



**NOTICE OF REGULAR MEETING**  
**Sacramento Housing and  
Redevelopment Commission**  
**Wednesday, November 20, 2019 – 6:00 pm**  
**801 12<sup>th</sup> Street Commission Room**  
**Sacramento CA**

**ROLL CALL**

**APPROVAL OF AGENDA**

**CITIZENS COMMENTS**

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

**APPROVAL OF MINUTES – November 6, 2019**

**DISCUSSION/BUSINESS**

1. Updated Sacramento Housing and Redevelopment Agency and Housing Authority Maintenance Schedule of Fees and Charges
2. Approval of Final Rental Assistance Demonstration (RAD) and Loan Documents, and Ground Lease for the RAD Phase 1 Project – City Report
3. Rental Assistance Demonstration (RAD) Project Phase 1 Re-Tax Equity And Fiscal Responsibility Act Hearing, Approval Of Final Tax Exempt Bonds, RAD and Loan Documents, And Ground Lease – County Report
4. Lavender Courtyard by Mutual Housing - Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, Approval of Tax Exempt Bonds, and Extension of Funding Commitment
5. Meeting Stipend Increase for Sacramento Housing and Redevelopment Agency Commission Members – City Report
6. Meeting Stipend Increase for Sacramento Housing and Redevelopment Agency Commission Members – County Report

**EXECUTIVE DIRECTOR REPORT**

**COMMISSION CHAIR REPORT**

**ITEMS AND QUESTIONS OF COMMISSION MEMBERS**

## ADJOURNMENT

**REPORTS:** Copies of documents relating to agenda items are available for review in the Agency Clerk's office located at 801 12<sup>th</sup> Street, Sacramento CA 95814. Agendas and reports are also posted online at [www.shra.org](http://www.shra.org). Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Agency Clerk's office during normal business hours and will also be available at the meeting. **AMERICANS WITH DISABILITIES ACT:** Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



**MINUTES**

**Sacramento Housing and Redevelopment Commission (SHRC)**

**Meeting of November 6, 2019**

Meeting noticed on November 1, 2019

**ROLL CALL**

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:05 p.m. by Chair Morgan.

**MEMBERS PRESENT:** Alcalay, Griffin, Morgan, Staajabu, Starks

**MEMBERS ABSENT:** Boyd, Macedo, Nunley, Wedding (two vacancies)

**STAFF PRESENT:** La Shelle Dozier, David Levin, James Shields, Angela Jones, Suzie Jackson, Tyrone Williams, Vickie Smith, Lira Goff, Christine Weichert, Kellen Farnham, Sarah O'Daniel, Susan Veazey, Anne Nicholls, Victoria Johnson, JoAnna Davis, Angela Jones

**APPROVAL OF AGENDA**

No changes were announced.

**CITIZENS COMMENTS**

Jefferey Tardaguilla provided comments.

**APPROVAL OF MINUTES** – The October 16, 2019 minutes were approved as submitted.

**DISCUSSION/BUSINESS ITEMS**

1. Metro at 7<sup>th</sup> Phase I Tax Equity and Fiscal Responsibility Act Hearing, Approval Of Tax-Exempt Bonds And Approval of Loan Commitment

Anne Nicholls presented the item.

Commissioner Griffin motioned to approve the item listed above. Commissioner Staajabu seconded the motion. The votes were as follows:

AYES: Alcalay, Griffin, Morgan, Staajabu, Starks

NOES: None

ABSENT: Boyd, Macedo, Nunley, Wedding

ABSTAIN: None

2. Mutual Housing On The Boulevard Project: Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing, Approval Of Tax-Exempt Bonds And Loan Commitment

Anne Nicholls presented the item.

Commissioner Griffin motioned to approve the item listed above. Commissioner Staajabu seconded the motion. The votes were as follows:

AYES: Alcalay, Griffin, Morgan, Staajabu, Starks

NOES: None

ABSENT: Boyd, Macedo, Nunley, Wedding

ABSTAIN: None

3. Approval of Third-Party Evaluator Grant Agreement for the Transformative Climate Communities (TCC) Program

JoAnna Davis presented the item.

Commissioner Griffin motioned to approve the item listed above. Commissioner Staajabu seconded the motion. The votes were as follows:

AYES: Alcalay, Griffin, Morgan, Staajabu, Starks

NOES: None

ABSENT: Boyd, Macedo, Nunley, Wedding

ABSTAIN: None

4. Twin Rivers Transit Oriented Development and Light Rail Station: Approval of Mirasol Village Neighborhood Park and Community Garden Construction Agreement and Park and Community Garden Maintenance Agreement with City of Sacramento; Authorization to Enter into Grant Agreement with California Natural Resources Agency for the Construction of the Mirasol Village Neighborhood Park

Victoria Johnson and Kellen Farnham presented the item.

Jefferey Tardaguilla recommended that the project be reviewed by the Disability Advisory Committee.

Commissioner Alcalay recommended that staff clarify what type of soccer field would be constructed and who would be responsible for the equipment and goals. He also recommended that dog park facilities be considered.

Commissioner Griffin motioned to approve the item listed above. Commissioner Staajabu seconded the motion. The votes were as follows:

AYES: Alcalay, Griffin, Morgan, Staajabu, Starks

NOES: None

ABSENT: Boyd, Macedo, Nunley, Wedding

ABSTAIN: None

#### EXECUTIVE DIRECTOR'S REPORT

La Shelle Dozier reviewed the following:

- Next meeting will be November 20<sup>th</sup>
- November 20<sup>th</sup> Scott Turner from the White House Opportunity and Revitalization Council will visit Sacramento.
- Wait list will be opening on November 12<sup>th</sup>.

