



NOTICE OF REGULAR MEETING
**Sacramento Housing and
Redevelopment Commission**
Wednesday, May 16, 2018 – 6:00 pm
801 12th Street, 2nd Floor Commission Room
Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

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

APPROVAL OF MINUTES – May 2, 2018

PUBLIC HEARING

1. 2018 Mid-Year Revision to the Annual Plan for the Housing Authority of the County of Sacramento and the Housing Choice Voucher Administrative Plan – Public Hearing

DISCUSSION/BUSINESS

2. Twin Rivers Transit Oriented Development and Light Rail Project: Approve Submittal of a Section 108 Loan Application for Financing Infrastructure Construction, Amendment of the 2013-2019 Consolidated Plan and 2018 One-Year Action Plan, Submittal of a California Climate Investments Urban Green Program Grant Application, and Amendment of the Choice Neighborhoods Implementation Grant Budget to Include Funds for Predevelopment
3. Approval of Amended Funding Commitments for the Shasta Hotel
4. Authorization to Terminate and Release Inclusionary Housing Regulatory Agreement for the Patterson Subdivision Project

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

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

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



MINUTES

**Sacramento Housing and Redevelopment Commission (SHRC)
Meeting of May 2, 2018
Meeting noticed on April 27, 2018**

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Macedo

MEMBERS PRESENT: Alcalay, Griffin, Johnson, Macedo, Morgan, Starks, Wedding

MEMBERS ABSENT: Creswell, Simas, Staajabu, (one vacancy)

STAFF PRESENT: La Shelle Dozier, David Levin, Vickie Smith, Tyrone R. Williams, Sarah O 'Daniel, Christine Weichert, Bern Wikhammer, Terren Wing, Anne Nicholls

APPROVAL OF AGENDA – Chair Macedo announced that item # 5 was going to be dropped from the agenda.

CITIZENS COMMENTS

Jefferey Tardaguilla provided comment.

APPROVAL OF MINUTES – April 18, 2018 minutes were approved as submitted.

CONSENT

1. **Sacramento Housing and Redevelopment Agency (Agency) Conflict of Interest Code Amendment – City Report**
2. **Sacramento Housing and Redevelopment Agency (Agency) Conflict of Interest Code Amendment – County Report**

Commissioner Morgan motioned to approve the staff recommendation in the reports. Commissioner Griffin seconded the motion. The votes were as follows:

AYES: Creswell, Griffin, Johnson, Macedo, Morgan, Staajabu, Starks

NOES: None

ABSENT: Alcalay, Simas, Wedding

ABSTAIN: None

DISCUSSION/BUSINESS

3. Annual Reports of the Housing Trust Fund, Mixed Income Housing Ordinance and HOME Investment Partnerships Program, and Authorization to Receive Building Homes and Jobs Act (Senate Bill 2) Funds
4. Annual Reports Of The Housing Trust Fund, Affordable Housing Ordinance, And HOME Investment Partnership Program (HOME) And Authorization To Administer Funds From The Building Homes And Jobs Act (Senate Bill 2)

Anne Nicholls presented the items.

Commissioner Creswell requested that staff add information on when projects were constructed in future reports.

Commissioner Griffin motioned to approve the staff recommendation in the reports. Commissioner Creswell seconded the motion. The votes were as follows:

AYES: Creswell, Griffin, Johnson, Macedo, Morgan, Staajabu, Starks

NOES: None

ABSENT: Alcalay, Simas, Wedding

ABSTAIN: None

PRESENTATIONS

5. Twin Rivers Update – Status of Dos Rios Light Rail Station Project – item was dropped from agenda.

6. Annual Report on Residential Hotels

Anne Nicholls presented the item.

Jefferey Tardaguilla provided comments.

Commissioner Creswell requested that inspection information for the four buildings without regulatory agreements be included in the next report.

EXECUTIVE DIRECTOR'S REPORT

La Shelle Dozier reviewed the following:

- Next meeting is on May 16, 2018
- Thanked and acknowledged staff member Terren Wing who is leaving SHRA to further her education.
- Thanked and acknowledged staff member Anne Nicholls who is leaving for maternity leave and returning in October.
- May 30th Promise Zone 3-year event has been scheduled. Additional information will follow soon.

COMMISSION CHAIR REPORT

Chair Macedo announced that an Executive Committee Meeting would be held on Monday, May 7th, 2018.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Morgan announced that he will be out of town for the next few days.

Commissioner Griffin mentioned the Sacramento Taxpayer report that is critical of SHRA.

Commissioner Creswell asked that the California Housing Partnership study be distributed to Commissioners.

Commissioner Creswell expressed concern about proposed changes to the HCV rent standards proposed by HUD. La Shelle Dozier indicated that they have been following this closely also.

ADJOURNMENT

As there was no further business to be conducted, Chair Macedo adjourned the meeting at 6:45 pm.

Clerk



May 16, 2018

Sacramento Housing and Redevelopment Commission
Sacramento, California

Honorable Members in Session:

SUBJECT **2018 Mid-Year Revision to the Annual Plan for the Housing Authority of the County of Sacramento and the Housing Choice Voucher Administrative Plan – Public Hearing**

RECOMMENDATION

On June 6, 2018, staff will recommend adoption of the attached resolution which: 1) certifies that the required public hearing has been held and comments have been received and considered, 2) approves the *2018 Mid-Year Revision to the Public Housing Agency (PHA) Annual Plan (Plan)* and the *Administrative Plan* for the Housing Choice Voucher (HCV) program for Housing Authority of the County of Sacramento (HACOS), 3) authorizes the Executive Director or her designee to make non-substantive changes to the *Plan* and the *Administrative Plan* based on additional public comments, 4) authorizes the Executive Director or her designee to make changes to the *PHA Plan* and *Administrative Plan* as directed by the United States Department of Housing and Urban Development (HUD) or as required for compliance with the Quality Housing and Work Responsibility Act of 1998, 5) certifies that the *Plan* is consistent with the *Consolidated Plan* per 24 Code of Federal Regulations (CFR) §903.15, and 6) authorizes the Executive Director or her designee to execute and submit all required documents for the submission and certification of the *2018 Mid-Year Revision to the PHA Annual Plan* to HUD.

CONTACT PERSONS

Sarah O'Daniel, Assistant Director, Housing Choice Voucher Program, 916-449-6346
MaryLiz Paulson, Management Analyst, Housing Choice Voucher Program, 916-449-6201

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SUMMARY

This report recommends approval of the *2018 Mid-Year Revision to the PHA Annual Plan (Plan)* (Attachment 1) and the *Administrative Plan for the Housing Choice Voucher program* (Attachment 2) for the Housing Authority of the County of Sacramento.

BACKGROUND

Applicable federal law and HUD regulations require that each Housing Authority develop and adopt a Five-Year PHA *Plan* and update it on an annual basis. The *PHA Annual Plan* provides detail about Housing Authority programs, services, and general policies. Applicable federal law and HUD regulations allow Housing Authorities to amend or modify their PHA Plans after submitting their *Annual Plans* to HUD by submitting a Mid-Year revision.

In March of 2017, a Mid-Year revision to the 2017 *Plan* was approved related to the goal of housing 1,755 homeless individuals and families. The Mid-Year revision to the 2018 Annual Plan and Administrative Plan proposed in this report further refines the continued effort to house homeless families. The primary update proposed at this time is a revision to the process of referring homeless families to sites with project-based vouchers. The proposed change will allow the award of project-based vouchers to homeless families to be more efficient through the use of referrals received from agencies directly serving homeless families.

Staff is also recommending additional changes that relate to *H.R. 3700 Housing Opportunities through Modernization Act of 2016 (HOTMA)* and changes to the Plan required by updated regulations approved by the United States Department of Housing and Urban Development (HUD).

HUD regulations require a public outreach process including a 45-day public comment period when there are significant changes made to the *Plan* or the *Administrative Plan*. Notices were published in local English language and non-English language newspapers providing the location of the draft documents available for review. In addition, notices and documents were posted on the Agency's website at www.shra.org for review. In addition, these proposed changes were presented to the Sacramento Resident Advisory Board (SRAB) on April 27, 2018 to solicit their review and input.

After the public comment review period and upon approval by the Commission, the final changes to these documents will be submitted to HUD for review and approval, anticipated to be in June, 2018. HUD will then have 75 days to issue a notification of approval or denial of the revised *Plan*. If the *Plan* is approved, staff can begin implementing changes immediately.

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Staff updated the programs' *Administrative Plan* to include 10 significant changes which are detailed below, including:

- Three significant changes in support of utilizing vouchers to house homeless families;
- Four significant changes in response to changes in HUD regulations;
- Two significant changes to improve customer service and program efficiency; and
- One significant change to preserve assisted housing.

Overview of Significant changes

The *2018 Mid-Year Revision to the Administrative Plan* includes three significant changes which will allow the vouchers to better serve homeless families. They include changes that:

- 1) Designate sites where project based vouchers will be utilized and recommends a new process for how vacant units will be filled. When sites are specifically designated as housing for homeless families, these sites will be able to directly receive referrals of homeless families instead of receiving names from a wait list to fill units.
- 2) Allocate preference points to applications received from homeless youth referred to the Performance Partnership Pilots for Disconnected Youth (P3) program; and
- 3) Allow master leasing for the P3 program.

The *2018 Mid-Year Revision to the Administrative Plan* includes four significant changes made in response to changes in HUD regulations. They include:

- 1) Updated procedures related to the prevention of, and response to, elevated blood lead levels in children under the age of 6 years following exposure to lead-based paint;
- 2) Changes to the calculation of payment standards. HUD directed HACOS (and Public Housing Authorities {PHAs} in 23 other jurisdictions nationally) to utilize newly published Fair Market Rents based on the zip code instead of the metropolitan-wide Fair Market Rents to calculate payment standards. The amount of subsidy a family could receive is now based, in part, on the location of the rental;
- 3) Changes to the amount of subsidy calculated for a manufactured home, making it similar to other types of housing; and
- 4) Changes that will allow the PHA to add units to an existing Project Based Voucher Housing Assistance Payment (PBV HAP) contract without engaging in a competitive process. This provision is in compliance with *H.R. 3700 Housing Opportunities Through Modernization Act of 2016 (HOTMA)* in order to preserve affordable housing.

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The *2018 Mid-Year Revision to the Administrative Plan* includes two significant changes to improve customer service and program efficiency. They include:

- 1) Changes to the way families update information on their housing applications while they are on the wait list. Although families can still report their updated information in writing, they can now update these changes online by themselves at www.sacwaitlist.com. Online changes are updated immediately and are very secure.
- 2) Changes to the method of paying participating landlords. The PHA is now issuing Housing Assistance Payments (HAPs) via direct deposit. This system is secure and prompt and not dependent on the U.S. postal service.

Finally, the *2018 Mid-Year Revision to the Administrative Plan* includes a change related to the disposition of a unit of public housing and the addition of a project-based voucher to an agency-owned unit to preserve the total number of assisted housing units.

Information on all significant changes can be found in the attached *Significant Changes to the 2018 Mid-Year Significant Changes to the Housing Choice Voucher Administrative Plan* (Attachment 3).

FINANCIAL CONSIDERATIONS

The recommended action before the Commission requires no additional funding consideration.

POLICY CONSIDERATIONS

The Public Housing Authority complies with applicable federal laws and regulations, including the *Quality Housing and Work Responsibility Act of 1998 (QHWRA)*.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The recommended actions are considered administrative and therefore determined not to be a project subject to provisions of CEQA per 14 California Code of Regulations (CCR) §15378(b)

National Environmental Policy Act (NEPA): The recommended actions are considered administrative and planning activities and therefore determined to be Exempt from NEPA per 24 CFR §58.34(a)(1) and (3).

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M/WBE AND SECTION 3 CONSIDERATIONS

Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable.

Respectfully submitted,


LASHELLE DOZIER
Executive Director

Attachments

Attachment 1 - 2018 Mid-Year Revision to the PHA Annual Plan--County of Sacramento

Attachment 2 - Administrative Plan for the Housing Choice Voucher program

Attachment 3 - 2018 Mid-Year Significant Changes to the Housing Choice Voucher
Administrative Plan

Attachments 1-2 are on file with the Agency Clerk.

Attachments 1-3 are also available at www.shra.org

2018 Mid-Year Significant Changes to the Housing Choice Voucher Administrative Plan

The changes appear below in red with an explanation following in italics.

1. Chapter 3: Applying for Admission, page 3-2

C. PRE-APPLICANT STATUS WHILE ON THE WAIT LIST (24 CFR §982.204)

Pre-applicants are required to inform the PHA of any changes in family composition, income, address, or preference status ~~in writing~~ within 30 days of the change by going to www.sacwaitlist.com and using their update code to update the information submitted on the pre-application. Changes submitted in writing are still accepted however families on the wait list are encouraged to submit their changes on-line for faster, secure updates.

Families on the wait list can now update their information by going to www.sacwaitlist.com and using an update code to access their application and update their household members, income, address, phone number and email. This process is more efficient as documents aren't sent by mail, it is secure (as the family updates their information themselves), and the process can be completed on any device with internet access.

2. Chapter 10: Housing Quality Standards and Inspections, page 10-8

L. LEAD SAFE HOUSING RULE (LSHR) (24 CFR Part 35, PIH 2017-13):

When a child under six (6) is identified with an EBLL (Elevated Blood Lead Level), the PHA working in concerted effort with the owner must take certain steps:

- Verify EBLL with medical provider or health department
- Notify health department within 3 days
- Notify HUD within 3 days
- Lead Risk Assessor must perform environmental investigation within 15 days
- Notify family of investigation results within 15 days
- If lead-based paint hazards are found, engage a certified renovation firm to “control” the hazard in other units in a multi-family property; and notify residents of the complex
- If lead-based paint hazards are found in other units, engage a certified renovation firm and notify residents of the results
- Relocate residents as necessary
- Complete lead hazard control of all affected units within 30 days
- Ensure all units pass clearance as determined by a certified risk assessor
- Notify all residents that lead hazard control was completed in a multi-family complex.

<u>Activity</u>	<u>Responsible Party - THE PHA</u>	<u>Responsible Party - Landlord</u>
<u>Initial Notification of confirmed case to HUD</u>	* —	*
<u>Verification, when necessary</u>	* —	
<u>Initial notification of confirmed case to public health department, when necessary</u>	* —	**
<u>Environmental Investigation</u>	* —	
<u>Lead Hazard Control</u>		*
<u>Lead Hazard Control Enforcement</u>	* —	
<u>Clearance after work is completed</u>	* —	**
<u>Notification to other residents</u>		*
<u>Ongoing LBP Maintenance</u>		*
<u>Monitoring of owner's compliance with LSHR and HQS</u>	* —	

- Notify HUD -of completion within 10 business days.

Legend: ** identifies where the landlord must work in concerted effort with the PHA.

The PHA is the designated party responsible for ensuring compliance with all the regulations.

This language was added to be compliant with the United States Department of Housing and Urban Development's (HUD's) Public and Indian Health (PIH) Notice 2017-13.

3. Chapter 11: Owner rents, Rent Reasonableness, and Payment Standards, page 11-1

B. MAKING PAYMENTS TO OWNERS (24 CFR §982.451)

Once the HAP contract is executed, the PHA begins processing payments to the owner. The PHA issues payments to landlords via direct deposit.- As a requirement, all landlords must agree to Electronic Funds Transfer (EFT) as the sole method of payment. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made to the HAP Register for the following month. Payments are disbursed by the PHA's Finance Division to the owner each month. Payments may not be picked up by owner at the PHA. Exceptions may be made with the approval of a sSupervisor in cases of hardship. Payments that are not received will not be replaced until a request has been received from the payee and a stop payment has been placed on the payment.- A request for stop payment will be processed no sooner than ten (10) days after the payment issuance date.

This is a policy change and provides landlords with faster more secure payment.

4. Chapter 11, page 11-5

D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM (24 CFR §982.503)

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulations, and at the PHA's discretion, the Payment Standard amount is set by the PHA between 90% and 110% of the HUD-published **Fair Market Rent (FMR)** by bedroom size. This is considered the basic range. The PHA reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, the PHA will ensure that the Payment Standard is always within the range of 90% to 110% of the new FMR, unless an exception payment standard has been approved by HUD. **Any changes must be completed no later than 90 days following HUD's publication of the new amounts.**

When determining the amount to be established for the payment standard, the PHA will consider:

- 1) **The success rate of families with vouchers leasing units;**
- 2) **The trending of contract rent amounts in the market;**
- 3) **The rent burden of participating families;**
- 4) **The budget available; and**
- 5) **The lease-up rate.**

The PHA may approve a higher payment standard within the basic range ~~if required~~ as a reasonable accommodation for a family that includes a person with disabilities. However, the payment standard cannot be approved for an amount over 120% of the ~~Fair Market Rent~~ **FMR**.

Small Area FMR

Beginning in 2018, HUD published Small Area FMRs (SAFMRs) determined by zip code as well as the metropolitan-wide FMRs. All the rules that apply to the FMRs also apply to SAFMRs and any references to FMRs are intended to include SAFMRs also.

The SAFMRs will be implemented effective April 1, 2018.

Where the payment standard is decreasing due to the new SAFMRs, the PHA will hold the families harmless as long as they continue to live in the same assisted unit with a current HAP contract after April 1, 2018.

Where the payment standard is increasing due to the new SAFMRs, the PHA will implement the change at the next annual recertification.

Only the HCV tenant-based voucher program utilizes SAFMRs. Programs that will continue to use the metropolitan FMRs include but are not limited to:

- **Continuum of Care programs (Shelter Plus Care);**
- **Moderate Rehabilitation; and**

- Project-based vouchers (unless both the owner and the PHA agree to the change. See Chapter 21 for more information).

This change was made to comply with HUD Public and Indian Housing Notice (PIH) 2018-1. The Sacramento PHA was one of 24 regions in the country mandated to utilize SAFMRs. Language was added to the Glossary making the use of FMR and SAFMR interchangeable throughout this document.

5. Chapter 19: Special Housing Types, page 19-6

The rent of the manufactured home space (including other eligible housing expenses) is the total of:

- (a) the rent charged for the manufactured home space;
- (b) the owner, maintenance and management charges for the space;
- (c) the monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- (d) the applicable allowances for tenant-paid utilities.

The PHA must not approve a lease for a manufactured home space until the PHA determines that the initial rent to owner for the space is reasonable rent, and the rent to owner for the space must not exceed a reasonable rent during the assisted tenancy. In addition, the PHA must re-determine that the current rent to owner is a reasonable rent at least annually during the assisted tenancy. (See 24 CFR §982.622(b)(2)).

Debt service for setup charges incurred by a family may be included in the monthly amortization payments made by the family, but not increased debt service due to refinancing. Set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.

This change was made in compliance with PIH Notice 2017-18.

6. Chapter 21: Project Based Housing Choice Voucher Program, page 21-3

Non-Competitive Process

A PHA may provide Project Based Voucher (PBV) assistance to improve, develop, or replace a public housing property or property that it controls or has an ownership interest in without using a competitive process in compliance with HOTMA (H.R. 3700 Housing Opportunities Through Modernization Act of 2016, Section 106).

Additionally, the PHA may add units to an existing PBV Housing Assistance Payment (HAP) Contract without engaging in a competitive process in order to preserve funding or provide additional resources to serve homeless families.

This language is added in compliance with new legislation (H.R. 3700 Housing Opportunities Through Modernization Act of 2016, Section 106) allowing this option.

7. Chapter 21: Project Based Housing Choice Voucher Program, page 21-3

Non-Competitive Process

The PHA is disposing of one public housing property that it owns and is under a public housing Annual Contributions Contract). Per HUD regulations, the disposed unit must be replaced on a one-for-one basis in the community. The PHA intends to apply a project-based voucher to a unit of housing owned by the PHA, but not receiving HUD assistance without using a competitive process (per PIH 2017-21, page 48). Specifically, the unit at 3380 Taylor Street, Sacramento will receive a project based voucher contract without following a competition so that the unit at 3867 Bainbridge Drive, North Highlands, a unit under a public housing Annual Contributions Contract, can undergo disposition.

Per HUD guidelines, this new paragraph specifically mentions the address in public housing that the PHA plans to remove from the public housing inventory and lists the alternative unit to be given a project-based voucher so that there is not a net decrease in the number of affordable units in this jurisdiction.

8. Chapter 21: Project Based Housing Choice Voucher Program, page 21-14 to 21-18

G. ESTABLISHING PREFERENCES AND MAINTAINING THE WAIT LIST/TENANT SELECTION

Types Of Wait Lists

The PHA will establish separate wait lists for:

1) Tenant-Based Vouchers

Tenant-based assistance is attached to the family allowing the participant to relocate from one unit or PHA to another. Preferences are found in Chapter 4 of ~~the this~~ Administrative Plan.

2) Project-Based Vouchers

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving the owner notice, the PHA will make every reasonable effort to promptly refer a sufficient number of families to the owner in order to fill such vacancies. Vacant units will be filled by families on the current ~~Project-BasedPBV~~ wait list, in order of preference, and then by date and time the pre-application was received where preferences are the same.

The PHA may choose to use an existing list to serve another site using the same preferences or it may choose to create a new site-based wait as the need arises. The PHA may also receive

referrals from homeless service providers to be added to the wait list, whether the wait list is open or closed, in order to house homeless families.

Wait lists may be site-based or the waitlists for different sites may be consolidated if the preferences and/or eligible population are the same. Information about which wait lists serve which sites, and how to access different sites with project-based vouchers, will be posted online at www.sacwaitlist.com.

Applicants who will occupy PBV units must be selected by the PHA from a wait list that is maintained by the PHA. They may either apply when the wait list is open or they will be referred to the wait list by an agency serving homeless families.

When a site-based PBV wait list has been exhausted, the PHA will fill vacant units with families referred to the wait list by the site's owner/manager.

Funding-Based Preferences

The following funding-based preferences will apply to all sites with project based vouchers, unless there are other restrictions in place that affect who can live at the site. Additionally, each site has local preferences that apply specifically to that site.

- 1) Displaced by government action preference for families who have been terminated from housing as a result of insufficient funding. These families will be added to the HCV Program wait list even if the wait list is closed and will be given 30 preference points. Displaced families must submit any changes to their address in writing to ensure they receive notices from the PHA. When funding is available, these families will be selected from the wait list first. Families will be selected to be re-admitted to the HCV Program based on their original admission date. Families with the earliest admission dates will be the first to be re-admitted. The PHA will verify income eligibility and conduct a criminal background check for all adult household members, but will not re-verify preferences for families who have been displaced due to insufficient funding. (30 points)
- 2) Canceled voucher preference for applicant families whose vouchers were recalled due to insufficient funding. These families will be returned to the wait list and will be awarded preference points based on their status. Families must submit any address changes to their address— to the PHA in writing to ensure they receive notices from the PHA. When funding becomes available the PHA will select families based on the effective date of their original voucher. Families with the earliest voucher effective date will be the first to be selected.— The PHA will re-verify eligibility and background checks only—not preferences. (29 points)

Sites with Public Wait Lists

- 1) Units for Elderly Families
 - Washington Plaza,
 - Sutterview, and
 - Sierra Vista.

The PHA currently maintains one wait list for project-based vouchers for sites serving elderly-only residents.- This wait list may be used to serve additional sites serving the same population or the PHA may choose to separate wait lists to serve a specific site. This wait list will be subject to the following weighted preferences:

Local Preferences

- Family who is eligible to be a qualified family and residing in unit at the time of conversion to project-based voucher will be given an absolute preference;
- Elderly only (16 points)
- For elderly only housing, near elderly (aged 50-61 years of age) (8 points)
- Sacramento County Residency (4 points)
- Veteran (2 points);
- Rent burden and/or homeless (1 point)

(See "Definition of Preferences" for more detail.)

2) Phoenix Park

The Housing Authority may maintain one wait list for project-based vouchers where supportive services are not provided or the PHA may choose to maintain separate wait lists for different sites. Currently, this wait list serves this site only, but the Housing Authority may choose to use this list for other sites using the same preferences or choose to create a new site-based wait as necessary. This wait list will be subject to the following local preferences:

Local Preferences

- Family who is eligible to be a qualified family and residing in unit at the time of conversion to project-based voucher will be given an absolute preference;
- Sacramento County Residency (5 points);
- Veteran (3 points);
- Disability (2 points); and
- Rent burden and/or homeless (1 point).

(See "Definition of Preferences" for more detail.)

3) Saybrook Apartments / Serna Village

The Housing Authority may maintain one wait list for project-based vouchers where supportive services are provided or the PHA may choose to maintain separate wait lists for different sites. Currently, this wait list serves Saybrook Apartments and Serna Village, however the PHA may choose to use this list for additional sites using the same preferences or choose to separate this list to create new separate site-based wait lists to serve a specific site. This wait list will continue to exist until all the families are pulled.

NOTE: Saybrook will also receive referrals from the Continuum of Care as described in a later section.

The wait list will be organized based on the following local preferences:

Local Preferences

- Family who is eligible to be a qualified family and based on supportive services and who is residing in unit at the time of conversion to project-based voucher property will be given an absolute preference;
- Homeless (5 points);
- Have a disabled family member (5 points).
- Sacramento County Residency (3 points);
- Veteran (1 point).

Sites with Wait Lists Filled Via Referrals

Sites serving homeless families with services

- 7th & H,
- Martin Luther King Village,
- Shasta Hotel,
- Victory Townhomes,
- Courtyard Inn

The PHA has issued, and expects to periodically issue Requests for Proposals (RFPs) for project-based vouchers to serve homeless families where services are provided at or in close proximity to the site to support the families in their efforts to find stable housing/become stably housed. Because homeless families/individuals are not easily served with a wait list, the site awarded PBV for this purpose can request that families filling vacant units come via referral from a partnering service agency. Wait lists for these properties are not open to the public but are open to receiving referrals from partnering service agencies, as shown at www.sacwaitlist.com.

When considering the utilization of this methodology to fill vacant units, the PBV Site Owner/Developer will submit to the PHA:

- A. A letter on letterhead
 1. requesting to fill vacant units via referrals from the service provider to the wait list;
 2. committing to notify the PHA when/if there is a new service provider;
- B. A copy of the contract between the service provider and the site owner/developer;
- C. A certification from the service provider that they will not deny services to member of any federally protected class under fair housing laws; (e.g. i.e., race, color, religion, national origin, sex, disability, or familial status).
- D. Signed copy of SHRA's Personally Identifiable Information (PII) document.

The wait list will be open for these sites to receive referrals of homeless individuals/families from the service providers to the wait lists only.

Local Preferences:

- Referred by Service Provider (100 points)

For families with the same preferences, families will be pulled from the wait list based on date and time of the pre-application.

Sites Without Wait Lists (VASH)

The PHA will establish wait lists to fill vacancies in sites receiving project-based vouchers, EXCEPT for project-based VASH (Veteran Affairs Supportive Housing) (VASH) Vouchers. Per HUD and VASH guidelines, the Department of Veteran's Affairs will provide referrals for families to VASH PBV project sites. The owner or property management company for the PBV complex must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving the owner's notice, the PHA will make every reasonable effort to promptly refer a sufficient number of families to the owner in order to fill such vacancies.

Sites Serving Homeless Families in Partnership with the Continuum of Care (Saybrook)

Coordinated entry, managed by Sacramento Steps Forward, will annually refer families to fill up to 15 vacancies at Saybrook Apartments. (PIH Notice 2013-15) The remainder of the vacant units will be filled from the site-based wait list managed by the PHA.

Local Preferences:

- Referred by Coordinated Entry (100 points)

This section was re-written to add more detail about each site utilizing project based vouchers.

