



January 11, 2019

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Twin Rivers Transit Oriented Development and Light Rail Station – Choice  
Neighborhoods Implementation Grant Funds for Phase 2 Housing in Support of an  
Affordable Housing and Sustainable Housing Grant Application.

SUMMARY

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

RECOMMENDATION

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

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
January 29, 2019

To: Housing Authority of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Twin Rivers Transit Oriented Development And Light Rail Station Project: Choice Neighborhoods Implementation Grant Funds For Phase 2 Housing In Support Of An Affordable Housing And Sustainable Housing Grant Application

Supervisory District(s): Serna

Contact: Tyrone Roderick Williams, Director, 916-440-1316  
Susan Salley Veazey, Assistant Director, 916-440-1311

**RECOMMENDED ACTION**

Adopt a Housing Authority Resolution:

1. Approving a loan of up to \$8,000,000 of Choice Neighborhood Implementation (CNI) grant funds for eligible Twin Rivers Phase 2 housing construction purposes.
2. Authorizes the Sacramento Housing and Redevelopment Agency (Agency) to execute a Loan Commitment Letter on its behalf with Twin Rivers Phase 2, L.P. (McCormack Baron Salazar, Inc.) or related entity.
3. Authorizes the Agency to execute all necessary documents, to amend its budget, and makes related findings associated with this transaction.

**BACKGROUND**

The Twin Rivers public housing development is located in the City of Sacramento (Attachment 3 – Vicinity Map) but is owned by the Housing Authority of the County (HACOS). It consisted 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 as lead applicant 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 (Attachment 5 – Detailed Site Plan) 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 a minimum of 487 mixed-income rental housing units with supporting amenities, a new public park, and a new light rail station.

Actions necessary to implement the Project include but are not limited to ongoing resident services, relocation of residents, abatement and demolition of all existing buildings and infrastructure, development and construction of all new infrastructure, a 1.1 acre dual-use community park, a half-acre community garden, a minimum of 487 new mixed-income rental housing units with all related amenities, as well as development and construction of a new light rail station. The housing units will offer a mix of housing types with all replacement housing units for public housing residents being indistinguishable from and intermixed with affordable, workforce, and market rate units. The new housing will feature energy-efficient design, accessibility for people of all abilities, and will give residents an unprecedented opportunity to re-engage not only with the local neighborhood but with all parts of the City and region as well.

The second phase of housing development will include construction of new rental housing units on both Block B and Block E (Attachment 4 – Detailed Site Map). Block B of Phase 2 Housing is fully entitled and Block E will complete the entitlement process by April of 2019.

Phase 2 will include a mixture of multi-story apartment, townhome, and garden-style walk-up buildings. There will be a total of 90 on-grade parking spaces. This phase will consist of a total of 10 residential buildings that will have a minimum of 123 mixed-income, rental housing units. The housing units will range from 1 to 5 bedrooms in size. A minimum of 69 public housing replacement units will be included in Phase 2 in accordance with the HUD-approved replacement housing plan for the Project. While many of the larger amenities for the entire Twin Rivers Project will be physically located in the first phase of housing, Phase 2 will contain several outdoor amenities including tot lots, barbeque areas, electric car chargers and electric car share. Block B housing is being constructed directly adjacent to a new 1.1 acre community park with a number of Block B units overlooking the park.

Financing for Phase 2 housing will primarily consist of noncompetitive, 4 percent bonds and tax credits. Other sources of public financing being targeted for this phase include approximately \$13 million from an Affordable

Housing and Sustainable Community (AHSC) grant in the current funding round, a \$4.5 million loan from the California Department of Housing and Community Development (HCD) under its Multifamily Housing Program (MHP) loan program, and an allocation of Grant funds to be loaned to the tax credit partnership for this phase. This report requests approval to commit up to \$8 million in Grant housing funds for Phase 2 Housing in the form of a loan to Twin Rivers Phase 2, L.P. The commitment of Grant funds will not only be needed to construct Phase 2 Housing, it is necessary to demonstrate a funding commitment to Phase 2 in support of the AHSC grant application due February 11, 2019. Upon award of AHSC funds, staff will then return with additional underwriting and a more detailed financing structure for approval consideration by HACOS at that time.

### **COMMISSION ACTION**

It is anticipated that at its meeting of January 16, 2019, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Board in the event this does not occur.

### **POLICY CONSIDERATIONS**

HUD has approved a five-year Public Housing Authority Plan affirming Twin Rivers as a public housing development designated for demolition and disposition. The recommended actions in this report are also consistent with the County's commitment to the Housing Authority Asset Repositioning Guidelines and the County's executed CNI Grant Agreement for the Twin Rivers/River District-Railyards Initiative. The proposed Project will not only preserve 218 affordable housing units, it will also create a minimum of an additional 269 affordable, workforce and market rate housing units, new amenities, improved access to resident and workforce development services, new mobility options including bike share and electric car share programs, electric car charging stations, and the construction of a new light rail station on 12<sup>th</sup> Street in Block F of the Project.

### **ENVIRONMENTAL REVIEW**

California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA): A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Twin Rivers Transit Oriented Development and Light Rail Station 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 24, 2017, SHRA issued the NOD for the Project pursuant to CEQA. All activities related to the infrastructure improvements for the Project are covered by this environmental review. No further environmental review is required for the proposed actions.

### **M/WBE/SECTION 3 CONSIDERATIONS**

Minority and Women's Business Enterprise requirements will be applied to all activities to the greatest extent possible and as required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent applicable. Developer and General Contractor will work with the Sacramento Employment and Training Agency, the Greater Sacramento Urban League or similar programs, for employment opportunities. To date 14 residents of Twin Rivers have participated in and completed three different construction-related training courses including CalOSHA 10, CalOSHA 30, and Multi Craft Core Curriculum courses. These courses provide basic construction-related training that help these residents prepare for job opportunities that become available both onsite at the Project and elsewhere as the residents gain additional hands-on experience in construction.


### **FINANCIAL ANALYSIS**

Allocating a portion of the Grant housing funds for use in a specific phase is considered an administrative action as relates to the HUD-approved Housing Plan. HUD has indicated it will approve the allocation of Grant housing funds to Phase 2 Housing in the Twin Rivers project subject to prior approval by HACOS as grantee and the City of Sacramento as co-grantee. Consent to allocate up to \$8.0 million of CNI grant funds as a loan to the development entity for Phase 2 Housing was obtained from the City of Sacramento as co-grantee in its meeting of January 22, 2018. HUD has indicated it also will approve the allocation of up to \$8 million to Phase 2 Housing subject to approval by the HACOS Board. In combination with the \$7 million Phase 1 CNI commitment, the \$8 million commitment to this larger second phase will also help assure compliance with the first CNI grant expenditure deadline requiring that \$15.6 million be spent by September 30, 2021.

As indicated in the Loan Commitment (Attachment 2), these funds will be loaned to the Phase 2 development entity for a term of up to 55 years at 4 percent simple interest. Annual principal and interest payments shall be made according to a structured payment schedule per the final Loan Agreement. Payments shall be applied first to accrued and unpaid interest and then to principal subject to prior payment of obligations due to HACOS under its ground lease for this phase. All outstanding principal and interest is due and payable on the maturity date. The loan will be secured by a deed of trust against the property improvements.

Respectfully Submitted,

APPROVED  
NAVDEEP S. GILL,  
County Executive



LA SHELLÉ DOZIER, Executive Director  
Sacramento Housing and  
Redevelopment Agency

By: \_\_\_\_\_  
ROBERT B. LEONARD  
Deputy County Executive

Attachments:

- RES – HACOS Resolution
- ATT 1 – Background
- ATT 2 – CNI Commitment Letter
- ATT 3 – Vicinity Map
- ATT 4 – Detailed Site Plan

**RESOLUTION NO.**

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

**TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL  
STATION PROJECT**

**APPROVING A LOAN OF UP TO \$8,000,000 OF CHOICE  
NEIGHBORHOOD IMPLEMENTATION (CNI) GRANT FUNDS FOR  
ELIGIBLE TWIN RIVERS PHASE 2 HOUSING; AUTHORIZING  
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) TO  
ISSUE A LOAN COMMITMENT OF CNI FUNDS TO TWIN RIVERS  
PHASE 2 HOUSING, LP OR RELATED ENTITY FOR PHASE 2 HOUSING;  
AUTHORIZES BUDGET AMENDMENT; AND RELATED FINDINGS**

**WHEREAS**, on September 28, 2015, the U.S. Department of Housing and Urban Development (HUD) awarded the Housing Authority of the County of Sacramento (HACOS) as Grantee and the City of Sacramento as co-applicant with a \$30 million Choice Neighborhoods Implementation (CNI) grant to implement the Twin Rivers-River District-Railyards Neighborhood Transformation Plan; and

**WHEREAS**, On December 15, 2015, HACOS authorized execution of the Fiscal Years 2014-2015 CNI Implementation Grant Agreement with HUD for the CNI grant; and

**WHEREAS**, 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. 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; and

**WHEREAS**, the HACOS is seeking to allocate up to \$8,000,000 of CNI grant funds for the development of Phase 2 Housing;

**WHEREAS**, the HACOS is seeking approval to authorize Sacramento Housing and Redevelopment Agency to issue on its behalf a Loan Commitment letter for up to \$8 million of CNI funds as a permanent loan to Twin Rivers Phase 2, L.P. or related entity for eligible housing costs;

**WHEREAS**, the HACOS is seeking approval to amend the CNI grant budget and housing plan to allocate up to \$8,000,000 of the \$18,038,000 currently budgeted for housing specifically for Phase 2 Housing;

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

Section 1: All evidence presented having been duly considered, the above Recitals, including but not limited to the environmental facts, are found to be true and accurate and are hereby adopted.

Section 2: Authorization is approved to allocate up to \$8,000,000 of CNI grant funds for Phase 2 Housing.

Section 3: Authorization is approved for Sacramento Housing and Redevelopment Agency issue a Loan Commitment on behalf of HACOS of up to \$8,000,000 of CNI grant funds to be loaned to Twin Rivers Housing Phase 2, LP or related entity for eligible Phase 2 housing costs.

Section 4: Approval to amend the CNI grant budget and housing plan to allocate up to \$8,000,000 specifically for eligible Phase 2 housing costs.



On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 29th day of January, 2019, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,  
(PER POLITICAL REFORM ACT (§ 18702.5.))

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Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

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

January 29, 2019

Daniel Falcon, Vice President  
McCormack Baron Salazar, Inc.  
801 S. Grand Avenue Suite 801  
Los Angeles, CA 90017

Re: Conditional Funding Commitment for Twin Rivers Phase 2

Dear Mr. Falcon:

On behalf of the Housing Authority of the County of Sacramento, the Sacramento Housing and Redevelopment Agency (Agency) is pleased to advise you of its commitment of permanent loan funds (Loan) in an amount not exceed \$8,000,000 in Choice Neighborhoods Implementation (CNI) funds for the purpose of financing the development of that certain real property known as Twin Rivers Phase 2 located in the Twin Rivers development at 321 Eliza Way, Sacramento, California (Property). The Agency's decision is based on representations and information supplied by McCormack Baron Salazar, Inc. in its capacity as Housing Lead and Master Developer. 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. Loan terms not included in this funding commitment shall be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this commitment and the loan documents, the terms stated in the loan commitment letter shall be deemed to be terms of this commitment.

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

This commitment will expire December 31, 2020.

1. PROJECT DESCRIPTION: Twin Rivers Phase 2 (Project) is a new construction, mixed-income housing development. The Project is the second phase of development for the multi-phased, Twin Rivers public housing redevelopment project. The Project will include multifamily apartment, townhome, and garden-style walk-up buildings located on two separate City blocks (Block B and Block E). In addition to a maximum of 90 on-grade parking spaces, the Project will consist of a total of 10 residential buildings that will include a minimum of 113 rental housing units. The housing units will be 1-5 bedrooms in size and include a minimum of 69 public-housing replacement housing units in accordance with the HUD-approved replacement housing plan for the Project. The Project will also contain several outdoor amenities including tot lots, barbeque areas, bike and electric car share, etc., with Block B housing constructed immediately adjacent to a new 1.1 acre community park.
2. BORROWER: The name of the Borrower for the Loan is Twin Rivers Phase 2, L.P., a California limited partnership with McCormack Baron Salazar, Inc., or related entity as the lead development partner.
3. PURPOSE OF LOAN: The Loan is to be used by Borrower solely to pay the costs of development of the Project and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, as well as in 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 principal amount of the Loan will be a maximum of Eight Million Dollars (\$8,000,000) or such lesser amount as may be needed and as determined by Borrower and approved by Agency prior to close of the Loan.
5. TERM OF LOAN: The Loan shall mature up to 55 years from the date of completion of construction, at which point any and all unpaid principal and interest on the loan will be due and payable. Final maturity date will be determined by impact of terms and conditions of other sources of financing approved for the Project.
6. INTEREST RATE: The Loan will bear simple interest at four percent (4%) per annum. Interest shall be calculated on a 365-day year, actual days elapsed basis.
7. ANNUAL REPAYMENT: Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date. Notwithstanding the preceding payment schedule, no payments shall be required on this Loan until the full balance of principal and interest on the proposed capitalized ground lease made by the Housing Authority of the County of Sacramento to Borrower pursuant to the Master Development Agreement is paid in full.
8. SOURCE OF LOAN FUNDS: Agency is making the Loan from Choice Neighborhoods Implementation (CNI) grant funds and is subject to all of the requirements related to the use of these funds, whether Agency requirements or otherwise. This Loan is conditioned upon Borrower's acceptance of Agency requirements and conditions related to its lending programs and funding sources, including among others the required forms of agreements for the Loan; the

requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

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

\_\_\_\_\_ (Borrower Initial)