#### COMMISSION CHAIR REPORT

None

#### ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Alcalay commented that the sign at Mirasol Village needed to be cleaned.

Commissioner Alcalay requested a report back on security issues at downtown properties.

Commissioner Boyd asked if the November 20<sup>th</sup> visit with Scott Turner would be open to Commissioners. Staff indicated that they have not yet finalized the agenda for the visit but would report back to Commissioners if there is an opportunity to be involved.

Commissioner Griffin thanked staff for their presentations to the Board and Council and also reminded the group about the Grant HS Alumni organ concert..

ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 7:00 pm.

---

Clerk

November 20, 2019



Sacramento Housing and Redevelopment Commission  
Sacramento, California

Honorable Members in Session:

**SUBJECT** Updated Sacramento Housing and Redevelopment Agency and  
Housing Authority Maintenance Schedule of Fees and Charges

**RECOMMENDATION**

Staff recommends adoption of the attached resolution which approve the 2020 Sacramento Housing and Redevelopment Agency (Agency) and Housing Authority Maintenance Schedule of Fees and Charges.

**CONTACT PERSONS**

LaTanna Jones, Assistant Director of Housing, 916-440-1334  
Gregory Potts, Program Manager, 916-449-6229

**SUMMARY**

This report recommends additions and revisions to the Sacramento Housing and Redevelopment Agency (Agency) and Housing Authority Maintenance Schedule of Fees and Charges for various Agency activities and services. The proposed Schedule of Fees and Charges is intended to recover the actual costs incurred for materials and services performed.

**BACKGROUND**

The Agency first implemented a Schedule of Fees and Charges (Schedule) in 1983. The Schedule has been revised in subsequent years to reflect additions, deletions, and increases to the prior schedule, and it is now necessary to revise the previous Schedule. The most recent update to the Schedule was in 2018 for the 2019 calendar year.

**FINANCIAL CONSIDERATIONS**

The proposed changes will have a minor financial impact on the Agency. The primary purpose of the proposed actions is to:

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission  
November 20, 2019  
Page 2

- identify fees to potential users of Agency services;
- standardize fees to the greatest extent possible; and
- charge fees to cover the cost of providing services

The fees and charges are intended solely to recover the Agency's actual costs in providing services. There is no change to the adopted budget.

### POLICY CONSIDERATIONS

There are no policy changes recommended in this report.

### ENVIRONMENTAL REVIEW

The proposed action does not constitute a project under the California Environmental Quality Act (CEQA) per 14 California Code of Regulations (CCR) §15378(b)(4), and is an exempt activity under the National Environmental Policy Act (NEPA) per 24 Code of Federal Regulations (CFR) §58.34(a)(3).

### M/WBE AND SECTION 3 CONSIDERATIONS

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

Respectfully submitted,



LA SHELLE DOZIER  
Executive Director

### Attachments

- 1 SHRC Resolution
2. 2020 Sacramento Housing and Redevelopment Agency Schedule of Fees and Charges
- 3 2020 Housing Authority Maintenance Schedule Fees and Charge



## 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  
**November 20, 2019**

### **2020 SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY AND HOUSING AUTHORITY MAINTENANCE FEES AND CHARGES SCHEDULE**

**WHEREAS**, the Schedule of Fees and Charges (Schedule) was first implemented by the Sacramento Housing and Redevelopment Agency (Agency) in 1983. It has been revised in subsequent years to reflect additions, deletions, and increases to previous versions.

**WHEREAS**, the proposed action does not constitute a project under the California Environmental Quality Act pursuant to 14 California Code of Regulations §15378(b)(4), and is an exempt activity under the National Environmental Policy Act per 24 Code of Federal Regulations §58.34(a)(3).

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

Section 1. All evidence presented having been duly considered, the above recitals, including the environmental recitals, are found to be true and correct and are hereby adopted.

Section 2. The Fees and Charges Schedule for the Agency, as set forth in Attachment 1, is hereby approved.

Section 3. All prior Agency Fees and Charges Schedules are rescinded and are replaced in full by this resolution. Additional or expanded authorities of the Agency to charge fees with respect to specific programs or activities are not rescinded by this resolution and remain in full force and effect.

Section 4. The Executive Director, or her designee, is authorized to implement, revise, or update the 2020 Agency and Housing Maintenance Schedule of Fees and Charges as set forth in Attachments 1 and 2 and distribute copies to consumers of Agency services.

2020 Sacramento Housing And Redevelopment Agency And Housing Authority Maintenance  
Fees And Charges Schedule  
Page 2

---

CHAIR

ATTEST:

---

CLERK

<b>Charging Department</b>	<b>Activity</b>	<b>Current Rate</b>	<b>New Rate</b>
Portfolio Management	Subordination processing fee – single family	\$300	<i>No Change</i>
	Subordinate processing fee – multifamily	\$500	<i>No Change</i>
	Subordination Redraw Fee	\$100	<i>No Change</i>
	Demand statement preparation fee	\$35	<i>No Change</i>
	Demand statement fax fee (if required)	\$20	<i>No Change</i>
	Demand update fee (if required)	\$20	<i>No Change</i>
	Reconveyance fee	\$45	<i>No Change</i>
	Recording fee	Per County Recorder fee schedule	<i>No Change</i>
	Compliance Monitoring – Non Financed Single Family Projects	<i>N/A – New Activity and Rate</i>	<i>Single Family Affordable Units x Appreciation Differential/Unit x .15% x number of restricted years x discount rate</i>
	Compliance Monitoring – Non Financed Multifamily Projects	<i>N/A – New Activity and Rate</i>	<i>Multifamily Affordable Units x Average Public Subsidy/Unit x .15% x number of restricted years x discount rate</i>
Portfolio Management – Multifamily Regulatory Agreement & Compliance Violations	Regulatory Agreement Monitoring Fees – County Affordable Housing Ordinance & <b>City Mixed Income Housing Ordinance</b> – Multifamily Units	Multifamily Affordable Units x Average Public Subsidy/Unit x .15% x 55 years x discount rate (Project specific amount is reflected in the regulatory agreement)	<i>Multifamily Affordable Units x Average Public Subsidy/Unit x .125% x number of years x discount rate</i>
	Regulatory Agreement Monitoring Fees – County Affordable Housing Ordinance & <b>City Mixed Income Housing Ordinance</b> – Single family Units	Single Family Affordable Units x Appreciation Differential/Unit x .5% x 30 years x discount rate (project specific amount is reflected in the regulatory agreement)	<i>Single Family Affordable Units x Appreciation Differential/Unit x .15% x number of restricted years x discount rate</i>
	Assignment/Assumption Processing Fee - Multifamily	\$750 plus recording fees and appraisal charges	<i>No Change</i>
	Loan Payment Late Fee	5% of monthly payment if payment not made within 15 days after payment due date	<i>No Change</i>
	Annual Multi-Family Mortgage Revenue Bond Administration Fee	Fee of 15 basis points of the original bond amount for the longer of the life of the bonds or bond regulatory agreement, paid in advance, semi-annually.	<i>Fee of 12.5 basis points of the original bond amount + \$100 per SHRA-funded unit for projects with SHRA loans for the longer of the life of the bonds or bond regulatory agreement, paid in advance, semi-annually. Maximum fee of \$25,000 per year.</i>

<b>Charging Department</b>	<b>Activity</b>	<b>Current Rate</b>	<b>New Rate</b>
Portfolio Management – Multifamily Regulatory Agreement Compliance Violations, cont'd	Annual Multi-Family Loan Administration Fee	Fee of 15 basis points of the original loan amount for the longer of the life of the loan or loan regulatory agreement, paid in advance, semi-annually.	<i>Fee of 12.5 basis points of the original loan amount + \$100 per SHRA-funded unit for the longer of the life of the loan or loan regulatory agreement, paid in advance, semi-annually. Maximum fee of \$15,000 per year.</i>
	Tenants over income at initial move in	Initial \$500 per unit, and again every 90 days until violation is resolved.	<i>No Change</i>
	Incorrect eligibility documentation	Initial \$50 per file for incorrect calculations, verifications, required documents; \$50 per month until corrected	<i>No Change</i>
	Failure to complete annual recertification	Initial \$250 for each incomplete file; \$50 per month until corrected.	<i>No Change</i>
	Failure to maintain tenant eligibility records	Initial \$500 per unit, and again every 90 days until violation is resolved.	<i>No Change</i>
	Incorrect Rents	\$100 for each over-charged unit.	<i>No Change</i>
	Failure to submit complete and correct monthly bond report by due date	Initial \$100 per report. \$100 per day until violation resolved.	<i>No Change</i>
	Failure to comply with approved Management Plan	Initial \$100 per report. \$100 per day until violation resolved.	<i>No Change</i>
	Failure to submit complete and accurate quarterly Resident Services report by due date	Initial \$100 per report. \$100 per day until violation resolved.	<i>No Change</i>
	Failure to provide a resident service required by Resident Services Plan	Initial \$250 per service. \$100 per day until violation resolved.	<i>No Change</i>
	Noncompliant lease	\$100 per noncompliant lease.	<i>No Change</i>
	Verifiable existence of toxic mold	Initial \$200 per unit. 30 days to obtain certification unit is mold free. \$75 per day after 30 days.	<i>No Change</i>
	Broken pipes and plumbing facilities	\$200 per unit.	<i>No Change</i>
	Non-working smoke detectors	\$200 per unit.	<i>No Change</i>
Windows with large cracks or missing glass	\$200 per unit.	<i>No Change</i>	
Infestation of roaches or vermin	\$200 per infested unit.	<i>No Change</i>	

<b>Charging Department</b>	<b>Activity</b>	<b>Current Rate</b>	<b>New Rate</b>
	Non-working heating unit (Winter) or air conditioning unit (Summer)	\$500 per non-working unit.	<i>No Change</i>
	Excessive amount of urine/feces	\$200 per unit.	<i>No Change</i>
	Excessive amount of trash/garbage in unit	\$75 per unit.	<i>No Change</i>
	Hazardous exterior conditions	\$500 per hazardous condition.	<i>No Change</i>
	Large holes walls/ceiling	\$100 per unit.	<i>No Change</i>
	Non-Operable Security Gate	\$500 per non-working gate.	<i>No Change</i>
	No Security Cameras (if required)	\$250 per discovery. \$75 reinspection fee.	<i>No Change</i>
	Non-working Security Cameras	\$100 per camera per discovery. \$75 reinspection fee.	<i>No Change</i>
	Non-working or non-accessible amenities/services	\$100 per item per discovery. \$75 reinspection fee.	<i>No Change</i>
Agency Clerk	Agenda Packets (hard copy) - Outside Agency	\$600 per year	<i>No change</i>
Facility Use	Non-resident group area of Community Room	Security Deposit \$50 (refundable cleaning deposit) Basic charge - \$5 per hour	<i>No Change</i>
	Commission Room (801 12 <sup>th</sup> Street) and Riverview Plaza Meeting Room Rental	Security Deposit \$50 First Hour \$40 Each Additional Hour \$30	<i>No Change</i>