Additionally, the PHA is changing its process to serve homeless families from using a public wait list to serve homeless families to taking referrals from agencies serving homeless families and working in partnership with Coordinated Entry for Saybrook (which receives Continuum of Care funds). It is believed that this will be a more effective and efficient process to serve families currently experiencing homelessness and is consistent with PIH Notice 2013-15.

9. Chapter 23: Performance Partnership Pilots Program (P3) for Disconnected Youth (~~P3~~), page 23-1

FAMILY ELIGIBILITY AND SELECTION

The PHA will receive referrals from an approved third party provider(s). Written documentation of these referrals must be maintained in the tenant file at the PHA.

Local Preferences:

- Referred by Service Provider (100 points)

Referrals will be added to the wait list with sufficient preference points to come to the top. They will be immediately pulled from the wait list until 100 youth are housed.

10. Chapter 23: Performance Partnership Pilots for Disconnected Youth (P3), page 23-1

MASTER LEASING

Master leasing is an option that exists within the P3 program.

The PHA may procure a third party to manage the rental of several rental units, either at one site or at scattered sites. An owner/developer with project based vouchers may also choose to master lease some or all of the units at the site. The role of the master leasing agency is to:

- Issue leases with tenants
- Collect rent monthly
- Maintain and operate the property on behalf of the owner and/or property manager;
- Ensure that vacant units are leased timely by referring families/individuals to the wait list in sufficient number to cover vacancies for 6 months
- Work with the PHA to ensure eligibility of families referred for housing
- Screen and select tenants
- Provide intervention and supportive services to residents to meet their needs

There will be a contract between the master leasing organization and the property owner and an additional contract between the master leasing organization and the Housing Authority.

The P3 grant allows for master leasing but the regulations governing the HCV program do not include any language allowing for this option. The language above was added to allow for this option to provide housing for homeless youth.

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

June 6, 2018

2018 MID-YEAR REVISION TO THE PUBLIC HOUSING AGENCY ANNUAL PLAN FOR THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO

WHEREAS, the 2013-2019 Consolidated Plan is a planning document that identifies overall housing and community development needs in the City and County of Sacramento, and outlines a strategy to address those needs.

WHEREAS, the proposed 2018 Mid-year Revision to the Public Housing Agency (PHA) Plan is consistent with the 2013-2019 Consolidated Plan, which was approved by County of Sacramento.

WHEREAS, beginning with the 2001 fiscal year budget and associated resolutions and reauthorized each subsequent year in the resolutions approving the Housing Authority of the County of Sacramento budgets, the Sacramento Housing and Redevelopment Agency (SHRA) and its Executive Director, or her designee, are delegated authority by the governing boards of the Housing Authority to conduct a public hearing on behalf of the Housing Authority to discuss the Public Housing Agency Annual Plan (PHA Plan) as applicable and invite public comment on the plan.

WHEREAS, the proposed PHA Plan changes were presented to the Resident Committees and the Resident Advisory Board (RAB), and made available to the public on April 16, 2018.

WHEREAS, a public hearing, duly noticed for more than a 45-day period, was held on May 16, 2018 on the 2018 Mid-year Revision to the PHA Annual Plan on behalf of the Housing Authority and comments received were considered by the Sacramento Housing and Redevelopment Commission (Commission).

WHEREAS, the recommended actions are administrative in nature and therefore are not considered a project subject to provisions of CEQA per 14 California Code of Regulations (CCR) §15378(b), and are determined to be exempt from NEPA per 24 Code of Federal Regulations (CFR) §58.34(a)(1) and (3).

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

Section 1. After due consideration of the facts presented in the recitals above, the staff report and at the public hearing, the findings, including the environmental findings regarding this action, are found to be true and correct and are hereby adopted.

Section 2. The Public Housing 2018 Mid-year Revised Agency Annual Plan, consisting of the Administrative Plan for the Housing Choice Voucher program for the Housing Authority of the County of Sacramento only, is hereby approved.

Section 3. The Executive Director or her designee is authorized to make non-substantive changes to the Plan based on any additional public comments received.

Section 4. The Executive Director or her designee is authorized to make changes to the PHA Plan as directed by the Department of Housing and Urban Development (HUD) or as required to comply with the Quality Housing and Work Responsibility Act of 1998.

Section 5. The Public Housing Agency certifies that the Plan is consistent with the Consolidated Plan per 24 CFR §§ 903.5 and 903.15.

Section 6. The Executive Director or her designee is authorized to execute and submit all required documents for the submission and certification of compliance of the 2018 Mid-year Revised PHA Annual Plan to HUD or to comply with the Quality Housing and Work Responsibility Act of 1998.

CHAIR

ATTEST:

CLERK



May 11, 2018

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Amended Funding Commitments for the Shasta Hotel

SUMMARY

The attached report is presented for your review prior to review and approval by the City of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendation outlined in the attached report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



May 11, 2018

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Twin Rivers Transit Oriented Development and Light Rail Project: Approve Submittal of a Section 108 Loan Application for Financing Infrastructure Construction, Amendment of the 2013-2019 Consolidated Plan and 2018 One-Year Action Plan, Submittal of a California Climate Investments Urban Green Program Grant Application, and Amendment of the Choice Neighborhoods Implementation Grant Budget to Include Funds for Predevelopment

SUMMARY

The attached report is presented for your review prior to review and approval by the City of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendation outlined in the attached report.

Respectfully submitted,


LASHELLE DOZIER
Executive Director

Attachment



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

**Staff Report
May 29, 2018**

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

Title: Twin Rivers Transit Oriented Development and Light Rail Project: Approve Submittal of a Section 108 Loan Application for Financing Infrastructure Construction, Amendment of the 2013-2019 Consolidated Plan and 2018 One-Year Action Plan, Submittal of a California Climate Investments Urban Green Program Grant Application, and Amendment of the Choice Neighborhoods Implementation Grant Budget to Include Funds for Predevelopment

Location/Council District: 321 Eliza Street, Council District 3

Recommendation: Adopt 1) **Housing Authority Resolution** that a) authorizes the Housing Authority of the City of Sacramento (HACS) to apply for a U.S. Department of Housing and Urban Development (HUD) Section 108 loan to fund infrastructure improvements required for the Twin Rivers Transit Oriented Development and Light Rail Station project (Project), b) authorizes HACS to enter into and execute any and all documents as may be required by HUD to close the Section 108 loan and ensure proper repayment, c) authorizes the Executive Director, or designee, to amend the HACS budget to allocate Section 108 Loan proceeds and \$2,340,000 in 2002 Tax Exempt Low and Moderate Income Housing Bond Funds previously allocated to the Project to fund infrastructure improvements for the Project, d) finds that the Low and Moderate Income Housing Bond Funds are being used for the purpose of increasing, improving, and preserving the community's supply of low- and moderate fun-income housing, and e) approves the use of 149 HACS-owned properties as collateral for the Section 108 Loan; 2) **City Council Resolution** which a) approves the 2013-2019 Consolidated Plan Substantial Amendment, b) amends the 2018 One Year Action Plan, c) authorizes SHRA to submit the 2013-2019 Consolidated Plan Substantial Amendment and the 2018 One-Year Action Plan to HUD, d) approves the use of five parcels of land commonly known as the 12th Street Triangle owned by Sacramento Housing and Redevelopment Agency (SHRA) as collateral for the Section 108 loan, e) authorizes SHRA to amend its budget, f) authorizes SHRA to submit an Urban Greening Grant application in the amount of \$4,490,000, g) approves as co-grantee an amendment to the Choice Neighborhoods Implementation (CNI) grant budget to allocate up to \$1,907,000 of the previously allocated \$7,000,000 of CNI Phase 1 Housing funds for Phase 1 Housing Predevelopment and up to \$3,818,000 of remaining CNI Housing funds for Phase 2 Housing Predevelopment.

Contact: Tyrone Roderick Williams, Director of Development, 916-440-1316
Susan Veazey, Assistant Director of Development, 914-440-1311

Presenters: Bern Wikhammer, Program Manager

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: The Twin Rivers housing development is located in the City of Sacramento but is owned by the Housing Authority of the County (HACOS). It consists of 218 public housing units and has existed as an isolated and disconnected community, cut off from the surrounding area by railroad tracks, levees, and rivers, with limited connections via rail, road, or other means of transit to other parts of the community. Constructed primarily between 1942 and 1946, many of the systems and infrastructure at Twin Rivers have reached the end of their useful lives.

In 2015, HACOS and the City of Sacramento as co-grantee were awarded a \$30 million Choice Neighborhoods Implementation Grant (Grant) for the Twin Rivers Transit Oriented Development and Light Rail Station Project (Project). This Grant supports the implementation of a new housing program and master plan for Twin Rivers which includes one-for-one replacement of all 218 Twin Rivers public housing units within a newly constructed, mixed-income community. When complete, the Project will include approximately 487 mixed income rental housing units with supporting amenities, a new public park, and a new light rail station.

The actions necessary to implement the Project include establishing ongoing resident services, relocation of existing residents, demolition of all existing buildings and existing infrastructure, construction of new infrastructure, construction of a multi-use community park, and construction of new rental housing units with all related amenities. The proposed housing units will offer a diverse range of housing types with replacement housing units for public housing residents being indistinguishable from and intermixed with affordable and market rate units. The new housing will feature energy-efficient design and accessibility for people of all abilities, and will give residents an unprecedented opportunity to re-engage not only with the local neighborhood but with other parts of the City and region.

This report recommends approval for HACS to submit a \$16.49 million Section 108 Loan application to HUD to assist with financing of the estimated \$21.7 million in infrastructure improvements needed to complete the Twin Rivers Transit Oriented Development and Light Rail Station Project. These improvements include, but are not limited to, streets, curbs, gutters, sidewalks, utilities, sewer and water improvements. The infrastructure scope of work also includes demolition of existing streets, walkways and existing utilities, as well as construction of a new community garden and a new public park. This report also recommends approval of a grant application for \$4.49 million to the California Climate Investments Urban Greening Grant Program (UGG). The UGG application includes a request of \$3.3 million in funding for a new public park and related storm water detention system, with the balance to be used for bicycle and

pedestrian improvements for North 12th Street and a tree planting program for the River District, Alkali Flat, and Mansion Flats neighborhoods.

The infrastructure work will occur in two over-lapping phases and is necessary prior to beginning construction of the residential component of the Project. The first phase of work will demolish approximately 66 percent of the existing public improvements and construct three new streets (B Street, C Street and W Street). It also includes the infrastructure necessary to support the first two phases of onsite residential development (255 new housing units with related amenities and community spaces encompassing three blocks). This first phase of infrastructure is anticipated to begin as early as September of 2018 and take approximately 10 months to complete. The second phase of infrastructure includes demolition of the remaining 34 percent of existing infrastructure and constructing the remainder of C Street and W Street at the southern Project boundary. The second phase is needed to support the remaining two blocks of new onsite housing (150 units) and is anticipated to begin prior to completion of the first phase of infrastructure, as early as April of 2019 and will take approximately five months to complete.

Offsite infrastructure required to support the Project includes widening Dos Rios Street adjacent to the project frontage to provide a striped center turn lane, on-street parking, and future Class II bike lanes. Existing Richards Boulevard street improvements adjacent to the project frontage will also be made with a new public bus pull out, as well as new curb, gutter and sidewalk improvements.

Onsite (within the existing project boundary) infrastructure includes constructing three new streets. Street improvements will include curbs, gutters, sidewalks, driveways, landscaping, on-street parking, and traffic lanes. Streets C and W will also include dedicated bike lanes. Street W will include a center turn lane. An emergency vehicle access road will be constructed between Street W and Richards Boulevard. Street lights will be installed throughout the project area. All new utilities will be installed under roads to provide the necessary capacity for the planned project. These utility improvements will include public water main, storm drains and sanitary sewer improvements. A portion of the existing combined storm-sewer public main line within the Project will be increased from a 10" public main line to a 15" public mainline. An underground storm drain detention system will be installed within the public park to mitigate for increased storm drain flows directed to the separated storm drain system. Storm water quality for storm drain runoff from within the public right of way will be treated through the use of storm water planters.

In December 2017, the City of Sacramento, as co-grantee, approved the Master Development Agreement (MDA) for the Project between HACOS and McCormack Baron Salazar, Inc. (MBS), as the Master Developer. The MDA sets forth the terms, conditions, and operational framework required for implementation of Project activities and defines the roles and responsibilities of both parties. Initial HACOS responsibilities include but are not limited to demolition and abatement of the existing buildings, as well as providing funding for all infrastructure work previously described above. Per the MDA, HACOS will enter into an administrative services contract with MBS for MBS to manage the infrastructure construction contract on its behalf.

MBS has extensive experience with coordinating both the housing and the public improvements (infrastructure) portion of new affordable housing construction projects and has successfully developed more than 155 projects over the past 40 years. MBS has successfully managed infrastructure projects ranging in size from \$1.5 million to \$35 million both in California and nationally. MBS selected Nibbi Construction (Nibbi) to be General Contractor (GC) on the Project. Nibbi has been in operation since 1950 and has over 150 full time employees. Nibbi has extensive experience in new multifamily, mixed use commercial, and education/public facilities construction ranging from \$500,000 to \$150 million in project sizes. Many of Nibbi's projects have included extensive infrastructure components covering from 5 – 25 acres of new public improvements. Both MBS and Nibbi have direct, comprehensive experience in managing and completing infrastructure projects on time and within budget.

SHRA and the Developer have worked jointly to identify funds for the estimated \$21.7 million in infrastructure work needed for the Project. Typical infrastructure financing programs that require repayment from property assessments were not deemed feasible for the Project as a majority of the units will be designated as low-income housing and will not generate sufficient cash flow to pay the related assessments. Applications for financial resources appropriate for the project have been submitted as follows:

- December of 2017 - SHRA submitted a competitive Transformative Climate Communities (TCC) Program application for \$28 million. The TCC application was primarily for housing and light rail track realignment but included \$3 million for infrastructure work. In January of 2018 SHRA was notified that the Project was not awarded the TCC grant.
- January of 2018 - SHRA and MBS, as co-applicants, submitted a competitive Affordable Housing and Sustainable Communities (AHSC) application for \$20 million which included \$2 million allocation for infrastructure. In March, SHRA received notice that the application was accepted for further review. Notifications of successful applications are anticipated by May with awards made in June.
- January of 2018 - SHRA and MBS, as co-applicants, submitted a competitive Infill Infrastructure Grant Program (formerly Prop 1C) application for \$4.1 million for infrastructure. In April of 2018 SHRA received notification that the project was not awarded Infill Infrastructure Grant funds.
- In April of 2018 SHRA and MBS, in partnership with the City of Sacramento and the Sacramento Tree Foundation, applied for a competitive \$4,498,572 million Urban Greening Grant (UGG) from the State. The UGG funds projects that reduce greenhouse gases by sequestering carbon, decreasing energy consumption and reducing vehicle miles traveled, while also transforming the built environment into places that are more sustainable, enjoyable, and effective in creating healthy and vibrant communities. These projects will establish and enhance parks and open space, using natural solutions to improving air and water quality and reducing energy consumption, and creating more walkable and bike-able trails. The application was submitted by the April 11, 2018 deadline. UGG program guidelines allow the approving resolution to be submitted during the application review process due to the limited amount of time that was given between the January Notice of Funding Availability, training scheduled through March, and the application deadline. Notifications to successful applicants are anticipated in June of 2018.

SHRA and MBS intend to continue to identify resources for financing the necessary infrastructure work for the Project. Given that SHRA has been unsuccessful to date in obtaining additional funds for the project through competitive grant applications, the HUD Section 108 loan program was identified as a source of infrastructure financing for the Project. This report recommends submittal of an application to HUD for Section 108 loan funds in the amount of \$16,490,000. Pursuant to HUD regulations, the Section 108 loan is an obligation against the City's annual CDBG entitlement. In addition to the pledge of the CDBG entitlement, the Section 108 program requires that loans be adequately collateralized with real property. HUD will place a first lien on HACS- and SHRA-owned properties for the term of the loan in accordance with the Section 108 loan requirements. SHRA will use a portion of annual City CDBG allocations to repay the annual principal and interest payments during the 20-year term of the loan. Please see Financial Considerations on page 7 for additional detail.

2013-2019 Consolidated Plan Substantial Amendment

The 2013-2019 Consolidated Plan is amended as follows:

- SP-05 Strategic Plan Overview section is amended to add Section 108 application for the Twin Rivers Transit Oriented Development and Light Rail Station Project – Infrastructure Construction.
- SP-35 Anticipated Resources section is amended to add the Section 108 loan of \$16.4 million as a resource for the Twin Rivers Transit Oriented Development and Light Rail Station Project – Infrastructure Construction.

CNI Grant Budget Amendment

This report also requests approval from the City of Sacramento as co-grantee to amend the CNI grant budget to allocate up to \$1,907,000 of the \$7,000,000 previously allocated to Phase 1 of the Housing portion of the Project to Phase 1 Housing Predevelopment costs instead. Staff is also requesting approval to amend the CNI grant budget to allocate up to \$3,818,000 of the remaining \$11,038,000 in CNI Housing Funds to Phase 2 Housing Predevelopment. To date \$3,000,000 has been expended by MBS as master developer on housing-related predevelopment expenses for the first two phases of housing (includes 255 housing units, community amenities and offices in three separate City blocks). It is estimated that up to an additional \$5,725,000 in predevelopment funds will be needed to close on the financing for these three blocks of housing so that new housing construction can commence. HUD has conceptually approved these CNI budget amendments and will formally approve the request upon approval of the CNI grantees.

Policy Considerations: The recommended actions are consistent with a) the SHRA's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, Priority 1 - Preservation (Resolution No. 2009-148); b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to

promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282); e) the 2007 Asset Repositioning Strategy of the City and County Housing Authorities; f) the 2013-2019 Consolidated Plan; and g) the River District Specific Plan adopted February 15, 2011.

Economic Impacts: The infrastructure construction needed to support this multifamily residential project is expected to create 74 total jobs (43 direct jobs and 31 jobs through indirect and induced activities) and create \$11.5 million in total economic output (\$7.2 million of direct output and another \$4.3 million of output through indirect and induced activities). *The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.*

Environmental Considerations: California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA):

A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Twin Rivers Transit-Oriented Development Project pursuant to CEQA requirements under Title 14, §15070 of the California Code of Regulations (CCR), and NEPA requirements under Title 24, Code of Federal Regulations (CFR) Part 58.36. The SHRC approved the final environmental document on behalf of SHRA at its meeting on July 19th. Along with site entitlements, the Planning and Design Commission for the City of Sacramento made findings pursuant to CEQA and adopted the Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) on July 27, 2017, and subsequently issued a Notice of Determination (NOD) pursuant to CEQA and a Finding of No Significant Impact (FONSI) pursuant to NEPA. On August 22, 2017, the County Board of Supervisors adopted the MND and associated MMRP and approved the Project. On August 24th, SHRA issued the NOD for the Project pursuant to CEQA. All activities related to the infrastructure improvements for the Twin Rivers Transit-Oriented Development Project are covered by this environmental review. No further environmental review is required for the proposed actions.

Submitting an application for the Urban Greening Grant is not considered a project under CEQA pursuant to CEQA Guidelines § 15378 and is exempt under NEPA per 24 Code of Federal Regulations (CFR) 58.34(a)(2) and (3). Prior to committing grant funds, the proposed projects will require additional environmental review and approval.

The park improvements are covered under the environmental document for the Twin Rivers Transit-Oriented Development and Light Rail Station Project that was approved and adopted in 2017. Environmental review for the pedestrian and bike path improvements will be covered under the environmental review for the North 12th Street Streetscape Improvements Project, which is nearing completion. The tree planting program will require additional environmental review, but may be entirely or partially

covered under the environmental documents for the Twin Rivers Transit-Oriented Development and Light Rail Station Project or the North 12th Street Streetscape Improvements Project.

Sustainability Considerations: The Project has been reviewed for consistency with the goals, policies, and targets of the 2035 General Plan. The Project will advance the following goals, policies, and targets that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions, in part, from 2035 General Plan: Housing Element – Strategies and Policies for Conserving Energy Resources – Climate Action Plan, subsection 7.2: The Sacramento Climate Action Plan (CAP) outlines measures to improve energy efficiency in existing buildings.

Commission Action: At its meeting of May 16, 2018, the Sacramento Housing and Redevelopment Commission (Commission) adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES:

NOES:

ABSENT:

Rationale for Recommendation: The actions recommended in this report will enable SHRA to continue to fulfill its mission to provide a range of affordable housing opportunities in the City and are consistent with the SHRA's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, the City of Sacramento's 2013-2021 Housing Element, Promise Zone plans and goals, the Downtown Housing Initiative, and Initiation of the Downtown Specific Plan. These actions will also allow for implementation of the Twin Rivers project, as envisioned in the Twin Rivers Neighborhood Transformation Plan.

Financial Considerations: The \$21.7 million infrastructure budget, related scope of work, and initial plan set as submitted by the Developer have also been reviewed by SHRA Construction Management Staff and a third party professional estimator. The budgeted amount appears reasonable in consideration of the proposed scope of work. The maximum amount that can be borrowed under the HUD Section 108 loan program is published by HUD each year in January. The amount is based on 500% of the annual entitlement for the prior year less payments on any outstanding Section 108 loans. The maximum borrowing capacity under the program based on FY 2017 allocations is \$16.49 million as the maximum amount available to borrow for the Project. It is important to note that should other sources of infrastructure financing be obtained, the amount of funds actually borrowed under the Section 108 loan program will be reduced with corresponding reductions to the amount of the required annual payments.

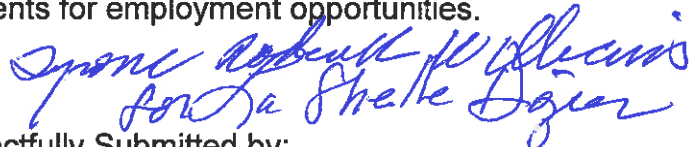
The Section 108 loan offers up to a 20-year term and advantageous interest rates. The initial rate for the construction loan is established at closing and is tied to LIBOR plus 20 basis points (equal to 2.56% as of April 30th) which adjusts quarterly during the term of construction. Upon conversion to a permanent loan, the interest rate is then pegged to 10-year Treasury yields plus 65 basis point spread. As an example, the 10-year

Treasury yield is currently 2.94% plus the spread results in a 3.6% interest rate that is fixed for the 20-year term. The rate is reviewed at year 10 and the borrower has the option to refinance its Section 108 loan with another Treasury issuance if the 10-year Treasury rate is lower at that time.

Payments on the loan are required annually from Community Development Block Grant (CDBG) funds through an offsetting reduction in the CDBG annual allocation. Annual allocations of CDBG funds may vary with changes in Federal budgets but have been \$4.4 million in the City for the past two years and \$4.9 million in 2018.

Repayment schedules can be structured to accommodate the needs of each individual borrower, including varying payment amounts if needed. The recommended repayment schedule is attached (Attachment 4 – Interest and Payment Example). As the principal balance is paid down the amount of interest due each year also declines over time. The actual impact of these annual payments against future allocations of CDBG is lessened by the full repayment of existing Section 108 loans in 2019 and 2021. As a result, these funds that would have otherwise been used for payment on the existing loans can then be applied to the new loan. These amounts plus the anticipated increases in future CDBG allocations (e.g., \$500,000 increase in the 2018 allocation) will substantially cover the majority of the payment required for the \$16.49 million Section 108 loan needed to finance infrastructure construction at the Project.

LBE - M/WBE and Section 3 requirements: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. The Developer will be required to comply with SHRA's Section 3 hiring requirements for employment opportunities.



Respectfully Submitted by: _____

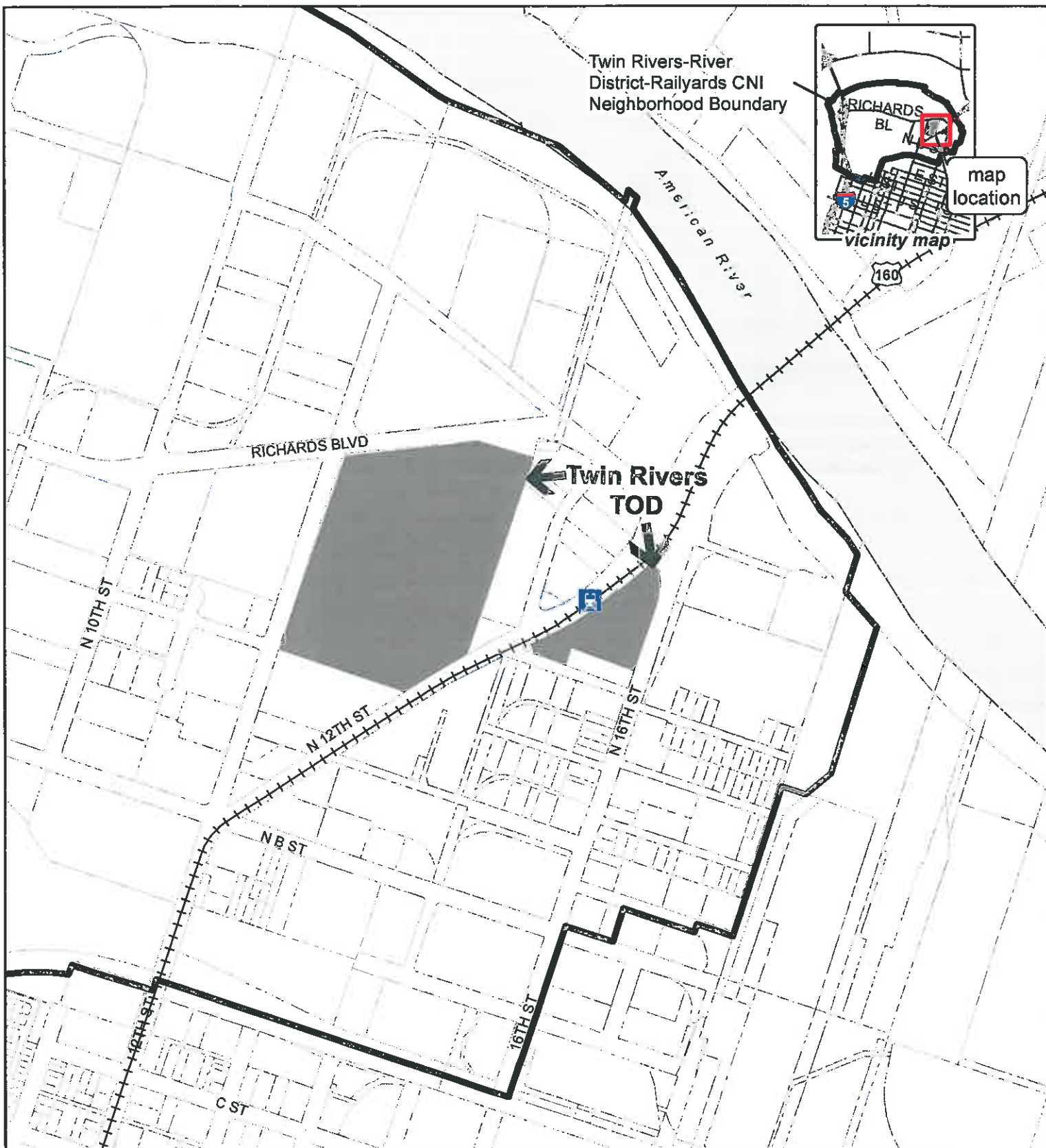
LA SHELLE DOZIER
Executive Director

Attachments

- 01 Description/Analysis
- 02 Vicinity Map
- 03 Site Plan
- 04 Section 108 Interest and Payment Table
- 05 Housing Authority Resolution – Authority to Apply for Section 108 Loan
Exhibit A – List of HACS Properties for Collateral
- 06 City Council Resolution - Authority to Apply for Section 108 Loan and
Consolidated Plan and 2018 Action Plan Amendment
Exhibit A – List of SHRA Properties for Collateral
- 07 City Council Resolution - Authority to Apply for the Urban Greening Grant



Twin Rivers - River District - Railyards Transit Oriented Development Choice Neighborhoods Initiative



- Twin Rivers TOD
- Proposed Light Rail Stop
- Light Rail Track
- River



SHRA GIS
June 14, 2017

UNIT COUNT BY TYPE

Block	Area (Acres)	1BR	2BR	3BR (Incl. TH)	4BR	5BR	Total	DU/Acre	Parking
A	2.92	39	48	19	1		107	36.6	77
B	1.66	24	31	10	1		66	39.8	50
C	2.75	49	19	8	6		82	29.8	64
D	3.25	28	38	14	4	1	85	26.2	82
E	1.15	18	30	10	6	1	65	56.5	47
F	2.68	27	43	12			82	30.6	100
Total	14.41	185	209	73	18	2	487	33.8	420



Twin Rivers Transit-Oriented Development and Light Rail Station Project - 140202
Figure 2-4
 Conceptual Site Plan

**Twin Rivers Infrastructure Loan
Proposed Section 108 Loan Repayment Schedule**

ATT 4

\$ 16,490,000	Loan Amount
3.60%	Perm Loan Interest Rate
2.56%	Const Loan Rate

Year	Interest ⁽¹⁾	Principal	Current Section 108 Payments ⁽²⁾	Additional Payments	Loan Balance
2019	\$ 211,072	\$ -	\$ -	\$ 211,072	\$ 16,490,000
2020	\$ 593,640	\$ 306,360	\$ -	\$ 900,000	\$ 16,183,640
2021	\$ 582,611	\$ 317,389	\$ 155,000	\$ 900,000	\$ 15,711,251
2022	\$ 571,185	\$ 228,815	\$ 455,000	\$ 800,000	\$ 15,027,436
2023	\$ 540,988	\$ 259,012	\$ 455,000	\$ 800,000	\$ 14,313,424
2024	\$ 515,283	\$ 184,717	\$ 455,000	\$ 700,000	\$ 13,673,707
2025	\$ 492,253	\$ 207,747	\$ 455,000	\$ 700,000	\$ 13,010,960
2026	\$ 468,395	\$ 231,605	\$ 455,000	\$ 700,000	\$ 12,324,355
2027	\$ 443,677	\$ 256,323	\$ 455,000	\$ 700,000	\$ 11,613,032
2028	\$ 418,069	\$ 281,931	\$ 455,000	\$ 700,000	\$ 10,876,101
2029	\$ 391,540	\$ 308,460	\$ 455,000	\$ 700,000	\$ 10,112,641
2030	\$ 364,055	\$ 335,945	\$ 455,000	\$ 700,000	\$ 9,321,696
2031	\$ 335,581	\$ 364,419	\$ 455,000	\$ 700,000	\$ 8,502,277
2032	\$ 306,082	\$ 393,918	\$ 455,000	\$ 700,000	\$ 7,653,359
2033	\$ 275,521	\$ 424,479	\$ 455,000	\$ 700,000	\$ 6,773,879
2034	\$ 243,860	\$ 456,140	\$ 455,000	\$ 700,000	\$ 5,862,739
2034	\$ 211,059	\$ 488,941	\$ 455,000	\$ 700,000	\$ 4,918,798
2036	\$ 177,077	\$ 522,923	\$ 455,000	\$ 700,000	\$ 3,940,874
2037	\$ 141,871	\$ 558,129	\$ 455,000	\$ 700,000	\$ 2,927,746
2038	\$ 105,399	\$ 594,601	\$ 455,000	\$ 700,000	\$ 1,878,145
2039	\$ 67,613	\$ 632,387	\$ 455,000	\$ 700,000	\$ 790,758
2040	\$ 28,467	\$ 671,533	\$ 119,225	\$ 700,000	\$ 0
Total:	\$ 7,274,225	\$ 8,025,775	\$ 8,464,225	\$ 15,300,000	

⁽¹⁾ Permanent Loan Rate is based on the 10-year treasury yield.

