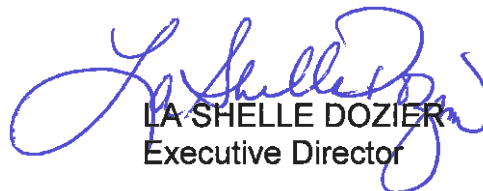
SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
April 22, 2014

To: Board of Supervisors and Housing Authority of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Application For Mortgage Credit Certificates And Execution Of Cooperative Agreements With the Cities Of Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton, And Rancho Cordova

Supervisory District: All Districts

Contact: Christine Weichert, Development Finance Assistant Director, 440-1353  
Susan Perry, Portfolio Management & Homeownership Supervisor, 440-1386

**Overview**

This report authorizes delegation of authority for the Mortgage Credit Certificate (MCC) Program to the Housing Authority of the County of Sacramento, authorizes the Housing Authority to apply to California Debt Limit Allocation Committee (CDLAC) from time to time for allocations of Mortgage Credit Certificates (MCCs), and renews the cooperative agreements to allow the issuance of MCCs in the participating cities.

**Recommendations**

1. Authorize the execution of the cooperative agreements between the County of Sacramento and the cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton, and Rancho Cordova for the purpose of issuing MCCs;
2. Authorize the Housing Authority of the County of Sacramento to apply to the California Debt Limit Allocation Committee (CDLAC) for allocations of Mortgage Credit Certificates (MCCs);
3. Authorize the Housing Authority Executive Director to pay the filing fees and to post the performance deposit of one-half of one percent of the allocation requested, but not to exceed \$100,000 for each application as required by CDLAC;
4. Authorize the Housing Authority Executive Director or her designee to amend the Agency budget to receive revenue for the processing of applications and lender participation fees totaling approximately \$46,500 for the first allocation; and
5. Authorize the Housing Authority Executive Director to delegate the administration of the MCC Program to the Sacramento Housing and Redevelopment Agency ("Agency").

**Measures/Evaluation**

The MCC Program will result in approximately 90 additional homeowners throughout the County of Sacramento from each annual MCC allocation. This contributes to the County of Sacramento's 2014-2021 Housing Element goals. The Agency annually reports statistics to the County of Sacramento. Progress towards the housing element goals is reported annually to the State Department of Housing and Community Development.

### **Fiscal Impact**

This report authorizes the Agency to pay the required filing fees and to post a performance deposit of one-half of one percent of the allocation requested, but not to exceed \$100,000. The performance deposit is released upon issuance of the first mortgage credit certificate. It is anticipated that the Agency will receive approximately \$46,500 for the first allocation in application and lender participation fees annually.

### **BACKGROUND**

The County's Mortgage Credit Certificate (MCC) Program has been in existence since 1986. Sacramento Housing and Redevelopment Agency has administered the MCC Program on behalf of the County of Sacramento for 28 years since inception of the program. Countywide, over 11,200 certificates have been issued. The elimination of Redevelopment is requiring the technical change of delegating program authority to the Housing Authority of the County of Sacramento, but the operation and implementation of the MCC Program will remain the same.

The MCC Program provides first-time homebuyers with an income tax credit of twenty percent of the mortgage interest paid each year on their mortgage. By reducing taxes, the MCC gives the homebuyers more disposable income which lenders can use when qualifying a homebuyer. This is a key component in the Agency's effort to provide assistance to first-time homebuyers in the current real estate market where values are appreciating. During the last five years, the countywide average MCC participant's home purchase price was \$170,000 and the average household income was \$46,100. Attachment I provides the current MCC Program Guidelines. In Federally Designated Target areas, MCC Program applicants do not need to be first-time homebuyers and higher income and sales price limits apply. Please refer to the Target Areas Map as Attachment II.

The Agency's MCC Program operates by means of cooperative agreements, as required by CDLAC, between the County of Sacramento and the cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton, and Rancho Cordova. In this manner, the Agency is able to issue MCC's throughout the County of Sacramento including the participating cities. These updated cooperative agreements are included as Attachment III.

### **DISCUSSION**

The Mortgage Credit Certificate Program will be offered by the Sacramento Housing and Redevelopment Agency to help homebuyers purchase homes in areas within the cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Rancho Cordova, and unincorporated County of Sacramento. The MCC reduces the amount of the Federal income tax homebuyers pay, thus giving the homebuyers more available income to qualify for a mortgage loan and to make monthly mortgage payments. Approval of this item contributes to the County

of Sacramento's 2014-2021 Housing Element goals in the preservation of affordable housing stock.

### **COMMISSION ACTION**

At its meeting of April 2, 2014, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

### **MEASURES/EVALUATIONS**

The County of Sacramento's Housing Element includes goals to create and preserve affordable housing stock for the period of 2014 to 2021. Forty percent of each MCC allocation will be reserved for households whose income does not exceed eighty percent of the area median adjusted for family size. The MCC Program will result in approximately ninety additional homeowners from each annual MCC allocation.

### **FINANCIAL ANALYSIS**

CDLAC requires that the Agency pay filing fees consisting of a \$600 application fee and, upon use of allocation, the remainder of the fee, calculated at 0.035 percent of the allocation granted. Funding to pay for the fees exist in the 2014 Agency budget. CDLAC also requires that the Agency post a performance deposit of one-half of one percent of the allocation requested, but not to exceed \$100,000. The performance deposit is released upon issuance of the first mortgage credit certificate. It is anticipated that the Agency will receive approximately \$46,500 in MCC application and lender participation fees for the first allocation.

### **POLICY CONSIDERATIONS**

The recommended action in this report will allow the Agency to apply for and issue MCCs in the cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Rancho Cordova, and the unincorporated County of Sacramento, and is consistent with the Housing Element of the County of Sacramento and the Agency's policies to increase homeownership opportunities. No policy changes are recommended.

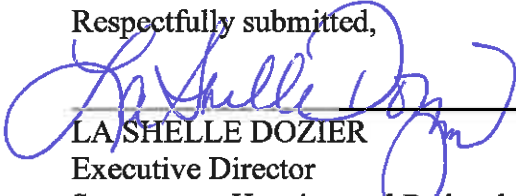
**ENVIRONMENTAL REVIEW**

The proposed action does not constitute a project under CEQA per Guidelines Sections 15378 (b)(2), (4) and (5), nor a federal undertaking under NEPA.