Maintenance Fees and Charges			Current		Proposed		Significant Change Reason
	HOUSING MAINTENANCE CHARGES	Labor Charge (Per Each)	Material Charge (Per Each)	Current Rate (Labor + Material)	Material Charge (Per Each)	Proposed Labor and Material	
Appliances & Accessories							
1	Freezer Door Gasket	\$ 19.80	\$ 57.91	\$ 77.71			No changes
2	Hood Fan Assembly	\$ 9.90	\$ 31.55	\$ 41.45			No changes
3	Hood Fan Filter	\$ 9.90	\$ 4.61	\$ 14.51			No changes
4	Oven Door (varying depending on make/size)	\$ 9.90	Service Only	\$ 9.90			No changes
5	Oven Door Handle	\$ 9.90	\$ 45.00	\$ 54.90			No changes
6	Range Burner, Electric	\$ 9.90	\$ 7.33	\$ 17.23			No changes
7	Range, Elec. Broiler Pan, Replace	\$ 3.30	\$ 28.69	\$ 31.99			No changes
8	Range, Gas Broiler Pan, Replace	\$ 3.30	\$ 28.69	\$ 31.99			No changes
9	Range Burner, Gas	\$ 9.90	\$ 33.85	\$ 43.75			No changes
10	Range, Clean	\$ 79.20	Service Only	\$ 79.20			No changes
11	Range Hood, 30", Replace	\$ 39.60	\$ 51.23	\$ 90.83			No changes
12	Range Hood, 36", Replace	\$ 39.60	\$ 58.10	\$ 97.70			No changes
13	Range Hood, 42", Replace	\$ 39.60	\$ 72.99	\$ 112.59			No changes
14	Range, Inf. Switch	\$ 9.90	\$ 29.75	\$ 39.65			No changes
15	Range, Knobs	\$ 3.30	\$ 24.26	\$ 27.56			No changes
16	Range, Oven Rack 20"	\$ 3.30	\$ 27.37	\$ 30.67			No changes
17	Range, Oven Rack 30"	\$ 3.30	\$ 43.63	\$ 46.93			No changes
18	Range, Oven Control, Gas	\$ 19.80	\$ 67.54	\$ 87.34			No changes
19	Range, Oven Control, Electric	\$ 19.80	\$ 58.45	\$ 78.25			No changes
20	Range, Replace Electric 20"	\$ 39.60	\$ 340.00	\$ 379.60			No changes
21	Range, Replace, Electric 30"	\$ 39.60	\$ 440.00	\$ 479.60			No changes
22	Range, Replace, Gas 20"	\$ 39.60	\$ 465.00	\$ 504.60			No changes
23	Range, Replace, Gas 30"	\$ 39.60	\$ 440.00	\$ 479.60			No changes
24	Range, Stove-top Grate	\$ 3.30	\$ 22.95	\$ 26.25			No changes
25	Refrigerator, Replace (All Sizes)	\$ 19.80	\$ 499.10	\$ 518.90			No changes
26	Refrigerator, Clean	\$ 79.20	Service Only	\$ 79.20			No changes
27	Refrigerator, Crisper	\$ 3.30	\$ 86.95	\$ 90.25			No changes
28	Refrigerator, Crisper Cover	\$ 3.30	\$ 64.88	\$ 68.18			No changes
29	Refrigerator, Gasket	\$ 39.60	\$ 71.95	\$ 111.55			No changes
30	Refrigerator, Shelf Front	\$ 6.60	\$ 38.40	\$ 45.00			No changes
31	Refrigerator, Door Liner	\$ 39.60	\$ 16.90	\$ 56.50			No changes
32	Top Burner, Grate / Gas - Replace	\$ 20.00	\$ 22.92	\$ 42.92			No changes
Bath Accessories		Labor	Material Price	Current Rate			
33	Medicine Cabinet Shelf	\$ 3.30	\$ 4.16	\$ 7.46	\$ 6.44	\$ 9.74	actual cost
34	Medicine Cabinet/Complete	\$ 19.80	\$ 55.99	\$ 75.79			No changes
35	Toilet Paper Holder, Replace	\$ 9.90	\$ 8.29	\$ 18.19			No changes
36	Toilet Paper Spindle, Replace	\$ 3.30	\$ 1.79	\$ 5.09	\$ 1.82	\$ 5.12	actual cost
37	Toilet Seat (Elongated)	\$ 9.90	\$ 19.99	\$ 29.89			No changes
38	Toilet Seat (Regular)	\$ 9.90	\$ 21.11	\$ 31.01			No changes
39	Toilet Tank Lid, Replace	\$ 9.90	\$ 32.99	\$ 42.89			No changes
40	Tub/Shower Stopper (Fit-all)	\$ 3.30	\$ 3.29	\$ 6.59			No changes
Bath Accessories, Cont'd.		Labor	Material Price	Current Rate			
41	Tub/Shower (toe-stopper)	\$ 3.30	\$ 9.79	\$ 13.09			No changes
42	Towel Bar, Replace	\$ 9.90	\$ 7.99	\$ 17.89	\$ 10.29	\$ 20.19	actual cost
43	Tub/Shower Curtain Rod, Replace	\$ 6.60	\$ 10.29	\$ 16.89	\$ 15.52	\$ 22.12	actual cost
Carpentry		Labor	Material Price	Current Rate			
44	Banister (price per linear foot)	\$ 20.00	\$ 2.98	\$ 22.98			No changes
45	Baseboard 2 3/8 Reversible (per sq foot)	\$ 20.00	\$ 1.26	\$ 21.26			No changes
46	Breadboard, Replace	\$ 6.60	\$ 22.99	\$ 29.59			No changes
47	Bi-fold / Bi-pass Door, Set	\$ 59.40	\$ 57.99	\$ 117.39			No changes
48	Cabinet Drawer Track	\$ 19.80	\$ 2.85	\$ 22.65			No changes
49	Cabinet Drawer, Replace	\$ 39.60	\$ 19.95	\$ 59.55			No changes
50	Cabinet, Vanity Replace	\$ 39.60	\$ 102.00	\$ 141.60			No changes
51	Closet Bi-Pass Floor Guides	\$ 9.90	\$ 0.97	\$ 10.87			No changes
52	Closet Pole Center Support Bracket	\$ 9.90	\$ 3.99	\$ 13.89			No changes
53	Closet Pole End Brackets	\$ 9.90	\$ 0.40	\$ 10.30			No changes
54	Door Bumpers, Common Replace	\$ 3.30	\$ 1.26	\$ 4.56			No changes
55	Door Casing (per stick) *	\$ 59.60	\$ 4.99	\$ 64.59			No changes
56	Door Jamb / Repair	\$ 39.60	\$ 15.69	\$ 55.29			No changes
57	Door Viewer (Replace)	\$ 6.60	\$ 3.99	\$ 10.59			No changes
58	Door-Metal, Replacement *	\$ 143.80	\$ 120.00	\$ 263.80			No changes