⁽²⁾ Current Section 108 Loan Payments are funds that will be available from existing Del Paso Nuevo Section 108 loans that will be repaid in 2021 and 2022.

RESOLUTION NO. 2018 -

Adopted by the Housing Authority of the City of Sacramento

AUTHORIZATION TO APPLY FOR A U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) SECTION 108 LOAN TO FINANCE CONSTRUCTION OF THE TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL STATION INFRASTRUCTURE PROJECT; AUTHORIZATION TO EXECUTE ALL DOCUMENTS REQUIRED FOR APPROVAL OF THE SECTION 108 LOAN; AMEND THE BUDGET OF THE HOUSING AUTHORITY TO ALLOCATE SECTION 108 LOAN PROCEEDS AND PREVIOUSLY ALLOCATED TAX EXEMPT BOND FUNDS FOR THE PROJECT; APPROVAL TO USE HOUSING AUTHORITY OWNED PROPERTY AS COLLATERAL FOR THE PURPOSES OF THE SECTION 108 LOAN APPLICATION; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. On October 16, 2012, the Housing Authority of the County of Sacramento (HACOS) authorized the selection of McCormack Baron Salazar as the Master Developer (MBS), after a competitive selection process, to serve as Housing Lead to assist in planning and implementation of the Housing Plan for the Twin Rivers – River District/Railyards Choice Neighborhoods Initiative.
- B. On January 27, 2015 the Housing Authority of the City of Sacramento was authorized to amend its budget to allocate \$2,340,000 in 2002 Tax Exempt Low and Moderate Income Housing Bond Funds and \$1,292,000 in proceeds from the sale of 320 Commerce Circle to the 2014 to the Twin Rivers Transit Oriented Development and Light Rail Station Initiative.
- C. On September 28, 2015, the U.S. Department of Housing and Urban Development (HUD) awarded HACOS as Lead Applicant and the City of Sacramento as Co-Applicant a \$30 million Choice Neighborhoods Initiative (CNI) Implementation Grant to implement the Twin Rivers-River District-Railyards Neighborhood Transformation Plan with MBS as Housing Lead.
- D. On December 15, 2015, HACOS and the City of Sacramento executed the FYs 2014-2015 CNI Implementation Grant Agreement with HUD for the CNI Implementation Grant.
- E. A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Twin Rivers Transit-Oriented Development Project pursuant to California Environmental Quality Act (CEQA) requirements under Title 14, §15070 of the California Code of Regulations (CCR), and National Environmental Policy Act (NEPA) requirements under Title 24, Code of Federal Regulations (CFR) Part 58.36.

- F. On July 27, 2017, along with site entitlements the City Planning and Design Commission made findings pursuant to CEQA and adopted the Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program.
- G. A Finding of No Significant Impact (FONSI) pursuant to NEPA and a Notice of Determination (NOD) pursuant to CEQA have been filed for the project; no further environmental review is required for the proposed actions.
- H. Since 1982 the Sacramento Housing and Redevelopment Agency (SHRA) has served on behalf of the City as the public entity designated to efficiently administer the Community Development Block Grant (CDBG) funds originating from HUD.
- I. The 2013-2017 Consolidated Plan was approved by City Council Resolution No. 2013-0010 and extended to 2019 by City Council Resolution 2016-0370; the proposed project is consistent with the goals of the Consolidated Plan.
- J. On January 8, 2013 the Housing Authority of the City of Sacramento, staffed by SHRA, was designated as the entity authorized to administer the Action Plans for funding and the federal grant draw function on behalf of the City of Sacramento by Housing Authority of the City of Sacramento Resolution 2013-0001.
- K. In order to fund and implement the necessary Twin Rivers Transit Oriented Development and Light Rail Infrastructure Project (Project), the Housing Authority of the City of Sacramento must submit a Section 108 loan application to HUD.
- L. Section 108 of the Housing and Community Development Act of 1974 provides for a 20-year loan guarantee component of the Community Development Block Grant (CDBG) program to undertake projects eligible under CDBG, and requires the loan to be fully collateralized by real property and a portion of future allocations of CDBG in amounts sufficient to repay the loan over the term.
- M. Per 24 CFR 5.158, 91.105, and 91.505 and SHRA's Citizen Participation Plan, this action constitutes a substantial amendment to the Consolidated Plan. The action was duly noticed for 30 days in accordance with the Citizen Participation Plan, and a duly noticed public hearing soliciting comments on this action was held before City Council on May 29, 2018.

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

- Section 1. All of the evidence having been duly considered, the facts as presented and stated above, including the environmental findings, are found to be true and correct.
- Section 2. On behalf of the Housing Authority of the City of Sacramento (HACS), the Executive Director is authorized to submit an application to HUD for a Section 108 Loan in the maximum amount of \$16,490,000 to assist with the financing of infrastructure construction at the Twin Rivers Transit Oriented Development and Light Rail Station Project (Project) and to execute all documents required for approval and funding the loan.
- Section 3. HACS is authorized to amend its budget, accept and to allocate up to \$16,490,000 in Section 108 Loan proceeds to assist with the financing of infrastructure construction for the Project.
- Section 4. SHRA is authorized to execute any and all related documents, including invoicing, contracts and amendments, as necessary to carry out the Twin Rivers Transit Oriented Development and Light Rail Station Infrastructure Project as described in the 2018 One-Year Action Plan, upon approval of the Section 108 Loan from HUD, in compliance with SHRA procurement policies, applicable federal law and regulations and approved to form by SHRA Counsel.
- Section 5. It is hereby found and determined that the use of Low and Moderate Income Housing Bond Funds towards the financing of the proposed infrastructure improvements' is consistent with, and in support of increasing, improving, and preserving the community's supply of low- and moderate-income housing.
- Section 6. HACS is authorized to allocate \$2,340,000 in previously allocated 2002 Low Mod Tax Exempt Housing Bond Funds specifically for the purpose of assisting with the financing of infrastructure construction for the Project.
- Section 7. HACS authorizes SHRA, as the previously approved Project Manager, to act as agent for HACS in the oversight of construction and expenditure of funds for completion of infrastructure at the Project.
- Section 8. HACS is authorized to pledge as collateral for the Section 108 Loan 149 HACS-owned parcels detailed in Exhibit A hereto.

Table of Contents:

Exhibit A: Housing Authority-Owned Properties To Be Pledged As Collateral

Exhibit A - Housing Authority Owned Properties for Collateral

Reference#	APN	Address	Street	Type	Comments
1	049 0281 001 0002	7312	Franklin Blvd #2	Condo	Phoenix Park III
2	049 0281 004 0002	7336	Franklin Blvd #2	Condo	Phoenix Park III
3	049 0281 004 0003	7336	Franklin Blvd #3	Condo	Phoenix Park III
4	049 0281 004 0004	7336	Franklin Blvd #4	Condo	Phoenix Park III
5	049 0281 005 0001	7344	Franklin Blvd #1	Condo	Phoenix Park III
6	049 0281 005 0004	7344	Franklin Blvd #4	Condo	Phoenix Park III
7	049 0281 007 0002	7360	Franklin Blvd #2	Condo	Phoenix Park III
8	049 0281 007 0003	7360	Franklin Blvd #3	Condo	Phoenix Park III
9	049 0281 007 0004	7360	Franklin Blvd #4	Condo	Phoenix Park III
10	049 0281 008 0001	7368	Franklin Blvd #1	Condo	Phoenix Park III
11	049 0281 009 0002	7376	Franklin Blvd #2	Condo	Phoenix Park III
12	049 0281 010 0003	7384	Franklin Blvd #3	Condo	Phoenix Park III
13	049 0281 012 0004	7400	Franklin Blvd #4	Condo	Phoenix Park III
14	049 0281 013 0003	7408	Franklin Blvd #3	Condo	Phoenix Park III
15	049 0281 013 0004	7408	Franklin Blvd #4	Condo	Phoenix Park III
16	049 0281 014 0001	7416	Franklin Blvd #1	Condo	Phoenix Park III
17	049 0281 014 0002	7416	Franklin Blvd #2	Condo	Phoenix Park III
18	049 0281 014 0003	7416	Franklin Blvd #3	Condo	Phoenix Park III
19	049 0281 015 0001	7424	Franklin Blvd #1	Condo	Phoenix Park III
20	049 0281 015 0002	7424	Franklin Blvd #2	Condo	Phoenix Park III
21	049 0281 015 0004	7424	Franklin Blvd #4	Condo	Phoenix Park III
22	049 0281 016 0001	7432	Franklin Blvd #1	Condo	Phoenix Park III
23	049 0281 016 0002	7432	Franklin Blvd #2	Condo	Phoenix Park III
24	049 0281 016 0004	7432	Franklin Blvd #4	Condo	Phoenix Park III
25	049 0281 017 0002	7440	Franklin Blvd #2	Condo	Phoenix Park III
26	049 0281 017 0004	7440	Franklin Blvd #4	Condo	Phoenix Park III
27	049 0281 018 0001	7448	Franklin Blvd #1	Condo	Phoenix Park III
28	049 0281 018 0004	7448	Franklin Blvd #4	Condo	Phoenix Park III
29	049 0281 019 0002	7456	Franklin Blvd, #2	Condo	Phoenix Park III
30	049 0281 021 0004	7472	Franklin Blvd #4	Condo	Phoenix Park III
31	049 0281 022 0002	1	La Fresa Ct #2	Condo	Phoenix Park III
32	049 0281 022 0003	1	La Fresa Ct #3	Condo	Phoenix Park III
33	049 0281 022 0004	1	La Fresa Ct #4	Condo	Phoenix Park III
34	049 0281 023 0003	9	La Fresa Ct #3	Condo	Phoenix Park III
35	049 0281 024 0002	17	La Fresa Ct #2	Condo	Phoenix Park III
36	049 0281 025 0001	25	La Fresa Ct #1	Condo	Phoenix Park III
37	049 0281 025 0004	25	La Fresa Ct #4	Condo	Phoenix Park III
38	049 0281 026 0001	33	La Fresa Ct, #1	Condo	Phoenix Park III
39	049 0281 026 0002	33	La Fresa Ct #2	Condo	Phoenix Park III
40	049 0281 026 0003	33	La Fresa Ct #3	Condo	Phoenix Park III
41	049 0281 028 0004	49	La Fresa Ct #4	Condo	Phoenix Park III
42	049 0281 030 0001	65	La Fresa Ct #1	Condo	Phoenix Park III

Exhibit A - Housing Authority Owned Properties for Collateral

Reference#	APN	Address	Street	Type	Comments
43	049 0281 031 0001	73	La Fresa Ct #1	Condo	Phoenix Park III
44	049 0281 031 0002	73	La Fresa Ct #2	Condo	Phoenix Park III
45	049 0281 031 0004	73	La Fresa Ct #4	Condo	Phoenix Park III
46	049 0281 032 0002	81	La Fresa Ct #2	Condo	Phoenix Park III
47	049 0281 033 0002	89	La Fresa Ct #2	Condo	Phoenix Park III
48	049 0281 034 0001	97	La Fresa Ct #1	Condo	Phoenix Park III
49	049 0281 034 0002	97	La Fresa Ct #2	Condo	Phoenix Park III
50	049 0281 034 0003	97	La Fresa Ct #3	Condo	Phoenix Park III
51	049 0281 036 0003	115	La Fresa Ct #3	Condo	Phoenix Park III
52	049 0281 037 0001	123	La Fresa Ct #1	Condo	Phoenix Park III
53	049 0281 037 0002	123	La Fresa Ct #2	Condo	Phoenix Park III
54	049 0282 004 0001	74	La Fresa Ct #1	Condo	Phoenix Park III
55	049 0282 004 0004	74	La Fresa Ct #4	Condo	Phoenix Park III
56	049 0282 005 0002	66	La Fresa Ct #2	Condo	Phoenix Park III
57	049 0282 005 0004	66	La Fresa Ct, #4	Condo	Phoenix Park III
58	049 0282 006 0001	58	La Fresa Ct #1	Condo	Phoenix Park III
59	049 0282 006 0003	58	La Fresa Ct #3	Condo	Phoenix Park III
60	049 0282 008 0001	9	La Pera Ct #1	Condo	Phoenix Park III
61	049 0282 009 0001	17	La Pera Ct #1	Condo	Phoenix Park III
62	049 0282 010 0001	25	La Pera Ct #1	Condo	Phoenix Park III
63	049 0282 010 0004	25	La Pera Ct #4	Condo	Phoenix Park III
64	049 0283 002 0004	4383	Shining Star Dr, #4	Condo	Phoenix Park III
65	049 0283 003 0002	4375	Shining Star Dr #2	Condo	Phoenix Park III
66	049 0283 004 0004	4367	Shining Star Dr #4	Condo	Phoenix Park III
67	049 0283 005 0001	4359	Shining Star Dr #1	Condo	Phoenix Park III
68	049 0283 006 0001	4351	Shining Star Dr #1	Condo	Phoenix Park III
69	049 0283 006 0002	4351	Shining Star Dr #2	Condo	Phoenix Park III
70	049 0283 006 0004	4351	Shining Star Dr #4	Condo	Phoenix Park III
71	049 0283 007 0003	4343	Shining Star Dr #3	Condo	Phoenix Park III
72	049 0283 007 0004	4343	Shining Star Dr #4	Condo	Phoenix Park III
73	049 0283 008 0003	4335	Shining Star Dr #3	Condo	Phoenix Park III
74	049 0283 010 0002	26	La Pera Ct #2	Condo	Phoenix Park III
75	049 0283 010 0004	26	La Pera Ct #4	Condo	Phoenix Park III
76	049 0283 011 0003	18	La Pera Ct #3	Condc	Phoenix Park III
77	049 0283 011 0004	18	La Pera Ct #4	Condo	Phoenix Park III
78	049 0283 012 0004	10	La Pera Ct #4	Condo	Phoenix Park III
79	049 0310 014 0000	4076	Weymouth Ln	Townhouse	Phoenix Park III
80	049 0310 023 0000	4074	Savannah Ln	Townhouse	Phoenix Park III
81	049 0310 026 0000	4080	Savannah Ln	Townhouse	Phoenix Park III
82	049 0310 029 0000	4111	Weymouth Ln	Townhouse	Phoenix Park III
83	049 0310 030 0000	4109	Weymouth Ln	Townhouse	Phoenix Park III
84	049 0310 045 0000	4050	Weymouth Ln	Townhouse	Phoenix Park III

Exhibit A - Housing Authority Owned Properties for Collateral

Reference#	APN	Address	Street	Type	Comments
85	049 0320 025 0000	4125	Brookfield Dr	Townhouse	Phoenix Park III
86	049 0320 049 0000	4097	Weymouth Ln	Townhouse	Phoenix Park III
87	049 0330 003 0000	4173	Brookfield Dr	Townhouse	Phoenix Park III
88	049 0330 010 0000	4187	Brookfield Dr	Townhouse	Phoenix Park III
89	049 0330 014 0000	4195	Brookfield Dr	Townhouse	Phoenix Park III
90	049 0330 043 0000	4215	Weymouth Ln	Townhouse	Phoenix Park III
91	049 0330 053 0000	4202	Savannah Ln	Townhouse	Phoenix Park III
92	049 0340 001 0000	4230	Savannah Ln	Townhouse	Phoenix Park III
93	049 0340 003 0000	4226	Savannah Ln	Townhouse	Phoenix Park III
94	049 0340 009 0000	4214	Savannah Ln	Townhouse	Phoenix Park III
95	049 0340 011 0000	4210	Savannah Ln	Townhouse	Phoenix Park III
96	049 0340 012 0000	4208	Savannah Ln	Townhouse	Phoenix Park III
97	049 0340 025 0000	4225	Savannah Ln	Townhouse	Phoenix Park III
98	049 0340 033 0000	7556	Phoenix Park Dr	Townhouse	Phoenix Park III
99	049 0340 038 0000	12	Creeks Edge Way	Townhouse	Phoenix Park III
100	049 0340 040 0000	16	Creeks Edge Way	Townhouse	Phoenix Park III
101	049 0340 042 0000	20	Creeks Edge Way	Townhouse	Phoenix Park III
102	049 0340 043 0000	22	Creeks Edge Way	Townhouse	Phoenix Park III
103	049 0340 049 0000	34	Creeks Edge Way	Townhouse	Phoenix Park III
104	049 0340 051 0000	38	Creeks Edge Way	Townhouse	Phoenix Park III
105	049 0340 053 0000	42	Creeks Edge Way	Townhouse	Phoenix Park III
106	049 0340 054 0000	44	Creeks Edge Way	Townhouse	Phoenix Park III
107	049 0340 055 0000	46	Creeks Edge Way	Townhouse	Phoenix Park III
108	049 0340 061 0000	18	Creeks Edge Way	Townhouse	Phoenix Park III
109	049 0350 001 0000	7551	Burgoyne Ln	Townhouse	Phoenix Park III
110	049 0350 003 0000	7555	Burgoyne Ln	Townhouse	Phoenix Park III
111	049 0350 009 0000	62	Creeks Edge Way	Townhouse	Phoenix Park III
112	049 0350 013 0000	70	Creeks Edge Way	Townhouse	Phoenix Park III
113	049 0350 014 0000	72	Creeks Edge Way	Townhouse	Phoenix Park III
114	049 0350 016 0000	76	Creeks Edge Way	Townhouse	Phoenix Park III
115	049 0350 018 0000	4071	Savannah Ln	Townhouse	Phoenix Park III
116	049 0350 020 0000	4075	Savannah Ln	Townhouse	Phoenix Park III
117	049 0350 022 0000	4079	Savannah Ln	Townhouse	Phoenix Park III
118	049 0350 023 0000	4081	Savannah Ln	Townhouse	Phoenix Park III
119	049 0350 024 0000	4083	Savannah Ln	Townhouse	Phoenix Park III
120	049 0350 025 0000	4085	Savannah Ln	Townhouse	Phoenix Park III
121	049 0350 037 0000	4086	Savannah Ln	Townhouse	Phoenix Park III
122	049 0350 039 0000	4090	Savannah Ln	Townhouse	Phoenix Park III

Exhibit A - Housing Authority Owned Properties for Collateral

Reference#	APN	Address	Street	Type	Comments
123	014-0142-005, 006,007,008, 026, 028 & 029; 014-0151-002 thru 013	4021-4041	Broadway	multifamily apartment complex	Oak Park Terrace - 24 units, 6 bldgs- San Jose/Broadway complex
124	049-0250-019-0000	31	Coral Gables Ct	Fourplex	Coral Gables Fourplexes
125	049-0250-020-0000	23	Coral Gables Ct	Fourplex	Coral Gables Fourplexes
126	049-0250-023-0000	2793	Meadowview Road	Fourplex	Coral Gables Fourplexes
127	252-0230-037-0000	3535	Del Paso Blvd	17 units	Villa De Novo - 1 single family & 4 bldgs with 4 apartments each
128	053 0141 006 0000	7873	Ann Arbor Way	single family	Scattered site
129	048 0205 007 0000	7517	Bowen Circle	single family	Scattered site
130	250 0062 020 0000	541	Morrison Ave	single family	Scattered site
131	052 0122 060 0000	1549	Neihart Way	single family	Scattered site
132	047 0255 003 0000	1934	Niantic Way	single family	Scattered site
133	237 0321 012 0000	1337	Rene Avenue	single family	Scattered site
134	048 0181 009 0000	7546	Skelton Way	single family	Scattered site
135	048 0243 027 0000	2145	Vollan Way	single family	Scattered site
136	117 0440 021 0000	5280	Meadow Park Way	single family	Larchmont
137	117 0440 027 0000	5364	Meadow Park Way	single family	Larchmont
138	117 0440 031 0000	5420	Meadow Park Way	single family	Larchmont
139	117 0440 002 0000	8034	Pegler Way	single family	Larchmont
140	117 0440 014 0000	8039	Pegler Way	single family	Larchmont
141	117 0440 004 0000	8042	Pegler Way	single family	Larchmont
142	117 0440 012 0000	8047	Pegler Way	single family	Larchmont
143	117 0440 008 0000	8058	Pegler Way	single family	Larchmont
144	117 0440 009 0000	8059	Pegler Way	single family	Larchmont
145	117 0440 055 0000	2	Weott Court	single family	Larchmont
146	250 0470 001 0000	3368	Taylor St	single family	DPN Model Home
147	250 0470 002 0000	3374	Taylor St	single family	DPN Model Home
148	250 0470 003 0000	3380	Taylor St	single family	DPN Model Home
149	250 0470 004 0000	608	Ford Rd	single family	DPN Model Home

RESOLUTION NO. 2018 -

Adopted by the Sacramento City Council

On date of

APPROVAL OF 2013-2019 CONSOLIDATED PLAN SUBSTANTIAL AMENDMENT AND 2018 ONE-YEAR ACTION PLAN AMENDMENT; AUTHORITY TO USE FIVE PARCELS OF AGENCY-OWNED LAND AS COLLATERAL FOR A SECTION 108 PROGRAM LOAN APPLICATION SUBMITTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) TO ASSIST WITH FINANCING INFRASTRUCTURE CONSTRUCTION AT THE TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL STATION PROJECT; AUTHORITY TO AMEND AGENCY BUDGET; AUTHORITY TO SUBMIT AND EXECUTE DOCUMENTS AND AGREEMENTS TO IMPLEMENT PROJECT ACTIVITIES

BACKGROUND

- A. Since 1982 the Sacramento Housing and Redevelopment Agency (Agency) served on behalf of the City as the public entity designated to efficiently administer the Community Development Block Grant (CDBG) funds originating from HUD.
- B. HUD requires the annual submittal of a One-Year Action Plan and any amendments describing proposed activities and expenditures for the following year in accordance with the goals and priorities of the Consolidated Plan.
- C. On October 16, 2012, the Housing Authority of the County of Sacramento (HACOS) authorized the selection of McCormack Baron Salazar as the Master Developer (MBS), after a competitive selection process, to serve as Housing Lead to assist in planning and implementation of the Housing Plan for the Twin Rivers – River District/Railyards Choice Neighborhoods Initiative.
- D. On January 27, 2015 the Housing Authority of the City of Sacramento was authorized to amend its budget to allocate \$2,340,000 in 2002 Tax Exempt Low and Moderate Income Housing Bond Funds and \$1,292,000 in proceeds from the sale of 320 Commerce Circle to the 2014 to the Twin Rivers Transit Oriented Development and Light Rail Station Initiative.
- E. On September 28, 2015, HUD awarded HACOS, as Lead Applicant, and the City of Sacramento, as Co-Applicant, a \$30 million Choice Neighborhoods Initiative (CNI) Implementation Grant to implement the Twin Rivers-River District-Railyards Neighborhood Transformation Plan with MBS as Housing Lead.

- F. On December 15, 2015, HACOS and the City of Sacramento executed the FYs 2014-2015 CNI Implementation Grant Agreement with HUD.
- G. A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Twin Rivers Transit-Oriented Development Project pursuant to California Environmental Quality Act (CEQA) requirements under Title 14, §15070 of the California Code of Regulations (CCR), and National Environmental Policy Act (NEPA) requirements under Title 24, Code of Federal Regulations (CFR) Part 58.36.
- H. On July 27, 2017, along with site entitlements, the City Planning and Design Commission made findings pursuant to CEQA and adopted the Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program.
- I. A Finding of No Significant Impact (FONSI) pursuant to NEPA and a Notice of Determination (NOD) pursuant to CEQA have been filed for the project; no further environmental review is required for the proposed actions.
- J. In order to fully fund and implement the necessary Twin Rivers Transit Oriented Development and Light Rail Infrastructure Project, the Housing Authority of the City of Sacramento (HACS) desires to submit a Section 108 Loan application to HUD.
- K. Section 108 of the Housing and Community Development Act of 1974 provides for a 20-year loan guarantee component of the Community Development Block Grant (CDBG) program to undertake projects eligible under CDBG.
- L. The 2013-2017 Consolidated Plan was approved by City Council Resolution No. 2013-0010 and extended to 2019 by City Council Resolution 2016-0370.
- M. Per 24 CFR 5.158, 91.105, and 91.505, and the Agency's Citizen Participation Plan, the actions proposed in this resolution constitute a substantial amendment to the Consolidated Plan.
- N. On January 8, 2013 the Housing Authority of the City of Sacramento, staffed by the Agency, was designated as the entity authorized to administer and submit the Action Plans for funding and the federal grant draw function on behalf of the City of Sacramento by City Resolution 2013-0010.
- O. The recommended actions are consistent with the goals of the Consolidated Plan and the action was duly noticed for 30 days in accordance with the Agency's Citizen Participation Plan. A duly noticed public hearing soliciting comments on this action was held before the City Council on May 29, 2018.