**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

\_\_\_\_\_  
BRADLEY J. HUDSON  
County Executive

Attachments:

- RES – Board of Supervisors Resolution
- RES – Housing Authority of the County Resolution
- ATT I – MCC Program Guidelines
- ATT II – Map
- ATT III – Cooperative Agreements



## **RESOLUTION NO. \_\_\_\_\_**

**ADOPTED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO**

ON DATE OF

### **APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR MORTGAGE CREDIT CERTIFICATES; COOPERATIVE AGREEMENTS WITH THE COUNTY OF SACRAMENTO AND THE CITIES OF SACRAMENTO, CITRUS HEIGHTS, FOLSOM, GALT, ISLETON, ELK GROVE AND RANCHO CORDOVA AND RELATED DELEGATION OF AUTHORITY TO THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO AND ENVIRONMENTAL FINDINGS**

**WHEREAS**, there is a shortage in the County of Sacramento (the "County") and in the City of Sacramento, Citrus Heights, Folsom, Galt, Isleton, Elk Grove, and Rancho Cordova (the "Cities") of decent safe and sanitary housing, particularly of housing affordable by persons at the lower end of the purchasing spectrum, and a consequent need to encourage the construction of homes affordable by such persons and otherwise to increase the housing supply in the County and in the Cities for such persons and;

**WHEREAS**, the Board of Supervisors of the County has adopted an ordinance declaring its intent to engage in a home mortgage finance and mortgage credit certificate program (the "Program") pursuant to Part 5 of Division 31 of the Health and Safety code of the State of California (the "Act") and to issue bonds and mortgage credit certificates pursuant to the Act in furtherance of the Program; and

**WHEREAS**, the County has operated a Mortgage Credit Certificate Program since 1986 and operates by means of Cooperative Agreements with the cities of Sacramento, Citrus Heights, Folsom, Galt, Isleton, Elk Grove, and Rancho Cordova; and

**WHEREAS**, Section 146 of the Internal Revenue code of 1986 (the "Code") limits the amount of qualified mortgage bonds and/or mortgage credit certificates that may be issued in any calendar year by entities within a state (the "ceiling amount") and authorizes the legislature of such state to provide the method of allocating authority to issue qualified mortgage bonds and mortgage credit certificates within such state;

**WHEREAS**, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California governs the allocation in the State of California, of the state ceiling amount established by Section 146 of the Internal Revenue Code, amount governmental units in the State having the authority to issue qualified mortgage bonds and mortgage credit certificates; and

**WHEREAS**, Section 8869.85 of the Government Code requires a local agency to file an application for a portion of the state ceiling amount with or upon the direction of the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of qualified mortgage bonds or mortgage credit certificates;

**WHEREAS**, CDLAC procedures require an applicant for a portion of the state ceiling amount to certify to CDLAC that the applicant has on deposit an amount equal to one-half of one percent of the allocation requested, but not to exceed \$100,000 for each application; and

**WHEREAS**, the proposed action does not constitute a project under CEQA per Guidelines Sections 15378 (b)(2), (4) and (5), nor a federal undertaking under NEPA.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO:**

**Section 1:** The Cooperative Agreements dated as of April 22, 2014, between the County and the Cities (the "Agreement"), substantially in the form attached, is approved and the Chairman of the Board is authorized and directed to execute and deliver the Agreement, for and in the name and on behalf of the County.

**Section 2:** The Chairman of the Board of Supervisors, with the advice and consent of the County Counsel, is authorized to approve any additions to or changes in the form of the Agreement deemed necessary or advisable, approval of such additions or changes to be conclusively evidenced by the Chairman of the Board's execution of the Agreement as so added or changed.

**Section 3:** The Chairman of the Board of Supervisors, with the advice and consent of the County Counsel, is further authorized to enter into such additional agreements with the Cities, execute such other documents or to take such other actions as may be deemed necessary or appropriate to carry out the purpose and intent of the Agreement or to cooperate in the implementation of the Agreement.

**Section 4:** The Housing Authority of the County of Sacramento is hereby authorized on behalf of the cities of Sacramento, Citrus Heights, Folsom, Galt, Isleton, Elk Grove, and Rancho Cordova and the County of Sacramento to submit applications, and such other documents as may be required, to CDLAC pursuant to Government Code Section 8869.85 for the maximum allocation(s) permitted to a local agency for qualified mortgage bonds and mortgage credit certificates.

**Section 5:** The officers and employees of the County are authorized and directed, jointly and severally, to do any and all things necessary or advisable to consummate the issuance of the mortgage credit certificates; the issuance, sale and delivery of the qualified mortgage bonds; and otherwise to effectuate the purposes of this resolution. All actions previously taken by such officers and employees in connection with the establishment of the Program and the issuance of the mortgage credit certificates and the issuance, sale and delivery of the qualified mortgage bonds, including the submission of applications to CDLAC, are ratified and approved.

**Section 6:** This Resolution shall take effect upon its adoption.

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor  
\_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of  
Supervisors of the County of Sacramento, State of California, this 22<sup>nd</sup> day of April, 2014, by the  
following vote, to wit:

AYES: Supervisors,  
NOES: Supervisors,  
ABSENT: Supervisors,  
ABSTAIN: Supervisors,

\_\_\_\_\_  
Chair, Board of Supervisors

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk, Board of Supervisor

**RESOLUTION NO. \_\_\_\_\_**

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

ON DATE OF

**APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR MORTGAGE CREDIT CERTIFICATES; COOPERATIVE AGREEMENTS WITH THE COUNTY OF SACRAMENTO AND THE CITIES OF SACRAMENTO, CITRUS HEIGHTS, FOLSOM, GALT, ISLETON, ELK GROVE, AND RANCHO CORDOVA AND RELATED DELEGATION OF ADMINISTRATION TO THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY AND ENVIRONMENTAL FINDINGS**

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

Section 1: The proposed action does not constitute a project under California Environmental Quality Act (CEQA) per Guidelines Sections 15378 (b)(2)(4), and (5), nor a federal undertaking under the National Environment Policy Act.

Section 2: The Executive Director, or her designee, is authorized to delegate the administration of the Mortgage Credit Certificate ("MCC") Program to the Sacramento Housing and Redevelopment Agency ("Agency").