Maintenance Fees and Charges			Current		Proposed		Significant Change Reason
	HOUSING MAINTENANCE CHARGES	Labor Charge (Per Each)	Material Charge (Per Each)	Current Rate (Labor + Material)	Material Charge (Per Each)	Proposed Labor and Material	
	Carpentry, Cont'd.	Labor	Material Price	Current Rate			
59	Door-Wood, Interior HC *	\$ 143.80	\$ 38.99	\$ 182.79			No changes
60	Door, Pocket HC, Replace *	\$ 118.80	\$ 38.99	\$ 157.79			No changes
61	Door, Weather stripping	\$ 19.80	\$ 9.00	\$ 28.80			No changes
	Electrical & lighting	Labor	Material Price	Current Rate			
62	Electric Outlet Cover	\$ 3.30	\$ 0.35	\$ 3.65			No changes
63	Electric Switch Cover	\$ 3.30	\$ 0.35	\$ 3.65			No changes
64	Light Bulb / Appliances	\$ 3.30	\$ 0.89	\$ 4.19	\$ 0.94	\$ 4.24	actual cost
65	Lamp (Light Bulb), Replace (60 watt)	\$ 3.30	\$ 1.00	\$ 4.30	\$ 1.29	\$ 4.59	actual cost
66	Light Bulb / 2' T-12	\$ 3.30	\$ 3.10	\$ 6.40			No changes
67	Light Bulb / 2' T-8	\$ 3.30	\$ 3.10	\$ 6.40	\$ 3.95	\$ 7.25	actual cost
68	Light Bulb / 4' T-12	\$ 3.30	\$ 2.35	\$ 5.65			No changes
69	Light Bulb / 4 T-8	\$ 3.30	\$ 3.25	\$ 6.55	\$ 6.05	\$ 9.35	actual cost
70	Light Bulb / 6" Circline	\$ 3.30	\$ 5.50	\$ 8.80	\$ 3.99	\$ 7.29	actual cost
71	Light Bulb / 8" Circline	\$ 3.30	\$ 5.00	\$ 8.30			No changes
72	Light Bulb / 12" Circline	\$ 3.30	\$ 5.50	\$ 8.80			No changes
73	Light Bulb, 28 watt quad	\$ 3.30	\$ 12.99	\$ 16.29	\$ 14.29	\$ 17.59	actual cost
74	Light Diffuser, Circline	\$ 3.30	\$ 19.69	\$ 22.99	\$ 15.99	\$ 19.29	actual cost for item#317875
75	Light Diffuser, Glass Drum	\$ 3.30	\$ 12.89	\$ 16.19			No changes
76	Light Diffuser, 4 ft.	\$ 3.30	\$ 24.37	\$ 27.67			No changes
77	Light Diffuser, Exterior Porch	\$ 3.30	\$ 7.37	\$ 10.67	\$ 9.99	\$ 13.29	actual cost
78	Light Fixture, 2' or 4' bulb flourescent	\$ 39.60	\$ 52.87	\$ 92.47	\$ 67.99	\$ 107.59	actual cost
79	Light Fixture, Circline	\$ 19.80	\$ 53.55	\$ 73.35	\$ 52.79	\$ 72.59	actual cost
80	Light Fixture, Emergency Exit	\$ 39.60	\$ 64.74	\$ 104.34	\$ 99.99	\$ 139.59	actual cost for item#325661
81	Exterior wall pack (Light Fixture)	\$ 39.60	\$ 155.77	\$ 195.37			No changes
82	Porch Light Shade / Plastic	\$ 3.30	\$ 5.65	\$ 8.95			No changes
83	Porch Light Shade / Glass	\$ 3.30	\$ 24.05	\$ 27.35			No changes
84	Receptacle, Replace: 110 basic	\$ 19.80	\$ 3.59	\$ 23.39	\$ 0.70	\$ 20.50	actual cost for item#337525
85	Receptacle, Replace: GFI	\$ 19.80	\$ 17.99	\$ 37.79	\$ 15.99	\$ 35.79	actual cost
86	Receptacle, Replace: Appliance	\$ 39.60	\$ 3.59	\$ 43.19	\$ 2.60	\$ 42.20	actual cost
87	Smoke Detector, Replace	\$ 9.90	\$ 44.99	\$ 54.89			No changes
88	Carbon Dioxide/Smoke Detector	\$ 9.90	\$ 59.99	\$ 69.89			No changes
89	120 Volt Smoke Detector	\$ 9.90	\$ 46.99	\$ 56.89			No changes
90	Battery Smoke Detector	\$ 9.90	\$ 21.99	\$ 31.89	\$ 25.99	\$ 35.89	actual cost
91	Switch, Replace	\$ 9.90	\$ 1.00	\$ 10.90	\$ 2.99	\$ 12.89	actual cost
92	Splitter / TV	\$ 6.60	\$ 3.75	\$ 10.35			No changes
93	Telephone, Jack Replacement	\$ 9.90	\$ 1.25	\$ 11.15			No changes
	Floor coverings & accessories	Labor	Material Price	Current Rate			
94	Floor Tile, Replace 12" x 12" (Each)	\$ 6.60	\$ 0.87	\$ 7.47			No changes
95	Carpet/glue down (actual cost or per square foot)		\$ 18.00	\$ 18.00	\$ 18.73	\$ 18.73	as per yr. 3 of contract
96	Carpetw/pad (actual cost or prorata)		\$ 22.00	\$ 22.00	\$ 12.53	\$ 12.53	as per yr. 3 of contract
97	2 1/2" or 4" Base / Per foot	\$ 6.60	\$ 0.44	\$ 7.04			No changes
	Glazing & Hardware	Labor	Material Price	Current Rate			
98	Patio Sliding Door Handle	\$ 9.90	Special Order	90 plus Material Price			No changes
99	Patio Sliding Door Latch	\$ 9.90	Special Order	90 plus Material Price			No changes
100	Window Board up/Clean up	\$ 39.60	Service Only	\$ 39.60			No changes
101	Window Glass 20" X 20" / single pane	\$ 85.00	\$ 12.60	\$ 97.60	\$ 23.70	\$ 108.70	Actual Cost
102	Window Glass 24" X 24" / single pane	\$ 85.00	\$ 17.11	\$ 102.11	\$ 31.60	\$ 116.60	Actual Cost
103	Window Glass 24" X 60" / single pane	\$ 85.00	\$ 40.00	\$ 125.00	\$ 79.00	\$ 164.00	Actual Cost
104	Window Glass 36" X 36" / single pane	\$ 85.00	\$ 36.00	\$ 121.00	\$ 45.52	\$ 130.52	Actual Cost
105	Window Glass 36" X 60" / single pane	\$ 85.00	\$ 60.00	\$ 145.00	\$ 91.59	\$ 176.59	Actual Cost
106	Window Glass 50" X 50" / single pane	\$ 85.00	Special Order	\$85.00 plus Material Price	\$ 96.23	\$ 181.23	Actual Cost
107	Window Glass 20" X 20" / dual pane	\$ 115.00	\$ 42.00	\$ 157.00	\$ 48.15	\$ 163.15	Actual Cost
108	Window Glass 24" X 24" / dual pane	\$ 115.00	\$ 60.00	\$ 175.00	\$ 64.20	\$ 179.20	Actual Cost
109	Window Glass 24" X 60" / dual pane	\$ 115.00	\$ 150.00	\$ 265.00	\$ 160.50	\$ 275.50	Actual Cost