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

- Section 1.** All of the evidence having been duly considered, the facts as presented and stated above, are found to be true and correct.
- Section 2.** The Agency is authorized to amend the 2013-2019 Consolidated Plan Substantial Amendment which provides for the application for a Section 108 loan for the Twin Rivers Transit Oriented Development and Light Rail Station Infrastructure Project and make Section 108 loan repayments with CDBG funds.
- Section 3.** The Agency is authorized to amend the 2018 One-Year Action Plan to include the Twin Rivers Transit Oriented Development and Light Rail Station Infrastructure Project, upon approval of the Section 108 Loan by HUD.
- Section 4.** The Agency is authorized to act in connection with the duly approved Section 108 loan application submitted by HACS to provide five parcels of land to be used as collateral as detailed in Exhibit A hereto and to provide such additional information as may be required.
- Section 5.** The Agency is authorized and delegated authority to act as agent on behalf of the City of Sacramento to submit the amendments to the 2013-2019 Consolidated Plan and the 2018 One-Year Action Plan to HUD, execute and submit agreements with HUD; amend its budget, and execute agreements and contracts with appropriate entities to carry out eligible Section 108 activities, including infrastructure improvements, in accordance with the 2013-2019 Consolidated Plan and 2018 One-Year Action Plan, as amended. All such agreements shall be in compliance with applicable federal laws and regulations and approved to form by Agency Counsel.
- Section 6.** The City as co-grantee approves an amendment to the Choice Neighborhoods Implementation (CNI) grant budget to allocate up to \$1,907,000 of the previously allocated \$7,000,000 of CNI Phase 1 Housing funds for Phase 1 Housing Predevelopment and up to \$3,818,000 of remaining CNI Housing funds for Phase 2 Housing Predevelopment.

Exhibit A – List of Agency-owned Parcels to be used as Section 108 Loan Collateral

Exhibit A - SHRA Owned Properties for Collateral

Property#	APN	Address	Street	Type	Comments
128	001 0103 001 0000	550	N. 16th St	vacant lot	12th -16th Street Triangle
129	001 0103 002 0000	540	N. 16th St	vacant lot	12th -16th Street Triangle
130	001 0103 003 0000	520	N. 16th St	vacant lot	12th -16th Street Triangle
131	001 0103 006 0000	515	N. 12th St	vacant lot	12th -16th Street Triangle
132	001 0103 010 0000	1451	Sproule Ave	vacant lot	12th -16th Street Triangle

RESOLUTION NO. 2018 -

Adopted by the Sacramento City Council

On date of

APPROVING THE APPLICATION FOR CALIFORNIA CLIMATE INVESTMENTS URBAN GREENING PROGRAM GRANT

BACKGROUND

- A. The Legislature and Governor of the State of California have provided funds for the California Climate Investments Urban Greening Grant program to reduce greenhouse gas emissions.
- B. The California Natural Resources Agency has been delegated the responsibility for the administration of the grant program, establishing necessary procedures.
- C. The California Natural Resources Agency grant application include a requirement that the application obtain a resolution certifying the approved project application by the governing board of the agency.
- D. If the Sacramento Housing Redevelopment Agency (SHRA) application is selected, the SHRA will enter an agreement with the State of California to carry out the project.
- E. SHRA is the Project Manager for the Twin Rivers Transit Oriented Development and Light Rail Station Project (Project).
- F. Submitting an application for the Urban Greening Grant is not considered a project under CEQA pursuant to CEQA Guidelines § 15378 and is exempt under NEPA per 24 Code of Federal Regulations (CFR) 58.34(a)(2) and (3).

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

- Section 1. Approves the submission by SHRA, as Project Manager, of an application to the California Natural Resources Agency for up to \$5 million in funds from the California Climate Investments Urban Greening Grant Program for the River District Park Active Transportation and Storm water Project.
- Section 2. The City of Sacramento (City) certifies that it understands the assurances and certifications required in the grant application.
- Section 3. The City certifies that there will be sufficient funds to operate and maintain the project consistent with the land tenure requirements and will secure additional resources if needed.

- Section 4. The City certifies that it will comply with provisions of Section 1771.5 of the State Labor Code.
- Section 5. The City certifies that the project will comply with any laws and regulations including, but not limited to, legal requirements for building codes, health and safety codes, disabled access laws, environmental laws, and that prior to commencement of construction, all applicable permits will have been obtained.
- Section 6. The City certifies that applicant will work towards the Governor's State Planning Priorities intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety as included in Government Code Section 65041.1.
- Section 7. SHRA is appointed as the City's agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests, and so on, which may be necessary for acceptance of the grants and completion of the projects.

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

TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL STATION PROJECT SECTION 108 LOAN APPLICATION; AMENDING AGENCY BUDGET; APPROVAL OF SACRAMENTO HOUSING AND REDEVELOPMENT PROPERTIES FOR USE AS COLLATERAL FOR SECTION 108 LOAN APPLICATION; AND ENVIRONMENTAL FINDINGS

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1: A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Twin Rivers Transit-Oriented Development Project pursuant to California Environmental Quality Act (CEQA) requirements under Title 14, §15070 of the California Code of Regulations (CCR), and National Environmental Policy Act (NEPA) requirements under Title 24, Code of Federal Regulations (CFR) Part 58.36 and SHRC approved the final environmental document on behalf of SHRA at its meeting on July 19th, 2017.

Section 2: A Finding of No Significant Impact (FONSI) pursuant to NEPA and a Notice of Determination (NOD) pursuant to CEQA have been filed for the project; no further environmental review is required for the proposed actions.

Section 3: The Executive Director, or designee, is authorized to amend the Sacramento Housing and Redevelopment Agency's (SHRA) budget to allocated \$2,340,000 in 2002 Tax Exempt Low and Moderate Income Housing Bond Funds previously allocated to the Twin Rivers Transit Oriented Development and Light Rail Station Project for infrastructure related activities.

Section 4: The Executive Director, or designee, is authorized to approve the pledge of five SHRA-owned parcels commonly known as the 12th Street Triangle and listed on Exhibit A hereto as collateral for the Section 108 Loan Application.

Section 5: The SHRA Executive Director, or designee, is authorized to enter into and execute any and all documents, as approved to form by SHRA Counsel, as may be required to ensure proper repayment and close the Section 108 Loan, and to execute and transmit all loan documents to the U.S. Department of Housing and Urban Development (HUD) and to perform other actions necessary to submit a Section 108 Loan application.

Section 6: The Executive Director, or designee, is authorized to amend the SHRA budget to receive the \$16,490,000 in Section 108 Loan proceeds for the infrastructure improvements at the Twin Rivers Transit Oriented Development and Light Rail Station Project.

Section 7: The 2018 Community Development Block Grant Consolidated Plan and 2018 One-Year Action Plan are hereby amended to include Section 108 loan for the Twin Rivers Transit Oriented Development and Light Rail Station Infrastructure Project upon approval of the Section 108 Loan from HUD.

Section 8: The Executive Director, or designee, is authorized to submit the amendments to the 2013-2019 Consolidated Plan and the 2018 One-Year Action Plan, to execute and submit Section 108 loan application and other related agreements to HUD, and to execute agreements and contracts with appropriate entities to carry out eligible Section 108 activities, including infrastructure improvements, in accordance with the 2018 One-Year Action Plan, as amended. All such agreements shall be in compliance with applicable SHRA procurement policies, federal laws and regulations, and approved to form by SHRA Counsel.

Exhibit A – List of SHRA Property for Loan Collateral

CHAIR

ATTEST:

CLERK

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

APPROVING AN APPLICATION FOR GRANT FUNDS FOR CALIFORNIA CLIMATE INVESTMENTS URBAN GREENING PROGRAM

WHEREAS, the Legislature and Governor of the State of California have provided funds for the Urban Greening Grant program to reduce greenhouse gas emissions.

WHEREAS, the California Natural Resources Agency has been delegated the responsibility for the administration of the grant program, establishing necessary procedures.

WHEREAS, the California Natural Resources Agency grant application requirements include a resolution certifying the approval project application by the governing board of the agency.

WHEREAS, if the Sacramento Housing Redevelopment Agency's (Agency) is selected, the Agency will enter an agreement with the State of California to carry out the project.

WHEREAS, the Agency is the Project Manager for the Twin Rivers Transit Oriented Development and Light Rail Station Project.

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

Section 1: The filing of an Urban Greening Grant application for the River District Park, Active Transportation, and Stormwater Project, in an amount of up to \$5 million in support of the Twin Rivers Development and Light Rail Station Project, is approved.

Section 2: The Commission certifies that it understands the assurances and certifications required in the grant application.

Section 3: The Commission certifies that there will be sufficient funds to operate and maintain the project consistent with the land tenure requirements and will secure additional resources if needed.

Section 4: The Commission certifies that it will comply with provisions of Section 1771.5 of the State Labor Code.

Section 5: The Commission certifies that the project will comply with any laws and regulations including, but not limited to, legal requirements for building codes, health and safety codes, disabled access laws, environmental laws, and that prior to commencement of construction, all applicable permits will have been obtained.

Section 6: The Commission certifies that applicant will work towards the Governor's State Planning Priorities intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety as included in Government Code Section 65041.1.

Section 7: The Executive Director, or designee, is appointed as the agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests , and so on, which may be necessary for acceptance of the grants and completion of the projects.

CHAIR

ATTEST:

CLERK



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

Consent
June 7, 2018

Chairs and Members of the Housing Authority Board

Title: Approval of Amended Funding Commitments for the Shasta Hotel

Location/Council District: 1017 10th Street, District 4

Recommendation: Adopt a **Housing Authority Resolution** a) approving an Amended Conditional Funding Commitment Letter with Shasta Hotel Housing Associates, LP, b) approving an Amended Conditional Seller Carryback Funding Commitment with Shasta Hotel Corporation, c) authorizing the Executive Director to enter into and execute other documents, as approved to form by agency counsel, and perform other actions necessary to fulfill the intent of the Amended Conditional Funding Commitment and the Amended Conditional Seller Carryback Funding Commitment, and d) making related findings.

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

Presenters: Not applicable

Department: Sacramento Housing and Redevelopment Agency (Agency)

Description/Analysis

Issue Detail: The Shasta Hotel (Project) is an affordable Single-Room Occupancy (SRO) residential housing development located on approximately 0.11 acres at 1017 10th Street in downtown Sacramento. The building was originally constructed in the early 1900s, and extensively rehabilitated in 1994. A vicinity map is included as Attachment 5.

The John Stewart Company (JSC) and the Shasta Hotel Corporation (collectively, "Developer") have formed a new limited partnership to acquire and rehabilitate the Project. In February 2017, the Housing Authority approved a loan of \$4,200,000 for acquisition, rehabilitation, and permanent financing of the Project. Additional project financing will include federal tax credit equity, an Affordable Housing Program (AHP) loan, and an existing California Department of Housing and Community Development (HCD) loan. Units will be regulated at 30, 35 and 40 percent of Area Median Income (AMI).

Since February 2017, the Developer has applied for competitive nine percent Low Income Housing Tax Credits (LIHTC) three separate times but has not received an allocation. The previously approved funding commitment expires on June 15, 2018. The amended Conditional Funding Commitment Letter extends this expiration date an additional 18 months to December 31, 2019. This extension would allow for restructuring of the project to be more competitive and for the Developer to apply for nine percent LIHTCs for the Project an additional three times.

The Project currently contains 80 SRO units and, following the rehabilitation, will contain 78 SRO units and a one-bedroom manager's unit, as well as common lounge areas, kitchens, bath and showers, laundry facilities, and access to supportive services. The loss of one unit is due to the addition of a tenant kitchen, public restroom, and a larger, one-bedroom manager's unit on the first floor.

The proposed rehabilitation of the Project will be an extensive renovation of the development. Interior improvements will include new flooring, lighting, paint, furnishings, and common area mechanical equipment. Ceilings will be replaced in hallways and new office areas. Common kitchens will receive new cabinets and appliances, and common bathrooms and shower rooms will receive new fixtures, accessories, and wall/floor finishes. Existing boilers and plumbing fixtures will be replaced. Hallways and stairs will be upgraded with code-compliant guardrails and handrails. The unfinished basement will be converted into a 1,400 square foot recreation room, including a lounge and bike storage room. Two new office/exam rooms will be added in the basement to accommodate an on-site resident services coordinator. The passenger elevator will be modernized and a new elevator will be installed, making the basement fully accessible. A new interior CCTV camera system will be installed.

Exterior improvements will include a new entryway, photovoltaic power generation system, energy efficient windows, and new thermoplastic polyolefin (TPO) cool roofing. An existing lightwell will be converted into an interior courtyard featuring a garden area, community seating, and simulated daylight to augment natural light.

The property will continue to be occupied during the planned rehabilitation period. Tenants will be temporarily relocated to an off-site location on a rotating basis until work is complete. Temporary off-site relocation is expected to last seven to 63 days.

Land

The Housing Authority previously approved a seller carryback funding commitment of \$550,000 to Shasta Hotel Corporation to assist in funding the acquisition of the improvements beneath the Shasta Hotel. The terms of the land transfer agreement included seller carryback financing at zero percent interest, deferred payments, and a 55-year term. This report also recommends extending the term of this previously approved commitment for an additional 18 months to allow for more competitive restructuring of the project.

Developer: The limited partnership, Shasta Hotel Housing Associates, LP, will rehabilitate the Shasta Hotel. John Stewart Company (JSC), as the administrative general partner of the limited partnership, is an experienced owner and manager of affordable rental housing projects and has partnered with the Agency on a number of other projects. JSC has developed over 5,000 units of housing throughout California, the majority of which are affordable. The company has extensive experience in financing projects with tax credits, tax exempt bonds, and other public and private funding sources.

Shasta Hotel Corporation (SHC), the general partner of the limited partnership, is a non-profit corporation formed in 1993 by the Agency to facilitate the initial acquisition and rehabilitation of the Project. Two of the five SHC Board members are Agency management staff. The remaining Board members include a non-profit representative and two affordable housing developers.

Property Management: The Project will continue to be managed by the current property manager, JSC, an experienced firm with over 35 years of experience operating affordable apartment communities. Agency staff has reviewed and approved the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures, to ensure the company meets Agency requirements for property management.

Resident Services: Resident services will be provided by LifeSTEPS, Inc. (LifeSTEPS), which currently provides resident services to 250 affordable housing communities and more than 80,000 residents in California. LifeSTEPS will be required to provide at least 15 hours of services per week. Programs will be tailored to resident needs. Agency staff has reviewed and approved LifeSTEPS' resident services plan detailing the scope and schedule of services to be provided. Services will be provided by an on-site services coordinator and will include social services and enrichment programs.

Project Financing: The Project's anticipated financing will include a combination of nine percent Low Income Housing Tax Credits (LIHTC), an existing California Department of Housing and Community Development (HCD) loan, an Affordable Housing Program (AHP) loan, and an Agency loan of \$4,200,000 consisting of Housing Successor funds. The Housing Successor funds are primarily comprised of low-moderate housing funds generated by the former Downtown Redevelopment Area.

Low-Income Set-Aside Requirements: As a condition of receiving tax credits, federal law requires that units be set aside for targeted income groups. Income restrictions from LIHTC financing require household incomes at or below 60 percent of Area Median Income (AMI). The Agency further requires that 20 percent of the units be restricted to households with income no greater than 50 percent of AMI. Project affordability restrictions will be specified in regulatory agreements with Developer. These anticipated sources and their affordability requirements are summarized in the following table:

Unit Type	% of Units	Affordability Restrictions	Units	Regulatory Requirements
Low Income Housing Tax Credits, HCD, and Agency loan	23%	Extremely Low (30% AMI)	18	55 years
Low Income Housing Tax Credits, HCD, and Agency loan	18%	Extremely Low (35% AMI)	15	55 years
Low Income Housing Tax Credits, HCD, and Agency loan	58%	Low (40% AMI)	45	55 years
Manager's Unit	1%	Unrestricted	1	
Total	100%		79	

Policy Considerations: The recommended actions are consistent with a) the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 2. Recapitalization (Resolution No. 2009-148); b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and d) the Downtown Housing Initiative and Initiation of the Downtown Specific plan, to bring 10,000 places to live to Downtown Sacramento by 2025 (Resolution No. 2015-282).

Economic Impacts: Not applicable.

Environmental Considerations: California Environmental Quality Act (CEQA): CEQA review for the Shasta Hotel Repairs Project was completed on November 18, 2016 and the project has been determined to be categorically exempt under CEQA pursuant to CEQA Guidelines at 14 California Code of Regulations (CCR) Section §15301(a), "Existing Facilities".

Sustainability Considerations: The Project has been reviewed for consistency with the goals, policies, and targets of the 2035 General Plan. If approved, the project will advance the following goals, policies, and targets that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions, in part, from 2035 General Plan: Housing Element – Strategies and Policies for Conserving Energy Resources – Climate Action Plan, subsection 7.2: The Sacramento Climate Action Plan (CAP) outlines measures to improve energy efficiency in existing buildings.

Commission Action: At its meeting of May 16, 2018, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:


NOES:

ABSENT:

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

Financial Considerations: Staff recommends approval of the amended Conditional Funding Commitment of an Agency loan comprised of \$4,200,000 of Housing Successor funds and the amended Conditional Seller Carryback Funding Commitment of \$550,000 for seller carryback land acquisition loan. The Agency will receive its annual monitoring fee equal to 0.15 percent of the new Housing Successor funds loan amount, consistent with the Agency’s multifamily lending guidelines. An amended funding commitment letter for the Housing Successor funds loan is included as Exhibit A to the attached Amended Funding Commitment resolution. An amended funding seller carryback commitment letter is included as Exhibit B to the attached Amended Seller Carryback Funding Commitment.

LBE - M/WBE and Section 3 requirements: The activities recommended in this staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements. Local Business Enterprise does not apply to this report.

Respectfully Submitted by: 
LA SHELLÉ DOZIER
Executive Director

Attachments

- 01 Description/Analysis and Background
- 02 Housing Authority Resolution – Approval of Amended Funding Commitments
- 03 Exhibit A to Resolution – Amended Funding Commitment Letter
- 04 Exhibit B to Resolution – Amended Seller Carryback Funding Commitment Letter
- 05 Vicinity Map

RESOLUTION NO. 2018 -

Adopted by the Housing Authority of the City of Sacramento

on date of

SHASTA HOTEL: APPROVAL OF AMENDED CONDITIONAL FUNDING COMMITMENT AND AMENDED SELLER CARRYBACK FUNDING COMMITMENT; EXECUTION OF AMENDED COMMITMENT AND RELATED DOCUMENTS WITH SHASTA HOTEL HOUSING ASSOCIATES, LP (JOHN STEWART COMPANY AND SHASTA HOTEL CORPORATION) OR RELATED ENTITY; EXECUTION OF AMENDED SELLER CARRYBACK COMMITMENT AND RELATED DOCUMENTS WITH SHASTA HOTEL CORPORATION OR RELATED ENTITY; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. On February 14, 2017, the Housing Authority approved a funding commitment of \$4,200,000 in Housing Successor Funds to Shasta Hotel Housing Associates, LP (John Stewart Company and Shasta Hotel Corporation) (Developer) from the Housing Authority of the City of Sacramento (Agency) to assist in funding the acquisition, rehabilitation and permanent financing of the Shasta Hotel, an existing development located in Downtown Sacramento.
- B. On February 14, 2017, the Housing Authority also approved a seller carryback funding commitment of \$550,000 to Shasta Hotel Corporation to assist in funding the acquisition of the improvements beneath the Shasta Hotel.
- C. The Developer applied for competitive 9 percent Low Income Housing Tax Credits three times and did not receive an allocation. The previously approved funding commitment expires on June 15, 2018. The amended Conditional Funding Commitment Letter, as attached to this resolution, extends this expiration date an additional 18 months to December 31, 2019.
- D. In 2011, the California Legislature enacted AB 1X26, which, coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies as of February 1, 2012.
- E. The City of Sacramento, by Resolution Number 2012-018 (adopted on January 31, 2012), designated the Housing Authority of the City of Sacramento as the local authority to retain the housing assets and functions previously performed by the Redevelopment Agency of the City of Sacramento.
- F. The Redevelopment Agency of the City of Sacramento, by Resolution Number 2012-001 (adopted on January 31, 2012) transferred its housing assets and housing functions to the Housing Authority of the City of Sacramento.
- G. On April 1, 2013, the California Department of Finance issued its final determination related to the Housing Asset Transfer assets. This final determination included these Housing Successor funds.

- H. The Shasta Hotel is consistent with a) the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 2. Recapitalization (Resolution No. 2009-148); b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and d) the Downtown Housing Initiative and Initiation of the Downtown Specific plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282).

- I. The project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations (CCR) Section §15301(a), "Existing Facilities".

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

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

- Section 2. The amended Conditional Funding Commitment, attached as (Exhibit A), for financing the Project with \$4,200,000 in Housing Successor Funds is approved, and the Agency is authorized to execute and transmit the amended Funding Commitment to Shasta Hotel Housing Associates, LP (John Stewart Company and Shasta Hotel Corporation) or related entity.

- Section 3. The amended Conditional Seller Carryback Funding Commitment, attached as (Exhibit B), for seller carryback land acquisition financing in the amount of \$550,000 is approved, and the Agency is authorized to execute and transmit the amended Seller Carryback Funding Commitment to Shasta Hotel Corporation or related entity.

- Section 4. The Agency is authorized to enter into and execute other documents, as approved to form by agency counsel, and perform other actions necessary to fulfill the intent of the amended Conditional Funding Commitment that accompanies this resolution, in accordance with its terms, and to ensure proper repayment of the Agency funds including without limitation, subordination, extensions consistent with Agency adopted policy and with this resolution.

Table of Contents:

Exhibit A: Amended Conditional Funding Commitment Letter

Exhibit B: Amended Seller Carryback Funding Commitment Letter



June 6, 2018

Shasta Hotel Housing Associates, LP
C/O Jack D. Gardner
1388 Sutter Street, 11th Floor
San Francisco, CA 94109

RE: First Amendment to the Conditional Funding Commitment for
Shasta Hotel Dated February 14, 2017

Dear Mr. Gardner,

In consideration of their mutual obligations, the Housing Authority of the City of Sacramento (Agency) and Shasta Hotel Housing Associates, LP (The John Stewart Company and Shasta Hotel Corporation) or related entity (Borrower) enter into this Amendment to the Conditional Funding Commitment for the Shasta Hotel by and between the Agency and Borrower for the purpose of financing the acquisition, rehabilitation and development of certain real property known as the Shasta Hotel located at 1017 10th Street, Sacramento, California (Property) dated February 14, 2017 (Funding Commitment), between the parties (Exhibit 1).

1. The Funding Commitment is amended as follows:
 - A. This commitment will expire December 31, 2019.
2. No rights, obligations or defaults of the parties under the Funding Commitment are waived by this Amendment, except as expressly stated in this Amendment.
3. All other terms of the Funding Commitment shall remain the same and in full force and effect.

Sincerely,

La Shelle Dozier
Executive Director



First Amendment to the
Conditional Funding Commitment for
Shasta Hotel
Page 2

The undersigned acknowledges and accepts the foregoing First Amendment to the Conditional Funding Commitment for Shasta Hotel and its terms and conditions.

Dated: June 6, 2018

Shasta Hotel Housing Associates, LP
a California limited partnership

By: _____
Jack D. Gardner, President



Exhibit 1:
Conditional Funding Commitment for Shasta Hotel Dated February 14, 2017



INVESTING IN COMMUNITIES

A Joint Powers Agency

MEMBERS

City of Sacramento

County of Sacramento

Housing Authority of the
City of Sacramento

Housing Authority of the
County of Sacramento

February 14, 2017

Shasta Hotel Housing Associates, LP
C/O Jack D. Gardner
1388 Sutter Street, 11th Floor
San Francisco, CA 94109

RE: Conditional Funding Commitment for the Shasta Hotel

Dear Mr. Gardner:

On behalf of the Housing Authority of the City of Sacramento (Agency), we are pleased to advise you of its commitment of permanent loan funds (Loan) comprised of \$4,200,000 in City Housing Successor funds for the purpose of financing the acquisition, rehabilitation and development of that certain real property known as the Shasta Hotel located at 1017 10th Street, Sacramento, California (Property). **The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this commitment is void.** Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

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

Unless otherwise agreed in writing by the Agency in exercise of its absolute discretion, the following shall be considered conditions to Agency approval of a financing commitment. The Agency may, in exercise of its absolute discretion,

Sacramento Housing & Redevelopment Agency | 801 12th Street | Sacramento, CA 95814 | www.shra.org



modify its requirements upon written notice to Borrower given at least sixty (60) days prior to close of escrow for the Property.

This commitment will expire June 15, 2018.

1. **PROJECT DESCRIPTION:** The Shasta Hotel is an existing 80-unit Single-Room Occupancy (SRO) development located in downtown Sacramento. The building was originally constructed in the early 1900s, and extensively rehabilitated in 1994. The Project will contain 78 SRO units and a one-bedroom manager's unit, as well as common lounge areas, kitchens, bath and showers, laundry facilities, and access to supportive services.
2. **BORROWER:** The name of the Borrower for the Loan is Shasta Hotel Housing Associates, LP (The John Stewart Company and Shasta Hotel Corporation, or related entity).
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of acquisition, rehabilitation, development and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. **PRINCIPAL AMOUNT:** The combined principal amount of the Loan will be the lesser of (a) Four Million Two Hundred Thousand Dollars (\$4,200,000), or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency.
5. **TERM OF LOAN:** The Loan shall mature 57 years or 684 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. **INTEREST RATE:** The Loan will bear simple interest at one percent (1%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.
7. **ANNUAL REPAYMENT:** Annual principal and interest payments shall be deferred from the Loan's Effective Date through the first 684 months.
8. **SOURCE OF LOAN FUNDS:**
Agency is making the Loan from the following sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: City Housing Successor Funds. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

Borrower acknowledges that, as a condition of the Agency's making of the Loan, the Property will be subject to restrictions on future sales and rentals which may result in less income to Borrower than could otherwise be realized, and that such restrictions



run with the land, and during their operational term, will bind all successors in interest.

SDB (Borrower Initials)

9. **ACCELERATION:** Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. **SECURITY:** The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to liens senior to the Agency's lien securing loans from the California Department of Housing and Community Development (HCD), the Affordable Housing Program (AHP), and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency may subordinate said deeds of trust in order to accommodate completion of rehabilitation of the Property.
11. **LEASE AND RENTAL SCHEDULE:** All leases of the Property and Improvements shall be subject to Agency's review and approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval; provided, however, that such approval shall not be required for annual adjustments to rental rates as permitted by the California Tax Credit Allocation Committee.
12. **PROOF OF EQUITY:** Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than \$11,805,308 in Low Income Housing Tax Credit Equity.
13. **OTHER FINANCING:** Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
 - (a) As a condition precedent to disbursement of the remainder of the Agency loan, construction financing from a private lender(s) in an amount(s) sufficient to complete construction of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performance for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.
 - (b) Commitments for permanent financing sufficient to "take out" all liens senior to the Agency's lien.
 - (c) Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.