9. ACCELERATION: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. SECURITY: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to additional liens senior to the Agency's lien securing loans needed for the Project and such other liens or items as the Agency may approve in writing prior to close. The Loan shall also be secured by security agreements where required. The Agency may agree to subordinate said deed of trust in order to accommodate completion of construction of the Project.
11. LEASE AND RENTAL SCHEDULE: All leases of the Property and Improvements shall be subject to Agency 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 stated in Borrower's request for the Loan. Proof of equity will generally be in the form of verified low income housing tax credit equity and deferred developer fee. If the final equity contribution is less than that as anticipated, the difference in equity must be offset by an increase in the deferred developer fee.
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 Agency loan, construction financing from private lender(s) in an amount(s) sufficient to complete construction of the Project according to a Scope of Work as approved by Agency (Construction Financing). The term of Construction Financing must not be 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 Construction Financing liens senior to the Agency’s lien.
- (c) Such commitments for construction and permanent 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 Agency documents 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 will submit 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 closing. Borrower must, as a condition of disbursement of Loan 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" at all times. The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance" the Agency may declare the Loan to be in default.
17. PLANS AND SPECIFICATION: Final plans and specifications, if any, for the project must be in accord with the approved proposal. 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. The final plans shall incorporate all related mitigation measures as required in the Mitigation Monitoring and Reporting Program of Twin Rivers Transit Oriented Development and Light Rail Station Project as may applicable to Twin Rivers Phase 2, environmental conditions 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.
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%) of each construction disbursement as retention, 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 Project, which breakdown conforms to the project plans and specification and the approved budget for the Project. 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 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 fifty percent (50%) 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, exterior lighting, and security patrols, 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.
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. PURCHASE OR LEASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's ownership interest in 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 management, 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 an agreement providing for the resident services by a third party which agreement is subject to Agency Approval.
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 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 with same.
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

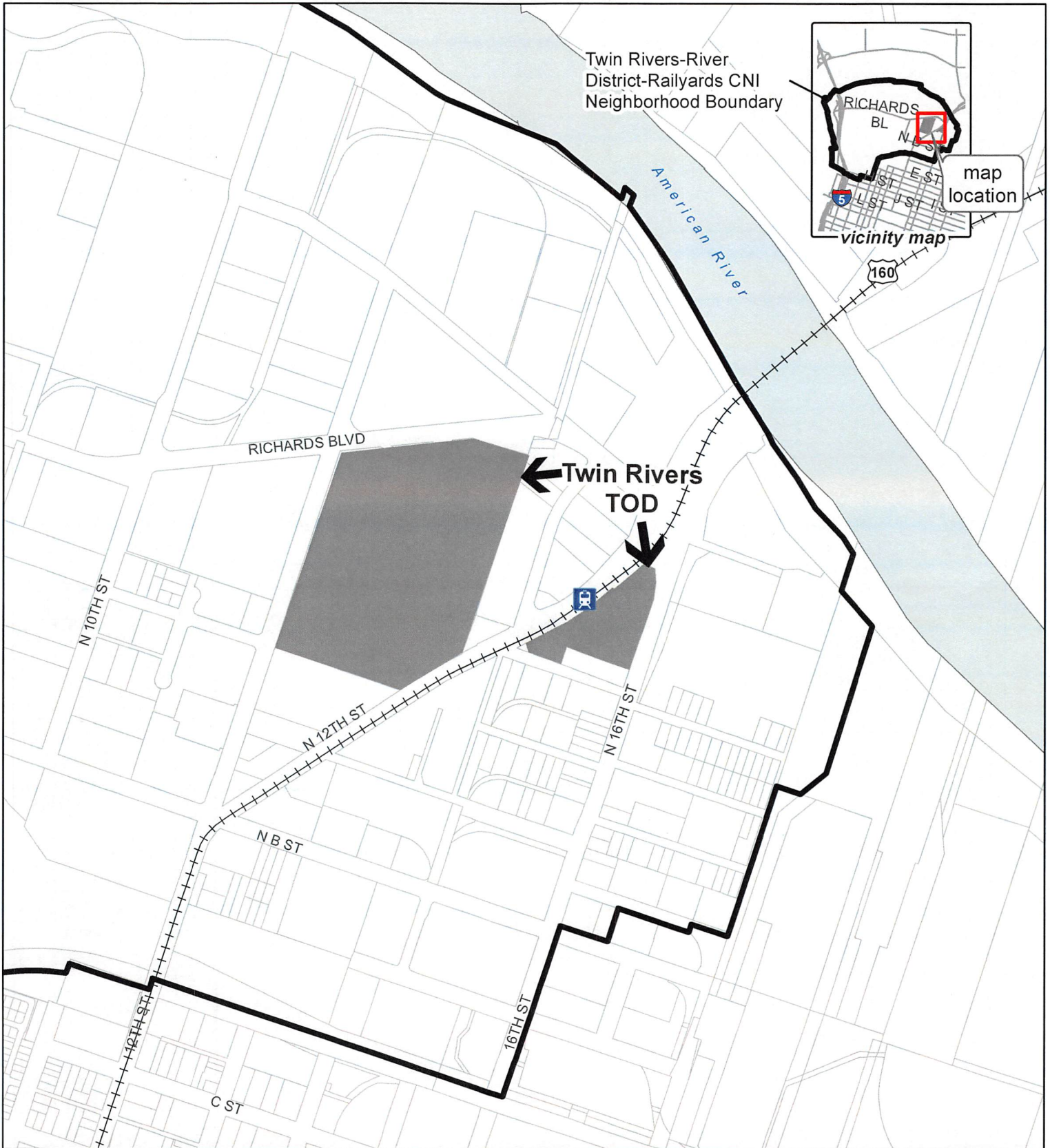
The undersigned acknowledges and accepts the foregoing Commitment and its terms and conditions.

**BORROWER:**  
Twin Rivers Phase 2 L.P., a California limited partnership  
By: McCormack Baron Salazar, Inc., or related entity

By: \_\_\_\_\_  
Daniel Falcon, Vice President

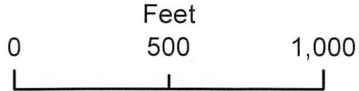


# Twin Rivers - River District - Railyards Transit Oriented Development Choice Neighborhoods Initiative



■ Twin Rivers TOD  
+ + + + Light Rail Track

🚆 Proposed Light Rail Stop  
■ River



SHRA GIS  
June 14, 2017

## 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

**January 16, 2019**

**TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL STATION PROJECT (“PROJECT”): AUTHORIZING A LOAN COMMITMENT IN THE AMOUNT OF \$8,000,000 OF CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT FUNDS TO TWIN RIVERS PHASE 2, L.P.; EXECUTION OF COMMITMENT LETTER; APPLICATION BY SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY TO THE STATE OF CALIFORNIA STRATEGIC GROWTH COUNCIL AND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR AN AFFORDABLE HOUSING AND SUSTAINABLE HOUSING GRANT UP TO \$20,000,000 FOR PHASE 2 OF THE PROJECT; ENVIRONMENTAL FINDINGS**

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1: The State of California, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (Department) have issued a Notice of Funding Availability dated November 1, 2018 (NOFA Round 4), under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200. The SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement. The Department is authorized to administer the approved funding allocations of the AHSC Program.

Section 2: 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. 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 activities in furtherance of the Twin Rivers Transit-Oriented Development and Light Rail Station Project.

Section 3: Subject to approval by the City Council and on behalf of Sacramento Housing and Redevelopment Agency as applicant, the Executive Director is hereby authorized and directed to apply for and submit to the Department the AHSC Program application as detailed in the NOFA Round 4 dated November 1, 2018, in a total amount not to exceed \$20,000,000 for Affordable Housing Development (AHD), Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities (collectively AHSC Grant) as defined in the AHSC Program

Guidelines adopted for Round 4 applications. If the application is approved, the Executive Director is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in a total amount not to exceed \$20,000,000 and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department, and all amendments thereto (collectively, the "AHSC Documents").

Section 4: Subject to approval by the City Council, the Loan Commitment attached to and incorporated in this resolution by this reference for financing Phase 2 of the Project is approved and the Executive Director, or designee, is authorized to execute the Loan Commitment and transmit same to Twin Rivers Phase 2, L.P. for signature by McCormack Baron Salazar, Inc. or related entity.

Section 5: The Executive Director, or designee, is authorized to amend the Agency budget to transfer \$8,000,000 in Choice Neighborhoods Implementation Grant funds to loan to Twin Rivers Phase 2, L.P.

Section 6: Subject to approval by the City Council, the Executive Director, or designee, is authorized to execute the Loan Commitment and related documents with Twin Rivers Phase 2, L.P., and perform other actions necessary to fulfill the intent of repayment of funds, including without limitation, subordination, extensions, and restricting of payments, all as approved by Agency counsel.

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CHAIR

ATTEST:

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CLERK

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
January 29, 2019  
10:45 a.m.

To: Board of Supervisors  
Through: Navdeep S. Gill, County Executive  
From: Office of the County Executive  
Department of Health Services  
Sacramento Housing and Redevelopment Agency  
Subject: Authorization To Participate In The No Place Like Home  
(NPLH) Program For The Sunrise Pointe And Capitol Park  
Hotel Projects  
Supervisory District(s): All

**RECOMMENDED ACTION**

Approve the following actions:

1. Adopt the attached Resolution for the Sunrise Pointe development:
  - a. Authorizing and directing the County to apply for and, if awarded, accept the competitive No Place Like Home (NPLH) Program funds;
  - b. Authorizing the Director of the Department of Health Services (DHS), or designee, to enter into, execute, and deliver any and all documents required by the NPLH Competitive Allocation funding award from the State of California, Department of Housing and Community Development (HCD); and
  - c. Performing all actions necessary to comply with the NPLH Guidelines, Program Documents, and any and all NPLH Program requirements.
  
2. Adopt the attached Resolution for the Capitol Park Hotel development:
  - a. Authorizing and directing the County to co-apply for and, if awarded, accept the competitive NPLH Program funds;
  - b. Authorizing the Director of DHS, or designee, to enter into, execute, and deliver any and all documents required by the NPLH Competitive Allocation funding award from HCD; and
  - c. Performing all actions necessary to comply with the NPLH Guidelines, Program Documents, and any and all NPLH Program requirements.

# Authorization To Participate In The No Place Like Home (NPLH) Program For The Sunrise Pointe And Capitol Park Hotel Projects

Page 2

3. Adopt the attached Resolution for the Capitol Park Hotel development:
  - a. Authorizing and directing the County to co-apply for and, if awarded, accept the noncompetitive NPLH Program funds;
  - b. Authorizing the Director of the DHS, or designee, to enter into, execute, and deliver any and all documents required by the NPLH Noncompetitive Allocation funding award from HCD; and
  - c. Performing all actions necessary to comply with the NPLH Guidelines, Program Documents, and any and all NPLH Program requirements.

## **BACKGROUND**

The State's No Place Like Home (NPLH) Program was enacted in 2016 through Assembly Bills 1618 and 1628 and subsequently approved by California voters on November 6, 2018, as Proposition 2. NPLH provides \$2 billion in bond funding statewide for the development of Permanent Supportive Housing (PSH) for people who are experiencing homelessness, chronic homelessness, or who are at risk of becoming chronically homeless, and who are living with a serious mental illness and are in need of mental health services. State bonds will be repaid through the diversion of Mental Health Services Act (MHSA) funding.

The State of California, Department of Housing and Community Development (HCD) is administering NPLH funding through two allocations: noncompetitive and competitive.

- Noncompetitive allocation: HCD issued the NPLH Notice of Funding Availability (NOFA) for approximately \$190 million in noncompetitive funding on August 15, 2018. Based on the most recent Point-in-Time (PIT) Count of 3,665 sheltered and unsheltered homeless persons on a single night, Sacramento County is eligible to receive \$5,087,737 in noncompetitive NPLH funding. Applications for specific developments solely utilizing noncompetitive funding are submitted separately and due no later than February 15, 2021.

On December 12, 2018, the Board approved the authorization of the application to HCD to reserve the noncompetitive allocation for Sacramento County, and the adoption of the Sacramento County Homeless Plan, as required by the NPLH program.

- Competitive allocation: Sacramento County is also eligible to apply for developments in the competitive funding category of Large Counties. HCD released the first competitive NOFA on October 15, 2018 for \$400 million. Eleven Large Counties will compete for \$93.5 million statewide. Development applications for the first funding round are

## Authorization To Participate In The No Place Like Home (NPLH) Program For The Sunrise Pointe And Capitol Park Hotel Projects

Page 3

due on January 30, 2019. The second round HCD NOFA is anticipated to be released in Fall 2019 for \$400 million.

Counties are eligible NPLH applicants and may apply either as the owner/operator (Development Sponsor) or jointly with another entity as the Development Sponsor for developments located anywhere in Sacramento County, including in any of its cities. Sacramento County intends to co-apply with another entity as the Development Sponsor.

In all NPLH developments, the County will be responsible for the provision of mental health supportive services and for the coordination of other supportive services needed by NPLH tenants for a minimum of 20 years. The development sponsor is responsible for resident services provided to all tenants.

The County and Sacramento Housing and Redevelopment Agency (SHRA) worked collaboratively to utilize local resources to navigate the different components to constructing and operating the recommended NPLH developments. Expertise for this application's success and viability is dependent on this strong working relationship between County departments and SHRA staff who have together analyzed all parts of the NPLH requirements and areas of responsibility. We anticipate close work in the months ahead to refine and expedite these applications.

### Local NPLH Selection Process

On August 21, 2018, the County Director of Homeless Initiatives provided the Board with an overview of the local selection process for both competitive and noncompetitive NPLH funding. The local selection process was developed in coordination with SHRA and reflects input from PSH developers and three County NPLH committees with representatives from Board Staff, County departments, Sacramento cities, and behavioral health consumers and stakeholders.

On August 31, 2018, Sacramento County and SHRA jointly released the local selection process, entitled "Request to Partner on No Place Like Home Developments" (RTP). Threshold and selection criteria contained in the RTP largely mirror HCD's selection criteria to ensure quality developments that are eligible, feasible and score competitively under HCD scoring criteria.

- All projects must serve the NPLH target population which includes people who are experiencing homelessness, chronically homelessness, or at risk of chronic homelessness, as defined by the State. Additionally, projects must use coordinated entry for NPLH tenants who are experiencing homelessness (and a comparable system for at risk households) and follow housing first practices that facilitate entry

Authorization To Participate In The No Place Like Home (NPLH) Program For The Sunrise Pointe And Capitol Park Hotel Projects

and support of higher barrier households. Additional threshold criteria include development team experience; site control and other site considerations; percentage of NPLH units to range from 30 percent to 49 percent; integration of NPLH tenants within developments; and financial feasibility.

- Competitive scoring considers leverage of development funding, including contribution of local funds and noncompetitive NPLH funding; leverage of rental or operating subsidies; readiness to proceed; and extent of offsite and onsite resident and supportive services.

On October 1, 2018, four RTP applications with the proposed developments summarized in the table below were submitted.