Maintenance Fees and Charges			Current		Proposed		Significant Change Reason
	HOUSING MAINTENANCE CHARGES	Labor Charge (Per Each)	Material Charge (Per Each)	Current Rate (Labor + Material)	Material Charge (Per Each)	Proposed Labor and Material	
Glazing & Hardware, Cont'd.			Material Price		Current Rate		
110	Window Glass 36" X 36" / dual pane	\$ 115.00	\$ 135.00	\$ 250.00	\$ 101.25	\$ 216.25	Actual Cost
111	Window Glass 36" X 60" / dual pane	\$ 115.00	\$ 161.25	\$ 276.25	\$ 168.75	\$ 283.75	Actual Cost
112	Window Glass 50" X 50" / dual pane	\$ 175.00	\$ 214.52	\$ 389.52	\$ 195.30	\$ 370.30	Actual Cost
113	Window Glass 20" X 20" / screen	\$ 19.80	\$ 20.00	\$ 39.80	\$ 17.60	\$ 37.40	Actual Cost
114	Window Glass 24" X 24" / screen	\$ 19.80	\$ 20.00	\$ 39.80	\$ 20.72	\$ 40.52	Actual Cost
115	Window Glass 24" X 60" / screen	\$ 19.80	\$ 25.00	\$ 44.80	\$ 34.76	\$ 54.56	Actual Cost
116	Window Glass 36" X 36" / screen	\$ 19.80	\$ 20.00	\$ 39.80	\$ 30.08	\$ 49.88	Actual Cost
117	Window Glass 36" X 60" / screen	\$ 19.80	\$ 37.50	\$ 57.30	\$ 39.44	\$ 59.24	Actual Cost
118	Window Glass 50" X 50" / screen	\$ 19.80	\$ 43.40	\$ 63.20	\$ 41.00	\$ 60.80	Actual Cost
119	Window Lock, Casement	\$ 9.90	Special Order	\$9.90 plus Special Order Price			No changes
120	Window Operator, Casement	\$ 19.80	Special Order	\$9.90 plus Material Price			No changes
Heating & Air			Material Price		Current Rate		
121	A/C Thermostat	\$ 9.90	\$ 31.99	\$ 41.89	\$ 37.99	\$ 47.89	actual cost for item#213340
122	Furnace, Thermostat	\$ 9.90	\$ 31.99	\$ 41.89	\$ 37.99	\$ 47.89	actual cost for item#213340
123	Exhaust Fan Cover	\$ 9.90	\$ 7.29	\$ 17.19	\$ 7.59	\$ 17.49	actual cost
Locks, keys and hardware			Material Price		Current Rate		
124	Eviction Lockout	\$ 39.60	Labor only	\$ 39.60	\$ -	\$ 39.60	1 hour Labor no material cost
125	Combo Lock Repair	\$ 19.80	Service Only	\$ 19.80			No changes
126	Combo Lock Replace	\$ 19.80	\$ 62.99	\$ 82.79			No changes
127	Deadbolt, Replace	\$ 19.80	\$ 29.11	\$ 48.91			No changes
128	Door Lever knobset (interior)	\$ 9.90	\$ 18.99	\$ 28.89			No changes
129	Door Standard knobset (interior)	\$ 9.90	\$ 9.49	\$ 19.39			No changes
130	Drawer Pulls	\$ 9.90	\$ 3.99	\$ 13.89			No changes
131	Gate Hinge	\$ 19.80	\$ 29.11	\$ 48.91			No changes
132	Gate Latch	\$ 9.90	\$ 4.97	\$ 14.87			No changes
133	Garage OH Door Handle	\$ 19.80	\$ 10.99	\$ 30.79			No changes
134	Garage Door, Bolt Lock	\$ 19.80	\$ 18.59	\$ 38.39			No changes
135	Key (Best Replacement)	\$ 9.90	\$ 7.50	\$ 17.40			No changes
136	Key, (Unit Replacement)	\$ 9.90	\$ 0.50	\$ 10.40			No changes
138	Lock, Install-a-Lock, wrap-around (Single)	\$ 19.80	\$ 22.00	\$ 41.80			No changes
139	Lock, Install-a-Lock, wrap-around (Combo)	\$ 19.80	\$ 32.00	\$ 51.80			No changes
140	Lock / Key in Knob / Entry	\$ 19.80	\$ 18.99	\$ 38.79			No changes
141	Lock Change (non-damaged lock) + 2 keys	\$ 19.80	\$ 1.00	\$ 20.80			No changes
142	Lockout After Regular Business Hours	Call Locksmith	Locksmith Replacement Key Charge	Call Locksmith			No changes
143	Lockout During Regular Business Hours	\$ 36.60	Service Only	\$ 39.60	\$ -	\$ 39.60	1 hour Labor no material cost
144	Mailbox Lock Replace	\$ 9.90	\$ 6.89	\$ 16.79			No changes
Locks, keys and hardware, Cont'd.			Material Price		Current Rate		
145	Mechanical Door Chime	\$ 19.80	\$ 23.99	\$ 43.79			No changes
146	Privacy / Passage / Patio Locks, Replace	\$ 9.90	\$ 10.99	\$ 20.89			No changes
147	Store Room / Community Room Locks	\$ 19.80	\$ 76.00	\$ 95.80			No changes
148	Auto Gate Clickers	N/A	\$ 30.00	\$ 30.00			No changes
149	Pedestrian CARD Readers	N/A	\$ 7.00	\$ 7.00			No changes
Plumbing			Material Price		Current Rate		
152	Basin Faucet, Replace	\$ 19.80	\$ 97.89	\$ 117.69	\$ 42.56	\$ 62.36	price per HD Supply part #412403
153	Basin Stopper	\$ 3.30	\$ 3.39	\$ 6.69	\$ 4.76	\$ 8.06	actual cost
154	Basin, Replace	\$ 59.40	\$ 39.39	\$ 98.79	\$ 31.49	\$ 90.89	actual cost
155	Basin, P-Trap, Replace	\$ 9.90	\$ 11.79	\$ 21.69			No changes
156	Basket Strainer (crumb cup)	\$ 3.30	\$ 2.29	\$ 5.59	\$ 6.85	\$ 10.15	price per HD Supply
157	Drain Stoppage, Tub / Shower	\$ 39.60	Service Only	\$ 39.60			No changes
158	Drain Stoppage, Sink	\$ 39.60	Service Only	\$ 39.60			No changes
157	Flush Tank (Toilet)	\$ 39.60	\$ 50.00	\$ 89.60	\$ 80.40	\$ 120.00	price per HD Supply part #404776
158	Garbage Disposal Stopper	\$ 3.30	\$ 2.89	\$ 6.19	\$ 2.65	\$ 5.95	actual cost
159	Garbage Disposal, Replace	\$ 39.60	\$ 54.99	\$ 94.59	\$ 82.64	\$ 122.24	price per HD Supply part #405300
160	Garbage Disposal, Splash Guard	\$ 9.90	\$ 2.59	\$ 12.49	\$ 4.51	\$ 14.41	actual cost
161	Garbage Disposal, Stoppage	\$ 9.90	\$ 1.89	\$ 11.79			No changes