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

14. **EVIDENCE OF FUNDS:** Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.
15. **SOILS AND TOXIC REPORTS:** Borrower/Grantee has submitted to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan/Grant closing. Borrower/Grantee must, as a condition of disbursement of Loan/Grant funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property will be remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.
16. **LOAN IN BALANCE:** Borrower will be required to maintain the Loan "in balance." The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgment of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance," the Agency may declare the Loan to be in default. The Final Plans shall incorporate all related mitigation measures required, if any, for compliance with approvals under CEQA, and/or NEPA, or the U.S. Department of Housing and Urban Development as conditions of approval of the project.
17. **PLANS AND SPECIFICATION:** Final plans and specifications, if any, for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursal of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project.
18. **ARCHITECTURAL AGREEMENT:** The architectural agreement (Agreement), if any, for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.



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

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

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

22. **COST SAVINGS:** At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency, which cost certification shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source including any loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.

23. **START OF CONSTRUCTION:** Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.
24. **COMPLETION OF CONSTRUCTION:** Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
25. **SECURITY CAMERAS AND OUTSIDE LIGHTING:** Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, all as approved by the Agency.
26. **INSURANCE PROVIDER:** Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A+ VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.
27. **HAZARD INSURANCE:** Borrower shall procure and maintain fire and extended coverage insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00).
28. **PUBLIC LIABILITY AND OTHER INSURANCE:** Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than \$1,000,000, per occurrence limit; \$5,000,000 general aggregate limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.

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Sacramento Housing & Redevelopment Agency



29. **TITLE INSURANCE:** Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116, and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.
30. **ORGANIZATIONAL AGREEMENTS:** Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.
31. **LEASE OF PROPERTY:** Borrower shall provide Agency with copies of all documents relating to Borrower's lease of the Property.
32. **FINANCIAL INFORMATION:** During the term of the Loan, Borrower shall deliver to Agency within 120 days of the end of each fiscal year an audited income and expense statement, a balance sheet, and a statement of all changes in financial position signed by authorized officers of Borrower. Prior to close of the Loan and during its term, Borrower must deliver to Agency such additional financial information as may be requested by Agency. Agency reserves the right to review and approve financial statements and other credit information and references prior to closing. During the term of the Loan, Borrower must deliver to Agency a monthly rent-roll including household composition information and operating statements with respect to the Property and Improvements, as Agency may request.
33. **MANAGEMENT AGREEMENT:** Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.
34. **RESIDENT SERVICES AGREEMENT:** Prior to execution, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement is subject to Agency Approval. The agreement must include a minimum of fifteen (15) hours of on-site resident services.
35. **LOW INCOME HOUSING TAX CREDITS (LIHTC):** Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and to meet all requirements to maintain the LIHTC allocation if granted.



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



Sincerely,


La Shelle Dozier
Executive Director

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

Dated: February 14, 2017

BORROWER:

Shasta Hotel Housing Associates, LP
a California limited partnership

By: 
Jack D. Gardner, President



Exhibit B

June 6, 2018

Brad Wiblin, President
Shasta Hotel Corporation
801 12th Street
Sacramento, CA 95814

RE: First Amendment to the Conditional Seller Carryback Funding Commitment for
Shasta Hotel Dated February 14, 2017

Dear Mr. Wiblin,

In consideration of their mutual obligations, the Housing Authority of the City of Sacramento (Agency) and Shasta Hotel Corporation or related entity (Borrower) enter into this Amendment to the Conditional Seller Carryback Funding Commitment for the Shasta Hotel by and between the Agency and Borrower for the purpose of financing the acquisition of the land located underneath the improvements located at 1017 10th Street, Sacramento, California (Property) commonly known as the Shasta Hotel, dated February 14, 2017 (Seller Carryback Funding Commitment), between the parties (Exhibit 1).

1. The Seller Carryback Funding Commitment is amended as follows:
 - A. This commitment will expire December 31, 2019.
2. No rights, obligations or defaults of the parties under the Seller Carryback Funding Commitment are waived by this Amendment, except as expressly stated in this Amendment.
3. All other terms of the Seller Carryback Funding Commitment shall remain the same and in full force and effect.

Sincerely,

La Shelle Dozier
Executive Director



First Amendment to the
Seller Carryback Conditional Funding Commitment for
Shasta Hotel
Page 2

The undersigned acknowledges and accepts the foregoing First Amendment to the Conditional Funding Commitment for Shasta Hotel and its terms and conditions.

Dated: June 6, 2018

Shasta Hotel Corporation
a California nonprofit public benefit corporation

By: _____
Brad Wiblin, President



Exhibit 1:
Conditional Seller Carryback Funding Commitment for Shasta Hotel Dated February 14, 2017



INVESTING IN COMMUNITIES

A Joint Powers Agency

MEMBERS

City of Sacramento

County of Sacramento

Housing Authority of the
City of Sacramento

Housing Authority of the
County of Sacramento

February 14, 2017

Brad Wiblin, President
Shasta Hotel Corporation
801 12th Street
Sacramento, CA 95814

Re: Conditional Seller Carryback Funding Commitment
Shasta Hotel, 1017 10th Street, Sacramento, CA

Dear Mr. Wiblin:

On behalf of the Housing Authority of the City of Sacramento ("Agency"), we are pleased to advise you of its commitment in the amount of \$550,000 in the form of a seller carry-back loan ("Loan") for the purpose of financing the acquisition of the land located underneath the improvements located at 1017 10th Street in Sacramento, California ("Property") commonly known as Shasta Hotel. The Agency's decision is based on your application and all representations and information supplied by you in relation to it. If these representations and information change in a material manner without written approval of Agency, this commitment is void. Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation in a form and substance satisfactory to the Agency.

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

Unless otherwise agreed in writing by the Agency in exercise of its absolute discretion, the following shall be considered conditions to Agency approval of its financing commitment. The Agency may, in exercise of its absolute discretion,

Sacramento Housing & Redevelopment Agency | 801 12th Street | Sacramento, CA 95814 | www.shra.org



modify its requirements upon written notice to Borrower given at least sixty (60) days prior to close of escrow for the Property.

This commitment will expire on June 15, 2018.

1. **PROJECT DESCRIPTION:** The Shasta Hotel is an existing 80-unit Single-Room Occupancy (SRO) development located in downtown Sacramento. The building was originally constructed in the early 1900s, and extensively rehabilitated in 1994. The Project will contain 78 SRO units and a one-bedroom manager's unit, as well as common lounge areas, kitchens, bath and showers, laundry facilities, and access to supportive services.
2. **BORROWER:** The name of the Borrower for the Loan is Shasta Hotel Corporation, a California nonprofit, public benefit corporation.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely for financing the acquisition of the Property, 0.11 acres of land (APN 006-0103-021) located underneath the improvements at 1017 10th Street, Sacramento, California.

The Agency commits to transfer the land underneath the improvements to the Borrower at fair market value.

4. **PRINCIPAL AMOUNT:** The total principal amount of the Loan will be Five Hundred Fifty Thousand Dollars (\$550,000), the appraised fair market value of the land.
5. **TERM OF LOAN:** The Loan shall mature 55 years from the close of escrow date.
6. **INTEREST RATE:** The Loan shall bear interest at zero (0%) annually.
7. **LOAN REPAYMENT:** The Loan shall mature 55 years or 660 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
8. **SOURCE OF LOAN FUNDS:** The Acquisition Loan will be financed through seller carry-back financing from the Housing Authority of the City of Sacramento. This Acquisition Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to its lending programs, including among others, the required forms of agreements for the Acquisition Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements, all as mutually agreed to by Agency and Borrower.

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



(Borrower Initial)

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Sacramento Housing & Redevelopment Agency



9. **ACCELERATION:** Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. **SECURITY:** The Loan shall be evidenced by a promissory note secured by a deed of trust with assignment of rents against the fee interest in the Property, which shall be a subordinate lien upon the Property subject only to other items as the Agency may approve in writing. The Agency will subordinate said deeds of trust in order to accommodate completion of construction of the Property.
11. **LEASE AND RENTAL SCHEDULE:** All leases of the Property and Improvements shall be subject to Agency's review and approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval; provided, however, that such approval shall not be required for annual adjustments to rental rates as permitted by the California Tax Credit Allocation Committee.
12. **PROOF OF EQUITY:** Borrower, as nonprofit general partner of Shasta Hotel Housing Associates, LP, shall provide proof of equity for the Property in the amount of no less than \$11,805,308 from sources including Low Income Housing Tax Credits, net operating income during rehabilitation and existing reserves.
13. **OTHER FINANCING:** Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
 - (a) As a condition precedent to disbursement of the remainder of the Agency loan, construction financing from a private lender(s) in an amount(s) sufficient to complete construction of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performances for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.
 - (b) Commitments for permanent financing sufficient to "take out" all liens senior to the Agency's lien.
 - (c) Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.
 - (d) Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of the DDA, OPA or other agreements.
14. **EVIDENCE OF FUNDS:** Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other

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Sacramento Housing & Redevelopment Agency



lender(s) approved by Agency in its reasonable discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.

15. **PLANS AND SPECIFICATIONS:** Final plans and specifications for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursement of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project.
16. **ARCHITECTURAL AGREEMENT:** The architectural agreement (Agreement) for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
17. **CONSTRUCTION CONTRACT:** The construction contract (Contract), if any, and any change orders issued thereunder, and the contractor (Contractor) to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency may require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.
18. **COST BREAKDOWN:** Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Improvements, which breakdown conforms to the project plans and specification and the budget approved with this commitment. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.

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

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

19. **START OF CONSTRUCTION:** Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than 60 days following the close of construction financing.
20. **COMPLETION OF CONSTRUCTION:** Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.

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Sacramento Housing & Redevelopment Agency



21. **SECURITY CAMERAS AND OUTSIDE LIGHTING:** Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, all as approved by the Agency.
22. **INSURANCE PROVIDER:** Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A+ VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.
23. **HAZARD INSURANCE:** Borrower shall procure and maintain fire and extended coverage insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00).
24. **PUBLIC LIABILITY AND OTHER INSURANCE:** Shasta Hotel Housing Associates, L.P. of which Borrower is the Managing General Partner, must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than \$1,000,000, per occurrence limit; \$5,000,000 general aggregate limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.
25. **TITLE INSURANCE:** Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116, and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions

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Sacramento Housing & Redevelopment Agency



permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.

26. **ORGANIZATIONAL AGREEMENTS:** Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations; if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.
27. **LOW INCOME HOUSING TAX CREDITS (LIHTC):** Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and to meet all requirements to maintain the LIHTC allocation if granted.
28. **SMOKE-FREE ENVIRONMENT:** At least 50% of the buildings but no less than 50% of the units must be smoke free. All indoor common areas must be smoke-free.
29. **DOCUMENTATION:** This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
30. **CONSISTENCY OF DOCUMENTS:** As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply, in all respects, with this commitment letter.
31. **CHANGES OR AMENDMENTS:** No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
32. **ACCEPTANCE OF THIS COMMITMENT:** Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.

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Sacramento Housing & Redevelopment Agency



Sincerely,
Housing Authority of the City of Sacramento


LaShelle Dozier
Executive Director

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

Dated: February 14, 2017

BORROWER:

Shasta Hotel Corporation
a California nonprofit public benefit corporation

By: 
Brad Wiblin, President

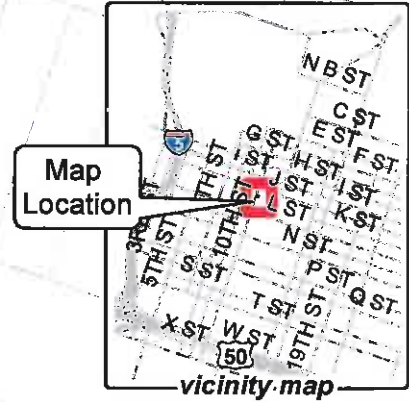
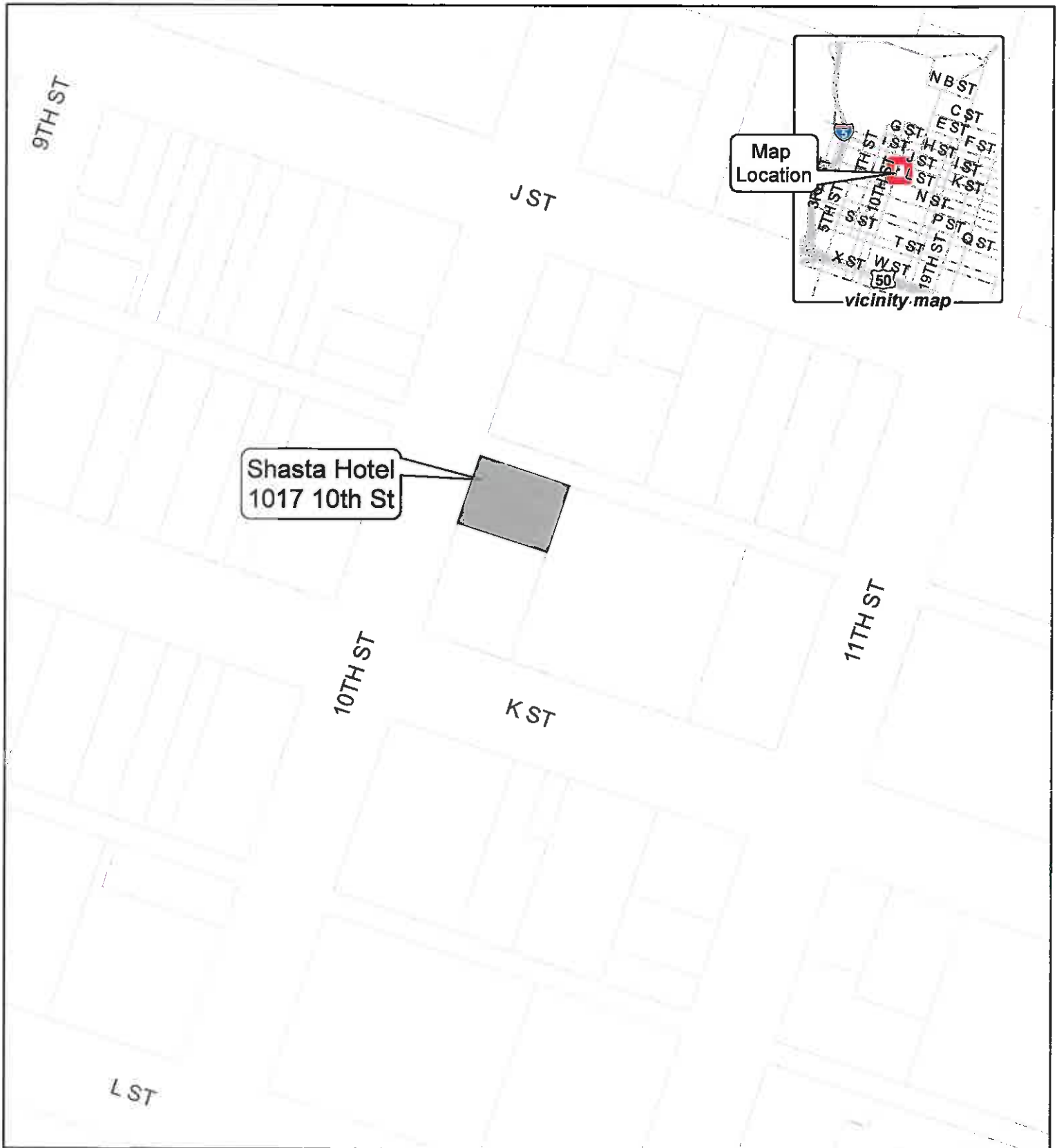
7 of 7

Sacramento Housing & Redevelopment Agency

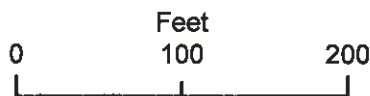




Shasta Hotel



Shasta Hotel



SHRA GIS
March 27, 2018

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

May 16, 2018

SHASTA HOTEL: APPROVAL OF AMENDED CONDITIONAL FUNDING COMMITMENT LETTER CONSISTING OF \$4,200,000 IN HOUSING SUCCESSOR FUNDS; EXECUTION OF AMENDED COMMITMENT AND RELATED DOCUMENTS WITH SHASTA HOTEL HOUSING ASSOCIATES, LP (JOHN STEWART COMPANY AND SHASTA HOTEL CORPORATION) OR RELATED ENTITY; EXECUTION OF AMENDED FUNDING COMMITMENT AND RELATED DOCUMENTS WITH SHASTA HOTEL HOUSING ASSOCIATES, LP (JOHN STEWART COMPANY AND SHASTA HOTEL CORPORATION) OR RELATED ENTITY; EXECUTION OF AMENDED SELLER CARRYBACK COMMITMENT AND RELATED DOCUMENTS WITH SHASTA HOTEL CORPORATION OR RELATED ENTITY; AND ENVIRONMENTAL FINDINGS

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

Section 1: The project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations (CCR) Section §15301(a), "Existing Facilities".

Section 2: Subject to approval by the Housing Authority, the Amended Conditional Funding Commitment attached to and incorporated in this resolution by this reference for the extension of the approved financing of the Shasta Hotel (Commitment) is approved, and the Executive Director, or designee, is authorized to execute the Amended Conditional Funding Commitment and related documents and transmit to Shasta Hotel Housing Associates, LP (John Stewart Company and Shasta Hotel Corporation) or related entity.

Section 3: Subject to approval by the Housing Authority, the Amended Conditional Seller Carryback Funding Commitment attached to and incorporated in this resolution by this reference for the extension of the approved seller carryback acquisition financing (Seller Carryback Commitment) is approved, and the Executive Director, or designee, is authorized to execute the Amended Conditional Seller Carryback Commitment and related documents and transmit to Shasta Hotel Corporation or related entity.

Section 4: Subject to approval by the Housing Authority, the Executive Director, or designee, is authorized to execute the Amended Funding Commitment and Amended Seller Carryback Commitment and related documents, and perform other actions necessary, including

without limitation, subordination, extensions and restricting of payments, all as approved by agency counsel.

CHAIR

ATTEST:

CLERK



May 11, 2018

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Authorization to Terminate and Release Inclusionary Housing Regulatory Agreement for
the Patterson Subdivision Project

SUMMARY

The attached report is presented for your review prior to review and approval by the City
of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendation outlined in the attached 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

Consent
June 7, 2018

Honorable Mayor and Members of the City Council

Title: Authorization to Terminate and Release Inclusionary Housing Regulatory Agreement for the Patterson Subdivision Project

Location/Council District: District 2

Recommendation: Pass a **City Council Resolution** authorizing the Sacramento Housing and Redevelopment Agency (Agency) to Terminate and Release the Inclusionary Housing Regulatory Agreement for the Patterson Subdivision project.

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

Presenters: None.

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: On March 21, 2006, the Sacramento City Council by Resolution No. 2006-211, approved the Inclusionary Housing Plan (Plan) for the 63 for-sale, single-family homes in the Patterson Subdivision project (Project). As a result, an Inclusionary Housing Regulatory Agreement (Regulatory Agreement) was executed between Sacramento Housing and Redevelopment Agency (Agency) and Sycamore Ventures, LLC, and recorded with the final subdivision map for the Project to enforce the Plan. The Regulatory Agreement required nine homes to be constructed and sold to households at or below 80 percent and 50 percent of Area Median Income, and be affordable for a term of 30 years. A vicinity map is included as Attachment 2. The Regulatory Agreement is included as Attachment 3.

On September 1, 2015, the Sacramento City Council adopted the Mixed Income Housing Ordinance No. 2015-0029 (Ordinance) that repealed Chapter 17.712 and added Chapter 17.712 and Section 17.808.260 to the Sacramento City Code. Sacramento City Code Section 17.712.030 subsection C states that projects subject to an inclusionary housing plan approved prior to the effective date of the Ordinance may elect to either comply with the existing plan or comply with the provisions of the new Ordinance.

In September of 2016, Assent I, LLC (New Faze Development) acquired the Project. On April 17, 2018, the new owners of the Project submitted a written request to the Agency electing to comply with the provisions of Chapter 17.712, the Ordinance, by terminating the Plan and paying a housing impact fee of approximately \$110,200. According to New Faze Development, they desire the flexibility to rent the nine formally regulated homes at an affordable rate to local community members that are unable to afford high rents or do not qualify to purchase a home. The owner's letter is included as Attachment 4.

Subject to Council approval to release and terminate the Regulatory Agreement, the fees collected from the new owners will be placed in the citywide Housing Trust Fund and will be used to develop affordable housing units. Based on the average public subsidy of \$83,408 per unit in Sacramento County, this housing impact fee will create approximately 1.3 units. In addition, the new owners will be charged a \$6,000 administrative fee to reimburse staff time and related costs to release and terminate the Inclusionary Housing Regulatory Agreement for the Project.

Following payment of the housing impact fee and the Agency's \$6,000 administrative fee, the Agency will release the existing Regulatory Agreement. The Release and Termination of the Inclusionary Housing Regulatory Agreement is included as Exhibit A.

Policy Considerations: The recommended action is consistent with Sacramento City Code Section 17.712.030 subsection C, which allows the Plan to be terminated. As a result, the Project will be required to pay the fee in lieu of implementing the prior Plan.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action is administrative in nature and is therefore not considered a project under CEQA pursuant to California Code of Regulations (CCR) §15378.

Sustainability Considerations: Not applicable.

Commission Action: At its meeting of May 16, 2018, the Sacramento Housing and Redevelopment Commission (Commission) reviewed the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSTAIN:

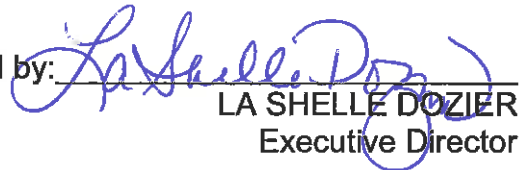
ABSENT:

Rationale for Recommendation: The recommended action is to implement an election by the Project owner as provided for in Sacramento City Code Section 17.712.030 subsection C, and authorizes the Agency to terminate and release the Inclusionary Housing Regulatory Agreement for the Project so that it will no longer be an encumbrance on title to the property.

Financial Considerations: The owner of the Project elected to comply with the provisions of the Ordinance, specifically Sacramento City Code Section 12.712.030 (affordable housing requirement) and 17.712.050 (housing impact fees). In accordance with the Ordinance, the Project is located in the Housing Incentive Zone, which has reduced housing impact fee rate of \$1.16 per square foot, rather than \$2.68 per square foot for a home located in a non-Housing Incentive Zone. The owner has agreed to pay the housing impact fee of approximately \$110,200, and provide the Agency a \$6,000 administrative fee to reimburse staff time and related costs to release and terminate the Inclusionary Housing Regulatory Agreement for the Project.

LBE - M/WBE and Section 3 requirements: Minority and Women's Business Enterprise and Local Business Enterprise requirements do not apply to this action.

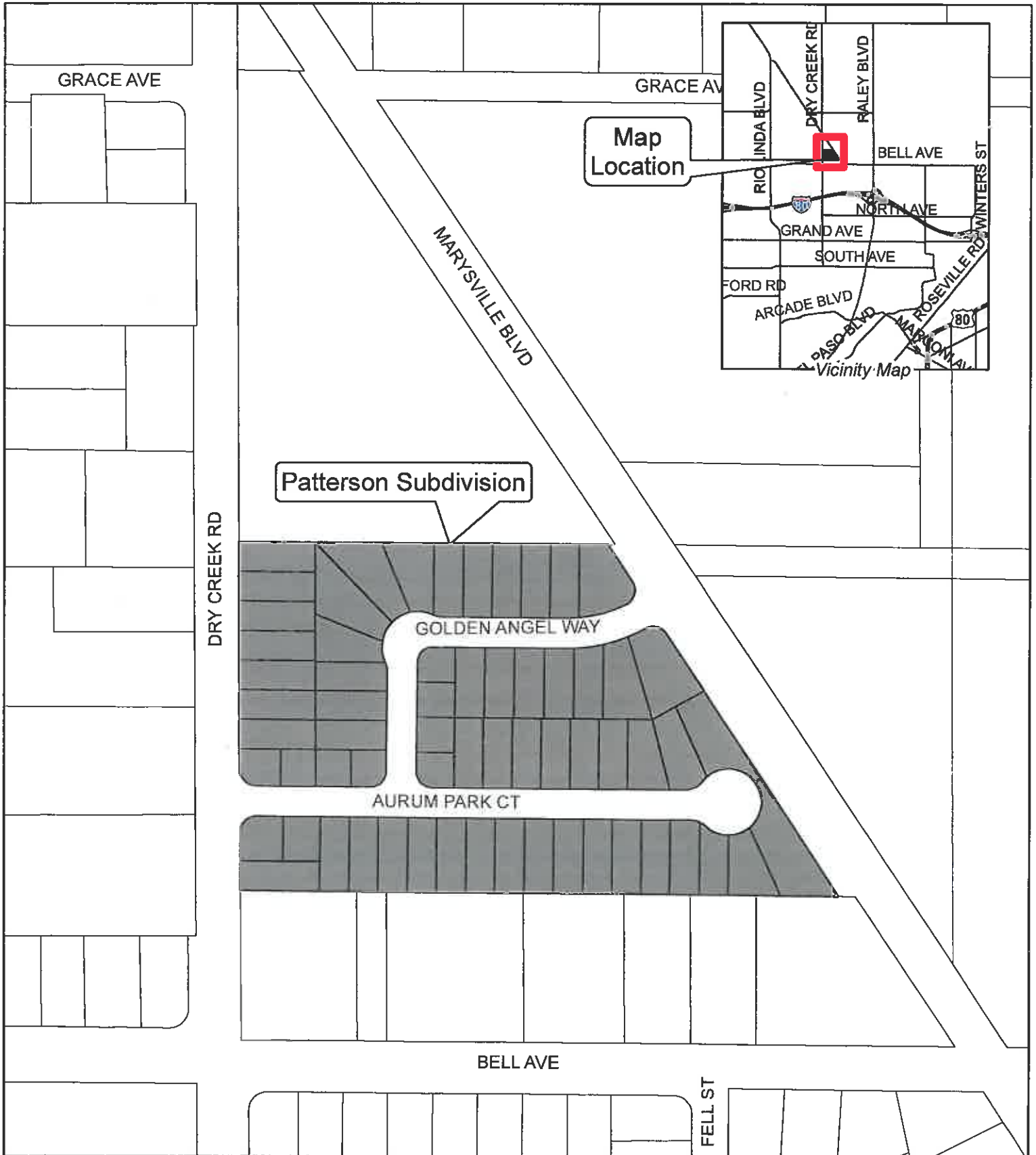
Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

- 01 Description/Analysis and Background
- 02 Vicinity Map
- 03 Inclusionary Housing Regulatory Agreement
- 04 Owner's Request to Release the Regulatory Agreement
- 05 Council Resolution
- 06 Exhibit A to Resolution – Release of Regulatory Agreement

Patterson Subdivision



Patterson Subdivision

Map Location

Vicinity Map



Patterson Subdivision Lots



SHRA GIS
April 17, 2018



Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20080131 PAGE 1158
 Thursday, JAN 31, 2008 1:48:00 PM
 Ttl Pd \$0.00 Nbr-0005248018

TPH/74/1-43

NO FEE DOCUMENT:

Entitled to free recording
 per Government Code 6103.

When recorded, return to:

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
 630 "I" Street
 Sacramento, CA 95814
 ATTN: Development Services

CITY INCLUSIONARY HOUSING REGULATORY AGREEMENT
All Inclusionary Units Constructed by Developer within the Project

PROJECT NAME	PATTERSON SUBDIVISION
--------------	-----------------------

NOTICE: THIS REGULATORY AGREEMENT IMPOSES COVENANTS, CONDITIONS AND RESTRICTIONS ON THE PROPERTY WHICH STAY WITH THE PROPERTY FOR MANY YEARS, INCLUDING RESTRICTIONS ON THE RESALE PRICE AND THE USE AND MAINTENANCE OF THE PROPERTY.