<b>Development Sponsors</b>	<b>Proposed Developments</b>	<b>NPLH Units</b>	<b>Total Units</b>	<b>Construction Type</b>	<b>Location</b>
Jamboree <sup>1</sup> & TLCS, Inc.	Sunrise Pointe	22	47	New	City of Citrus Heights
Mercy Housing California	Capitol Park Hotel	65	134	Rehabilitation	City of Sacramento
Mutual Housing California	Mutual Housing on the Boulevard	36	90	New	Unincorporated County of Sacramento
USA Properties & Jamboree	Railyards	74	150	New	City of Sacramento

Legend: <sup>1</sup>Jamboree: Jamboree Housing Corporation

Subsequently, applications submitted by Mutual Housing California (Mutual Housing on the Boulevard) and USA Properties partnered with Jamboree (Railyards) were withdrawn by the respective developers due to lack of project readiness. Both developers intend to apply to the County for NPLH funds in subsequent funding cycles. County and SHRA staff will continue to provide technical assistance to both of these development sponsors.

On November 30, 2018, the NPLH Program Selection Committee (comprised of the County Director of Homeless Initiatives, and representatives from Division of Behavioral Health Services, SHRA Development Finance, and Sacramento Steps Forward) evaluated the two remaining development applications and are recommending each development to co-apply with Sacramento County for the NPLH funding application to HCD as described below.



## Authorization To Participate In The No Place Like Home (NPLH) Program For The Sunrise Pointe And Capitol Park Hotel Projects

Page 5

County and SHRA Development Finance staff reviewed the NPLH applications for compliance with NPLH Program threshold and eligibility criteria and to address other issues relevant to co-application, including:

- Target population and conformance with housing first practices;
- Financial feasibility, including adequate operating budgets and reserves, and overall conformance with underwriting policies;
- Scope of work, including any environmental issues and compliance with construction standards;
- Property management and resident services plan (County behavioral health is preparing supportive services plans for each recommended development); and
- Other elements such as relocation plan, security plans and market studies.

County and SHRA staff also evaluated the allocation of noncompetitive and competitive NPLH funding for each of the recommended developments based primarily on ensuring feasibility and on increasing leverage scoring. This report recommends funding levels and actions, required for these two projects to apply with the County as co-applicants and participate in the NPLH program.

This first local NPLH application process has been challenging because of the extremely tight State timeframes for State application submittal and the release of the State application materials and scoring sheet after the local application submittal deadline. County and SHRA staff have worked with the development sponsors to make adjustments to the local applications to maximize competitiveness for State NPLH funding consistent with State requirements. These adjustments are reflected in the development recommendations below. The following conditions to the County commitment for NPLH competitive co-applications and noncompetitive funding are recommended for each development:

- The County commitment will be in effect for 18 months from Board approval. In the event that the first round State application is unsuccessful, the County may co-apply in future State funding rounds within this timeframe. As necessary, staff will return to the Board for authorizing resolutions to apply.
- Any funding gap (either known or because of future cost increases) within the development must be filled by non-behavioral health funding evidenced with firm funding commitments by January 29, 2019. It is noted that for each of the recommended developments, NPLH units comprise 48 to 49 percent of the total units and

# Authorization To Participate In The No Place Like Home (NPLH) Program For The Sunrise Pointe And Capitol Park Hotel Projects

Page 6

recommended NPLH funding covers the associated gap for these units. Any additional behavioral health funding would increase this percentage of units within the development for the target population and compromise both State and local goals of community integration. This funding condition helps to ensure that community integration principles for persons living with serious mental illness in the community are met.

The recommended actions are consistent with SHRA's previously approved Multifamily Lending and Mortgage Revenue Bond Policies (Policies).

## **Sunrise Pointe Development**

The attached resolution authorizes a co-application to HCD for Sunrise Pointe Development for \$3,019,967 in NPLH competitive funding for 22 NPLH units in the 47-unit new construction project.

Description of Proposed Development: Sunrise Pointe is proposed to be located at 7424 Sunrise Boulevard in the City of Citrus Heights. The site is currently vacant surrounded by residential and commercial offices. This development will be new construction of 47 apartments consisting of one-, two- and three- bedroom units. There are 46 PSH units, plus one exempt management unit. All 46 units will be awarded Project Based Vouchers for households experiencing homelessness and, of these, 22 will be NPLH-designated units. Of the NPLH units, 40 percent will be allocated to the category of chronically homeless, and 30 percent each to categories of homeless and at risk of chronic homelessness. The Citrus Heights City Council met on January 10, 2019, to grant final entitlement approvals. Amenities include on-site management staff, community room, meeting areas for individual and group settings, courtyard with a lounge area, BBQ and picnic area, children's playground, half basketball court, dog park and parking. A vicinity map and artist rendering are included as Attachments 1 and 2.

Development Sponsor: The partnership of Jamboree Housing Corporation and TLCS, Inc. (TLCS) is the development sponsor. Jamboree is an affordable housing developer with 28 years of experience in residential development, including 91 developments consisting of more than 8,200 homes and an asset portfolio of \$1.1 billion across California. TLCS is a private, non-profit, psychosocial rehabilitation agency with 37 years of experience. TLCS provides PSH, interim housing and a variety of mental health services. In addition, TLCS owns or operates five special needs residential facilities in the County of Sacramento.

Resident Services: TLCS will dedicate 1.5 full-time equivalent (FTE) resident services coordinators to provide resident services to all residents. TLCS will

## Authorization To Participate In The No Place Like Home (NPLH) Program For The Sunrise Pointe And Capitol Park Hotel Projects

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provide onsite coordination with NPLH case management services and provide a minimum of 15 hours per week of on-site resident services to all residents. Resident services programs will include, but are not limited to, an on-site service coordinator, after-school programs, adult education, skill building classes and health and wellness services and programs.

County NPLH Supportive Services: The County of Sacramento will be responsible for the provision of mental health supportive services and the coordination of other supportive services needed by the 22 NPLH residents at Sunrise Pointe for a minimum of 20 years, as required by the State NPLH program. As noted above, the development sponsor is responsible for resident services to be provided to all development residents.

Tenants will be referred through coordinated entry administered by Sacramento Steps Forward for all units reserved for persons experiencing homelessness (including non-NPLH units). Tenants will be referred through the Division of Behavioral Health Services for all NPLH units reserved for persons who are at risk of chronic homelessness.

Property Management Agent: Sunrise Pointe will be managed by the John Stewart Company (JSCo). Currently, JSCo manages more than 620 properties consisting of approximately 47,000 residential units, including approximately 39,000 affordable units and 945 PSH units.

Project Financing: Sunrise Pointe will be financed using a combination of nine percent Low Income Housing Tax Credits (LIHTC), conventional loan, SHRA loan consisting of \$1,300,000 in County HOME Investment Partnerships Program (HOME) funds (local commitment), NPLH competitive funding and a deferred developer fee. Funding sources and uses are provided in the Project Summary as Attachment 3. A separate staff report for SHRA's conditional funding commitment of the \$1,300,000 loan in County HOME funding is being presented separately for Board approval.

Affordability Restrictions: As a condition of receiving tax credits, federal law requires that developments set aside units for targeted income groups. Income restrictions from Low Income Housing Tax Credit (LIHTC) financing require that households have average income at or below 59 percent of the Area Median Income (AMI) and no households exceed 80 percent of the AMI.

SHRA further requires that at least 20 percent of the units be restricted to households with income at or below 50 percent AMI. The affordability restrictions will be specified in regulatory agreements between Jamboree and TLCS, and the respective monitoring agencies, (HCD, California Tax Credit Allocation Committee and SHRA). Proposed funding sources and their affordability requirements are summarized in the following table:

Authorization To Participate In The No Place Like Home (NPLH) Program For  
The Sunrise Pointe And Capitol Park Hotel Projects

Sunrise Pointe

<b>Funding Program<sup>1</sup></b>	<b>Affordability Level and AMI Regulated for 55 years<sup>2</sup></b>	<b>Proposed No. of Units</b>	<b>Percentage of Units</b>
NPLH <sup>2</sup> LIHTC	Extremely Low Income 25% AMI	14	30%
NPLH <sup>2</sup> LIHTC	Extremely Low Income 30% AMI	8	17%
LIHTC	Very Low Income 35% AMI	8	17%
LIHTC	Very Low Income 40% AMI	8	17%
LIHTC	Very Low Income 45% AMI	1	4%
HOME <sup>3</sup> LIHTC	Very Low Income 45% AMI	7	13%
Manager's unit	Unrestricted	1	2%
	<b>Total</b>	<b>47</b>	<b>100%</b>

Legend:

<sup>1</sup>The most restrictive income and rent limits will prevail when Project has layered funding programs.

<sup>2</sup> The LIHTC and HCD NPLH Regulatory Agreement will be enforced for 55 years.

<sup>3</sup>SHRA Regulatory Agreement for the HOME assisted units will be enforced for 20 years.

**Capitol Park Hotel Development**

The attached resolution authorizes a co-application to HCD for Capitol Park Hotel for \$6,890,825 in NPLH competitive funding and \$2,800,000 in NPLH noncompetitive funding for 65 units in the 134 unit rehabilitation project.

Description of Proposed Development: Capitol Park Hotel is located at 1125 9<sup>th</sup> Street in downtown Sacramento. This development will be an acquisition and rehabilitation of a historic 180-unit single room occupancy building into 134 studio units with kitchenettes and full bathrooms. All 134 PSH units will be awarded Project Based Vouchers to households experiencing homelessness and, of these, 65 will be NPLH designated units. Of the 65 NPLH units, 40 percent will be allocated to the category of chronically homeless, and 30 percent each to categories of homeless and at risk of chronic homelessness. Amenities will include a 24/7 desk clerk, community room, and meeting areas for individual and group settings. Bicycle parking will be available onsite. A vicinity map and project picture are included as Attachments 4 and 5.

## Authorization To Participate In The No Place Like Home (NPLH) Program For The Sunrise Pointe And Capitol Park Hotel Projects

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Development Sponsor: Mercy Housing California (MHC) will serve as the development sponsor. MHC is a nonprofit public benefit corporation dedicated to providing quality affordable housing with supportive programs to low-income individuals in California. MHC has developed more than 10,900 affordable homes, including over 7,900 rental units. MHC's portfolio includes 20 properties with over 1,300 units in Sacramento County. MHC is qualified to redevelop the Capitol Park Hotel given its experience in the rehabilitation and conversion of the Budget Inn on Stockton Blvd to the 74-unit PSH Boulevard Court Apartments and the upcoming development project comprised of 92 PSH units at Courtyard Inn Transit-Oriented Development.

Resident Services: Mercy Housing Resident Services, an affiliate of MHC, will dedicate two FTE for resident services for all residents, providing a minimum of 20 hours per week of on-site resident services to all residents. Resident services programs will include, but are not limited to, an on-site service coordinator, education and enrichment programs. Additionally, a case management team of 2.8 FTE will provide supportive services for non-NPLH residents. There will be 24/7 services availability.

County NPLH Supportive Services: The County of Sacramento will be responsible for the provision of mental health supportive services and the coordination of other supportive services needed by the 65 NPLH residents at Capitol Park Hotel for a minimum of 20 years, as required by the State NPLH program. As noted above, the development sponsor is responsible for resident services to be provided to all development residents.

Tenants will be referred through coordinated entry administered by Sacramento Steps Forward for all units reserved for persons experiencing homelessness (including non-NPLH units). Tenants will be referred through the Division of Behavioral Health Services for all units reserved for persons who are at risk of chronic homelessness.

Property Management Agent: The Project will be managed by Mercy Housing Management Group, an affiliate of the Developer. The Property Management Agent manages more than 220 properties nationally (more than 11,000 affordable housing units), including over 100 properties in California.

Relocation Plan Consultant: Laurin and Associates will provide relocation consultation services to MHC and the residents of Capitol Park Hotel. All costs related to relocation expenses are the sole responsibility of the developer. Relocation costs are anticipated to include permanent and temporary relocation. The final relocation plan will be approved by SHRA prior to the submission of the NPLH application.

Authorization To Participate In The No Place Like Home (NPLH) Program For  
The Sunrise Pointe And Capitol Park Hotel Projects

Project Financing: Capitol Park Hotel will be financed using a combination of nine percent Low Income Housing Tax Credits (LIHTC), competitive and noncompetitive NPLH funding, an Affordable Housing Program loan from the Federal Home Loan Bank, and general partnership equity. There is no local funding commitment for Capitol Park Hotel at this time. The NPLH Program Selection Committee recommended the use of competitive and noncompetitive NPLH funds to maximize the leverage scoring in the NPLH funding application. Since the committee recommendation, project costs have been revised and there is an approximately \$8 million funding gap with funding sources still to be identified. Funding sources and uses are provided in the Project Summary as Attachment 6.

Affordability Restrictions: As a condition of receiving tax credits, federal law requires that developments be set-aside for targeted income groups. Income restrictions from Low Income Housing Tax Credit (LIHTC) financing require that households have average income at or below 59 percent of the Area Median Income (AMI) and no households exceed 80 percent of the AMI.

The affordability restrictions will be specified in the regulatory agreements between HCD and the Mercy Housing California, as well as CTCAC and Mercy Housing California. Anticipated funding sources and their affordability requirements are summarized in the following table:

Capitol Park Hotel

<b>Funding Program<sup>1</sup></b>	<b>Affordability Level and AMI Regulated for 55 years<sup>2</sup></b>	<b>Proposed No. of Units</b>	<b>Percentage of Units</b>
NPLH LIHTC	Extremely Low Income 20% AMI	65	49%
LIHTC	Very Low Income 40% AMI	69	51%
	<b>Total</b>	<b>134</b>	<b>100%</b>

Legend:

<sup>1</sup>The most restrictive income and rent limits will prevail when Project has layered funding programs.

<sup>2</sup> The LIHTC and HCD NPLH Regulatory Agreement will be enforced for 55 years.

Local NPLH Steering Committee and SHRA Commission

At its meeting on January 8, 2019, the local NPLH Steering Committee was presented the recommended developments for information and feedback. The developments were also presented at the Mental Health Board on January 10, 2019. At its meeting on January 16, 2019, the Sacramento Housing and Redevelopment Commission was presented with an overview of the recommended developments for their information. SHRA is taking

Authorization To Participate In The No Place Like Home (NPLH) Program For  
The Sunrise Pointe And Capitol Park Hotel Projects

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separate action through the SHRA Commission to recommend HOME financing for Sunrise Pointe.

It is also noted that the County intends to form a Consumer Advisory Group whom development sponsors will be expected to consult with throughout the development process and operationalization of NPLH developments.