Section 3: The Executive Director, or her designee, is authorized to do any and all things necessary or advisable in order to consummate the issuance of the mortgage credit certificates ("MCCs"); the issuance, sale and delivery of the qualified mortgage bonds. All actions previously taken by such officers and employees in connection with the establishment of the home mortgage credit certificates and the issuance, sale and delivery of the qualified mortgage bonds, including the submission of applications to the California Debt Limit Allocation Committee for qualified mortgage bonds and mortgage credit certificates and the acceptance of deposits from developers and lenders, are ratified and approved.

Section 4: The Executive Director, or her designee, is authorized to pay the filing fees and to post the performance deposit of one-half of one percent of the allocation requested, but not to exceed \$100,000 for each application as required by the California Debt Limit Allocation Committee.

Section 5: The Executive Director, or her designee, is authorized to amend the budget to pay the fee, post the application deposit and receive revenue for the processing of applications and lender participation fees totaling approximately \$46,500.

Section 6: This Resolution shall take effect 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 22<sup>nd</sup> day of April, 2014, by the following vote, to wit:

AYES: Members,  
NOES: Members,  
ABSENT: Members,  
ABSTAIN: Members,

---

Chair of the Housing Authority  
of Sacramento County, California

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk



# Fact Sheet

801 12<sup>th</sup> Street • SACRAMENTO, CA 95814 (916) 440-1393

## SACRAMENTO MORTGAGE CREDIT CERTIFICATE PROGRAM 20 PERCENT PROGRAM GUIDELINES

### Mortgage Credit Certificate

The Mortgage Credit Certificate (MCC) Program is being offered by the Sacramento Housing and Redevelopment Agency (SHRA) to help home buyers purchase homes in areas within the cities of Sacramento, Elk Grove, Folsom, Isleton, Galt, Citrus Heights, Rancho Cordova and the County of Sacramento. The MCC reduces the amount of the Federal income tax you pay, thus giving you more available income to qualify for a mortgage loan and to make your monthly mortgage payments.

### Eligible Applicants Must

- Be a first-time homebuyer. (You cannot have had an ownership in a principal residence at any time in the last three years). In federally designated target areas, you do not have to be a first-time homebuyer.
- Occupy the home
- Not exceed the Income and Purchase Price Limitations below:

### Maximum Annual Gross Income

	<u>Non-Target Areas</u>	<u>Target Areas</u>
1 or 2 person household	\$68,000	\$81,600
3 or more person household	\$78,200	\$95,200

### Low-Income Set Aside

40 percent of the allocation will be reserved for households whose income does not exceed 80 percent of the area median adjusted for family size.

### Maximum Purchase Price

	<u>Non-Target Areas</u>	<u>Target Areas</u>
New or Existing Homes	\$438,415	\$535,841

### How Will the MCC Assist My Home Purchase?

You will receive a tax credit for 20 percent of the annual interest you pay on the mortgage loan. The amount of the credit will not be more than your annual federal income tax liability after all other credits and deductions have been taken into account. Your ability to take full advantage of the tax credit will depend on your individual tax liability.

### For example

You obtain a mortgage loan of \$225,000 from your lender at an interest rate of four and one-half percent for 30 years. In the first year, the interest on this loan would amount to \$10,125. With a 20 percent MCC, you would receive a Federal income tax credit of \$2,025, or 20 percent of \$10,125. If your annual Federal income tax is \$2,025 or more after all other credits and deductions have been subtracted, you would receive all the benefits of the MCC. To realize this tax savings on a monthly basis, you would file a revised W-4 withholding form, and your Federal tax withholding would be reduced by \$168.75 per month (\$2,025 divided by 12).

Lenders may use this tax savings in the underwriting of your loan, thus increasing the amount of loan you may qualify for.

### Whom Do I Contact to Obtain a Mortgage Credit Certificate?

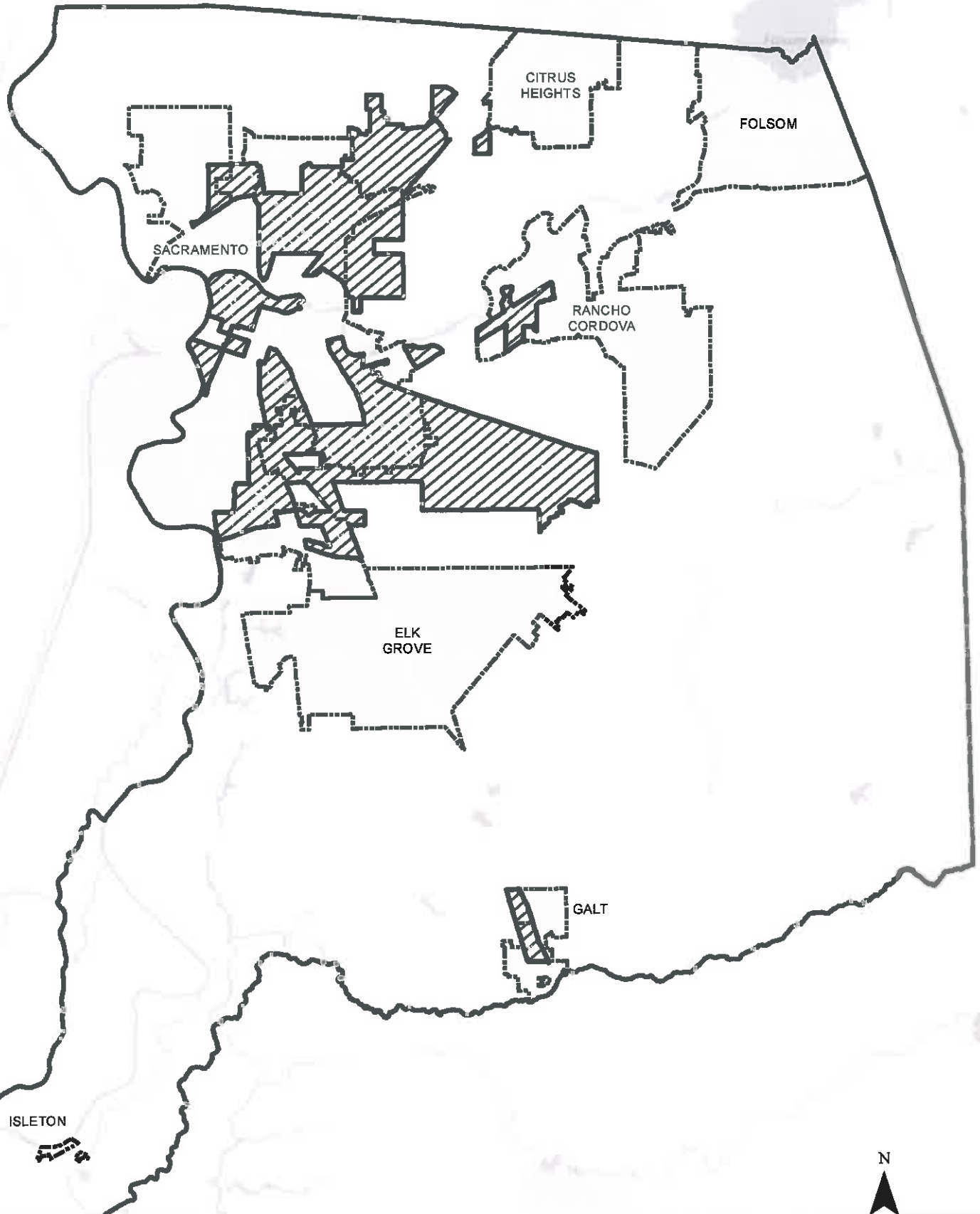
You may obtain a mortgage credit certificate by contacting any of the approved lenders who participate in the MCC Program. An Approved Lender List can be obtained on the Agency website which is referenced below.