In consideration of their mutual obligations and promises, the Sacramento Housing and Redevelopment Agency ("Agency"), a joint powers authority, and Developer (defined below), have entered into this Inclusionary Housing Regulatory Agreement ("Regulatory Agreement") as of the Effective Date.

RECITALS.

- A. Developer is the owner and developer of certain real property in the City of Sacramento which is the location of the Residential Project and is the subject of this Inclusionary Housing Agreement.
- B. The Residential Project is subject to the requirements of the Ordinance. Pursuant to the Ordinance, the Developer has submitted and the City has approved the Plan.
- C. Developer is making this Inclusionary Housing Agreement to fulfill its conditions for development of the Residential Project and in order to obtain rights to develop the Residential Project. To meet the requirements of the Ordinance and Plan, this Inclusionary Housing Agreement must be signed prior to or concurrent with the issuance of the Special Permit by the City's Planning Director for the Residential Project, as a condition of such approval, and recorded against both the land in the Residential Project and in the Inclusionary Housing Project if it is located off-site of the Residential Project.
- D. The Agency is charged with the responsibility for improving, increasing and maintaining the stock of affordable housing in the City and County of Sacramento. Pursuant to the Ordinance and the Plan, the Developer is required to enter into this Regulatory Agreement as a condition of the City's approval of development of the Residential Project to assure the development of the Inclusionary Housing Units. Agency is entering into this Regulatory Agreement in reliance upon Developer's promises to meet the requirements of the Ordinance and Plan, by which the stock of affordable housing in the community will be increased.

ARTICLE I SPECIFIC PROVISIONS AND DEFINITIONS.

1. **GENERAL.** This Regulatory Agreement includes the Recitals, Article I, Specific Provisions and Definitions, Article II General Provisions, and the Exhibits referenced below, which are attached and incorporated into this Regulatory Agreement by this reference.
2. **DEFINITIONS.** The capitalized terms in this Regulatory Agreement shall have the meanings assigned in the following table and as defined in Article II General Provisions. (Terms being defined are indicated by quotation marks.) Furthermore, defined terms that are the same as defined terms in the Mixed Income Housing Ordinance,

City of Sacramento City Code Chapter 17.190 ("Ordinance") shall be interpreted in accordance with the meanings as ascribed to them in the Ordinance.

AGREEMENT PROVISIONS			
Agreement Terms	Definitions		
"Effective Date"	This Regulatory Agreement shall be effective as of the following date:		
"Developer"	Name	Sycamore Ventures, LLC	
	Legal Form	A California Limited Liability Corporation	
	Address	2020 Hurley Way, Suite 150, Sacramento, CA 95825	
"Residential Project"	The Residential Project is the housing project that Developer wishes to develop and that is subject to the Ordinance. The Residential Project includes the Inclusionary Housing Project. The Residential Project is located on the following Residential Project Property and consists of the following Residential Project Description.		
	"Residential Project Property" or "Property"	Location	North of Highway 80 and Bell Road and between Dry Creek and Marysville Boulevard
		Assessor's Parcel Number	237-0091-003, 237-0091-004
		More particularly described in the "Residential Project Legal Description" included in <u>Exhibit 1 Residential Project Legal Description</u> .	
"Residential Project Description"	New construction of 63 single family homes of which 53 will be detached and 10 will be halfplexes		
"Inclusionary Housing Requirement"	The Plan and Ordinance require the following number of affordable housing units to be built as a condition to the development of the Residential Project as set out in the Plan and to be restricted units in the following affordability levels as further provided in the "Funding Restrictions" attached as <u>Exhibit 4 Funding Restrictions</u> . As for sale units, homebuyers of the inclusionary units will be required to enter into a homebuyer regulatory agreement with the Sacramento Housing and Redevelopment Agency, which is attached as <u>Exhibit 6, Homebuyer Regulatory Agreement</u> .		
	"Affordability Level":	Number:	Unit Description of Inclusionary Housing Units:
	"Low Income" units for sale	3	Three -bedroom units (approximately 900 to 1,000 square feet)
	"Very Low Income" units for sale	6	Three -bedroom units (approximately 900 to 1,000 square feet)
"Inclusionary Housing Units"	That portion of the Residential Project that consists of the units built by the Developer to satisfy the Inclusionary Housing Requirement.		
"Plan"	The Plan is the "Inclusionary Housing Plan" required by the Ordinance as such plan has been approved and may be from time to time amended by the City. The Plan specifies the number, unit mix, location, structure type, affordability, and phasing of the Inclusionary Housing Units, and contains all required City Planning Director findings. The Plan is attached as <u>Exhibit 3 Inclusionary Housing Plan</u> .		
"Inclusionary Housing Project"	The Inclusionary Housing Project" is that portion of the Residential Project that consists of the Inclusionary Housing Units, which is attached as <u>Exhibit 2, Inclusionary Residential Project Legal Description</u> . The Inclusionary Housing Project shall be developed as follows.		
	"Inclusionary Housing Property"	The Inclusionary Housing Units are located within Residential Project Property as follows:	Final Map Lots 29A, 28 A, 28 B, 2 A, 2 B, 50 A, 50 B, 51 A, and 51 B
	"Inclusionary Housing Project Description"	The Inclusionary Housing Project is the construction and regulation of the Inclusionary Housing Units within the Residential Project, in the numbers, affordability levels, and locations as described above	

"Linkage Requirements"	The Linkage Requirements Phasing, if any, or linkage requirements for development of the Residential Project and the Inclusionary Housing Units are stated in the Plan and further described in Exhibit 5 Linkage Requirements .	
"Exhibits"	Exhibit Number	Exhibit Title
	1	"Residential Project Legal Description"
	2	"Inclusionary Residential Project Legal Description"
	3	Inclusionary Housing Plan ("Plan")
	4	"Funding Restrictions"
	5	"Linkage Requirements"
Special Provision Regarding Monitoring Fees	Developer acknowledges that Agency has informed Developer that Agency is preparing a schedule of fees and charges for costs related to project monitoring and compliance enforcement of the Inclusionary Housing Regulatory Agreement and is preparing processes and procedures to which Developer shall be subject for future monitoring and compliance documentation. In order to expedite Agency approval of this Regulatory Agreement, Developer agrees to be bound by such processes and procedures and to pay when due any such fees and charges as may later be adopted by the Agency, which fees and charges are generally applicable to Inclusionary Housing Regulatory Agreements implementing the Ordinance.	

AGENCY:
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

By: LaShelle Dozier
 LaShelle Dozier
 Interim Executive Director

Date: 1-30-08
 Approved as to form:
[Signature]
 Agency Counsel

SYCAMORE VENTURES, LLC
A CALIFORNIA LIMITED LIABILITY CORPORATION

By: David Romo
 David Romo, Managing Member

Date: 1/7/08
 Approved as to form:
[Signature]
 Developer Counsel
 D. Randall Ensminger

NOTARY ACKNOWLEDGEMENT REQUIRED

CALIFORNIA ACKNOWLEDGEMENT

State of California

County of SACRAMENTO }

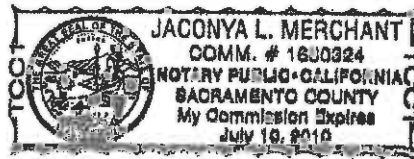
SS.

On January 31, 2009 before me, JACONYA L. MERCHANT, Notary Public
personally appeared LASHELLE DOZIER, Interim Executive Director

Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

Jaconya L. Merchant

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento

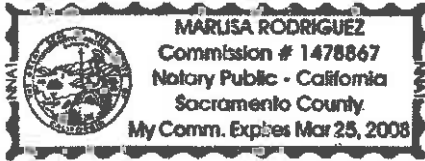
On January 14, 2008 before me, Marisa Rodriguez Notary Public

personally appeared David Romo + D. Randall Ersminger

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/hers/their authorized capacity(ies), and that by his/hers/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature [Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: City Inclusionary Housing Regulatory Agreement

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Regulatory Agreement - Article II General Provisions for Inclusionary Housing Agreement

1. REPRESENTATIONS. Developer intends to develop a Residential Project that is subject to the requirement to include an Inclusionary Housing Plan and to enter into this Regulatory Agreement with the Agency to set out the manner in which the Inclusionary Housing Plan will be implemented. This Regulatory Agreement is a substantial part of the consideration to Agency to undertake the obligation to administer Developer's compliance with the Inclusionary Housing Plan. Further, this Regulatory Agreement includes certain requirements that are in accordance with the laws, rules and regulations to which Agency is subject. Therefore, Agency has entered into this Regulatory Agreement conditioned upon Developer's agreement, for itself and its successors and assigns, to comply with all provisions of this Regulatory Agreement. Developer has had full opportunity to make itself independently familiar with the obligations, limitations and restrictions of the Inclusionary Housing Plan applicable to Developer's Residential Project, and Developer accepts them and agrees to comply fully with them.

2. COVENANTS. Developer makes the following covenants. Unless Developer has received the prior written consent or Agency approval otherwise, Developer shall fully comply with each and every covenant. Except as otherwise stated in this Regulatory Agreement, the following covenants shall be in full force and effect until Developer has fully complied with each covenant.

a. Developer shall develop the Property strictly in compliance with the Inclusionary Housing Plan.

b. Developer shall not transfer or encumber any portion of the Property or permit the conveyance, transfer, or encumbrance of the Property unless such assignee, transferee or encumbrancee has agreed, in writing and in a form suitable for recordation, to be bound by the terms of this Regulatory Agreement.

c. During Developer's ownership of the Inclusionary Housing Units, Developer shall maintain them in good repair and condition and in compliance with all applicable housing quality standards and local code requirements. Developer shall maintain the Inclusionary Housing Units in good condition and shall keep them reasonably free from graffiti and unrepaired vandalism and from accumulation of abandoned property, inoperable vehicles, unenclosed storage, debris, and waste materials. In the event of a casualty loss, Developer shall cause the restoration or replacement of the Inclusionary Housing Units, in a timely manner and provided that such restoration or replacement is then economically feasible.

d. During Developer's ownership of the Inclusionary Housing Units, Developer shall not cause and shall not permit discrimination on the basis of race, color, ancestry, religion, creed, sex, marital status, or national origin in the sale, lease, or rental or in the use or occupancy of the Units. Developer covenants by and for himself, his heirs, executors, administrators, and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Units. This covenant against discrimination shall continue in perpetuity.

3. NATURE OF COVENANTS. The provisions contained in this Regulatory Agreement are covenants which subject and burden the Property, as covenants running with the land. It is intended and agreed that the agreements and covenants provided in this Agreement shall be covenants running with the land and equitable servitudes on the land and that they shall, in any event, and without regard to technical classifications or designation, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Agency, the Agency's successors and assigns, any other governmental entity acting within its authority and any successor in interest to Agency's interest under this Regulatory Agreement against the Developer, its successors and assigns and every successor in interest to all or any part of the Property.

4. SUPERSEDING EXISTING COVENANTS, CONDITIONS, & RESTRICTIONS. This Regulatory Agreement shall supersede any covenants, conditions and restrictions that have been previously recorded by, or on behalf of, the Agency against the Property.

5. TERM. The term of this Regulatory Agreement shall commence on the Effective Date and continue until the terms of all of the covenants, including without limitation, the terms stated in the Inclusionary Housing Plan and Funding Restrictions, have expired or otherwise been terminated.

6. RECORDKEEPING AND REPORTING. Upon request of Agency, Developer shall promptly provide any additional information or documentation requested in writing by the Agency to verify Developer's compliance with the provisions of this Regulatory Agreement. At the written request of the Agency, Developer shall, within a reasonable time following receipt of such request, furnish reports and shall give specific answers to questions upon which information is desired from time to time relative to the income, assets, liabilities, contracts, operations, and condition of the Property and Developer's compliance with this Regulatory Agreement.

7. AUDIT AND INSPECTION. The Inclusionary Housing Units and all related equipment, buildings, plans, offices, books, contracts, records, documents and other related papers shall at all times be maintained in reasonable condition for audit and shall be subject to examination by the Agency or its agents. The books and accounts of the operations of the Inclusionary Housing Units shall be kept in accordance with generally accepted accounting principles. Developer shall provide Agency access to the Inclusionary Housing Units and the tenants thereof during reasonable hours for the purpose of reviewing Developer's compliance with this Regulatory Agreement and the Inclusionary Housing Plan.

8. INDEMNITY FOR DEVELOPER'S FAILURE TO MEET LEGAL REQUIREMENTS. Developer shall indemnify and hold Agency, its officers, directors, and employees harmless from any and all liability arising from Developer's failure to comply with the covenants, conditions and restrictions contained in this Regulatory Agreement. Without limitation, such indemnity shall include repayment to the appropriate parties or the Agency of rents or sales proceeds in excess of amounts authorized to be charged.

9. CHANGES WITHOUT CONSENT OF TENANTS, LESSEES, OR OTHERS. Only Agency and its successors and assigns, and Developer and its successors and assigns (subject to the reasonable approval of Developer's lender) shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or restrictions contained in this Agreement without the consent of any easement holder, licensee, other mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property.

10. DEFAULT. Upon a breach of any of the provisions of this Regulatory Agreement by Developer, the Agency may give written notice of such breach to Developer by registered or certified mail. If such violation is not corrected to the satisfaction of Agency within sixty (60) days after the date such notice is mailed or within such further time as the Agency may reasonably determine is necessary to correct the breach, and without further notice to Developer, the Agency may declare a default under the Agreement. Upon such default the Agency may:

(a) To the extent applicable, in the event of any breach of the covenants, conditions and restrictions contained in this Regulatory Agreement, the Agency shall reasonably endeavor to remedy such breach by conference and conciliation. If, in the opinion of Agency, the Agency and Developer are unable mutually to agree upon a suitable remedy or the circumstances so warrant, such breach may be enjoined or abated by appropriate proceedings brought by the Agency.

(b) Apply to any court for specific performance of this Regulatory Agreement, for an injunction against any violation of the Agreement, for the appointment of a receiver to take over and operate the Inclusionary Housing Units in accordance with the terms of this Regulatory Agreement, for money damages or for such other relief as may be appropriate, since the injury to the Agency arising from a default under any of the terms in this Regulatory Agreement would be irreparable, and the amount of damage would be difficult to ascertain. Agency may institute or prosecute in its own name, any suit Agency may consider advisable in order to compel performance of any obligation of any Developer to develop and maintain the Property in conformity with this Regulatory Agreement and to remedy any default of this Regulatory Agreement. Agency may also seek a decree requiring removal of any improvements constructed on the Property which improvements are designed for uses not permitted under this Regulatory Agreement and which improvements are unsuitable only for uses not permitted under this Regulatory Agreement.

(d) The remedies of the Agency under this Regulatory Agreement are cumulative. The exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the Agency of any one or more of its other remedies.

11. BINDING SUCCESSORS IN INTEREST. This Regulatory Agreement shall bind and the benefits shall inure to the Developer, its successors in interest and assigns and to the Agency and its successors and assigns for the term of this Regulatory Agreement.

12. CONTRADICTIONARY AGREEMENTS. Developer warrants that he has not, and will not, execute any other agreement with provisions contradictory of or in opposition to, the provisions of this Regulatory Agreement, and that, in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other requirements in conflict with this Regulatory Agreement.

13. ATTORNEYS' FEES. If the services of any attorney are required by any party to secure the performance of this Regulatory Agreement or otherwise upon the breach of default of another party, or if any judicial remedy or mediation is necessary to enforce or interpret any provision of this Regulatory Agreement or the rights and duties of any person in relation to this Regulatory Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Any award of damages following judicial remedy or arbitration as a result of this Regulatory Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law. The prevailing party shall mean the party receiving an award in arbitration or a judgment in its favor, unless the award or judgment is less favorable than the best settlement offered in writing in a reasonable manner by the other party, in which case the prevailing party is the party making such settlement offer.

14. SEVERABILITY. If any term or provision of this Regulatory Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Regulatory Agreement shall not be affected; provided that the intent of the Regulatory Agreement may then be reasonably fulfilled. In any event, the term or provisions shall be deemed to be invalid only as to the entity and circumstance for which it was held to be invalid.

15. NO WAIVER. No waiver by the Agency of any breach of or default under this Regulatory Agreement shall be deemed to be a waiver of any other or subsequent breach or default.

16. NOTICES. Written notices and other written communications by and between the parties shall be addressed to the Developer at the Developer Address and to the Agency at the Agency Address or such other address as each respective party has designated by written notice to the other party.

EXHIBIT 1

RESIDENTIAL PROJECT LEGAL DESCRIPTION

ALL THAT REAL PROPERTY SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SACRAMENTO, CITY OF SACRAMENTO, DESCRIBED AS FOLLOWS:

PARCEL ONE:

THE PORTION OF THE 0.91 ACRE PARCEL OF LAND DESCRIBED AND DESIGNATED PARCEL 3 IN THE DEED FROM SACRAMENTO NORTHERN RAILWAY TO PACIFIC GAS AND ELECTRIC COMPANY DATED JANUARY 19, 1970 AND RECORDED IN BOOK 70 02 13 OF OFFICIAL RECORDS AT PAGE 639, SACRAMENTO COUNTY RECORDS, BOUNDED ON THE EAST BY THE WESTERLY BOUNDARY LINE OF THE CITY STREET (60 FEET WIDE) KNOWN AS MARYSVILLE BOULEVARD AND BOUNDED ON THE WEST BY THE EASTERLY BOUNDARY LINE OF THE CITY STREET (60 FEET WIDE) KNOWN AS DRY CREEK ROAD, AS SAID CITY STREETS ARE SHOWN ON THE RECORD OF SURVEY FILED FOR RECORD JANUARY 3, 1980 IN BOOK 34 OF SURVEYS AT PAGE 40 SACRAMENTO COUNTY RECORDS.

PARCEL TWO:

THAT PORTION OF THE WEST 30 ACRES OF THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 18, AS SHOWN ON THE "PLAT OF RANCHO DEL PASO", RECORDED IN BOOK A OF SURVEYS, AT PAGE 94, RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT IN THE CENTERLINE OF THE DRY CREEK ROAD DISTANT NORTH 1° 46 ½' WEST 227.8 FEET FROM THE ¼ SECTION CORNER COMMON TO SECTIONS 11 AND 18 OF SAID "RANCHO DEL PASO"; RUNNING THENCE NORTH 1° 46 ½' WEST ALONG THE CENTERLINE OF DRY CREEK ROAD 451.8 FEET; THENCE NORTH 89° 02 ½' EAST 990 FEET; THENCE SOUTH 1° 46 ½' EAST 603.4 FEET TO A POINT IN THE CENTER OF THE MARYSVILLE ROAD, WHICH POINT IS DISTANT NORTH 1° 46 ½' WEST 76.6 FEET FROM THE SOUTH LINE OF THE NORTHWEST ¼ OF SAID SECTION 18; THENCE ALONG THE CENTERLINE OF SAID MARYSVILLE ROAD NORTH 35° 26' WEST 183.5 FEET; THENCE SOUTH 89° 02 ½' WEST 888.3 FEET TO A POINT IN THE CENTERLINE OF THE AFORESAID DRY CREEK ROAD, THE POINT OF BEGINNING BEING THE SAME LAND AS PARCELS 2, 3, 4, 5 AND 6 AS SHOWN UPON PLAT OF SUBDIVISION OF THE WEST 30 ACRES OF THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 18, "RANCHO DEL PASO" OF RECORD IN BOOK 195 OF OFFICIAL RECORDS, PAGE 239, SACRAMENTO COUNTY RECORDS.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL, TO WIT:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE WESTERLY 30 ACRES OF THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 18 OF "RANCHO DEL PASO", ACCORDING TO THE ABOVE-MENTIONED PLAT, SAID POINT OF BEGINNING BEING THE SOUTHEASTERLY CORNER OF LOT 17 OF SECTION 11 OF SAID "RANCHO DEL PASO", ACCORDING TO THE OFFICIAL PLAT THEREOF FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 14 OF

MAPS, MAP 5 AND RUNNING THENCE SOUTH 89° 10' EAST 991.0 FEET TO A POINT IN THE EASTERLY BOUNDARY LINE OF SAID 30.0 ACRE TRACT HEREINBEFORE DESCRIBED; THENCE NORTH ALONG SAID LAST MENTIONED BOUNDARY LINE 40.0 FEET; THENCE NORTH 89° 10' WEST 991.0 FEET TO A POINT IN THE WESTERLY BOUNDARY LINE OF SAID 30.0 ACRE TRACT; THENCE SOUTH ALONG SAID LAST MENTIONED BOUNDARY LINE 40.0 FEET, MORE OR LESS, TO THE POINT OF BEGINNING CONTAINING 0.91 ACRES, BEING THE PARCEL OF LAND DESCRIBED IN DEED MADE BY BLACK BROS., A CORPORATION TO PACIFIC GAS AND ELECTRIC COMPANY, A CORPORATION DATED FEBRUARY 12, 1926, RECORDED IN BOOK 56 OF OFFICIAL RECORDS, PAGE 223.

ALSO EXCEPTING THEREFROM ALL THAT PORTION LYING EASTERLY OF THE CENTERLINE OF MARYSVILLE BOULEVARD.

EXHIBIT 2

INCLUSIONARY RESIDENTIAL PROJECT LEGAL DESCRIPTION

LOTS 2A, 2B, 28A, 28B, 29A, 50A, 50B, 51A AND 51B WITHIN THE RESIDENTIAL PROJECT DESCRIBED IN EXHIBIT 1.

EXHIBIT 3

INCLUSIONARY HOUSING PLAN

Inclusionary Housing Plan
Rancho El Paso
(Formerly Patterson project)
November 30, 2005

Proposed Project

Sycamore Ventures, LLC is the owner and developer (Developer) of that certain real property in the City of Sacramento in which the Developer proposes to develop and construct the Rancho El Paso residential community (Project). This 7.9 +/- acre (gross) Project is located north of Highway 80 and Bell Road and between Dry Creek and Marysville Blvd. The Project consists of 63 single-family units. Of the 63 single-family units, 53 lots will contain detached single family residential units and 5 lots will contain 10 half-plex units.

Mixed Income Housing Policy

The Project site is located in a new growth area and the project is subject to the City's Mixed Income Housing Policy. The Mixed Income Housing Policy adopted in the City of Sacramento Housing Element and required by the City's Mixed Income Housing Ordinance, City of Sacramento City Code Chapter 17.190 requires that ten percent (10%) of the total units in a Residential Project be affordable to very low income households and five percent (5%) for low income households (the "Inclusionary Requirement" and "Inclusionary Units").

Pursuant to the City Code Section 17.190.110 (B), an Inclusionary Housing Plan ("Plan") must be approved prior to or concurrent with the approval of legislative, or as applicable in this case, adjudicative entitlements for the Project. City Code Section 17.190.110 (A) sets forth the number, unit mix, location, structure type, affordability and phasing of the Inclusionary Units in the Project. This document constitutes the Plan, and, as supplemented and amended from time to time, is intended to begin implementation of the Inclusionary Requirement for the Project. All future approvals for the Project shall be consistent with this Inclusionary Housing Plan.

The Inclusionary Requirement for the Project will be set forth in more detail in the Inclusionary Housing Agreement executed by the Developer and the Sacramento Housing and Redevelopment Agency ("SHRA") and recorded against all the residential land in the Project. The Inclusionary Housing Agreement shall be executed and recorded no later than the approval of the final map for the subdivision. The Inclusionary Housing Agreement will describe with particularity the site and building schematics and financial arrangements for the construction and financing of the Inclusionary Units, pursuant Section 17.190.110(C). The Inclusionary Housing Agreement shall be consistent with this Plan.

Number of Inclusionary Units

The Developer, or its successors and assignees, shall construct or cause to be constructed a number of dwelling units affordable to Very Low Income Households ("Very Low Income Units") and Low Income Households ("Low Income Units") as defined in the Sacramento City Code Section 17.190.020, equal to ten percent (10%) and five percent (5%) of the total number of housing units approved for the Residential Project, respectively. Based on the current Project proposal, the Inclusionary Requirement for the Project is 6 units for Very Low Income (10%) and 3 units for Low Income (5%).

Total Number of Units within the Project	63
Very Low Income Units (10% of units)	6
Low Income Units (5% of units)	3
Total Number of Inclusionary Units	9

If the Project approvals are amended to increase the number of units in the Project, this Plan will be amended to reflect a number of equal to ten percent (10%) of the increased total residential units in the amended entitlements for Very Low Income units and five percent (5%) for Low Income units. If the Project approvals are amended to decrease the number of residential units in the Project, this Plan will be amended to reflect a number equal to ten percent (10%) for the decreased total residential units in the amended entitlements for Very Low Income units and five percent (5%) for Low Income units. However, after a building permit has been issued for a structure to contain Inclusionary Units, those Units will be constructed and maintained as Inclusionary Units pursuant to the terms of Chapter 17.190 of the City Code regardless of any subsequent reduction in the number of approved total residential units in the Project.

Units by Type and Tenure

The Inclusionary Housing Units shall consist of 9 half-plex units. Developer will offer the half-plex units as ownership units. An initial owner who purchases a for-sale Inclusionary Unit shall occupy that unit as their principal residence and shall certify to the Developer/builder of the unit that he/she is a first time home buyer. SHRA will record a regulatory agreement against each Inclusionary Unit, detailing the recapture difference between the market sales price and the affordable price (adjusted for inflation) if the home is resold to a non-income qualified buyer in the future.

Size and Bedroom Count

The Inclusionary Housing units shall consist of half-plex units. The half-plex units will range from 900 to 1,000 square feet each, include 2 and 3 bedrooms and be one to two story units.

Location of Inclusionary Units within the Project

Inclusionary Units shall be located on-site within the proposed Project as part of the single-family residential development. Half-plex units are planned to be located on Lot 2 A&B, 28 A&B, 29 A, 50 A&B, and 51 A&B as shown on the Project tentative map. In the City's R-1 zone, half-plex units are permitted on corner lots.

It is possible to evenly distribute the number of Inclusionary Units among the location of the corner half-plex units. Specific lots identified for Inclusionary Units will be identified on the Tentative Map prior to approval by City Council, included as Attachment 1. Table 1 summarizes the locations of the Inclusionary Units within the Project.

Table 1

Location of Inclusionary Units

Inclusionary Unit	Level of Affordability	Lot Number(s)	Size of Unit
6	Very Low Income	2 A&B, 28 A&B & 51 A&B	900-1000 sq. feet
3	Low Income	29 A, 50 A&B	900-1000 sq. feet

The location of the Inclusionary Units within the Project are subject to Amendment, consistent with Section 17.190.110 B (1) of the Mixed Income Ordinance.

Affordability Requirements

Sale and occupancy of the Inclusionary Units shall be restricted to households with incomes, at the time of initial occupancy, that do not exceed fifty percent (50%) of the median income for Sacramento County, adjusted for actual household size for Very Low Income households and eighty percent (80%) of the median income for Low Income households and shall be consistent with the SHRA guidelines. Median income figures are those published annually by the United States Department of Housing and Urban Development.

The sale price of the units will be set so that low income and very low income households can qualify for the purchase of the half-plex units. The sales price will be set such that no more than thirty percent (35%) of the gross annual household income of the given income group will be allocated to housing costs. As part of the Inclusionary Housing Agreement, SHRA will provide the Developer with a schedule of maximum sales prices affordable to income ranges.