Maintenance Fees and Charges			Current		Proposed		Significant Change Reason
	HOUSING MAINTENANCE CHARGES	Labor Charge (Per Each)	Material Charge (Per Each)	Current Rate (Labor + Material)	Material Charge (Per Each)	Proposed Labor and Material	
Plumbing, Cont'd.			Material Price	Current Rate			
162	Gas Connector, Replace	\$ 19.80	\$ 19.65	\$ 39.45			No changes
165	Kitchen Faucet, Replace	\$ 19.80	\$ 36.39	\$ 56.19	\$ 47.29	\$ 67.09	price per HD Supply part #412345
166	Laundry Faucet, Replace	\$ 19.80	\$ 24.49	\$ 44.29	\$ 28.48	\$ 48.28	actual cost
167	Lavatory	\$ 118.80	\$ 32.99	\$ 151.79	\$ 34.49	\$ 54.29	actual cost
168	Toilet Bowl, Std. Only	\$ 39.60	\$ 56.00	\$ 95.60			No changes
169	Toilet Bowl, Elongated	\$ 39.60	\$ 128.40	\$ 168.00			No changes
170	Toilet Bowl, ADA	\$ 39.60	\$ 170.00	\$ 209.60	\$ 153.00	\$ 192.00	price per HD Supply part #404767
171	Toilet Stoppage / Local	\$ 19.80	Service Only	\$ 19.80			No changes
172	Toilet, Standard, Replace	\$ 39.60	\$ 120.00	\$ 159.60			No changes
173	Shower Head	\$ 6.60	\$ 5.40	\$ 12.00	\$ 5.79	\$ 12.31	actual cost
Window Coverings & Screens			Material Price	Current Rate			
174	Screen Door Closer	\$ 9.90	\$ 10.99	\$ 20.89			No changes
175	Screen Door Grill 36" X 36"	\$ 9.90	\$ 19.99	\$ 29.89	\$ 22.99	\$ 32.89	actual cost
176	Screen Door Kick Panel	\$ 39.60	\$ 19.99	\$ 59.59	\$ 22.99	\$ 62.59	actual cost
177	Screen Door Latch	\$ 6.60	\$ 5.49	\$ 12.09	\$ 4.69	\$ 11.29	actual cost
178	Screen Door / Passage	\$ 39.60	\$ 50.40	\$ 90.00	\$ 49.00	\$ 88.60	actual cost
179	Screen Door, Storm Door, Replace	\$ 59.40	\$ 129.00	\$ 188.40			No changes
180	Screen Door / Std / Rescreen	\$ 39.60	\$ 50.40	\$ 90.00			No changes
181	Shower Door Kit / Towel Bar	\$ 9.90	\$ 20.85	\$ 30.75			No changes
182	Sliding Screen Door/Rescreen	\$ 9.90	\$ 20.10	\$ 30.00			No changes
183	Traverse Rod 28" X 48"	\$ 19.80	\$ 13.20	\$ 33.00	\$ 15.29	\$ 35.09	actual cost
184	Traverse Rod 48" X 84"	\$ 19.80	\$ 17.20	\$ 37.00	\$ 21.59	\$ 41.39	actual cost
185	Traverse Rod 66" X 120"	\$ 19.80	\$ 17.20	\$ 37.00	\$ 34.99	\$ 54.79	actual cost
	<b>Proposed Price decreased</b>						
	<b>Proposed Price increased</b>						