How Do I Apply?	You apply for the mortgage credit certificate at the same time you make a formal application for a mortgage loan. Lenders vary in their requirements for mortgage loan application, but generally you will have made a purchase offer to buy a house and will be ready to supply credit information, employment data and other information to the lender. You may not apply for MCC after you have already purchased your home.
Is There a Fee to Apply?	There is a \$350 fee to apply for an MCC. This is a non-refundable fee. The lender may also charge an additional fee of \$50 for processing the MCC. There is no allocation of Mortgage Credit Certificates by the lender. After you have made a formal application, the lender will arrange with SHRA to reserve funds for your MCC-assisted mortgage loan. This reservation will hold the MCC while your application is being processed by the lender and SHRA. The lender must receive a signed copy of the MCC Commitment, before the loan may close escrow.
What Are the Loan Terms?	<p>The loan terms depend upon the lender and the type of loan you obtain. Depending on the mortgage marketplace and your borrowing requirements, each lender can set its own interest rate, length of mortgage term, down payment requirement, fees, points, closing costs and other loan terms.</p> <p>MCCs are available with conventional loans, FHA and VA loans, and privately insured loans. Fixed rate or adjustable rate loan types are allowed. MCCs are not available with bond-backed loans (e.g., Single Family Bond Programs, Cal Vet Loans, CalHFA). You may be able to use MCCs with other Agency homebuyer assistance programs according to the Agency Layering Policy.</p> <p>Borrowers are subject to provisions of the Federal Tax Law for the recapture of all or a part of the subsidy provided by the Mortgage Credit Certificate Program.</p>
How Long Does the MCC Last?	As long as the home remains your principal residence and the original loan is not refinanced, the MCC will be in effect for the life of your mortgage loan. Each year, the credit certificate is calculated on the basis of 20 percent of the total interest you paid on your mortgage loan that year.
Can I Refinance?	If you refinance your mortgage you will lose your MCC. You must then apply to have your MCC reissued, one time only.
What Kinds of Properties Are Eligible?	The MCC can only be used for owner-occupied single family residences (including condominiums and half-plexes). You are responsible for finding your own home to purchase. Listings of homes for sale, real estate agents, or builders are not maintained by SHRA.
Where Is the Program Available?	The program is currently available anywhere within the County of Sacramento including the cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Isleton, Galt, Rancho Cordova and the unincorporated areas of the County.
Federally Designated Target Areas	The following census tracts are Federally Designated Target areas. In these areas the applicants do not need to be first-time buyers and higher income and sales price limits apply. 0005.00, 0006.00, 0007.00, 0011.01, 0018.00, 0020.00, 0022.00, 0027.00, 0028.00, 0032.02, 0032.03, 0032.04, 0037.00, 0041.00, 0042.02, 0042.03, 0043.00, 0044.01, 0044.02, 0045.01, 0045.02, 0046.01, 0046.02, 0047.01, 0048.01, 0048.02, 0049.03, 0049.05, 0050.02, 0052.01, 0052.05, 0053.01, 0055.02, 0055.05, 0055.06, 0055.09, 0056.01, 0056.05, 0061.01, 0062.01, 0062.02, 0063.00, 0064.00, 0065.00, 0066.00, 0067.02, 0068.00, 0070.01, 0070.19, 0073.01, 0074.13, 0074.14, 0074.23, 0074.24, 0081.33, 0089.11, 0090.06, 0090.07, 0090.08, 0091.05, 0091.10, 0092.01, 0095.03, 0096.06, 0096.33.
For Additional Information:	Contact the Homeownership Services Department (916) 440-1393, or visit our web site at <a href="http://www.shra.org">www.shra.org</a>





# Mortgage Credit Certificate Program Target Areas



-  Federally Designated Census Tract
-  Incorporated City
-  Sacramento County

0 2.5 5 Miles

Map Date: March 14, 2014



COOPERATIVE AGREEMENT BETWEEN  
THE COUNTY OF SACRAMENTO AND THE CITY OF CITRUS HEIGHTS

THIS COOPERATIVE AGREEMENT (“Agreement”), made and entered into as of April 22, 2014, by and between the County of Sacramento, a political subdivision of the State of California (the “County”) and the City of Citrus Heights, a California Municipal Corporation (the “City”),

WITNESSETH

WHEREAS, the County has determined to engage in a home mortgage finance and mortgage credit certificate program pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”) in connection with the construction, acquisition, rehabilitation or improvement of homes in the County, all are provided for in the Act (the “Program”);

WHEREAS, the County, pursuant to the Act, has adopted a home finance program by Ordinance No. 1235, adopted on November 25, 1980, and has determined to cooperate with the City pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the City, pursuant to the Act, has adopted the Program and has determined to cooperate with the County pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the County has determined to finance the Program by the issuance of mortgage revenue bonds as authorized by the Act and/or mortgage credit certificates as authorized by the Internal Revenue Code of 1986 (the “Code”);

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the parties hereto agree as follows:

Section 1. The terms used in this Agreement shall, for all purposes of this Agreement, unless otherwise defined herein, have the meanings assigned to such terms in the Act.