Environmental Review

California Environmental Quality Act (CEQA): Applying for and accepting the NPLH Program funds are considered administrative and fiscal activities and are therefore not considered a project pursuant to CEQA Guidelines Section 15378. Entering into the Standard Agreement, and other related agreements, will not commit to any definite course of action or limit the choice of alternatives regarding the project and is therefore an administrative activity and not considered a project pursuant to CEQA Guidelines Section 15378. Providing mental health services is exempt under CEQA pursuant to CEQA Guidelines Section 15061(b)(3).

**FINANCIAL ANALYSIS**

The recommended actions authorize NPLH competitive applications for \$3,019,967 for Sunrise Pointe and \$6,890,825 million for Capitol Park Hotel. The recommended actions also award \$2,800,000 of the total \$5,087,737 from the State NPLH noncompetitive funding allocated to Sacramento County to the Capitol Park Hotel project. The NPLH program requires a twenty-year commitment from the County for mental health services and a commitment to coordinate other supportive services for NPLH residents. If these projects are successful in receiving competitive NPLH funding, the Division of Behavioral Health Services will make the required mental health treatment services and supports available through designated Outpatient and Full Service Partnership contracted providers. These services will be available to NPLH tenants once construction/rehabilitation of the projects is complete and tenant occupancy occurs. These supportive services are anticipated to be made available largely through attrition of existing clients in existing service contracts not associated with built housing units. The mental health treatment supportive services are valued at a range of approximately \$10,000 to \$23,800 net county cost per client per fiscal year. Based on projections that seventy percent (70%) of the 87 NPLH clients will have a higher acuity service need, the estimated cost for mental health treatment services would be approximately \$1.7 million per fiscal year. These services will be funded by MHSA when possible. Some services are not MHSA reimbursable and will require other local funds such as Realignment or County General Fund. Funding for services will be included in the Department's future fiscal year Requested Budgets.

Authorization To Participate In The No Place Like Home (NPLH) Program For  
The Sunrise Pointe And Capitol Park Hotel Projects  
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Attachments:

- RES – Sunrise Pointe - Competitive NPLH Funds
- RES – Capitol Park Hotel - Competitive NPLH Funds
- RES – Capitol Park Hotel - Noncompetitive NPLH Funds
- ATT 1 – Sunrise Pointe - Vicinity Map
- ATT 2 – Sunrise Pointe - Artist Rendering
- ATT 3 – Sunrise Pointe - Project Summary
- ATT 4 – Capitol Park Hotel - Vicinity Map
- ATT 5 – Capitol Park Hotel - Picture
- ATT 6 – Capitol Park Hotel - Project Summary



**RESOLUTION NO.**  
**AUTHORIZATION TO PARTICIPATE IN THE NO PLACE LIKE HOME PROGRAM**  
**(COMPETITIVE PROJECT FUNDING - CAPITOL PARK HOTEL)**

WHEREAS, the State of California, Department of Housing and Community Development ("Department") issued a Notice of Funding Availability, dated October 15, 2018 as amended on October 30, 2018 ("NOFA"), under the No Place Like Home Program ("NPLH" or "Program") authorized by Government Code section 15463, Part 3.9 of Division 5 (commencing with Section 5849.1) of the Welfare and Institutions Code, and Welfare and Institutions Code section 5890;

WHEREAS, the NOFA relates to the availability of approximately \$400 million in Competitive Allocation funds under the NPLH Program; and

WHEREAS, the County of Sacramento ("County") is a County and an Applicant, as those terms are defined in the NPLH Program Guidelines, dated July 17, 2017 ("Guidelines").

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the County does hereby determine and declare as follows:

SECTION 1. That County is hereby authorized and directed to apply for and if awarded, accept the NPLH Program funds, as detailed in the NOFA, up to the amount authorized by the Guidelines and applicable state law.

SECTION 2. That the Director of Health Services, or designee, is hereby authorized and directed to act on behalf of County in connection with an award of NPLH Program funds, and to enter into, execute, and deliver any and all documents required or deemed necessary or appropriate to evidence the loan of NPLH Program funds, the County's obligations related thereto, and the Department's security therefore. These documents may include, but are not limited to, a State of California Standard Agreement ("Standard Agreement"), a regulatory agreement, a promissory note, a deed of trust and security agreement, and any and all other documents required or deemed necessary or appropriate by the Department as security for, evidence of, or pertaining to the NPLH Program funds, and all amendments thereto (collectively, the "NPLH Program Documents").

SECTION 3. That County shall be subject to the terms and conditions that are specified in the Standard Agreement; that the application in full is incorporated as part of the Standard Agreement; that any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement; and that County will use the NPLH Program funds in accordance with the Guidelines, other applicable rules and laws, the NPLH Program Documents, and any and all NPLH Program requirements.

SECTION 4. That County will make mental health supportive services available to each project's NPLH tenants for at least 20 years, and will coordinate the provision of or

Authorization To Participate In The No Place Like Home Program (Competitive Project Funding – Capitol Park Hotel)  
Page 2

referral to other services (including, but not limited to, substance use services) in accordance with the County's relevant supportive services plan, and as specified in Section 202(n)(1) of the Guidelines.

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 29th day of January, 2019, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,  
(PER POLITICAL REFORM ACT (§ 18702.5.))

---

Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

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

**RESOLUTION NO.  
AUTHORIZATION TO PARTICIPATE IN THE NO PLACE LIKE HOME PROGRAM  
(COMPETITIVE PROJECT FUNDING FOR SUNRISE POINTE)**

WHEREAS, the State of California, Department of Housing and Community Development ("Department") issued a Notice of Funding Availability, dated October 15, 2018 as amended on October 30, 2018 ("NOFA"), under the No Place Like Home Program ("NPLH" or "Program") authorized by Government Code section 15463, Part 3.9 of Division 5 (commencing with Section 5849.1) of the Welfare and Institutions Code, and Welfare and Institutions Code section 5890;

WHEREAS, the NOFA relates to the availability of approximately \$400 million in Competitive Allocation funds under the NPLH Program; and

WHEREAS, the County of Sacramento ("County") is a County and an Applicant, as those terms are defined in the NPLH Program Guidelines, dated July 17, 2017 ("Guidelines").

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the County does hereby determine and declare as follows:

SECTION 1. That County is hereby authorized and directed to apply for and if awarded, accept the NPLH Program funds, as detailed in the NOFA, up to the amount authorized by the Guidelines and applicable state law.

SECTION 2. That the Director of Health Services, or designee, is hereby authorized and directed to act on behalf of County in connection with an award of NPLH Program funds, and to enter into, execute, and deliver any and all documents required or deemed necessary or appropriate to evidence the loan of NPLH Program funds, the County's obligations related thereto, and the Department's security therefore. These documents may include, but are not limited to, a State of California Standard Agreement ("Standard Agreement"), a regulatory agreement, a promissory note, a deed of trust and security agreement, and any and all other documents required or deemed necessary or appropriate by the Department as security for, evidence of, or pertaining to the NPLH Program funds, and all amendments thereto (collectively, the "NPLH Program Documents").

SECTION 3. That County shall be subject to the terms and conditions that are specified in the Standard Agreement; that the application in full is incorporated as part of the Standard Agreement; that any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement; and that County will use the NPLH Program funds in accordance with the Guidelines, other applicable rules and laws, the NPLH Program Documents, and any and all NPLH Program requirements.

SECTION 4. That County will make mental health supportive services available to each project's NPLH tenants for at least 20 years, and will coordinate the provision of or

Authorization to Participate in the No Place Like Home Program (Competitive Project Funding)

Page 2

referral to other services (including, but not limited to, substance use services) in accordance with the County's relevant supportive services plan, and as specified in Section 202(n)(1) of the Guidelines.

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 29th day of January, 2019, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

---

Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

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

## **RESOLUTION NO.**

### **AUTHORIZATION TO PARTICIPATE IN THE NO PLACE LIKE HOME PROGRAM (NONCOMPETITIVE PROJECT FUNDING FOR CAPITOL PARK HOTEL)**

WHEREAS, the State of California, Department of Housing and Community Development ("Department") issued a Notice of Funding Availability, dated August 15, 2018 as amended on October 30, 2018 ("NOFA"), under the No Place Like Home Program ("NPLH" or "Program") authorized by Government Code section 15463, Part 3.9 of Division 5 (commencing with Section 5849.1) of the Welfare and Institutions Code, and Welfare and Institutions Code section 5890;

WHEREAS, the NOFA relates to the availability of approximately \$190 million in Noncompetitive Allocation funds under the NPLH Program; and

WHEREAS, the County of Sacramento ("County") is an Applicant within the meaning of Section 101(c) of the NPLH Program Guidelines, dated July 17, 2017 ("Guidelines").

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for County does hereby determine and declare as follows:

SECTION 1. That County is hereby authorized and directed to apply for and accept the NPLH Program funds, as detailed in the NOFA up to the amount authorized by Section 102 of the Guidelines and applicable state law.

SECTION 2. That the Director of the Department of Health Services, or designee, is hereby authorized and directed to act on behalf of County in connection with the NPLH Noncompetitive Allocation award, and to enter into, execute, and deliver a State of California Standard Agreement ("Standard Agreement"), a regulatory agreement, a promissory note, a deed of trust and security agreement, and any and all other documents required or deemed necessary or appropriate as security for, evidence of, or pertaining to the NPLH Program funds, and all amendments thereto (collectively, the "NPLH Program Documents").

SECTION 3. That County shall be subject to the terms and conditions that are specified in the Standard Agreement; that the application in full is incorporated as part of the Standard Agreement; that any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement; and that County will use the NPLH Program funds in accordance with the Guidelines, other applicable rules and laws, the NPLH Program Documents, and any and all NPLH Program requirements.

SECTION 4. That County will make mental health supportive services available to a project's NPLH tenants for at least 20 years, and will coordinate the provision of or referral to other services (including, but not limited to, substance use services) in accordance with the County's relevant supportive services plan in accordance with Welfare and Institutions Code section 5849.9(a).

Authorization to Participate in the No Place Like Home Program (Noncompetitive Project Funding for Capitol Park Hotel)

Page 2

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 29th day of January, 2019, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,  
(PER POLITICAL REFORM ACT (§ 18702.5.))

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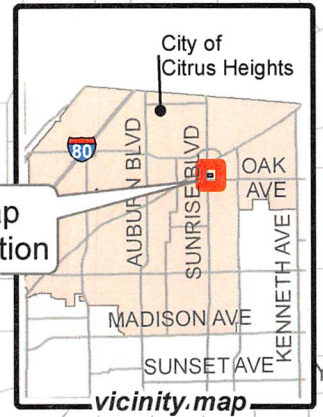
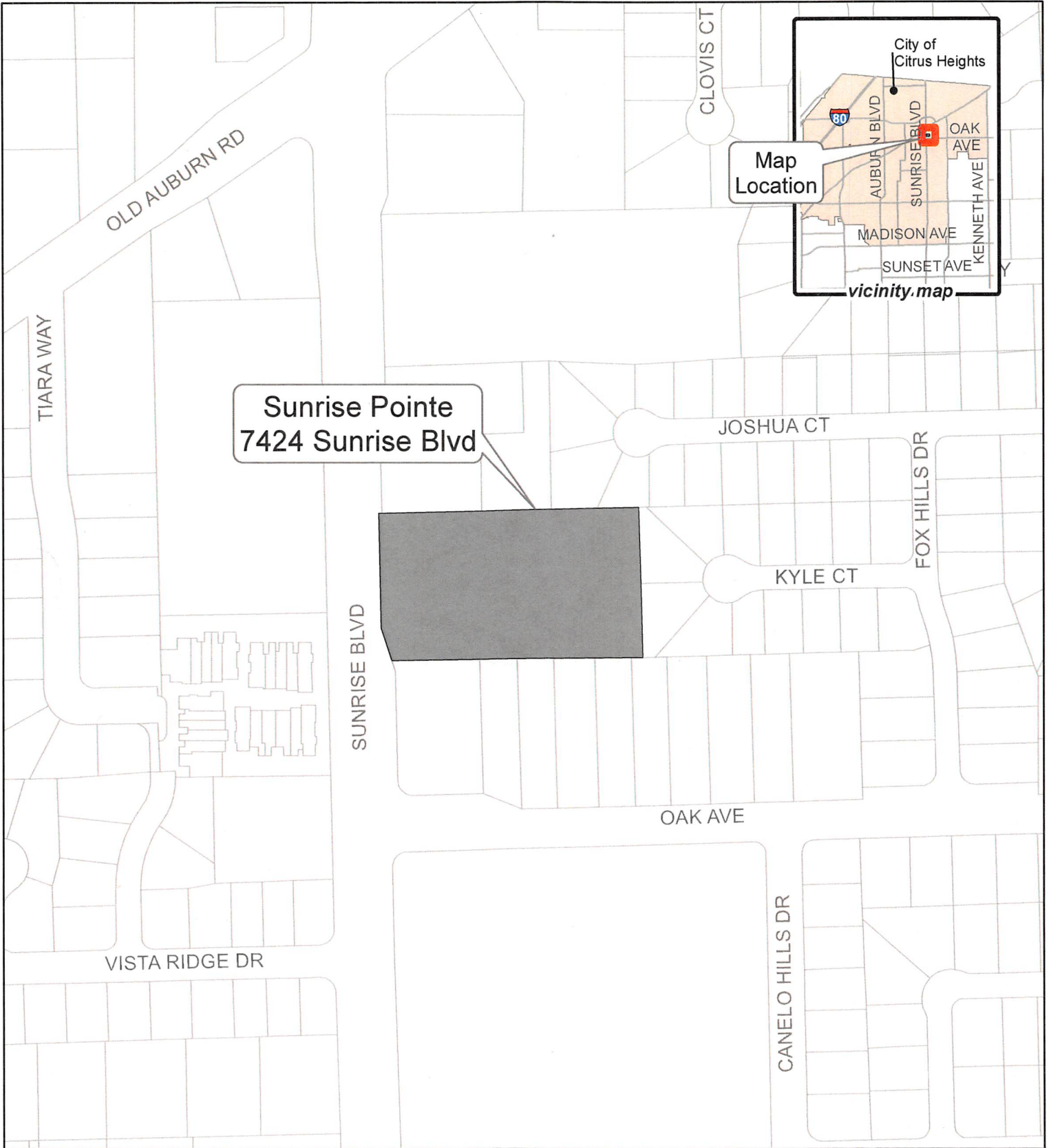
Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