Sales prices of units will be outlined in the Inclusionary Housing Agreement. The units will be sold initially at an affordable housing price to a low or very low income household with a first time home buyer. An SHRA 30-year note will govern the home's resale, allowing SHRA ninety days to refer an income-eligible buyer after notification of the owners, intent to sell. If an income-eligible purchaser is not found, the home may be resold, provided that SHRA recaptures the difference between the home's market value and its affordable housing price as well as any other City or SHRA contributions. The owner occupant will receive his or her initial equity in the home and a portion of the home's appreciated value. The terms of this arrangement will be outlined in the Inclusionary Housing Agreement between SHRA and the Developer.

Phasing of Development of the Inclusionary Units

The Inclusionary Units shall be developed concurrently with the development of the remaining units in the Project, as defined in Sacramento City Code Section 17.190.020. The nature of the concurrency is defined by a series of linkages between approvals of the market rate units and the development of the Inclusionary Units.

Market Rate Housing/Inclusionary Unit Linkages

The following describes the relationship of market rate development activity to the activity of Inclusionary Unit development activity. These milestones are outlined to ensure that the development of affordable units occurs concurrent with development of market rate units:

Market Rate Activity	Inclusionary Approval Linkage
Approval of legislative entitlements and project-level applications submitted with Legislative entitlements.	Approval of Inclusionary Housing Plan
Approval of first final map for Residential Project.	Execution of Inclusionary Housing Agreement by Sycamore Ventures, LLC
Recordation of first final map for Residential Project.	Recordation of Inclusionary Housing Agreement
Issuance of building permits in excess of 50% of single family for sale units in Residential Project.	Issuance of building permits for 100% of the Inclusionary Housing Units
Marketing market rate units within the project	Marketing of half-plex units within project

Amendment and Administration of the Inclusionary Housing Plan

The Planning Director, with the advice of the Executive Director of SHRA, shall administer this Inclusionary Housing Plan. The Planning Director may make minor administrative amendments to the text of this Plan as provided in Sacramento City Code Section 17.190.110B (1).

EXHIBIT 4

FUNDING REQUIREMENTS

FUNDING REQUIREMENTS CITY INCLUSIONARY HOUSING

For residential units which are required to be sold as affordable pursuant to the Mixed Income Housing Ordinance, City of Sacramento City Code Chapter 17.190 ("Ordinance"), the following covenants shall be recorded against the real property as covenants running with the land, whether as part of the final map, the conveyance documents to the developer, or as individual regulatory agreements, designating the units or parcels which are to remain affordable. Definitions of terms shall be as provided in the Ordinance

1. The rental and sales prices for the Inclusionary Housing Units or Parcels are restricted as herein provided.
2. "Low Income Units" shall each be affordable to a "Low Income Household". A Low Income Household is defined in the Ordinance as a household whose income does not exceed eighty percent (80%) of median income for the statistical area including Sacramento County, adjusted for family size, as published annually by the United States Department of Housing and Urban Development ("HUD").
3. "Very Low Income Units" shall each be affordable to a "Very Low Income Household". A Very Low Income Household is defined in the Ordinance as a household whose income does not exceed fifty percent (50%) of median income for the statistical area including Sacramento County, adjusted for family size, as published annually by HUD.
4. The Low Income Sale Units and Very Low Income Sale Units ("Sale Units") shall be sold at an "Affordable Housing Price". Affordable Housing Price is defined in the Ordinance as a real property sales price for which the respective income level (Low Income Household or Very Low Income Household) can qualify, provided that the payment for such unit will not exceed (i) for Low Income Sale Units, a monthly payment not to exceed one twelfth (1/12th) of thirty-five percent (35%) of eighty percent (80%) of median income for the statistical area including Sacramento County, adjusted for family size, as published annually by HUD and, (ii) for Very Low Income Sale Units, a monthly payment not to exceed one twelfth (1/12th) of thirty-five percent (35%) of fifty percent (50%) of said median income. Such payment shall include principal and interest, taxes, and assessments.
5. The Low Income Rental Units and Very Low Income Rental Units ("Rental Units") shall be rented at an "Affordable Rent" for the respective income level. Affordable Rent is defined in the Ordinance as, (i) for Low Income Rental Units, a monthly rent not to exceed one twelfth (1/12th) of thirty percent (30%) of eighty percent (80%) of median income for the statistical area including Sacramento County, adjusted for family size, as published annually by HUD and, (ii) for Very Low Income Rental Units, a monthly rent not to exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of said median income.
6. The Developer of a development project subject to an inclusionary housing agreement shall sell the Sale Units to income-eligible initial Developers at an Affordable Housing Price. The initial sale and any subsequent sale to an income eligible purchaser shall be subject to the recordation by Sacramento Housing and Redevelopment Agency ("SHRA") of legal documents to enforce the affordability, resale, and recapture requirements described in this Section for a period of not less than thirty (30) years, which unless otherwise stated shall be in the form of the Individual Regulatory Agreement.
7. The term of the covenants herein for Sale Units is thirty (30) years from the date of the recordation of the individual regulatory agreement pursuant to the Inclusionary Housing Agreement.
8. The term of the covenants herein for Rental Units is thirty (30) years from the recordation of this Inclusionary Housing Agreement.

9. If the initial Developer-occupant or any subsequent Developer of a for-sale inclusionary unit intends to sell the unit at a time that the unit is subject to affordability restrictions, the Developer shall notify SHRA in writing of the intent to sell, prior to initiating discussions with a real estate professional or taking any other steps to market the unit. Upon receipt of the notice from the Developer, SHRA, or its assignee, shall have 120 days either to (a) identify and qualify a buyer as income eligible, and refer such buyer to the seller; or (b) give notice to the seller that SHRA, or its assignee, will acquire the unit. If SHRA, or its assignee, gives notice of intent to acquire the unit, it shall complete the transaction to purchase the property within thirty (30) days from the date it provides the notice of intent.
- a. Notice to SHRA shall be given at the following address, or such other address as SHRA may from time to time notify Developer or record on the subject property: Sacramento Housing and Redevelopment Agency, 630 I Street, Sacramento, California 95814, Attention: Agency Clerk.. If notices are returned by the United States Postal Service as undeliverable, Developer shall be obligated to find the published address of SHRA or its successor in interest.
 - b. If the Developer receives either a timely referral of an income-eligible buyer or a timely notice of intent to acquire from SHRA, or its assignee, the Developer shall sell the unit to the referred buyer or to SHRA, or its assignee, at the resale price established by SHRA as provided in 9.d, below.
 - c. If SHRA, or its assignee, (a) does not timely refer an income-eligible buyer to Developer and (b) does not give timely notice of intent to acquire the property or (c) after such timely referral or notice, the Agency, its assignee, or its referred buyer does not complete such purchase of the unit, Developer may sell such inclusionary unit to a non-income eligible buyer. The sale to a non-income eligible buyer shall be subject to the recapture provisions of d. ii, below. Thereafter, affordability restrictions applicable to the unit shall terminate.
 - d. SHRA shall determine the resale price for the unit in accordance with the following:
 - i. For income-eligible buyers, the resale price shall be the lesser of: (a) fair market value, as established by an appraiser approved by SHRA; or (b) the Affordable Housing Price as established by SHRA for the appropriate income level of the buyer as of the estimated date of sale.
 1. Should the resale price be less than the Affordable Housing Price paid by the Developer for the unit and the reasonable and customary closing costs actually incurred by Developer on Developer's purchase of the unit, SHRA shall increase the resale price to the original Affordable Housing Price plus closing cost incurred by Developer on Developer's purchase of the unit.
 2. Upon request of an Developer who has occupied the unit for a substantial period of time and Developer's presentation of evidence that Developer has made capital improvements to the unit, SHRA shall increase the resale price to the extent of the current fair market value of such improvements as established by evidence reasonably acceptable to SHRA, not to exceed the fair market value of the unit.
 - ii. For non-income eligible buyers, the resale price shall be based on the fair market value established by an appraisal obtained by Developer and approved by SHRA. The seller shall receive the amount of the resale price established by SHRA under 9.d.i, above. The remaining proceeds of the sale shall be paid to SHRA as recapture funds.

EXHIBIT 5

LINKAGE REQUIREMENTS

NO MORE THAN 31 BUILDING PERMITS FOR MARKET RATE UNITS MAY BE PULLED PRIOR TO PULLING ALL 9 BUILDING PERMITS FOR THE INCLUSIONARY UNITS.

EXHIBIT 6

HOME BUYER REGULATORY AGREEMENT

NO FEE DOCUMENT :

Entitled to free recording
per Government Code 6103.

When recorded, return to:

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
630 "I" Street
Sacramento, CA 95814
Attention: Portfolio Management

**CITY INCLUSIONARY HOUSING –
REGULATORY AGREEMENT FOR HOMEOWNERSHIP PROPERTY
INCLUDING COVENANTS, CONDITIONS AND RESTRICTIONS RUNNING WITH THE LAND
AND IMPOSING RESTRICTIONS ON RESALE AND LIEN AGAINST PROPERTY AFTER SALE
FOR AMOUNT OF RECAPTURE DUE**

PROJECT NAME:	«Project Name»
PROPERTY ADDRESS:	«Property Address»
EFFECTIVE DATE:	

NOTICE: THIS INDIVIDUAL REGULATORY AGREEMENT IMPOSES COVENANTS, CONDITIONS AND RESTRICTION ON THE PROPERTY WHICH STAY WITH THE PROPERTY FOR MANY YEARS.

THIS INDIVIDUAL REGULATORY AGREEMENT LIMITS THE FUTURE SALES PRICE OF THE PROPERTY OR REQUIRES THAT MONIES BE PAID TO THE AGENCY ON NON-QUALIFIED SALES.

THIS INDIVIDUAL REGULATORY AGREEMENT IMPOSES A LIEN ON THE PROPERTY FOR THE AMOUNT OF ANY RECAPTURE DUE, WHICH LIEN SURVIVES THE SALE OF THE PROPERTY

LOANS AND ADVANCES OBTAINED BY OWNER WITHOUT PRIOR AGENCY APPROVAL AND AMENDMENT OF THIS AGREEMENT OR THE RENTAL OF THIS PROPERTY MAY REQUIRE SUBSTANTIAL PAYMENT TO THE AGENCY AS RECAPTURE.

FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, AGENCY AND OWNER HAVE ENTERED THIS REGULATORY AGREEMENT AS OF THE EFFECTIVE DATE FIRST WRITTEN ABOVE.

1. **GENERAL.** This Regulatory Agreement includes the Exhibits attached to it, which are incorporated into this Regulatory Agreement by this reference.

2. **DEFINITIONS.** The capitalized terms in this Regulatory Agreement shall have the meanings assigned in the following Definition Table. (Terms being defined are indicated by quotation marks.)

DEFINITION TABLE	
TERM	DEFINITION
a	“Actual Resale Price” Sales price actually paid by a Buyer on Resale of the Property.
b	“Affordable Price” The maximum price at which the Property can be resold without Recapture by the Agency, as determined pursuant to Section 5.b below.
c	“Affordability Level” The level of affordability at which this Property is to be restricted under the Inclusionary Housing Plan for the Project, which is
	«Affordability Level»

d	"Affordability Level Income"	The maximum income of a Qualified Buyer allowed based on the respective Affordability Level, expressed as a percentage of the Median Income. The Affordability Level Income for a Low Income Affordability Level is eighty percent (80%) of the Median Income, adjusted for family size. The Affordability Level Income for a Very Low Income Affordability Level is fifty percent (50%) of the Median Income, adjusted for family size.	
e	"Agency"	Sacramento Housing and Redevelopment Agency, a public body, corporate and politic.	
		"Agency Address":	630 I Street, Sacramento, California 95814
f	"Buyer"	Buyer is the Buyer of the Property from the seller Owner who owns the Property as of the date of such sale who is entering into this Regulatory Agreement.	
g	"Deed of Trust"	The trust between Agency and Owner to secure payment of Recapture, the form of which is attached as <u>Exhibit 4 - Recapture Deed of Trust</u> .	
h	"Fair Market Value"	The fair market value of the Property as determined by written appraisal prepared by a qualified appraiser and obtained by or at Agency's election, or obtained by Owner or Buyer and approved by the Agency.	
i	"Median Income"	The median income, adjusted for family size, as determined in the applicable year by the U.S. Department of Housing and Urban Development (pursuant to Section 8 of the United States Housing Act of 1937) for the Sacramento Metropolitan Statistical Area (currently published on the website www.HUD.gov and elsewhere).	
j	"Notice of Sale"	Pursuant to Section 5.a below, the notice required to be provided to Agency before an Owner may sell the Property, the form of which is attached as <u>Exhibit 3 - Request for Notice</u> .	
k	"Ordinance"	In order to increase and improve the stock of affordable housing in the community, the City of Sacramento enacted a Mixed-Income Housing Ordinance, Sacramento City Code Chapter 17.190, which is the Ordinance.	
l	"Owner"	Owner is current Owner of the Property that is executing this Regulatory Agreement for recordation against the Property, and each and every subsequent owner of the Property or any portion thereof, including without limitation, individually and collectively, the first Owner, the current Owner, and each of their respective successors in interest to the Property. The current Owner is as follows:	
		Name:	«Developer Name»
		Legal Status:	«Developer Legal Form»
		Address:	«Developer Address»
m	"Project"	The development as approved by the City of Sacramento which was subject to the Ordinance and encompassed the Property.	
n	"Property"	The real property described in <u>Exhibit 1 - Legal Description of the Property</u> , attached hereto, together with all buildings, structures and improvements existing or to be constructed thereon.	
o	"Owner Purchase Price"	The price paid by a Qualified Buyer to purchase the Property for an amount that does not exceed the Affordable Price, which is:	\$
p	"Qualified Buyer"	A Qualified Buyer which meets the applicable Affordability Level Income restrictions whose income is verified by Agency.	
q	"Recapture"	Recapture is the amount to be paid to Agency by then current Owner upon a sale to a Buyer that is not a Qualified Buyer and/or for a price that is not an Affordable Price. Recapture is determined in accordance with Section 5.i. A Recapture Worksheet is provided as an aid to Owner in determining the amount of Recapture as <u>Exhibit 2 - Recapture Worksheet</u> , attached hereto	
r	"Regulatory Agreement"	This Regulatory Agreement between Agency and the Buyer, which includes the original developer of the Project that encompasses the Property, and which has been recorded against the Property.	
s	"Resale"	Sale of the Property by the Owner to Buyer.	

3. CAUTION. This Regulatory Agreement affects and limits Owner's interests in real property. Among others (this list being illustrative), this Regulatory Agreement has the following affects:

a. It specifically restricts ability of the Owner (including each subsequent purchaser) to resell, refinance, or rent the Property and the price at which the Property can be resold.

b. Loans and advances obtained by Owner in excess of the Owner Purchase Price are subordinate to the recapture provisions of this Regulatory Agreement.

c. If Owner refinances the Property for an amount that exceeds the Owner's Purchase Price without Agency approval and amendment of this Regulatory Agreement or if Owner rents the Property or transfers any interest in the Property, Owner may owe a substantial amount of money to Agency as Recapture.

d. Owner may not be able recover any or all of Owner's investment in improvements to the Property.

4. **PURPOSE.** In order to increase and improve the stock of affordable housing in the community, the City of Sacramento enacted the Ordinance. The purpose and intent of this Agreement is to ensure compliance with the Ordinance and the restrictions imposed on the Property as required by the Ordinance.

5. **RESALE, TRANSFER AND HYPOTHECATION RESTRICTED.** During the term of this Regulatory Agreement, each and every sale of the Property shall be subject to the restriction stated in this Regulatory Agreement.

a. **120 DAY PRIOR NOTICE TO AGENCY.** Before taking actions to market or sell the Property, Owner shall provide Agency with not less than one hundred and twenty (120) days prior written notice of Owner's intent to sell the Property, and during such notice period, in accordance with the Ordinance, (i) Agency may refer to Owner a Qualified Buyer who has the capacity to purchase the Property at the Affordable Price, or (ii) Agency may elect to purchase the Property itself at the Affordable Price. If Agency does not elect to refer a Qualified Buyer or to purchase the Property, Agency shall notify Owner of the amount of the Fair Market Value of the Property and the Affordable Sale Price, and Owner may sell the Property to any Buyer. As a condition of sale to a Qualified Buyer, that Buyer shall acknowledge this Regulatory Agreement and accept it as binding or enter into a new Regulatory Agreement on the same terms and conditions.

b. **DETERMINATION OF AFFORDABLE PRICE.** The Affordable Price is the lesser of: (i) Fair Market Value, or (ii) the Affordable Price, as determined by the Agency, at which the Property is affordable to a Qualified Buyer as set out below. However, in no event will the Affordable Price be set at less than the selling Owner's original purchase price for the Property plus selling costs as set out in Section 5.b.3, below.

1) **HOUSING EXPENSES.** The Agency shall establish the Affordable Price to assure that a mortgage with a ninety-five percent (95%) loan-to-value ratio which is reasonably available to a Qualified Buyer shall have an annual mortgage payment, plus housing expenses, that does not exceed thirty-five percent (35%) of Affordability Level Income, as adjusted for household size. Housing expenses would include insurance, taxes, assessments, and homeowner dues.

2) **HOUSEHOLD SIZE.** The household size used for determining the Affordable Price shall be the size that is appropriate for the number of bedrooms of the Property assuming one person per bedroom plus one additional person.

3) **INCREASE FOR SELLING COSTS.** If the Affordable Price would not be sufficient to cover the selling costs and return to the Owner his or her original purchase price for the Property, the Affordable Price shall be increased by the amount of reasonable and customary selling costs actually incurred on the Resale, including only sales commissions, transfer taxes, title insurance and escrow fees, and such other customary and usual costs of the actual sale of the Property. If Agency is establishing an Affordable Price for an Owner to use in advertising the Property for Resale, Agency may use a reasonable estimate of selling costs in determining the increased Affordable Price.

4) **INCREASE FOR IMPROVEMENTS.** If requested by Owner, Agency may increase the Affordable Price by the fair market value of Agency-approved improvement costs, not to exceed their actual cost, subject to the Agency's right to adjust the costs for depreciation based on the useful life of the improvement. The type of permitted improvements include, without limitation, items such as bedroom additions, roof repair, installation of

rear landscaping, flooring, and similar capital replacements of the same quality or materials as the items replaced. Such improvements shall not include cosmetic additions or upgrades of existing amenities such as installation of granite countertops, replacement of linoleum flooring with hardwood, or installation of a swimming pool. As a prerequisite to consideration of increasing the Affordable Price for such improvements, Owner shall provide Agency with dated receipts for work and materials for such improvements.

c. AGENCY REFERRAL OF BUYER. If the Agency provides a Qualified Buyer referral, Owner shall sell the Property to the Qualified Buyer at the Affordable Price. If for any reason beyond the control of Owner, said Qualified Buyer is unable to consummate the purchase of the Property, Owner shall immediately notify Agency of such inability and Agency shall have the remainder of the said one hundred and twenty (120) day period in which to refer a replacement for the Qualified Buyer or elect to purchase the Property at the Affordable Price.

d. AGENCY ELECTION TO PURCHASE. If the Agency elects to purchase the Property during the one hundred and twenty (120) day period, the Agency shall have thirty (30) days thereafter to tender the Affordable Price and complete the sales transaction.

e. SALE IF NO AGENCY REFERRAL OR PURCHASE. If the Agency neither refers a Qualified Buyer nor elects to purchase the Property during said one hundred and twenty (120) day period, Owner may sell the Property to any Buyer. If the Buyer is not a Qualified Buyer or the Actual Resale Price is not the Affordable Price, then Owner shall pay the Recapture to Agency upon consummation of the sale.

f. SALE WITHOUT NOTICE. If Owner fails to provide prior notice to Agency in accordance with Section 5.a above, Agency shall have the right to recover Recapture, as determined in Section 5.e above.

g. CHANGE OF USE AS UNQUALIFIED SALE. Any change of use of the Property from a single-family owner-occupied dwelling unit including, without limitation, rental of the Property, that change in use shall be deemed a Resale at the Fair Market Value, without notice to the Agency, as provided in Section 5.f above.

h. RESTRICTION ON TRANSFER OR HYPOTHECATION. If Owner transfers or otherwise hypothecates any interest in the Property, except a transfer to a spouse or certified domestic partner, such action shall be deemed a Resale at the Fair Market Value, without notice to the Agency, as provided in Section 5.f above.

i. RECAPTURE. The amount of Recapture that is due under any provision of this Regulatory Agreement is the difference between the Affordable Price and the Actual Resale Price. If, however, the Fair Market Value exceeds the Actual Resale Price by ten percent (10%) or more, the Agency may elect to use Fair Market Value in place of the Actual Resale Price for determining Recapture. If there has not been a Resale but Owner has violated the requirements as set out in Section 5.g or 5.h, above, the Agency may use the Fair Market Value as the imputed Actual Resale Price. A Recapture Worksheet is provided as an aid to Owner in determining the amount of Recapture. The Recapture Worksheet is attached as Exhibit 2 - Recapture Worksheet.

j. LIEN FOR UNPAID RECAPTURE; OBLIGATION OF BUYER AND SELLER CONTINUING AFTER SALE. Owner, for itself and its successors in interest, expressly agrees that if Agency is due payment for Recapture and is not paid the full amount of the Recapture at the time of the Resale, the amount of Recapture is a lien against the Property in the amount of the unpaid Recapture, together with interest thereon at the maximum legal rate. The unpaid Recapture is a joint and several obligation of both the selling Owner and the Buyer Owner. The Deed of Trust between Agency and Owner is to secure payment of Recapture, and trust form is attached as Exhibit 4 - Recapture Deed of Trust. To collect such unpaid Recapture and interest thereon, Agency may elect to take one or both of the following actions:

1) **SEEK RECOVERY FROM SELLING OWNER.** Agency may elect to pursue any remedy at law or in equity to recover the amount of the Recapture from the selling Owner, whose sale of the Property gave rise to the obligation for Recapture.

2) **SEEK RECOVERY FROM BUYER OWNER AS A LIEN AGAINST THE PROPERTY.** Agency may make demand for and shall receive payment from the sale proceeds of any sale of the Property, until such time as the

unpaid Recapture and all interest thereon is paid in full by foreclosing its Deed of Trust. Agency's call on such sale proceeds is in advance of all unsecured creditors and the claims of all lien holders that are junior in priority to this Regulatory Agreement and the Deed of Trust.

6. LIMITATION ON FINANCING AND REFINANCING; SUBORDINATION AND PRIORITY. In order to assure that the integrity of the affordability provisions is maintained, the Agency must assure that this Regulatory Agreement has priority over all liens on the Property, other than purchase money liens securing the purchase of the Property by Owner as part of an Agency approved Resale. Any other loans or advances on loans secured by the Property shall be deemed subordinate in all respects to the Regulatory Agreement unless the Agency subordinates its interest in writing to such loans or advances.

7. OWNER OCCUPANCY On Resale, Owner will obtain written representations from the Buyer that the Buyer is purchasing the Property for occupancy by the Buyer. Notwithstanding the Owner's failure to obtain such representation, the Buyer shall nonetheless be subject to the occupancy requirements as set out in Section 5.g above.

8. TERMINATION OF REGULATORY AGREEMENT. Agency shall terminate this Regulatory Agreement upon expiration of the term or after full payment of the Recapture, together with any interest due thereon, and upon request shall duly record an instrument evidencing the termination.

9. TERMINATION IN EVENT OF FORECLOSURE OR INVOLUNTARY SALE. This Regulatory Agreement and all and several of the terms hereof, shall terminate and be of no further force and effect in the event of: (a) a foreclosure by the senior lender of the lien of a deed of trust on the Property or delivery of a deed in lieu of foreclosure pursuant to which the senior lender, trustee or a purchaser or transferee shall take possession of the Property, or (b) foreclosure or delivery of a deed in lieu of foreclosure whereby a third party (other than the Owner or any related person of the Owner) shall take possession of the Property, or (c) involuntary non-compliance with the provisions of this Regulatory Agreement caused by fire, condemnation, involuntary seizure of the Property by a local, state or federal agency, requisition, or a similar event; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure, the delivery of a deed in lieu of foreclosure or a similar event, the Owner or any related person to it (within the meaning of Section 1.103-10(e) of the Internal Revenue Service Regulations) obtains an ownership interest in the Property for Federal income tax purposes. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

10. COVENANTS. Owner makes the following covenants. Unless Owner has received the prior written consent of Agency otherwise, Owner shall fully comply with each and every covenant. Except as otherwise stated in this Regulatory Agreement, the following covenants shall have a term of thirty (30) years.

a. Owner shall use and permit others to use the Property only as an owner-occupied, single-family dwelling unit.

b. Owner shall assure full compliance with the Ordinance.

c. Owner shall not transfer or encumber the Property or permit the conveyance, transfer, or encumbrance of the Property except as provided in this Regulatory Agreement and unless such assignee, transferee or encumbrancer has agreed, in writing and in a form suitable for recordation, to be bound by the terms of this Regulatory Agreement.

d. Owner shall maintain the Property and the building improvements, grounds and equipment of the Property in good repair and condition and in compliance with all applicable housing quality standards and local code requirements. Owner shall keep the Property reasonably free from graffiti and unrepaired vandalism and from accumulation of abandoned property, inoperable vehicles, unenclosed storage, debris, and waste materials. In the event of a casualty loss, Owner shall cause the restoration or replacement of the Property, in a timely manner and provided that such restoration or replacement is then economically feasible.

11. NATURE OF COVENANTS. The provisions contained in this Regulatory Agreement are covenants which subject and burden the Property, as covenants running with the land. It is intended and agreed that the agreements and covenants provided in the Agreement shall be covenants running with the land and equitable servitudes on the land and that they shall, in any event, and without regard to technical classifications or designation, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Agency, the Agency's successors and assigns, any other governmental entity acting within its authority and any successor in interest to Agency's interest under this Regulatory Agreement against the Owner, its successors and assigns and every successor in interest to all or any part of the Property.

12. SUPERCEDING EXISTING COVENANTS, CONDITIONS, & RESTRICTIONS. This Regulatory Agreement shall supersede any covenants, conditions and restrictions that have been previously recorded by, or on behalf of, the Agency against the Property.

13. TERM. The term of this Regulatory Agreement shall commence on the Effective Date first written above and continue for a period of thirty (30) years thereafter, unless sooner terminated pursuant to Sections 8 or 9, above.

14. RECORDKEEPING AND REPORTING. Upon written request of Agency, Owner shall promptly provide any additional information or documentation to verify Owner's compliance with the provisions of this Regulatory Agreement. At the written request of the Agency, Owner shall, within a reasonable time following receipt of such request, furnish reports and shall give specific answers to questions regarding the contracts, operations, and condition of the Property and Owner's compliance with the Ordinance and this Regulatory Agreement.

15. INDEMNITY FOR OWNER'S FAILURE TO MEET LEGAL REQUIREMENTS. Owner shall indemnify and hold Agency, its officers, directors, and employees harmless from any and all liability arising from Owner's failure to comply with the covenants, conditions and restrictions contained in this Regulatory Agreement. Without limitation, such indemnity shall include repayment to the appropriate parties of rents or sales proceeds in excess of amounts authorized to be charged.

16. CHANGES WITHOUT CONSENT OF TENANTS, LESSEES, OR OTHERS. Only Agency and its successors and assigns, and Owner and its successors and assigns (subject to the reasonable approval of Owner's lender) shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or restrictions contained in this Agreement. Such changes or termination shall not require the consent of any easement holder, licensee, other mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property.