Section 2. The County agrees to undertake the Program and to issue mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code from time to time to the extent that the county receives allocations from the State.

Section 3. The City hereby agrees to cooperate with the County in the exercise, jointly or otherwise, of its own powers for the purpose of lender financed home mortgages secured by mortgage revenue bonds and/or mortgage credit certificates issued under the Program and by agreeing that the County shall exercise such powers to make or acquire home mortgages and issue mortgage credit certificates under the Program all as more specifically set forth in the Act, with respect to property located within the geographic boundaries of the City.

Section 4. The City agrees to undertake such further proceedings or actions as may be necessary in order to carry out the terms and the intent of this Agreement; provided, however, that nothing contained in this Agreement shall obligate the City to issue debt, acquire any interest in real property, expend or encumber funds or revenue, or take other similar actions. Nothing in this agreement shall prevent the County from entering into one or more agreements with other political subdivisions or public entities within the County, if deemed necessary and advisable to do so by the County.

Section 5. This Agreement may be amended by one or more supplemental written agreements executed by the County and the City at any time, except that no such amendment or supplement shall be made which shall adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County pursuant to the Act in connection with the Program.

Section 6. Nothing contained in this Agreement shall prevent the City in its own name from issuing mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code, provided that such actions do not adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County.

Section 7. The term of this Agreement shall extend until the bonds or mortgage credit certificates issued from allocations are fully paid and retired, or shall terminate if bonds or mortgage credit certificates are not issued to finance the Program.

Section 8. This Agreement shall take effect from and after its adoption and execution.

Section 9. No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

Section 10. Notices pursuant to this Agreement to County and City shall be sent to:

County:  
County of Sacramento  
C/O Sacramento Housing and Redevelopment Agency  
801 12<sup>th</sup> Street  
Sacramento, CA 85814

City:  
City of Citrus Heights  
6237 Fountain Square Drive  
Citrus Heights, CA 95621

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

**COUNTY OF SACRAMENTO**

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
Clerk of the Board

By: \_\_\_\_\_  
County Counsel

**CITY OF CITRUS HEIGHTS**

By: \_\_\_\_\_  
Mayor

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Attorney

COOPERATIVE AGREEMENT BETWEEN  
THE COUNTY OF SACRAMENTO AND THE CITY OF ELK GROVE

THIS COOPERATIVE AGREEMENT (“Agreement”), made and entered into as of April 22, 2014, by and between the County of Sacramento, a political subdivision of the State of California (the “County”) and the City of Elk Grove, a California Municipal Corporation (the “City”),

WITNESSETH

WHEREAS, the County has determined to engage in a home mortgage finance and mortgage credit certificate program pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”) in connection with the construction, acquisition, rehabilitation or improvement of homes in the County, all are provided for in the Act (the “Program”);

WHEREAS, the County, pursuant to the Act, has adopted a home finance program by Ordinance No. 1235, adopted on November 25, 1980, and has determined to cooperate with the City pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the City, pursuant to the Act, has adopted the Program and has determined to cooperate with the County pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the County has determined to finance the Program by the issuance of mortgage revenue bonds as authorized by the Act and/or mortgage credit certificates as authorized by the Internal Revenue Code of 1986 (the “Code”);

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the parties hereto agree as follows:

Section 1. The terms used in this Agreement shall, for all purposes of this Agreement, unless otherwise defined herein, have the meanings assigned to such terms in the Act.

Section 2. The County agrees to undertake the Program and to issue mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code from time to time to the extent that the county receives allocations from the State.

Section 3. The City hereby agrees to cooperate with the County in the exercise, jointly or otherwise, of its own powers for the purpose of lender financed home mortgages secured by mortgage revenue bonds and/or mortgage credit certificates issued under the Program and by agreeing that the County shall exercise such powers to make or acquire home mortgages and issue mortgage credit certificates under the Program all as more specifically set forth in the Act, with respect to property located within the geographic boundaries of the City.

Section 4. The City agrees to undertake such further proceedings or actions as may be necessary in order to carry out the terms and the intent of this Agreement; provided, however, that nothing contained in this Agreement shall obligate the City to issue debt, acquire any interest in real property, expend or encumber funds or revenue, or take other similar actions. Nothing in this agreement shall prevent the County from entering into one or more agreements with other political subdivisions or public entities within the County, if deemed necessary and advisable to do so by the County.

Section 5. This Agreement may be amended by one or more supplemental written agreements executed by the County and the City at any time, except that no such amendment or supplement shall be made which shall adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County pursuant to the Act in connection with the Program.

Section 6. Nothing contained in this Agreement shall prevent the City in its own name from issuing mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code, provided that such actions do not adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County.

Section 7. The term of this Agreement shall extend until the bonds or mortgage credit certificates issued from allocations are fully paid and retired, or shall terminate if bonds or mortgage credit certificates are not issued to finance the Program.

Section 8. This Agreement shall take effect from and after its adoption and execution.

Section 9. No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

Section 10. Notices pursuant to this Agreement to County and City shall be sent to:

County:  
County of Sacramento  
C/O Sacramento Housing and Redevelopment Agency  
801 12<sup>th</sup> Street  
Sacramento, CA 95814

City:  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

**COUNTY OF SACRAMENTO**

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
Clerk of the Board

By: \_\_\_\_\_  
County Counsel

**CITY OF ELK GROVE**

By: \_\_\_\_\_  
Laura S. Gill,  
City Manager

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
Jason Lindgren,  
City Clerk

By: \_\_\_\_\_  
Jonathan P. Hobbs,  
City Attorney

COOPERATIVE AGREEMENT BETWEEN  
THE COUNTY OF SACRAMENTO AND THE CITY OF FOLSOM

THIS COOPERATIVE AGREEMENT (“Agreement”), made and entered into as of April 22, 2014, by and between the County of Sacramento, a political subdivision of the State of California (the “County”) and the City of Folsom, a California Municipal Corporation (the “City”),

WITNESSETH

WHEREAS, the County has determined to engage in a home mortgage finance and mortgage credit certificate program pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”) in connection with the construction, acquisition, rehabilitation or improvement of homes in the County, all are provided for in the Act (the “Program”);

WHEREAS, the County, pursuant to the Act, has adopted a home finance program by Ordinance No. 1235, adopted on November 25, 1980, and has determined to cooperate with the City pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the City, pursuant to the Act, has adopted the Program and has determined to cooperate with the County pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the County has determined to finance the Program by the issuance of mortgage revenue bonds as authorized by the Act and/or mortgage credit certificates as authorized by the Internal Revenue Code of 1986 (the “Code”);

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the parties hereto agree as follows:

Section 1. The terms used in this Agreement shall, for all purposes of this Agreement, unless otherwise defined herein, have the meanings assigned to such terms in the Act.