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



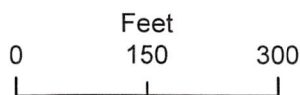
# Sunrise Pointe



Sunrise Pointe  
7424 Sunrise Blvd



Sunrise Pointe



Sunrise Pointe





**Sunrise Pointe  
Residential Project Summary**

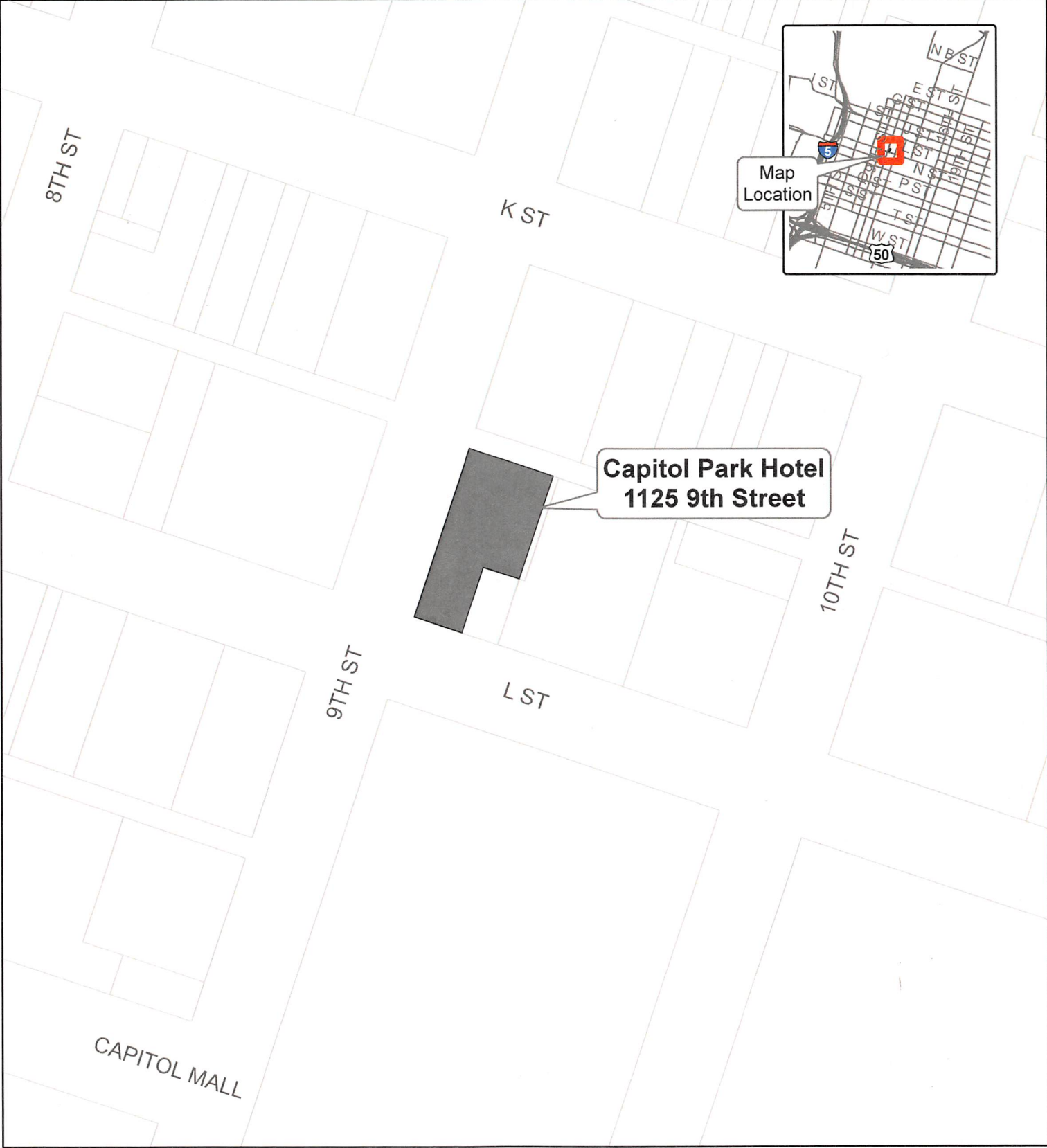
<b>Address</b>	7424 Sunrise Blvd, Citrus Heights, CA 95610					
<b>Number of Units</b>	47					
<b>Year Built</b>	New Construction					
<b>Acreage</b>	2.44 acres (106,286 sq. ft.)					
<b>Affordability</b>	46 units at 25%, 30%, 35%, 40% and 45% AMI and 1 exempt Management unit <b>22 of the units will be designated as No Place Like Home.</b>					
<b>Unit Mix and Rents</b>	<u>ELI 25% AMI</u>	<u>ELI 30% AMI</u>	<u>VLI 35% AMI</u>	<u>VLI 40% AMI</u>	<u>VLI 45% AMI</u>	<u>Total</u>
1 Bedroom/ 1 Bath	4	3	2	1	1	11
2 Bedroom/ 1 Bath	5	4	5	5	4	23
3 Bedroom/ 2 Bath	5	1	1	2	3	12
Management Unit (1 Bedroom)	0	0	0	0	0	1
Total	14	8	8	8	8	47
<b>Square Footage</b>	<u>Unit Size (sq.ft.)</u>		<u>Total</u>			
1 Bedroom / 1 Bath	622	6,842 sq.ft.				
2 Bedroom/ 1 Bath	759	18,216 sq.ft.				
3 Bedroom/ 2 Bath	1,050	12,600 sq.ft.				
Community Area and Other		17,693 sq.ft.				
Total Gross		55,351 sq.ft.				
<b>Resident Facilities</b>	The amenity space will include large multi-purpose rooms, an afterschool program area as well as group and individual conference rooms.					
<b>Permanent Sources</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>			
Permanent Loan	\$ 2,682,887	\$ 57,083	\$ 48.47			
Tax Credit Equity	\$ 14,562,344	\$ 309,837	\$ 263.09			
NPLH Competitive Loan	\$ 3,019,967	\$ 64,255	\$ 54.56			
SHRA HOME Funds	\$ 1,300,000	\$ 27,660	\$ 23.49			
Deferred Developer Fee	\$ 357,427	\$ 7,605	\$ 6.46			
<b>TOTAL SOURCES</b>	<b>\$ 21,922,625</b>	<b>\$ 466,439</b>	<b>\$ 396.07</b>			
<b>Permanent Uses</b>						
Acquisition	\$ 950,000	\$ 20,213	\$ 17.16			
Construction Costs	\$ 13,522,991	\$ 287,723	\$ 244.31			
Architecture & Engineering	\$ 850,000	\$ 18,085	\$ 15.36			
Permits	\$ 950,000	\$ 20,213	\$ 17.16			
Hard Cost Contingency	\$ 670,000	\$ 14,255	\$ 12.10			
Soft Cost Contingency	\$ 341,895	\$ 7,274	\$ 6.18			
Financing Cost	\$ 990,245	\$ 21,069	\$ 17.89			
Operating Reserves	\$ 154,010	\$ 3,277	\$ 2.78			
Transition Reserve	\$ 368,484	\$ 7,840	\$ 6.66			
Legal Fees	\$ 110,000	\$ 2,340	\$ 1.99			
Developer Fee	\$ 2,200,000	\$ 46,809	\$ 39.75			
Third Party Fees, Marketing, Other	\$ 815,000	\$ 17,340	\$ 14.72			
<b>TOTAL USES</b>	<b>\$ 21,922,625</b>	<b>\$ 466,439</b>	<b>\$ 396.07</b>			
<b>Management / Operations</b>	Jamboree Housing Corporation and TLCS, Inc.					
Proposed Developer	The John Stewart Company					
Property Management Company						
Operations Budget	\$ 239,191	\$ 5,089				
Property Management Company	\$ 25,380	\$ 540				
Resident Services	\$ 105,000	\$ 2,234				
Replacement Reserves	\$ 23,500	\$ 500				

Capitol Park Hotel

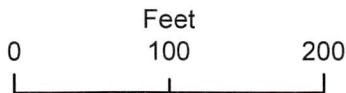




# Capitol Park Hotel



 Capitol Park Hotel



**Capitol Park Hotel  
Residential Project Summary**

<b>Address</b>	1117, 1121, 1125, 1127, 1129 & 1131 9th Street		
<b>Number of Units</b>	134		
<b>Year Built</b>	1912 and 1932		
<b>Acreage</b>	0.26 (11,326 sq. ft.)		
<b>Affordability</b>	65 ELI units at 20% Area Median Income (AMI) and 69 VLI units at 40% AMI. <b>65 of the units will be designated as No Place Like Home.</b>		
<b>Unit Mix and Rents</b>	ELI (20% AMI)	VLI (40% AMI)	
Studio/1 Bath	65	69	
<b>Square Footage</b>	<u>Unit Size (sq.ft.)</u>	<u>Total</u>	
Studio/1 Bath	228	30,552	sq. ft.
Community Area and Other		16,548	sq. ft.
Commercial		4,500	sq. ft.
Basement		9,200	sq. ft.
Total Gross		60,800	sq. ft.
<b>Resident Facilities</b>	The development will be a conversion of a historic 180-unit Single Room Occupancy (SRO) building into 134 Permanent Supportive Housing studio units with kitchenettes and full bathrooms. This conversion includes 14 units that meet Americans with Disabilities Act requirements. Amenities include a 24/7 desk clerk, community room, and meeting areas for individual and group settings. Bicycle parking is also available on site.		
<b>Permanent Sources</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>
Tax Credit Equity	32,465,666	242,281	533.97
No Place Like Home Non-Competitive Loan	2,800,000	20,896	46.05
No Place Like Home Competitive Loan	6,890,825	51,424	113.34
AHP	1,340,000	10,000	22.04
Other Gap Funding	7,900,000	58,955	129.93
General Partnership Equity	150,000	1,119	2.47
<b>TOTAL SOURCES</b>	<b>\$ 51,546,491</b>	<b>\$ 384,675</b>	<b>\$ 847.80</b>
<b>Permanent Uses</b>			
Acquisition	10,000,000	74,627	164.47
Construction Costs	24,273,963	181,149	399.24
Architecture & Engineering	1,331,448	9,936	21.90
Permits and Fees	469,000	3,500	7.71
Hard Cost Contingency	3,619,344	27,010	59.53
Soft Cost Contingency	447,613	3,340	7.36
Financing Cost	3,400,797	25,379	55.93
Relocation	3,250,000	24,254	53.45
Operating Reserves	570,822	4,260	9.39
Transition Operating Reserves	1,232,504	9,198	20.27
Capitalized Services Reserves	450,000	3,358	7.40
Legal Fees	110,000	821	1.81
Developer Fee	2,000,000	14,925	32.89
Third Party Fees, Marketing, Other	391,000	2,918	6.43
<b>TOTAL USES</b>	<b>\$ 51,546,491</b>	<b>\$ 384,675</b>	<b>\$ 847.80</b>
<b>Management / Operations</b>	Mercy Housing California Mercy Housing Management Group		
Proposed Developer			
Property Management Company			
Operations Budget	652,595	4,870	
Property Management	94,739	707	
Resident Services	458,484	3,422	
Replacement Reserves	67,000	500	



January 11, 2019

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Loan Commitment for Sunrise Pointe

SUMMARY

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

RECOMMENDATION

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

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
January 29, 2019

To: Housing Authority of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Approval Of Loan Commitment For Sunrise Pointe

Supervisory  
District(s): Frost

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

**RECOMMENDED ACTION**

This report recommends approval of the attached Board of Supervisors Resolution authorizing the Sacramento Housing and Redevelopment Agency (Agency) to: a) approve a loan commitment of \$1,300,000 in Home Investment Partnerships Program (HOME) funds to Sunrise Pointe; b) execute Loan Commitment Letters with Jamboree Housing Corporation (JHC) and Transforming Lives Cultivating Success (TLCS) or related entity; c) execute all necessary documents associated with this transaction; d) amend the Agency budget, and e) make related findings.

**BACKGROUND**

Sunrise Pointe (Project) is a development proposed for 7424 Sunrise Boulevard in the City of Citrus Heights. The site is currently vacant and is surrounded by residential and commercial offices. The proposed development consists of the construction of 47 apartments, including one-, two- and three-bedroom units. The planned development will consist of 46 Permanent Supportive Housing (PSH) units and one exempt management unit.

All 46 affordable units will be awarded Project Based Vouchers (PBVs) to house homeless households. Of these, 22 of the units will be assisted through the State Department of Housing and Community Development No Place Like Home Program (NPLH). The NPLH program provides funding to households that have been designated homeless and that include at least one household member living with mental illness. The Citrus Heights City Council met on January 10, 2019 to grant final planning entitlement approvals. A Vicinity Map is included as Attachment 1.

### HOME Funding

The City of Citrus Heights is a member of the Sacramento County HOME Investments Partnership Consortium. The Consortium Agreement is approved by HUD, and allocates a percentage of the County's annual HOME grant to projects that are developed in Citrus Heights. The proposed commitment of \$1.3 million in HOME funds will utilize all existing funds in the Citrus Heights HOME allocation through Fiscal year 2019.

### No Place Like Home

On August 31, 2018, Sacramento County and SHRA jointly issued a "Request to Partner on No Place Like Home Developments" (RTP). The selection criteria contained in the RTP mirrored HCD's threshold criteria, including development team experience, site control, integration, financial feasibility, capital and operational leverage, readiness, and supportive services. On November 30, 2018, a NPLH Program Selection Committee (comprised of representatives from the County Director of Homeless Initiatives, Division of Behavioral Health Services, SHRA Development Finance, and Sacramento Steps Forward) recommended Sunrise Pointe to partner with Sacramento County as co-applicants for a NPLH funding application to HCD. The Board of Supervisors will be asked to support the application to HCD for NPLH funding on January 29, 2019.

### Project Description

The Jamboree Housing Corporation (Jamboree) and Transforming Lives Cultivating Success (TLCS) (collectively Developer) plan to acquire the proposed site, a 2.44 acre vacant lot in the City of Citrus Heights. The Developer has requested a new loan of \$1,300,000 for the construction and permanent financing of the Project. Units will be regulated at 25, 30, 35, 40 and 45 percent of Area Median Income (AMI).

The Project will consist of two three-story garden style buildings. The design of the buildings will be Mediterranean style with low pitched roofs, dark frame windows and large arched openings. A Project Rendering is included as Attachment 2. A Site Map is included as Attachment 3.