17. DEFAULT. Upon a breach of any of the provisions of this Regulatory Agreement by Owner, the Agency may give written notice of such breach to Owner by registered or certified mail. To the extent reasonable under the circumstance, in the event of any breach, the Agency and Owner shall reasonably endeavor to identify a remedy for such breach by conference and conciliation. If such violation is not corrected to the satisfaction of Agency within sixty (60) days after the date such notice is mailed or within such further time as the Agency may reasonably determine is necessary to correct the breach, and without further notice to Owner, the Agency may declare a default under the Agreement, effective on the date of such declaration of default, and upon such default the Agency may: (a) require Recapture payment as provided in Sections 5.i and 5.j, (b) take any action then available under the Ordinance, (c) foreclose the Deed of Trust, and/or (d) apply to any court for: (i) specific performance of this Regulatory Agreement, (ii) for an injunction against any violation of this Regulatory Agreement, (iii) for the appointment of a receiver to take over and operate the Property in accordance with the terms of this Regulatory Agreement, and/or (iv) for money damages and for such other relief as may be appropriate. The injury to the Agency arising from a default under any of the terms in this Regulatory Agreement would be irreparable, and the amount of damage would be difficult to ascertain.

Agency may institute or prosecute in its own name, any suit Agency may consider advisable in order to compel performance of any obligation of Owner to own, maintain and sell the Property in conformity with this Regulatory Agreement and to remedy any default of this Regulatory Agreement. Agency may also seek a decree requiring removal of any improvements constructed at the Property which improvements are designed for uses not permitted under this Regulatory Agreement and which improvements are suitable only for uses not permitted under this Regulatory Agreement.

The remedies of the Agency under this Regulatory Agreement are cumulative. The exercise of one or more of such remedies, including, without limitation, remedies under the Ordinance shall not be deemed an election of remedies and shall not preclude the exercise by the Agency of any one or more of its other remedies.

18. BINDING SUCCESSORS IN INTEREST. This Regulatory Agreement shall bind and the benefits shall inure to the Owner, its successors in interest and assigns during their respective periods of ownership of an interest in the Property, and inure to the Agency and its successors for the term of this Regulatory Agreement.

19. CONTRADICTORY AGREEMENTS. Owner warrants that Owner has not, and will not, execute any other agreement with provisions in contradiction or opposition to the provisions of this Regulatory Agreement, and that, in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations stated and supersede any other requirements in conflict with this Regulatory Agreement.

20. ATTORNEYS' FEES. If the services of any attorney are required by any party to secure the performance of this Regulatory Agreement or otherwise upon the breach of default of another party, or if any judicial remedy or mediation is necessary to enforce or interpret any provision of this Regulatory Agreement or the rights and duties of any person in relation to this Regulatory Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Any award of damages following judicial remedy or arbitration as a result of this Regulatory Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law. The prevailing party shall mean the party receiving an award in arbitration or a judgment in its favor, unless the award or judgement is less favorable than the best settlement offered in writing in a reasonable manner by the other party, in which case the prevailing party is the party making such settlement offer.

21. SEVERABILITY. If any term or provision of this Regulatory Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Regulatory Agreement shall not be affected; provided that the intent of the Regulatory Agreement may then be reasonably fulfilled. In any event, the term or provisions shall be deemed to be invalid only as to the entity and circumstance for which it was held to be invalid.

22. NO WAIVER. No waiver by the Agency of any breach of or default under this Regulatory Agreement shall be deemed to be a waiver of any other or subsequent breach or default.

23. NOTICES. Written notices and other written communications by and between the parties shall be addressed to the Owner at the Owner Address and to the Agency at the Agency Address or such other address as each respective party has designated by written notice to the other party. No party shall evade or refuse delivery of any notice.

THE PARTIES HAVE EXECUTED THIS REGULATORY AGREEMENT in Sacramento, California as of the date first written above.

OWNER :
«BUYER NAME»

**AGENCY: SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY**

By:

«Signatory Name», «Signatory Title»

By:

Anne M. Moore, Executive Director

Approved as to form:

Agency Counsel

EXHIBIT 1 – LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

EXHIBIT 2 - RECAPTURE WORKSHEET

GENERAL					
A	Recapture Property	The Property which is subject to payment of Recapture:	APN:		
			Address:		
B	Regulatory Agreement	Recorded against the Recapture Property	Dated:		
			Owner:		
MATTERS OF CURRENT SALE					
C	Affordable Price	Lesser of:	Fair Market Value by appraisal:	\$	
			Affordable Price ¹ based on the Affordability Level and Housing Expenses for a Qualified Buyer, with the following adjustments:	\$	
			Household Size ²		
		Affordable Price Increased by Selling Costs:	Sales commissions		
			Title insurance		
			Transfer taxes		
			Escrow fees		
			Other approved costs		
			Total		+\$
		Affordable Price Increased by Approved Improvement Costs:			
Total			+\$		
	Total		\$		
D	Actual Resale Price	Higher of:	Selling Price	\$	
			Fair Market Value by appraisal	\$	
		If Fair Market Value exceeds Selling Price by 10% or more use Fair Market Value		\$	
E	Recapture Amount	Difference between Actual Resale Price and Affordable Price (D - C)		\$	

¹ As determined by SHRA.

² Use maximum household size for Property based on number of bedrooms with one person per bedroom plus one.

EXHIBIT 3 – REQUEST FOR NOTICE

NO FEE DOCUMENT :

Entitled to free recording
per Government Code 6103.

When recorded, return to:

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
630 "I" Street
Sacramento, CA 95814
Attention: Portfolio Management

In accordance with Section 2924b of the Civil Code, the Sacramento Housing and Redevelopment Agency ("Agency") hereby requests notice of default and notice of pending sale at least 90 days prior to the effective date of any foreclosure or deed in lieu of foreclosure, and at least 120 days prior to the effective date of any sale of the property located at _____, Sacramento California, Assessor Parcel Number _____ ("Property") which is owned by _____ ("Owner") to insure that Owner complies with its obligations under the Inclusionary Housing – Regulatory Agreement for Homeownership Property between Owner and Agency dated _____, which limits the resale of the Property either to Agency or to persons who meet certain income affordability criteria, and which provides that Agency may void an unauthorized sale and require Owner to pay Agency recapture of the excess sales and rental proceeds. Such notice must be sent to:

Sacramento Housing and Redevelopment Agency
Attn: Portfolio Management
630 "I" Street
Sacramento CA 95814

By: _____
Anne Moore
Executive Director

Dated: _____

EXHIBIT 4 – DEED OF TRUST

NO FEE DOCUMENT:

Entitled to free recording
per Government Code 6103.

When recorded, return to:

SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY
630 "I" Street
Sacramento, CA 95814
Attention: Portfolio Management

**RECAPTURE DEED OF TRUST
AND ASSIGNMENT OF RENTS**

For purposes of this Deed of Trust, the following capitalized terms shall have the meanings ascribed in the space adjacent to them:

TERM	DEFINITION
"Effective Date"	
"Trustor" and "Owner"	
"Owner's Address"	
"Trustee" and "Title Company"	
"Beneficiary" and "Agency"	Sacramento Housing and Redevelopment Agency, a public body corporate and politic
"Agency Address"	630 I Street, Sacramento, California 95814; PO Box 1834 Sacramento CA 95812-1834
"Property"	Which is real property located in the County of Sacramento and the State of California as more particularly described in the Legal Description.
	Address
	Assessor's Parcel Number
"Legal Description"	The Legal Description of the Property which is more particularly described in the attached Exhibit "A" , which is an incorporated in and an integral part of this Deed of Trust
"Agency Subsidy"	Which is the amount of the reduction in the purchase price of the Property conferred to Owner at the time of sale and a portion of the appreciation of the Property thereafter ("Recapture") as described in the Regulatory Agreement which is secured by this Deed of Trust.

"Regulatory Agreement"	Which is the Regulatory Agreement for Homeownership Property between Agency and Owner stating the term and conditions of the obligation of Owner to pay the Agency Recapture upon the resale, transfer or refinance of the Property.	
	Which is dated:	

THIS DEED OF TRUST is made as of the Effective Date between the Trustor also referenced as the Owner, the Trustee, and the Beneficiary also referenced as Agency.

Owner, in consideration of the indebtedness described below and the trust created by this Deed of Trust, irrevocably grants and conveys the Property to Trustee, in trust with power of sale.

Together with all the improvements now or subsequently erected on the property, and all easements, rights, appurtenances, rents (subject, however, to the rights and authorities given to Agency to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property including, but not limited to, all gas and electric fixtures, radiators, heaters, furnaces, heating equipment, steam and hot water boilers, stoves, ranges, bathtubs, sinks, water closets, basins, pipes, faucets and other plumbing, air conditioning and heating equipment, cabinets, mantels, cooking apparatus and appurtenances, and shades, awnings, screens, now or hereafter attached to the property, and memberships or voting rights arising from the ownership of the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property are referred to as the "Property";

To secure to Agency (a) the payment of the Recapture and (b) the performance of the covenants and agreements of Owner contained in this Deed of Trust or the Regulatory Agreement.

Owner covenants that Owner is lawfully seised of the estate conveyed by this Deed of Trust and has the right to grant and convey the Property, and that Owner will warrant and defend generally the title of the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Owner's interest in the Property.

Owner and Agency covenant and agree as follows:

1. Payment of Agency Subsidy. Owner shall promptly pay upon demand of Agency the amount of Recapture as evidenced by the Regulatory Agreement.
2. Charges; Liens. Owner shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property by Owner making payment, when due, directly to the appropriate payee. Owner shall promptly furnish to Agency all notices of amounts due under this paragraph, and in the event that Owner makes payment directly, Owner shall promptly furnish to Agency receipts evidencing such payments. Owner shall pay when due any encumbrance, charge and lien, with interest in accordance with its terms, on the Property or any portion which are inferior or superior to this Deed of Trust.

3. Hazard Insurance. Owner shall keep the improvements now existing or later erected on the Property insured against loss of fire or hazards under a policy approved by Owner's lender consistent with the insurance requirements of the Owner's purchase money lien. Owner shall promptly furnish to Agency upon its request all renewal notices and all receipts of paid premiums. In the event of loss, Owner shall give prompt notice to the insurance carrier and Agency. Agency may make proof of loss if not made promptly by Owner. Unless Agency and Owner otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged.

Unless Agency and Owner otherwise agree in writing, any such application of insurance proceeds to restore or repair the Property shall not extend or postpone the due date of any Agency Subsidy payment or change the amount of such payment. If the Property is acquired by Agency pursuant to this Deed of Trust, all right, title and interest of Owner in and to any insurance policies and proceeds of such policies resulting from damage to the Property prior to the sale of acquisition shall pass to Agency to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

4. Preservation and Maintenance of Property. Owner shall keep the Property in good repair and shall not commit waste or permit impairment, demolition, or deterioration of the Property.

5. Protection of Agency's Security. Owner shall appear and defend any action or proceeding purporting to affect the security under this Deed of Trust or the rights of the Agency. If Owner fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Agency's interest in the Property, including, but not limited to, foreclosure, involuntary sale, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Agency may, upon notice to Owner, make such appearances, disburse such sums and take such action as are necessary to protect Agency's interest, including, but not limited to, disbursement of judgments, costs or reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Agency pursuant to this Section 5, with interest, shall become additional indebtedness of Owner secured by this Deed of Trust. Unless Owner and Agency agree to other terms of payment, such amounts shall be payable upon notice from Agency to Owner requesting payment, and shall bear interest from the date of disbursement at the highest rate permissible under applicable law. In any event, this Section shall be construed as a right and an option of Agency and shall not be construed to require Agency to incur any expense or take any action.

6. Inspection. Agency, by its designated representative, may make reasonable entries upon and inspections of the Property, provided that Agency shall give Owner and any occupant of the Property reasonable prior notice of any such inspection.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of all or any part of the Property, or for conveyance in lieu of condemnation, shall be applied as provided in the Regulatory Agreement.

If the Property is abandoned by Owner, or if, after notice by Agency to Owner that the condemnor offers to make an award or settle a claim for damages, Owner fails to respond to Agency within 30 days after the date such notice is mailed, Agency is authorized to collect and apply the proceeds, at Agency's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Agency and Owner otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payment or change the amount of such payment.

8. Owner Not Released. Extension of the time for payment of the sums secured by this Deed of Trust granted by Agency to Owner or any successor in interest of Owner shall not operate to release, in any manner, the liability of the original Owner and Owner's successors in interest. Agency shall not be required to commence proceedings against such successor or refuse to extend time payment by reason of any demand made by the original Owner or Owner's successors in interest.

9. Forbearance by Agency Not a Waiver. Any forbearance by Agency in exercising any right or remedy under this Deed of Trust, or otherwise afforded by applicable law, shall not be a waiver or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Agency shall not be a waiver of Agency's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

10. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust, the Regulatory Agreement or afforded by law or equity, and may be exercised concurrently, independently or successively.

11. Successors and Assigns Bound; Joint and Several Liability Captions. The covenants and agreements contained in this Deed of Trust shall bind, and the rights under this Deed of Trust shall inure to, the respective successors and assigns of Agency and Owner, subject to the provisions of Section 14. All covenants and agreements of Owner shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or to define its provisions.

12. Notice. Except for any notice required under applicable law to be given in another manner, any notice to be given under this Deed of Trust shall be given as provided for in the Loan Agreement. Any notice provided for in this Deed of Trust shall be deemed to have been given to Owner or Agency when given in the manner designated.

13. Governing Law; Severability. This Deed of Trust shall be governed by the law of the State of California. If any term or provision of this Deed of Trust shall, to any extent, be held invalid or unenforceable, the remainder of this Deed of Trust shall remain in full force and effect, and, the invalid or unenforceable provision shall be valid and enforceable as to any other person or circumstance.

14. Acceleration on Transfer or Refinancing of the Property; Assumption. If all or any part of the Property or an interest in the Property is sold or transferred or refinanced by Owner without Agency's prior written consent, Agency may, at Agency's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Agency shall have waived such option to accelerate if, prior to the refinancing, sale or transfer, Agency and the person to whom the Property is to be sold or transferred reach agreement in writing that the Regulatory Agreement may be assumed. If Agency has waived the option to accelerate provided in this Section and if Owner's successor in interest has executed a written assumption agreement accepted in writing by Agency, Agency shall release Owner from all obligations under this Deed of Trust.

If Agency exercises such option to accelerate, Agency shall mail Owner notice of acceleration. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Owner may pay the sums declared due. If Owner fails to pay such sums prior to the expiration of such period, Agency may, without further notice or demand on Owner, invoke any remedies permitted by this Deed of Trust.

15. Acceleration on Breach; Remedies. Except as provided in Section 14, upon Owner's breach of any covenant or agreement of Owner in this Deed of Trust, the Regulatory Agreement Note, (including the covenants to pay when due any sums secured by this Deed of Trust and restricting transfer of the Property), Agency shall mail notice to Owner specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, no less than 30 days from the date the notice is mailed to Owner, by which breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. If the breach is not cured on or before the date specified in the notice, Agency at Agency's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Agency shall be entitled to collect from the Owner, or sale proceeds, if any, all reasonable costs and expenses incurred in pursuing the remedies provided in this Section, including, but not limited to reasonable attorney's fees.

If Agency invokes the power of sale, Agency shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Agency's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which any portion of the Property is located. Agency or Trustee shall mail copies of such notice in the manner prescribed by applicable law to Owner and to the other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Owner, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale, in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Agency or Agency's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser a Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements it contains. Trustee shall apply the proceeds of the

sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust and (c) the excess, if any, to the person or persons legally entitled thereto as determined by Agency. In the event of a dispute regarding the excess funds, either Agency or Trustee may file an action in interpleader to determine who shall receive the funds and may then deposit the excess funds with the court.

16. Assignment of Rents; Appointment of Receiver; Agency in Possession. As additional security, Owner assigns to Agency the rents of the Property, provided that Owner shall, prior to an acceleration for breach as provided above or abandonment of the Property, have the right to collect such rents as they become due.

Upon acceleration for breach or abandonment of the Property, Agency, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Agency, its agent, or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Agency, its agent and the receiver shall be liable to account only for those rents actually received.

17. Prior Lienholder. The provisions of this Deed of Trust shall operate subject to the claims of prior lienholders to the extent of such claims.

18. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Agency shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to such reconveyance. Such person or persons shall pay all costs of recordation, if any. The recitals in the reconveyance of any matters or facts shall be conclusive proof of their truthfulness.

19. Substitute Trustee. Agency, at Agency's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed under this Deed of Trust. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee by this Deed of Trust and applicable law.

20. Request for Notice. Owner requests that copies of the notice of default and notice of sale be sent to Owner's address.

21. Statement of Obligation. Agency may collect a reasonable fee for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California, as it may be amended from time to time.

22. Use of Property. Owner shall not permit or suffer the use of any of the Property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed as set out in the Regulatory Agreement.

IN WITNESS WHEREOF, Owner has executed this Deed of Trust on the following date, effective as of the date first written above.

OWNER (Trustor):

By: _____
«Homerowner Name»
«Homeowner Legal Status»

Date: _____

County of Sacramento

State of California

ss.

On _____ before me,

_____, personally appeared «Homeowner Name», personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/it/they executed the same in his/her/its/their authorized capacity, and that by his/her/its/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public
In and for said County and State

EXHIBIT A - LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:



April 17th 2018

Sacramento Housing and
Redevelopment Agency
801 12th Street – 4th Floor
Sacramento, CA 95814
(916) 449-6239

To Whom It May Concern,

On behalf of New Faze Development, I write this letter requesting to release the Patterson Subdivision, now known as Renaissance at Dry Creek subdivision, from the Inclusionary Housing Regulatory Agreement recorded on January 31st 2008 and in exchange we elect to pay the In-lieu fee for the 9 affordable units associated with the formerly Patterson Subdivision.

We at New Faze Development request the opportunity to purchase several of the current affordable units without any deed restrictions in order to rent those units at an affordable rate to local community members that are unable to afford high rents or do not qualify to purchase a home.

Therefore, we request that you accept this letter of our decision to move forward with paying the In-lieu fee and rescinding the Inclusionary Housing Agreement associated with the formerly Patterson subdivision.

Thank you for your time and consideration in this matter.

Sincerely,

Charanjeet 'Charlie' Tiwana
Vice President Strategic Investments
New Faze Development
1825 Del Paso Blvd
Sacramento, CA 95815
(916) 929-6402

RESOLUTION NO. 2018 -

Adopted by the Sacramento City Council

June 5, 2018

PATTERSON SUBDIVISION PROJECT: AUTHORIZATION FOR THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (AGENCY) TO RELEASE AND TERMINATE THE INCLUSIONARY HOUSING REGULATORY AGREEMENT

BACKGROUND

- A. On March 21, 2006, the Sacramento City Council by Resolution No. 2006-211, approved the Inclusionary Housing Plan (Plan) for the Patterson Subdivision project (Project).
- B. Pursuant to the Linkages in the Plan, an Inclusionary Housing Regulatory Agreement by and between Sycamore Ventures, LLC and the Sacramento Housing and Redevelopment Agency (Agency) dated January 30, 2008 was executed and recorded in conjunction with recording the Final Patterson Subdivision project.
- C. On September 1, 2015, the Sacramento City Council adopted the Mixed Income Housing Ordinance No. 2015-0029 (Ordinance) that repealed Chapter 17.712 and added Chapter 17.712 and Section 17.808.260 to the Sacramento City Code. Sacramento City Code Section 17.712.030 subsection C states that projects subject to an inclusionary housing plan approved prior to the effective date of the Ordinance may elect to either comply with the existing plan or comply with the provisions of the new chapter.
- D. In September of 2016, Assent I, LLC acquired the Project. The owners of Patterson Subdivision elect to comply with the provisions of the Chapter and pay a housing impact fee as required under the Ordinance in Sacramento City Code Chapter 17.712.050.
- E. The proposed action is administrative in nature and is therefore not considered a project under the California Environmental Quality Act pursuant to California Code of Regulations §15378.

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

- Section 1. The facts as presented and stated in the Background above, including the environmental findings are found to be true and correct.
- Section 2. The Sacramento Housing and Redevelopment Agency (Agency) is authorized to release and terminate the Inclusionary Housing Regulatory Agreement and its covenants as recorded against the Patterson Subdivision project.

Section 3. The City Council hereby approves a \$6,000.00 administrative fee paid by the owner of the Project to reimburse the Agency for staff time and related costs to release and terminate the Inclusionary Housing Plan Regulatory Agreement.

Section 4. The form of the Agency's release of the Inclusionary Housing Regulatory Agreement, attached as Exhibit A, is approved.

TABLE OF CONTENTS:

Exhibit A – Release and Termination of Inclusionary Housing Regulatory Agreement – Patterson Subdivision

NO FEE DOCUMENT:

Entitled to free recording
per Government Code §§ 27383 and 6301.

When recorded, return to:

Sacramento Housing and Redevelopment Agency
801 12th Street
Sacramento, California 95814
Attention: Portfolio Management

**RELEASE AND TERMINATION OF
INCLUSIONARY HOUSING REGULATORY AGREEMENT REQUIREMENTS**

WHEREAS, the Sacramento Housing and Redevelopment Agency (“Agency”) with the owner of the Property, Sycamore Ventures, LLC, a California limited liability company, (“Owner”) entered into and recorded the Inclusionary Housing Regulatory Agreement (“Regulatory Agreement”), on January 31, 2008 at Book 20080131, commencing at page 1158 against that certain real property (“Property”) described in the Legal Description attached to and incorporated in this instrument (“Release”) by this reference; and

WHEREAS, the Regulatory Agreement was recorded on behalf of the Agency in furtherance of and for purpose of enforcement of the former Mixed Income Housing Ordinance, City of Sacramento City Code Chapter 17.190 (“Ordinance”) and to permit Owner to obtain entitlements for the development of the Property; and

WHEREAS, the Owner has elected under the provisions of Sacramento City Code Chapter 17.712 to terminate the above Regulatory Agreement and comply with this chapter of the City Code, and consistent the resolution authorizing this Release and Termination reaffirming that the Development Agreement must amended;

NOW THEREFORE, the Sacramento Housing and Redevelopment Agency releases and terminates the Inclusionary Housing Regulatory Agreement as it affects the Property, and it shall be of no further force or effect with regard to the Property.

IN WITNESS WHEREOF, this Release has been executed in Sacramento County this ___ day of _____, 2018.

THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

By: _____
La Shelle Dozier, Executive Director

Approved as to form:

Agency Counsel

[NOTARIZED ACKNOWLEDGEMENTS]

Legal Description:

Real property in the City of Sacramento, County of Sacramento, State of California, described as follows:

PARCEL ONE: (APN: 237-0091-003)

THE PORTION OF THE 0.91 ACRE PARCEL OF LAND DESCRIBED AND DESIGNATED PARCEL 3 IN THE DEED FROM SACRAMENTO NORTHERN RAILWAY TO PACIFIC GAS AND ELECTRIC COMPANY DATED JANUARY 19, 1970 AND RECORDED IN BOOK 700213 OF OFFICIAL RECORDS AT PAGE 639, SACRAMENTO COUNTY RECORDS, BOUNDED ON THE EAST BY THE WESTERLY BOUNDARY LINE OF THE CITY STREET (60 FEET WIDE) KNOWN AS MARYSVILLE BOULEVARD AND BOUNDED ON THE WEST BY THE EASTERLY BOUNDARY LINE OF THE CITY STREET (60 FEET WIDE) KNOWN AS DRY CREEK ROAD, AS SAID CITY STREETS ARE SHOWN ON THE RECORD OF SURVEY FILED FOR RECORD JANUARY 3, 1980 IN BOOK 34 OF SURVEYS AT PAGE 40 SACRAMENTO COUNTY RECORDS.

PARCEL TWO: (APN: 237-0091-004)

THAT PORTION OF THE WEST 30 ACRES OF THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 18, AS SHOWN ON THE "PLAT OF RANCHO DEL PASO", RECORDED IN BOOK A OF SURVEYS, AT PAGE 94, RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT IN THE CENTERLINE OF THE DRY CREEK ROAD DISTANT NORTH 1° 46 ½' WEST 227.8 FEET FROM THE ¼ SECTION CORNER COMMON TO SECTIONS 11 AND 18 OF SAID "RANCHO DEL PASO"; RUNNING THENCE NORTH 1° 46 ½' WEST ALONG THE CENTERLINE OF DRY CREEK ROAD 451.8 FEET; THENCE NORTH 89° 02 ½' EAST 990 FEET; THENCE SOUTH 1° 46 ½' EAST 603.4 FEET TO A POINT IN THE CENTER OF THE MARYSVILLE ROAD, WHICH POINT IS DISTANT NORTH 1° 46 ½' WEST 76.6 FEET FROM THE SOUTH LINE OF THE NORTHWEST ¼ OF SAID SECTION 18; THENCE ALONG THE CENTERLINE OF SAID MARYSVILLE ROAD NORTH 35° 26' WEST 183.5 FEET; THENCE SOUTH 89° 02 ½' WEST 888.3 FEET TO A POINT IN THE CENTERLINE OF THE AFORESAID DRY CREEK ROAD, THE POINT OF BEGINNING BEING THE SAME LAND AS PARCELS 2, 3, 4, 5 AND 6 AS SHOWN UPON PLAT OF SUBDIVISION OF THE WEST 30 ACRES OF THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 18, "RANCHO DEL PASO" OF RECORD IN BOOK 195 OF OFFICIAL RECORDS, PAGE 239, SACRAMENTO COUNTY RECORDS.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL, TO WIT:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE WESTERLY 30 ACRES OF THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 18 OF "RANCHO DEL PASO", ACCORDING TO THE ABOVE-MENTIONED PLAT, SAID POINT OF BEGINNING BEING THE SOUTHEASTERLY CORNER OF LOT 17 OF SECTION 11 OF SAID "RANCHO DEL PASO", ACCORDING TO THE OFFICIAL PLAT THEREOF FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 14 OF MAPS, MAP 5 AND RUNNING THENCE SOUTH 89° 10' EAST 991.0 FEET TO A POINT IN THE EASTERLY BOUNDARY LINE OF SAID 30.0 ACRE TRACT HEREINBEFORE DESCRIBED; THENCE NORTH ALONG SAID LAST MENTIONED BOUNDARY LINE 40.0 FEET; THENCE NORTH 89° 10' WEST 991.0 FEET TO A POINT IN THE WESTERLY BOUNDARY LINE OF SAID 30.0 ACRE TRACT; THENCE SOUTH ALONG SAID LAST MENTIONED BOUNDARY LINE 40.0 FEET, MORE OR LESS, TO THE POINT OF BEGINNING CONTAINING 0.91 ACRES, BEING THE PARCEL OF LAND DESCRIBED IN DEED MADE BY BLACK BROS., A CORPORATION TO PACIFIC GAS AND ELECTRIC COMPANY, A CORPORATION DATED FEBRUARY 12, 1926, RECORDED IN BOOK 56 OF OFFICIAL RECORDS, PAGE 223.

ALSO EXCEPTING THEREFROM ALL THAT PORTION LYING EASTERLY OF THE CENTERLINE OF MARYSVILLE BOULEVARD.

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
May 16, 2018

PATTERSON SUBDIVISION PROJECT: AUTHORIZATION TO RELEASE AND TERMINATE THE INCLUSIONARY HOUSING REGULATORY AGREEMENT

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

- Section 1: The proposed action is administrative in nature and is therefore not considered a project under the California Environmental Quality Act pursuant to California Code of Regulations §15378.
- Section 2. Subject to Sacramento City Council approval, the Executive Director, or designee, is authorized to execute a Release and Termination of the Inclusionary Housing Regulatory Agreement and its covenants as recorded against the Patterson Subdivision project, and related documents, all as approved by Agency counsel.
- Section 3. Subject to Sacramento City Council approval, the Executive Director, or designee, is authorized to accept an administrative fee of \$6,000.00 and amend its budget accordingly, paid by the owner of the Patterson Subdivision project, to reimburse the Agency for staff time and related costs to release and terminate the Inclusionary Housing Plan Regulatory Agreement.

CHAIR

ATTEST:

CLERK

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