Section 2. The County agrees to undertake the Program and to issue mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code from time to time to the extent that the county receives allocations from the State.

Section 3. The City hereby agrees to cooperate with the County in the exercise, jointly or otherwise, of its own powers for the purpose of lender financed home mortgages secured by mortgage revenue bonds and/or mortgage credit certificates issued under the Program and by agreeing that the County shall exercise such powers to make or acquire home mortgages and issue mortgage credit certificates under the Program all as more specifically set forth in the Act, with respect to property located within the geographic boundaries of the City.

Section 4. The City agrees to undertake such further proceedings or actions as may be necessary in order to carry out the terms and the intent of this Agreement; provided, however, that nothing contained in this Agreement shall obligate the City to issue debt, acquire any interest in real property, expend or encumber funds or revenue, or take other similar actions. Nothing in this agreement shall prevent the County from entering into one or more agreements with other political subdivisions or public entities within the County, if deemed necessary and advisable to do so by the County.

Section 5. This Agreement may be amended by one or more supplemental written agreements executed by the County and the City at any time, except that no such amendment or supplement shall be made which shall adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County pursuant to the Act in connection with the Program.

Section 6. Nothing contained in this Agreement shall prevent the City in its own name from issuing mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code, provided that such actions do not adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County.

Section 7. The term of this Agreement shall extend until the bonds or mortgage credit certificates issued from allocations are fully paid and retired, or shall terminate if bonds or mortgage credit certificates are not issued to finance the Program.

Section 8. This Agreement shall take effect from and after its adoption and execution.

Section 9. No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

Section 10. Notices pursuant to this Agreement to County and City shall be sent to:

County:  
County of Sacramento  
C/O Sacramento Housing and Redevelopment Agency  
801 12<sup>th</sup> Street  
Sacramento, CA 95814



City:  
City of Folsom  
50 Natoma Street  
Folsom, CA 95630

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

**COUNTY OF SACRAMENTO**

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
Clerk of the Board

By: \_\_\_\_\_  
County Counsel

**CITY OF FOLSOM**

By: \_\_\_\_\_  
Evert W. Palmer, City Manager

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
Christa Saunders,  
City Clerk

By: \_\_\_\_\_  
Bruce C. Cline, City Attorney

APPROVED AS TO CONTENT

By: \_\_\_\_\_  
David E. Miller, AICP  
Public Works and Community  
Development Director

COOPERATIVE AGREEMENT BETWEEN  
THE COUNTY OF SACRAMENTO AND THE CITY OF GALT

THIS COOPERATIVE AGREEMENT (“Agreement”), made and entered into as of April 22, 2014, by and between the County of Sacramento, a political subdivision of the State of California (the “County”) and the City of Galt, a California Municipal Corporation (the “City”),

WITNESSETH

WHEREAS, the County has determined to engage in a home mortgage finance and mortgage credit certificate program pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”) in connection with the construction, acquisition, rehabilitation or improvement of homes in the County, all are provided for in the Act (the “Program”);

WHEREAS, the County, pursuant to the Act, has adopted a home finance program by Ordinance No. 1235, adopted on November 25, 1980, and has determined to cooperate with the City pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the City, pursuant to the Act, has adopted the Program and has determined to cooperate with the County pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the County has determined to finance the Program by the issuance of mortgage revenue bonds as authorized by the Act and/or mortgage credit certificates as authorized by the Internal Revenue Code of 1986 (the “Code”);

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the parties hereto agree as follows:

Section 1. The terms used in this Agreement shall, for all purposes of this Agreement, unless otherwise defined herein, have the meanings assigned to such terms in the Act.

Section 2. The County agrees to undertake the Program and to issue mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code from time to time to the extent that the county receives allocations from the State.

**Section 3.** The City hereby agrees to cooperate with the County in the exercise, jointly or otherwise, of its own powers for the purpose of lender financed home mortgages secured by mortgage revenue bonds and/or mortgage credit certificates issued under the Program and by agreeing that the County shall exercise such powers to make or acquire home mortgages and issue mortgage credit certificates under the Program all as more specifically set forth in the Act, with respect to property located within the geographic boundaries of the City.

**Section 4.** The City agrees to undertake such further proceedings or actions as may be necessary in order to carry out the terms and the intent of this Agreement; provided, however, that nothing contained in this Agreement shall obligate the City to issue debt, acquire any interest in real property, expend or encumber funds or revenue, or take other similar actions. Nothing in this agreement shall prevent the County from entering into one or more agreements with other political subdivisions or public entities within the County, if deemed necessary and advisable to do so by the County.

**Section 5.** This Agreement may be amended by one or more supplemental written agreements executed by the County and the City at any time, except that no such amendment or supplement shall be made which shall adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County pursuant to the Act in connection with the Program.

**Section 6.** Nothing contained in this Agreement shall prevent the City in its own name from issuing mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code, provided that such actions do not adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County.

**Section 7.** The term of this Agreement shall extend until the bonds or mortgage credit certificates issued from allocations are fully paid and retired, or shall terminate if bonds or mortgage credit certificates are not issued to finance the Program.