The units will include full kitchens with microwaves, dishwashers, stoves/ranges, cabinets and quartz countertops. Bathrooms will have solid-surface counters, tubs and low-flow fixtures. The flooring will be carpet and vinyl planking. Each unit will have a patio or balcony. Common areas will utilize a solar thermal system for water heating. The site will be secured with a six foot perimeter fence that includes a key card entry system for security purposes. Site amenities include a courtyard with a lounge area, BBQ and picnic area, playground, a half-court basketball area and a dog park. In addition, the project will include 4,500 square feet of amenity space that includes large multi-purpose rooms, a room for an afterschool program, as

well as group and individual conference rooms. 14 units will be compliant with the requirements of the Americans with Disabilities Act (ADA). A detailed Scope of Development is included as Attachment 4.

#### Developer

As set forth above, the Developer is comprised of a partnership between Jamboree and TLCS. Jamboree is an affordable housing developer with 28 years of experience in residential development, including 91 developments consisting of more than 8,200 homes and an asset portfolio of \$1.1 billion statewide. TLCS is a private, non-profit, psychosocial rehabilitation agency with 37 years of experience. TLCS provides permanent supportive housing and a variety of mental health services. In addition, TLCS owns and/or operates five special needs residential facilities in the County of Sacramento.

#### Property Management

Sunrise Pointe will be managed by the John Stewart Company (JSCo). Currently, JSCo manages over 620 properties consisting of approximately 47,000 residential units, including approximately 39,000 affordable units and 945 PSH units. Agency staff has reviewed JSCo's qualifications and the management plan, and has found that the proposed management company meets Agency requirements.

#### Resident Services

Resident Services will be provided by TLCS, which has been a leading provider of mental health and supportive housing services for people with mental health issues in the County of Sacramento for 37 years. In addition, TLCS will dedicate one full-time equivalent (FTE) case manager to provide supportive services to all residents. A minimum of 15 hours per week of on-site resident services will be provided by a resident services coordinator. Resident services programs will include after-school programs, adult education, skill-building classes and health and wellness services and programs. Agency staff has reviewed TLCS's qualifications and the resident services plan, and has found that the proposed resident services provider meets Agency requirements.

#### County NPLH Supportive Services

The County of Sacramento will be responsible for the provision of mental health supportive services and the coordination of other services needed by the 22 NPLH residents for a minimum of 20 years.

#### Project Financing

Sunrise Pointe will be financed using a combination of nine percent Low Income Housing Tax Credits (LIHTC), a conventional loan, an Agency Loan consisting of \$1,300,000 of HOME funds, approximately \$3 million in competitive NPLH funds and a deferred developer fee. The Board of



Supervisors will be asked to support the application to HCD for NPLH funding on January 29, 2019. The HOME loan term will be 20 years following completion of the Project.

In addition, the Agency has committed a total of 46 project-based vouchers to this Project. Funding sources and uses are provided in the Project Summary as Attachment 5. A Cash Flow Proforma is provided as Attachment 6.

**LOW-INCOME SET-ASIDE REQUIREMENTS**

As a condition of receiving tax credits, federal law requires that developments be set aside for targeted income groups. Income restrictions from Low Income Housing Tax Credit (LIHTC) financing require that household income is at or below 59 percent AMI and that no household incomes exceed 80 percent AMI.

The Agency further requires that at least 20 percent of the units be restricted to households with incomes at or below 50 percent AMI. The affordability restrictions will be specified in regulatory agreements between the developer and the respective monitoring agencies, which include the California Department of Housing and Community Development (HCD), the California Tax Credit Allocation Committee (CTCAC), and the Agency. Proposed funding sources and their affordability requirements are summarized in the table below. See Attachment 7 for Maximum Income and Rent Levels.

<b>Funding<sup>1</sup> Program</b>	<b>Affordability Level and AMI Regulated for 55 years<sup>2</sup></b>	<b>Proposed No. of Units</b>	<b>Percentage of Units</b>
NPLH <sup>2</sup> LIHTC	Extremely Low Income 25% AMI	14	30%
NPLH <sup>2</sup> LIHTC	Extremely Low Income 30% AMI	8	17%
LIHTC	Very Low Income 35% AMI	8	17%
LIHTC	Very Low Income 40% AMI	8	17%
LIHTC	Very Low Income 45% AMI	1	4%
HOME <sup>3</sup> LIHTC	Very Low Income 45% AMI	7	13%
Manager's unit	Unrestricted	1	2%
	<b>Total</b>	<b>47</b>	<b>100%</b>

Legend:

<sup>1</sup>The most restrictive income and rent limits will prevail when Project has layered funding programs. The LIHTC Regulatory Agreement will be enforced for 55 years.

<sup>2</sup>The NPLH Regulatory Agreement will be enforced for 55 years.

<sup>3</sup>Agency Regulatory Agreement for the HOME assisted units will be enforced for 20 years.

### COMMISSION ACTION

It is anticipated that the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item at its meeting on January 16, 2019. Staff will notify the Board in the event this does not occur.

### POLICY CONSIDERATIONS

The recommended actions are consistent with the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies. The regulatory agreement will specify the regulatory restrictions on the property. Compliance with the regulatory agreement will be monitored by the Agency annually in accordance with the HOME Funding Requirements.

### ENVIRONMENTAL REVIEW

The Sunrise Pointe Project is Categorically Exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to Section 15332 (Infill Exemption) and the project meets the thresholds of Section 15192 and therefore is also Categorically Exempt under Section 15194 (Affordable Housing).

An Environmental Assessment (EA) for the Sunrise Pointe Project is currently being completed in compliance with the National Environmental Policy Act (NEPA), and it is anticipated that a Finding of No Significant Impact (FONSI) will be issued for the project. The NEPA review will be completed prior to finalizing the loan commitment.

### M/WBE/SECTION 3 CONSIDERATIONS

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

### FINANCIAL ANALYSIS

The attached loan agreement relates to the \$1,300,000 HOME loan for construction and permanent financing. The construction and permanent loan will have a three percent interest rate. The Agency will collect an annual payment of 0.15 percent (15 basis points) of the total Agency funding amount for monitoring of the regulatory restrictions and administration of the funds from the Project's owner.

Sacramento County Department of Health Services will provide social case management to the NPLH clients for a period of at least twenty years. These services will be funded directly through the County.

Respectfully Submitted,

APPROVED  
NAVDEEP S. GILL,  
County Executive



LA SHELLE DOZIER, Executive Director  
Sacramento Housing and  
Redevelopment Agency

By: \_\_\_\_\_  
ROBERT B. LEONARD  
Deputy County Executive

Attachments:

- RES – County BOS Resolution
- ATT 1 – Vicinity Map
- ATT 2 – Project Rendering
- ATT 3 – Site Map
- ATT 4 – Narrative Scope of Development
- ATT 5 – Project Summary
- ATT 6 – Project Cash Flow Proforma
- ATT 7 – Maximum Income and Rent Limits
- ATT 8 – Exhibit A: Conditional Loan Commitment

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

**SUNRISE POINTE: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO APPROVING A \$1,300,000 LOAN COMMITMENT CONSISTING HOME INVESTMENT PARTNERSHIPS FUNDS; EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH JAMBOREE HOUSING CORPORATION OR RELATED ENTITY; RELATED BUDGET AMENDMENT; RELATED FINDINGS; AND ENVIRONMENTAL FINDINGS**

**WHEREAS**, Jamboree Housing Corporation (Developer) has applied to the Sacramento Housing and Redevelopment Agency (Agency) for a gap financing loan commitment of One Million Three Hundred Thousand Dollars (\$1,300,000) of Home Investment Partnerships Program (HOME) funds for the acquisition and permanent financing of Sunrise Pointe (Project); and

**WHEREAS**, the Project qualifies for funding under the Agency's Multifamily Lending and Mortgage Revenue Bond Policies; and

**WHEREAS**, The Sunrise Pointe Project is Categorically Exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to Section 15332 (Infill Exemption) and the project meets the thresholds of Section 15192 and therefore is also Categorically Exempt under Section 15194 (Affordable Housing); and

**WHEREAS**, An Environmental Assessment (EA) for the Sunrise Pointe Project is currently being completed in compliance with the National Environmental Policy Act (NEPA), and it is anticipated that a Finding of No Significant Impact (FONSI) will be issued for the project. The NEPA review will be completed prior to finalizing the loan commitment.

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

Section 1. All of the evidence having been duly considered, the facts

## Approval Of Loan Commitment For Sunrise Pointe

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as presented and stated above, including the environmental facts and findings, are found to be true and correct and are hereby adopted.

Section 2. The Loan Commitment letter attached to and incorporated in this resolution by this reference for the financing of Sunrise Pointe is approved in the amount of One Million Three Hundred Thousand Dollars (\$1,300,000) of HOME funds.

Section 3. The Agency is authorized to enter into and execute Loan Commitment and related documents and transmit to Jamboree Housing Corporation or related entity, as approved to form by agency counsel, and perform other actions necessary to fulfill the intent of the Loan Commitment that accompanies this resolution, in accordance with its terms, and to ensure proper repayment of the Agency funds including, without limitation, subordination, extensions, and restructuring of such a loan consistent with Agency adopted policy and with this resolution. The Agency will return to the Board for approval of loan documents.

Section 4. The Agency is authorized to amend its budget and to transfer up to One Million Three Hundred Thousand Dollars (\$1,300,000) of HOME funds for the proposed Project.

Approval Of Loan Commitment For Sunrise Pointe

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On a motion by Supervisor\_\_\_\_, seconded by Supervisor\_\_\_\_\_,  
the foregoing Resolution was passed and adopted by the Board of  
Supervisors of the County of Sacramento, State of California this 29 day of  
January, 2019, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,  
(PER POLITICAL REFORM ACT (§ 18702.5.))

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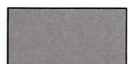
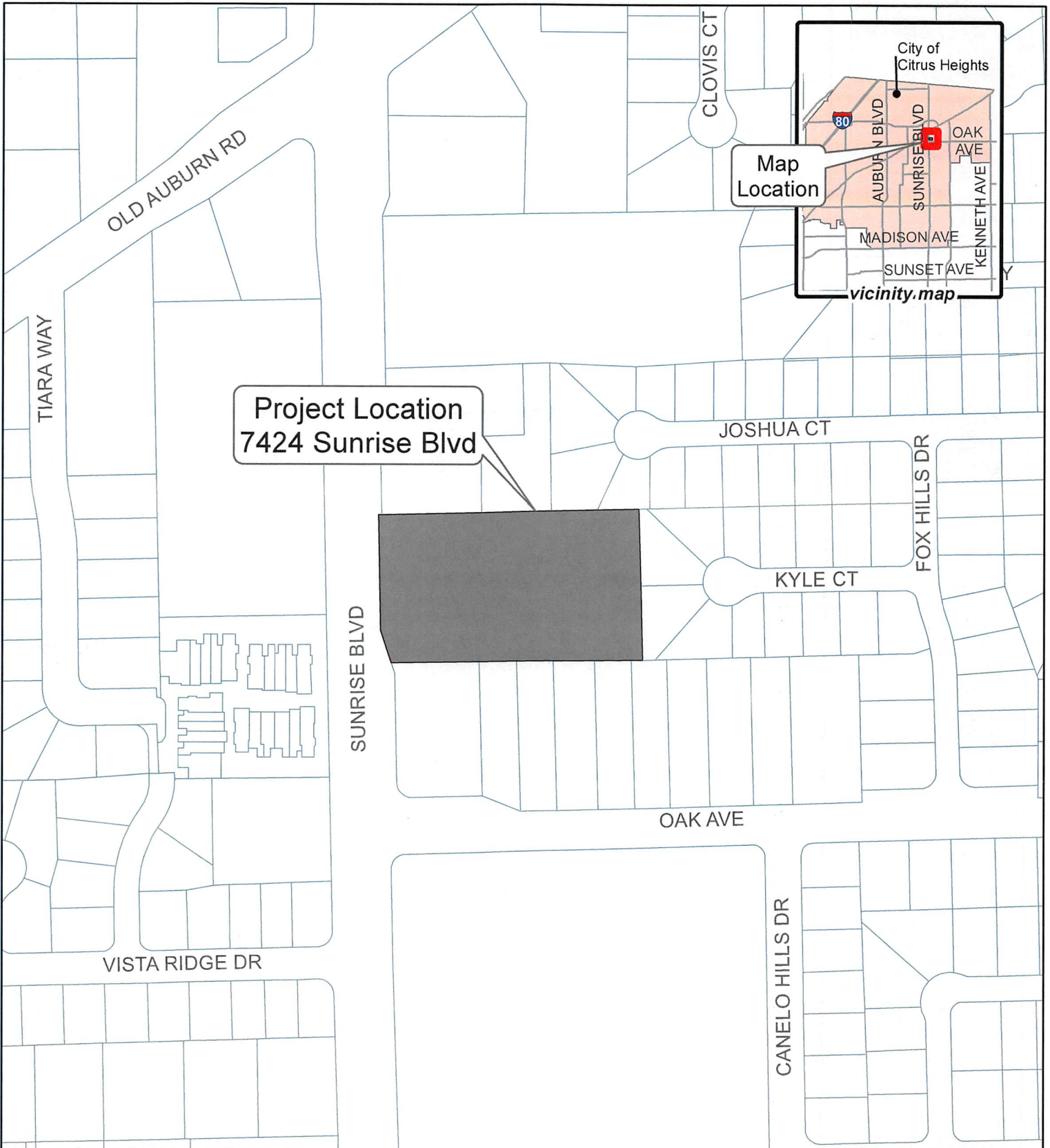
Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