**Section 8.** This Agreement shall take effect from and after its adoption and execution.

**Section 9.** No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

**Section 10.** Notices pursuant to this Agreement to County and City shall be sent to:

County:  
County of Sacramento  
C/O Sacramento Housing and Redevelopment Agency  
801 12<sup>th</sup> Street  
Sacramento, CA 95814

City:  
City of Galt  
380 Civic Drive  
Galt, CA 95632

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

**COUNTY OF SACRAMENTO**

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
Clerk of the Board

By: \_\_\_\_\_  
County Counsel

**CITY OF GALT**

By: \_\_\_\_\_  
Mayor

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Attorney

COOPERATIVE AGREEMENT BETWEEN  
THE COUNTY OF SACRAMENTO AND THE CITY OF ISLETON

THIS COOPERATIVE AGREEMENT (“Agreement”), made and entered into as of April 22, 2014, by and between the County of Sacramento, a political subdivision of the State of California (the “County”) and the City of Isleton, a California Municipal Corporation (the “City”),

WITNESSETH

WHEREAS, the County has determined to engage in a home mortgage finance and mortgage credit certificate program pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”) in connection with the construction, acquisition, rehabilitation or improvement of homes in the County, all are provided for in the Act (the “Program”);

WHEREAS, the County, pursuant to the Act, has adopted a home finance program by Ordinance No. 1235, adopted on November 25, 1980, and has determined to cooperate with the City pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the City, pursuant to the Act, has adopted the Program and has determined to cooperate with the County pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the County has determined to finance the Program by the issuance of mortgage revenue bonds as authorized by the Act and/or mortgage credit certificates as authorized by the Internal Revenue Code of 1986 (the “Code”);

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the parties hereto agree as follows:

Section 1. The terms used in this Agreement shall, for all purposes of this Agreement, unless otherwise defined herein, have the meanings assigned to such terms in the Act.

Section 2. The County agrees to undertake the Program and to issue mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code from time to time to the extent that the county receives allocations from the State.

Section 3. The City hereby agrees to cooperate with the County in the exercise, jointly or otherwise, of its own powers for the purpose of lender financed home mortgages secured by mortgage revenue bonds and/or mortgage credit certificates issued under the Program and by agreeing that the County shall exercise such powers to make or acquire home mortgages and issue mortgage credit certificates under the Program all as more specifically set forth in the Act, with respect to property located within the geographic boundaries of the City.

Section 4. The City agrees to undertake such further proceedings or actions as may be necessary in order to carry out the terms and the intent of this Agreement; provided, however, that nothing contained in this Agreement shall obligate the City to issue debt, acquire any interest in real property, expend or encumber funds or revenue, or take other similar actions. Nothing in this agreement shall prevent the County from entering into one or more agreements with other political subdivisions or public entities within the County, if deemed necessary and advisable to do so by the County.

Section 5. This Agreement may be amended by one or more supplemental written agreements executed by the County and the City at any time, except that no such amendment or supplement shall be made which shall adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County pursuant to the Act in connection with the Program.

Section 6. Nothing contained in this Agreement shall prevent the City in its own name from issuing mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code, provided that such actions do not adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County.

Section 7. The term of this Agreement shall extend until the bonds or mortgage credit certificates issued from allocations are fully paid and retired, or shall terminate if bonds or mortgage credit certificates are not issued to finance the Program.

Section 8. This Agreement shall take effect from and after its adoption and execution.

Section 9. No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

Section 10. Notices pursuant to this Agreement to County and City shall be sent to:

County:  
County of Sacramento  
C/O Sacramento Housing and Redevelopment Agency  
801 12<sup>th</sup> Street  
Sacramento, CA 85814

City:  
City of Isleton  
101 Second Street  
Isleton, CA 95641

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

**COUNTY OF SACRAMENTO**

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
Clerk of the Board

By: \_\_\_\_\_  
County Counsel

**CITY OF ISLETON**

By: \_\_\_\_\_  
Mayor

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Attorney

COOPERATIVE AGREEMENT BETWEEN  
THE COUNTY OF SACRAMENTO AND THE CITY OF RANCHO CORDOVA

THIS COOPERATIVE AGREEMENT (“Agreement”), made and entered into as of April 22, 2014, by and between the County of Sacramento, a political subdivision of the State of California (the “County”) and the City of Rancho Cordova, a California Municipal Corporation (the “City”),

W I T N E S S E T H

WHEREAS, the County has determined to engage in a home mortgage finance and mortgage credit certificate program pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”) in connection with the construction, acquisition, rehabilitation or improvement of homes in the County, all are provided for in the Act (the “Program”);

WHEREAS, the County, pursuant to the Act, has adopted a home finance program by Ordinance No. 1235, adopted on November 25, 1980, and has determined to cooperate with the City pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the City, pursuant to the Act, has adopted the Program and has determined to cooperate with the County pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the County has determined to finance the Program by the issuance of mortgage revenue bonds as authorized by the Act and/or mortgage credit certificates as authorized by the Internal Revenue Code of 1986 (the “Code”);

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the parties hereto agree as follows:

Section 1. The terms used in this Agreement shall, for all purposes of this Agreement, unless otherwise defined herein, have the meanings assigned to such terms in the Act.

Section 2. The County agrees to undertake the Program and to issue mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code from time to time to the extent that the county receives allocations from the State.



**Section 3.** The City hereby agrees to cooperate with the County in the exercise, jointly or otherwise, of its own powers for the purpose of lender financed home mortgages secured by mortgage revenue bonds and/or mortgage credit certificates issued under the Program and by agreeing that the County shall exercise such powers to make or acquire home mortgages and issue mortgage credit certificates under the Program all as more specifically set forth in the Act, with respect to property located within the geographic boundaries of the City.

**Section 4.** The City agrees to undertake such further proceedings or actions as may be necessary in order to carry out the terms and the intent of this Agreement; provided, however, that nothing contained in this Agreement shall obligate the City to issue debt, acquire any interest in real property, expend or encumber funds or revenue, or take other similar actions. Nothing in this agreement shall prevent the County from entering into one or more agreements with other political subdivisions or public entities within the County, if deemed necessary and advisable to do so by the County.

**Section 5.** This Agreement may be amended by one or more supplemental written agreements executed by the County and the City at any time, except that no such amendment or supplement shall be made which shall adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County pursuant to the Act in connection with the Program.

**Section 6.** Nothing contained in this Agreement shall prevent the City in its own name from issuing mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code, provided that such actions do not adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County.

**Section 7.** This Agreement may be terminated by either party upon ninety (90) days written notice, and shall terminate if bonds or mortgage credit certificates are not issued to finance the Program. Following termination, no bonds or mortgage credit certificates shall be issued under the Program by the County with respect to property located within the geographic boundaries of the City. Notwithstanding the termination of this Agreement, the cooperative provisions of this Agreement shall continue in effect until the bonds or mortgage credit certificates issued prior to the date of termination from allocations are fully paid and retired.