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



# Sunrise Pointe



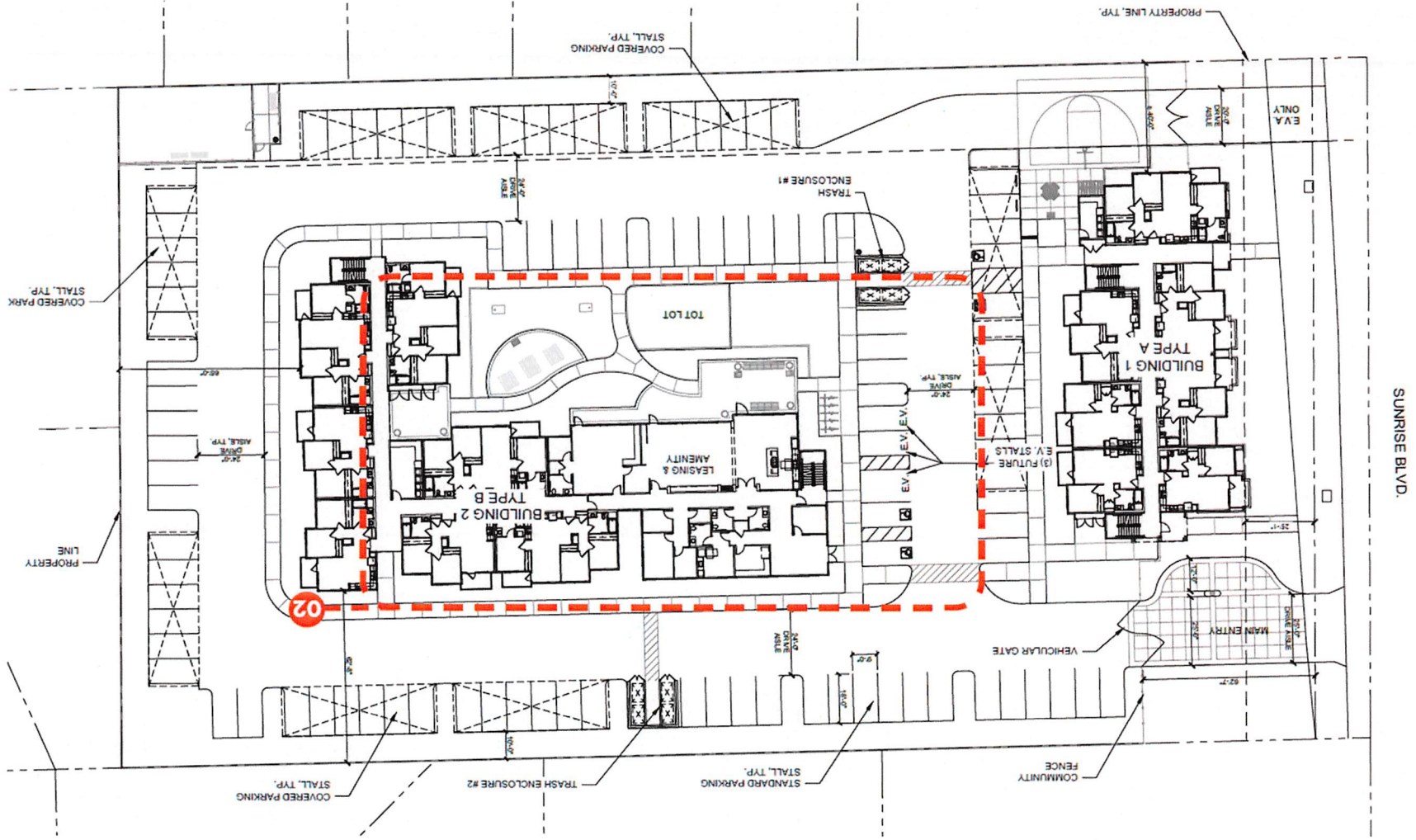
7424 Sunrise Blvd



SHRA GIS  
October 10, 2018







SUNRISE BLVD.

## Scope of Development

Sunrise Pointe is a new construction project with 47 total units located on approximately 2.44 acres in the City of Citrus Heights in the County of Sacramento. The project will include one-, two- and three-bedroom units. Additionally, there is community area that will be utilized for property management and resident services. Other property amenities include bike racks, on-site parking, security cameras, covered BBQ/picnic area, outdoor tables, a playground and a covered lounge area.

### Site Work

#### **1. Landscaping**

- a. The landscaping for the site includes a variety of trees that will provide optimal shade and a visual boundary between the project and the adjacent neighbors.
- b. The landscape will also include shrubs and a turf area.
- c. A Smart Irrigation Controller will be installed.

#### **2. Playground Equipment**

- a. The site will have a play area complete with a shade structure serving children up to 12 years old.

#### **3. Pedestrian Access/Gates**

- a. The project will be secured on all sides with two types of perimeter fences. The interior property line fence will be a concrete masonry fence wall, 6ft. tall and the fence along Sunrise Boulevard will be an open metal fence, six feet tall.
- b. The project will have a key fob system to keep the site secure.

#### **4. Site Accessories**

- a. The project will have bike racks, BBQs and outdoor tables.

#### **5. Asphalt Parking Lot and Drive Aisles**

- a. Parking lot and drive aisles will be designed in accordance with geotechnical and City recommendations. The parking lot will meet current code and ADA requirements.

### Building Exterior

#### **1. Roof**

- a. The project will have concrete roofing tiles and a TPO roofing system.

#### **2. Gutters, Downspouts and Downspout Extensions**

- a. All gutters, downspouts, and downspout extensions will be connected to a

storm drain system and/or routed to surface drain to site bio-retention planters.

**3. Exterior**

- a. The exterior of the project will have stucco with dark bronze window frames.

**4. Paint**

- a. The building will have interior and exterior painting.

**5. Balcony and Patio Enclosures**

- a. Ground floor apartments will have private patios on grade while upper level apartments will have balconies.

**6. Lighting**

- a. The project will have adequate lighting as approved by SHRA to maintain security throughout the property.

**7. Windows and Sliders**

- a. All windows will be energy-efficient windows. They will be designed to open and will have screens. Common areas will have large glass/store front system.

**8. Signage**

- a. A monument sign, building and apartment addresses, and signage required by ADA and fire code, will provided at the property.

**9. Security**

- a. There will be fob controlled access as well as a CCTV security camera system.

**Building Interior**

**1. HVAC**

- a. The project will have an energy efficient HVAC system.

**2. Kitchen**

- a. Each kitchen will have a stove/range, microwave, dishwasher, garbage disposal, and refrigerator. All appliances will be EnergyStar.
- b. There will be cabinets, drawers and quartz countertops.

**3. Bathrooms**

- a. All bathrooms will have solid-surface counters, sinks, tubs and surrounds, accessories (i.e., toilet paper holders, towel racks), low-flow showerheads and low-flow faucets.

**4. Water Heaters**

- a. The development will utilize a solar thermal system for water heating.

**5. Doors**

- a. All doors will meet current egress standards.

**6. Flooring**

- a. There will be carpet in the bedrooms and vinyl planking in the remainder of the unit.

**7. Paint**

- a. Paint will be applied to all walls, ceilings, and trim, in all rooms, closets and storage rooms.

**8. Lighting**

- a. All kitchens, dining rooms, bedrooms, bathrooms and hallways will have energy efficient light fixtures.

**Project Amenities**

**1. Amenity Space**

- a. The project will contain 4,500 sq. ft. of amenity space that includes large multi- purpose rooms, an afterschool program, and group and individual conference rooms.

**2. Outdoor Space**

- a. The outdoor amenities include a landscaped interior courtyard with a lounge area, BBQ/picnic area, play area, half-basketball court, and a dog park.

**3. Laundry**

- a. There will be laundry rooms onsite.

**End of Scope of Development**

**The Project will adhere to SHRA's Minimum Construction Standards from SHRA's Multifamily Lending Policies.**

**Sunrise Pointe  
Residential Project Summary**

<b>Address</b>	7424 Sunrise Blvd, Citrus Heights, CA 95610					
<b>Number of Units</b>	47					
<b>Year Built</b>	New Construction					
<b>Acreage</b>	2.44 acres (106,286 sq. ft.)					
<b>Affordability</b>	46 units at 25%, 30%, 35%, 40% and 45% AMI and 1 exempt Management unit 22 of the units will be designated as No Place Like Home					
<b>Unit Mix and Rents</b>	<u>ELI 25% AMI</u>	<u>ELI 30% AMI</u>	<u>VLI 35% AMI</u>	<u>VLI 40% AMI</u>	<u>VLI 45% AMI</u>	<u>Total</u>
1 Bedroom/ 1 Bath	4	3	2	1	1	11
2 Bedroom/ 1 Bath	5	4	5	5	4	23
3 Bedroom/ 2 Bath	5	1	1	2	3	12
Management Unit (1 Bedroom)	0	0	0	0	0	1
Total	14	8	8	8	8	47
<b>Square Footage</b>	<u>Unit Size (sq.ft.)</u>	<u>Total</u>				
1 Bedroom / 1 Bath	622	6,842 sq.ft.				
2 Bedroom/ 1 Bath	759	18,216 sq.ft.				
3 Bedroom/ 2 Bath	1,050	12,600 sq.ft.				
Community Area and Other		17,693 sq.ft.				
Total Gross		55,351 sq.ft.				
<b>Resident Facilities</b>	The amenity space will include large multi-purpose rooms, an afterschool program area as well as group and individual conference rooms.					
<b>Permanent Sources</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>			
Permanent Loan	\$ 2,682,887	\$ 57,083	\$ 48.47			
Tax Credit Equity	\$ 14,562,344	\$ 309,837	\$ 263.09			
NPLH Competitive Loan	\$ 3,019,967	\$ 64,255	\$ 54.56			
SHRA HOME Funds	\$ 1,300,000	\$ 27,660	\$ 23.49			
Deferred Developer Fee	\$ 357,427	\$ 7,605	\$ 6.46			
<b>TOTAL SOURCES</b>	<b>\$ 21,922,625</b>	<b>\$ 466,439</b>	<b>\$ 396.07</b>			
<b>Permanent Uses</b>						
Acquisition	\$ 950,000	\$ 20,213	\$ 17.16			
Construction Costs	\$ 13,522,991	\$ 287,723	\$ 244.31			
Architecture & Engineering	\$ 850,000	\$ 18,085	\$ 15.36			
Permits	\$ 950,000	\$ 20,213	\$ 17.16			
Hard Cost Contingency	\$ 670,000	\$ 14,255	\$ 12.10			
Soft Cost Contingency	\$ 341,895	\$ 7,274	\$ 6.18			
Financing Cost	\$ 990,245	\$ 21,069	\$ 17.89			
Operating Reserves	\$ 154,010	\$ 3,277	\$ 2.78			
Transition Reserve	\$ 368,484	\$ 7,840	\$ 6.66			
Legal Fees	\$ 110,000	\$ 2,340	\$ 1.99			
Developer Fee	\$ 2,200,000	\$ 46,809	\$ 39.75			
Third Party Fees, Marketing, Other	\$ 815,000	\$ 17,340	\$ 14.72			
<b>TOTAL USES</b>	<b>\$ 21,922,625</b>	<b>\$ 466,439</b>	<b>\$ 396.07</b>			
<b>Management / Operations</b>	Jamboree Housing Corporation and TLCS, Inc.					
Proposed Developer	The John Stewart Company					
Property Management Company						
Operations Budget	\$ 239,191	\$ 5,089				
Property Management Company	\$ 25,380	\$ 540				
Resident Services	\$ 105,000	\$ 2,234				
Replacement Reserves	\$ 23,500	\$ 500				

Unit Type	Number	Square Feet	Total Sq Feet	Contract Rents	Utility Allowance	Maximum Net Rent	Rent per Sq Foot	Total Mo. Rent
1 BD / 1 BA @ 25% AMI	4	622	2,488	\$ 946.00	\$ 49	\$ 897	\$ 0.36	\$ 3,588
1 BD / 1 BA @ 30% AMI	3	622	1,866	\$ 946.00	\$ 49	\$ 897	\$ 0.48	\$ 2,691
1 BD / 1 BA @ 35% AMI	2	622	1,244	\$ 946.00	\$ 49	\$ 897	\$ 0.72	\$ 1,794
1 BD / 1 BA @ 40% AMI	1	622	622	\$ 946.00	\$ 49	\$ 897	\$ 1.44	\$ 897
1 BD / 1 BA @ 45% AMI	1	622	622	\$ 946.00	\$ 49	\$ 897	\$ 1.44	\$ 897
2 BD / 1 BA @ 25% AMI	5	759	3,795	\$ 1,194.00	\$ 48	\$ 1,146	\$ 0.30	\$ 5,730
2 BD / 1 BA @ 30% AMI	4	759	3,036	\$ 1,194.00	\$ 48	\$ 1,146	\$ 0.38	\$ 4,584
2 BD / 1 BA @ 35% AMI	5	759	3,795	\$ 1,194.00	\$ 48	\$ 1,146	\$ 0.30	\$ 5,730
2 BD / 1 BA @ 40% AMI	5	759	3,795	\$ 1,194.00	\$ 48	\$ 1,146	\$ 0.30	\$ 5,730
2 BD / 1 BA @ 45% AMI	4	759	3,036	\$ 1,194.00	\$ 48	\$ 1,146	\$ 0.38	\$ 4,584
3 BD / 2 BA @ 25% AMI	5	1,050	5,250	\$ 1,738.00	\$ 71	\$ 1,667	\$ 0.32	\$ 8,335
3 BD / 2 BA @ 30% AMI	1	1,050	1,050	\$ 1,738.00	\$ 71	\$ 1,667	\$ 1.59	\$ 1,667
3 BD / 2 BA @ 35% AMI	1	1,050	1,050	\$ 1,738.00	\$ 71	\$ 1,667	\$ 1.59	\$ 1,667
3 BD / 2 BA @ 40% AMI	2	1,050	2,100	\$ 1,738.00	\$ 71	\$ 1,667	\$ 0.79	\$ 3,334
3 BD / 2 BA @ 45% AMI	3	1,050	3,150	\$ 1,738.00	\$ 71	\$ 1,667	\$ 0.53	\$ 5,001
Manager's Unit (2BD / 1 BA)	1	759	759					
<b>Totals</b>	<b>47</b>		<b>37,658</b>				<b>\$ 10.92</b>	<b>\$ 56,229</b>

	annual increase	per unit	2021 Year 1	2022 Year 2	2023 Year 3	2024 Year 4	2025 Year 5	2030 Year 10	2032 Year 12	2035 Year 15	2040 Year 20	2045 Year 25	2050 Year 30
<b>Income</b>													
Potential Gross Income	2.50%		674,748	691,617	708,907	726,630	744,796	842,668	885,328	953,401	1,078,686	1,220,434	1,380,809
Other Income	2.50%		5,076	5,203	5,333	5,466	5,603	6,339	6,660	7,172	8,115	9,181	10,388
Less Vacancy	5.00%		33,991	34,841	35,712	36,605	37,520	42,450	44,599	48,029	54,340	61,481	69,560
<b>Effective Gross Income</b>			<b>645,833</b>	<b>661,979</b>	<b>678,528</b>	<b>695,491</b>	<b>712,879</b>	<b>806,557</b>	<b>847,389</b>	<b>912,545</b>	<b>1,032,461</b>	<b>1,168,135</b>	<b>1,321,637</b>
<b>Operating Expenses</b>													
Operating Expenses	3.50%	5,089	239,191	247,563	256,227	265,195	274,477	325,993	349,212	387,177	459,845	546,152	648,657
Assessments	2.00%	450	21,135	21,558	21,989	22,429	22,877	25,258	26,279	27,887	30,790	33,994	37,532
Property Management	3.50%	540	25,380	26,268	27,188	28,139	29,124	34,590	37,054	41,082	48,793	57,951	68,827
Resident/Social Services	3.50%	2,234	105,000	108,675	112,479	116,415	120,490	143,104	153,297	169,963	201,863	239,749	284,747
Replacement Reserves		500	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500
<b>Total Expenses</b>		<b>8,813</b>	<b>414,206</b>	<b>427,564</b>	<b>441,383</b>	<b>455,679</b>	<b>470,468</b>	<b>552,446</b>	<b>589,341</b>	<b>649,610</b>	<b>764,790</b>	<b>901,346</b>	<b>1,063,264</b>
<b>Net Operating Income</b>			<b>231,627</b>	<b>234,415</b>	<b>237,146</b>	<b>239,813</b>	<b>242,410</b>	<b>254,111</b>	<b>258,047</b>	<b>262,935</b>	<b>267,670</b>	<b>266,788</b>	<b>258,373</b>

Debt Service	amount	rate	am	2021 Year 1	2022 Year 2	2023 Year 3	2024 Year 4	2025 Year 5	2030 Year 10	2032 Year 12	2035 Year 15	2040 Year 20	2045 Year 25	2050 Year 30
Senior Loan	\$ 2,682,887	6.15%	35	186,825	186,825	186,825	186,825	186,825	186,825	186,825	186,825	186,825	186,825	186,825
NPLH Servicing Fee	\$ 3,019,967	0.42%		12,684	12,684	12,684	12,684	12,684	12,684	12,684	12,684	12,684	12,684	12,684
SHRA Monitoring Fee	\$ 1,300,000	0.15%		1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950
<b>Debt Service Subtotal</b>				<b>201,459</b>	<b>201,459</b>	<b>201,459</b>	<b>201,459</b>	<b>201,459</b>	<b>201,459</b>	<b>201,459</b>	<b>201,459</b>	<b>201,459</b>	<b>201,459</b>	<b>201,459</b>

Priority Distributions			2021 Year 1	2022 Year 2	2023 Year 3	2024 Year 4	2025 Year 5	2030 Year 10	2032 Year 12	2035 Year 15	2040 Year 20	2045 Year 25	2050 Year 30
Asset Management Fee (LP)	3.00%		5,000	5,150	5,305	5,464	5,628	6,524	6,921	7,563			
Partnership Management Fee (GP)	3.00%		10,000	10,300	10,609	10,927	11,255	13,048	13,842	15,126			
<b>Priority Distributions Subtotal</b>			<b>15,000</b>	<b>15,450</b>	<b>15,914</b>	<b>16,391</b>	<b>16,883</b>	<b>19,572</b>	<b>20,764</b>	<b>22,689</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cash after Priority Distributions</b>			<b>15,168</b>	<b>17,506</b>	<b>19,773</b>	<b>21,963</b>	<b>24,069</b>	<b>33,081</b>	<b>35,825</b>	<b>38,787</b>	<b>66,211</b>	<b>65,329</b>	<b>56,914</b>

Deferred Developer Fee			2021 Year 1	2022 Year 2	2023 Year 3	2024 Year 4	2025 Year 5	2030 Year 10	2032 Year 12	2035 Year 15	2040 Year 20	2045 Year 25	2050 Year 30
Principal Balance	\$ 357,427	1.00%	357,427	345,833	331,786	315,330	296,521	169,549	105,022	0	0	0	0
Interest for Period			3,574	3,458	3,318	3,153	2,965	1,695	1,050	0	0	0	0
Accumulated Interest			3,574	3,458	3,318	3,153	2,965	1,695	1,050	0	0	0	0
Payment			15,168	17,506	19,773	21,963	24,069	33,081	35,825	0	0	0	0
<b>Balance</b>			<b>345,833</b>	<b>331,786</b>	<b>315,330</b>	<b>296,521</b>	<b>275,417</b>	<b>138,164</b>	<b>70,248</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cash after Deferred Developer Fee</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38,787</b>	<b>66,211</b>	<b>65,329</b>	<b>56,914</b>

SHRA Loan			2021 Year 1	2022 Year 2	2023 Year 3	2024 Year 4	2025 Year 5	2030 Year 10	2032 Year 12	2035 Year 15	2040 Year 20	2045 Year 25	2050 Year 30
Principal Balance	\$ 1,300,000	3.00%	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Interest for Period			39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Accumulated Interest			39,000	78,000	117,000	156,000	195,000	390,000	468,000	585,000	522,709	385,818	267,549
Payment			0	0	0	0	0	0	0	0	66,211	65,329	56,914
<b>Balance</b>			<b>1,339,000</b>	<b>1,378,000</b>	<b>1,417,000</b>	<b>1,456,000</b>	<b>1,495,000</b>	<b>1,690,000</b>	<b>1,768,000</b>	<b>1,885,000</b>	<b>1,756,498</b>	<b>1,620,488</b>	<b>1,510,634</b>

No Place Like Home Loan			2021 Year 1	2022 Year 2	2023 Year 3	2024 Year 4	2025 Year 5	2030 Year 10	2032 Year 12	2035 Year 15	2040 Year 20	2045 Year 25	2050 Year 30
Principal Balance	\$ 3,019,967	3.00%	3,019,967	3,019,967	3,019,967	3,019,967	3,019,967	3,019,967	3,019,967	3,019,967	3,019,967	3,019,967	3,019,967
Interest for Period			90,599	90,599	90,599	90,599	90,599	90,599	90,599	90,599	90,599	90,599	90,599
Accumulated Interest			90,599	181,198	271,797	362,396	452,995	905,990	1,087,188	1,358,985	1,811,980	2,264,975	2,717,970
Payment			0	0	0	0	0	0	0	0	0	0	0
<b>Balance</b>			<b>3,110,566</b>	<b>3,201,165</b>	<b>3,291,764</b>	<b>3,382,363</b>	<b>3,472,962</b>	<b>3,925,957</b>	<b>4,107,155</b>	<b>4,378,952</b>	<b>4,831,947</b>	<b>5,284,942</b>	<b>5,737,937</b>

Sunrise Pointe Cash Flow

Attachment 6

**MAXIMUM GROSS INCOME AND RENT LIMITS 2018****LIHTC/HOME/NPLH**

Rents at 25%, 30%, 35%, 40% and 45% of Area Median Income (AMI)

**Sunrise Pointe Income Limits:**

<b><u>Family Size</u></b>	<b><u>25% AMI</u></b>	<b><u>30% AMI</u></b>	<b><u>35% AMI</u></b>	<b><u>40% AMI</u></b>	<b><u>45% AMI</u></b>
1 person	\$ 14,025	\$ 16,830	\$ 19,635	\$ 22,440	\$ 25,245
2 person	\$ 16,025	\$ 19,230	\$ 22,435	\$ 25,640	\$ 28,845
3 person	\$ 18,025	\$ 21,630	\$ 25,235	\$ 28,840	\$ 32,445
4 person	\$ 20,025	\$ 24,030	\$ 28,035	\$ 32,040	\$ 36,045
5 person	\$ 21,650	\$ 25,980	\$ 30,310	\$ 34,640	\$ 38,970
6 person	\$ 23,250	\$ 27,900	\$ 32,550	\$ 37,200	\$ 41,850
7 person	\$ 24,850	\$ 29,820	\$ 34,790	\$ 39,760	\$ 44,730
8 person	\$ 26,450	\$ 31,740	\$ 37,030	\$ 42,320	\$ 47,610

**Rent Limits:**

<b><u>Unit Size</u></b>	<b><u>25% AMI</u></b>	<b><u>30% AMI</u></b>	<b><u>35% AMI</u></b>	<b><u>40% AMI</u></b>	<b><u>45% AMI</u></b>
1 Bedroom	\$ 375	\$ 450	\$ 525	\$ 601	\$ 676
2 Bedrooms	\$ 450	\$ 540	\$ 630	\$ 721	\$ 811
3 Bedrooms	\$ 520	\$ 625	\$ 729	\$ 833	\$ 937

The project has a Project-Based Voucher (HAP) contract.

Per 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits.



Date: January 29, 2019

Jamboree Housing Corporation  
C/O Michael Massie  
17701 Cowan Avenue, Suite 200  
Irvine, CA 92614

RE: Conditional Funding Commitment for Sunrise Pointe Apartments

Dear Mr. Massie:

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of its commitment of \$1,300,000 in permanent loan funds (Loan) comprised of \$1,300,000 in County Home Investment Partnerships Program (HOME) for the purpose of financing the acquisition and development of that certain real property known as Sunrise Pointe Apartments located at 7424 Sunrise Boulevard, Citrus Heights, 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. Loan terms not in this funding commitment and the attached loan document forms shall not be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this commitment and the loan documents, the terms stated in the loan commitment letter shall be deemed to be terms of this commitment.

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

This commitment will expire January 29, 2021

1. **PROJECT DESCRIPTION:** Sunrise Pointe is proposed to be located at 7424 Sunrise Boulevard in the City of Citrus Heights. The site is currently vacant surrounded by residential and commercial offices. This development will be new construction of 47 apartments consisting of one, two and three bedroom units. There are 46 Permanent Supportive Housing (PSH) units, plus one exempt management unit. All 46 units will be awarded Project Based



Vouchers to homeless households and of these, 22 will be No Place Like Home (NPLH) designated units. The Project will consist of two three-story garden style buildings. The design of the buildings will be Mediterranean style with low pitched roofs, dark frame windows and large arched openings. All units will include a full kitchen with microwave, dishwasher, stove/range, cabinets and quartz countertops. Bathrooms will have solid-surface counters, tubs and low-flow fixtures. The flooring will be carpet and vinyl planking. Each unit will have a patio or balcony. Common areas will utilize a solar thermal system for water heating. The parking lot will include a total of 99 parking spaces. The site will be secured on all sides with a 6 feet tall perimeter fence with a key fob system to keep the site secure. The site amenities include a courtyard with a lounge area, BBQ and picnic area, half basketball court and a dog park. In addition, the project will include 4,500 square feet of amenity space that includes large multi-purpose rooms, a room for afterschool program and group and individual conference rooms. 14 units will be ADA accessible.

2. **BORROWER**: The name of the Borrower for the Loan is Jamboree Housing Corporation or related entity.
3. **PURPOSE OF LOAN**: The Loan is to be used by Borrower solely to pay the costs of acquisition, 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) One Million Three Hundred Thousand (\$1,300,000), 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 42 years or 504 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 three percent (3%) 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 204 months. Beginning in month 205, annual installments shall be made according to the payment schedule contained in the Loan Agreement, calculated to achieve an annual 1.2 debt coverage ratio. Annual payments shall be applied first to outstanding interest accrued and unpaid and then to principal.
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: Home Investment Partnerships Program. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources,



including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

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

\_\_\_\_\_ (Borrower Initial)

9. ACCELERATION: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. SECURITY: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to liens senior to the Agency's lien securing loans from the Union Bank, N.A. 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 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 shall provide proof of equity for the Property and Improvements in the amount of no less than \$14,500,000 in Low Income Housing Tax Credit Equity and no less than \$357,400 in deferred developer fee. If LIHTC equity goes below \$14,500,000 the equity must be offset by an increase in deferred developer fee.
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 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 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 closing. Borrower must, as a condition of disbursement of Loan 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.
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. The final plans shall incorporate all related mitigation measures, environmental conditions 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.

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%), 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 Lender a cost certification prepared by a qualified, independent auditor acceptable to Lender. The cost certification shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Lender, 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 Borrower shall seek Lender approval for Project-related use(s) of said aggregate savings. The Lender shall respond within 15 days to such request for approval. Upon receipt of such consent, the Borrower shall complete the Project-related use(s) in a 90 day period, with option to extend upon mutual agreement.
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, and security patrols, 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.

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. PURCHASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's purchase 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 and close of the Loan, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement. The agreement, services, and service provider are all subject to Agency Approval. The agreement must include a minimum of fifteen (15) hours per week 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: January 29, 2019

**BORROWER:**

Jamboree Housing Corporation

By: \_\_\_\_\_  
Michael Massie, Senior Vice President, Finance





## 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

**January 16, 2019**

**TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL STATION PROJECT (“PROJECT”): AUTHORIZING A LOAN COMMITMENT IN THE AMOUNT OF \$8,000,000 OF CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT FUNDS TO TWIN RIVERS PHASE 2, L.P.; EXECUTION OF COMMITMENT LETTER; APPLICATION BY SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY TO THE STATE OF CALIFORNIA STRATEGIC GROWTH COUNCIL AND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR AN AFFORDABLE HOUSING AND SUSTAINABLE HOUSING GRANT UP TO \$20,000,000 FOR PHASE 2 OF THE PROJECT; ENVIRONMENTAL FINDINGS**

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1: The State of California, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (Department) have issued a Notice of Funding Availability dated November 1, 2018 (NOFA Round 4), under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200. The SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement. The Department is authorized to administer the approved funding allocations of the AHSC Program.

Section 2: 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. 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 activities in furtherance of the Twin Rivers Transit-Oriented Development and Light Rail Station Project.

Section 3: Subject to approval by the City Council and on behalf of Sacramento Housing and Redevelopment Agency as applicant, the Executive Director is hereby authorized and directed to apply for and submit to the Department the AHSC Program application as detailed in the NOFA Round 4 dated November 1, 2018, in a total amount not to exceed \$20,000,000 for Affordable Housing Development (AHD), Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities (collectively AHSC Grant) as defined in the AHSC Program

Guidelines adopted for Round 4 applications. If the application is approved, the Executive Director is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in a total amount not to exceed \$20,000,000 and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department, and all amendments thereto (collectively, the "AHSC Documents").

Section 4: Subject to approval by the City Council, the Loan Commitment attached to and incorporated in this resolution by this reference for financing Phase 2 of the Project is approved and the Executive Director, or designee, is authorized to execute the Loan Commitment and transmit same to Twin Rivers Phase 2, L.P. for signature by McCormack Baron Salazar, Inc. or related entity.

Section 5: The Executive Director, or designee, is authorized to amend the Agency budget to transfer \$8,000,000 in Choice Neighborhoods Implementation Grant funds to loan to Twin Rivers Phase 2, L.P.

Section 6: Subject to approval by the City Council, the Executive Director, or designee, is authorized to execute the Loan Commitment and related documents with Twin Rivers Phase 2, L.P., and perform other actions necessary to fulfill the intent of repayment of funds, including without limitation, subordination, extensions, and restricting of payments, all as approved by Agency counsel.

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CHAIR

ATTEST:

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CLERK