**Section 8.** This Agreement shall take effect from and after its adoption and execution.

**Section 9.** No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

Section 10. Notices pursuant to this Agreement to County and City shall be sent to:

County:  
County of Sacramento  
C/O Sacramento Housing and Redevelopment Agency  
801 12<sup>th</sup> Street  
Sacramento, CA 85814

City:  
City of Rancho Cordova  
2729 Prospect Park Drive  
Rancho Cordova, CA 95670

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

**COUNTY OF SACRAMENTO**

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
Clerk of the Board

By: \_\_\_\_\_  
County Counsel

**CITY OF RANCHO CORDOVA**

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
[Title]

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Attorney

COOPERATIVE AGREEMENT BETWEEN  
THE COUNTY OF SACRAMENTO AND THE CITY OF SACRAMENTO

THIS COOPERATIVE AGREEMENT (“Agreement”), made and entered into as of April 22, 2014, by and between the County of Sacramento, a political subdivision of the State of California (the “County”) and the City of Sacramento, a California Municipal Corporation (the “City”),

WITNESSETH

WHEREAS, the County has determined to engage in a home mortgage finance and mortgage credit certificate program pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”) in connection with the construction, acquisition, rehabilitation or improvement of homes in the County, all are provided for in the Act (the “Program”);

WHEREAS, the County, pursuant to the Act, has adopted a home finance program by Ordinance No. 1235, adopted on November 25, 1980, and has determined to cooperate with the City pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the City, pursuant to the Act, has adopted the Program and has determined to cooperate with the County pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the County has determined to finance the Program by the issuance of mortgage revenue bonds as authorized by the Act and/or mortgage credit certificates as authorized by the Internal Revenue Code of 1986 (the “Code”);

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the parties hereto agree as follows:

Section 1. The terms used in this Agreement shall, for all purposes of this Agreement, unless otherwise defined herein, have the meanings assigned to such terms in the Act.

Section 2. The County agrees to undertake the Program and to issue mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code from time to time to the extent that the county receives allocations from the State.

**Section 3.** The City hereby agrees to cooperate with the County in the exercise, jointly or otherwise, of its own powers for the purpose of lender financed home mortgages secured by mortgage revenue bonds and/or mortgage credit certificates issued under the Program and by agreeing that the County shall exercise such powers to make or acquire home mortgages and issue mortgage credit certificates under the Program all as more specifically set forth in the Act, with respect to property located within the geographic boundaries of the City.

**Section 4.** The City agrees to undertake such further proceedings or actions as may be necessary in order to carry out the terms and the intent of this Agreement; provided, however, that nothing contained in this Agreement shall obligate the City to issue debt, acquire any interest in real property, expend or encumber funds or revenue, or take other similar actions. Nothing in this agreement shall prevent the County from entering into one or more agreements with other political subdivisions or public entities within the County, if deemed necessary and advisable to do so by the County.

**Section 5.** This Agreement may be amended by one or more supplemental written agreements executed by the County and the City at any time, except that no such amendment or supplement shall be made which shall adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County pursuant to the Act in connection with the Program.

**Section 6.** Nothing contained in this Agreement shall prevent the City in its own name from issuing mortgage revenue bonds and/or mortgage credit certificates pursuant to the Act and the Code, provided that such actions do not adversely affect the rights of the holders of bonds or mortgage credit certificates issued by the County.

**Section 7.** The term of this Agreement shall extend until the bonds or mortgage credit certificates issued from allocations are fully paid and retired, or shall terminate if bonds or mortgage credit certificates are not issued to finance the Program.

**Section 8.** This Agreement shall take effect from and after its adoption and execution.

**Section 9.** No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

Section 10. Notices pursuant to this Agreement to County and City shall be sent to:

County:  
County of Sacramento  
C/O Sacramento Housing and Redevelopment Agency  
801 12<sup>th</sup> Street  
Sacramento, CA 85814

City:  
City of Sacramento  
300 Richards Boulevard  
Sacramento, CA 95811

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

**COUNTY OF SACRAMENTO**

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
Clerk of the Board

By: \_\_\_\_\_  
County Counsel

**CITY OF SACRAMENTO**

By: \_\_\_\_\_  
City Manager

[SEAL]

ATTEST

APPROVED AS TO FORM

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Attorney

## 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  
April 2, 2014

### **APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR MORTGAGE CREDIT CERTIFICATES; COOPERATIVE AGREEMENTS WITH THE COUNTY OF SACRAMENTO AND THE CITIES OF SACRAMENTO, CITRUS HEIGHTS, FOLSOM, GALT, ISLETON, ELK GROVE, AND RANCHO CORDOVA, DELEGATION OF AUTHORITY TO THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO, ACCEPTANCE OF RELATED ADMINISTRATION BY THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY, AND ENVIRONMENTAL FINDINGS**

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1: The proposed action does not constitute a project under California Environmental Quality Act (CEQA) per Guidelines Sections 15378 (b)(2)(4), and (5), nor a federal undertaking under the National Environment Policy Act.

Section 2: The Executive Director is authorized to accept delegation from the Housing Authority of the County of Sacramento of the administration of the mortgage credit certificate program and related activities.

Section 3: The Executive Director or her designee is authorized to: issue mortgage credit certificates ("MCC"), direct the issuance, sale and delivery of the qualified mortgage bonds; and perform other activities in to effectuate the purposes of the Cooperative Agreements as approved the Board of Supervisors of Sacramento County. All actions previously taken in connection with the establishment of the home mortgage credit certificates and the issuance, sale and delivery of the qualified mortgage bonds, including the submission of applications to the California Debt Limit Allocation Committee for qualified mortgage bonds and mortgage credit certificates and the acceptance of deposits from developers and lenders, are ratified and approved.

**Section 4:** The Executive Director, or her designee, is authorized to pay the filing fees and to post the performance deposit of one-half of one percent of the allocation requested, but not to exceed \$100,000 for each application as required by the California Debt Limit Allocation Committee.

**Section 5:** The Executive Director or her designee is authorized to amend the budget to both pay the filing fees and post the performance deposit and to receive revenue for the processing of applications and lender participation fees totaling approximately \$46,500.

**Section 6:** This Resolution shall take effect upon its adoption.

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CHAIR

ATTEST:

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CLERK