November 15, 2019

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Rental Assistance Demonstration (RAD) Project Phase 1 Re-Tax Equity And  
Fiscal Responsibility Act Hearing, Approval Of Final Tax Exempt Bonds, RAD  
and Loan Documents, And Ground Lease

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report prior to final  
approval by the City of Sacramento.

Respectfully submitted,



LA SHELLE DOZIER  
Executive Director

Attachment



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

**Discussion Item**  
**January 14, 2020**

**Chair and Members of the Housing Authority Board**

**Title: Approval of Final Rental Assistance Demonstration (RAD) and Loan Documents, and Ground Lease for the RAD Phase 1 Project**

**Location/Council District:** 4921 Folsom Boulevard and 1043 43rd Avenue/  
Districts 3 and 5

The

**Recommendation:** Adopt a Housing Authority Resolution for RAD Phase 1 Project approving the Executive Director, or designee, to a) enter into and execute all necessary documents, agreements and certificates, including, but not limited to the RAD Documents, Acquisition Documents, Seller Carryback Loan Documents, Construction-Permanent Loan Documents, Ground Lease Loan Documents, the Governmental Note, Pledge Obligations, Assignment/Subordination Documents, Administrative Services Agreement, Property Management Agreement, Assignment of Services Contracts, Option/ROFR Documents, and any and all other documents necessary for the Housing Authority of the City of Sacramento (Housing Authority) to convert the Project through the RAD Program, convey the leasehold interest in the Land and fee interest in the Improvements, consummate and subordinate the Seller Carryback Loan, the Construction-Permanent Loan, and the Ground Lease Loan, and otherwise reasonably assist the Partnership in securing the financing for the Project; b) perform actions necessary to convert the Project through the RAD Program, including, but not limited to amending the Housing Authority budget for financing the Project; and c) approving environmental and related findings.

**Contact:** Christine Weichert, Assistant Director, (916) 440-1353, Tyrone Roderick Williams, Director of Development, (916) 440-1316, LaTanna Jones, Assistant Director, (916) 440-1334, Sacramento Housing and Redevelopment Agency

**Department:** Sacramento Housing and Redevelopment Agency

## Description/Analysis

### Issue Detail:

#### Asset Repositioning Plan

On October 30, 2018, the Housing Authority Board of the City of Sacramento (Board) adopted Resolution No. 2018-0019 which approved updates to the Housing Authority Asset Repositioning Plan allowing for conversion of the public housing portfolio under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs. Additionally, the Board authorized the Housing Authority to submit an application to United States Department of Housing and Urban Development (HUD) to reposition and convert City Public Housing Properties under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition Programs.

As part of the initial Asset Repositioning Plan, guiding principles were adopted to establish policy direction for each reposition activity. The general objective of these principles was to prevent the loss of units for extremely low income households, facilitate a decreased reliance on federal funds, incorporate smart growth principles into development opportunities, reinvest sale proceeds into Housing Authority replacement units, foster partnerships with entities to position development efforts for success, and to pursue actions that would generate fees and other revenue for the Housing Authority. Conversion to RAD is a critical component of the Asset Repositioning Plan as RAD allows public housing agencies (PHAs) to convert public housing units to long-term, Project Based Voucher rental assistance developments which facilitates access to private debt and equity to address immediate and long-term capital needs.

#### RAD and HOTMA Project Based Vouchers

On November 30, 2018, HUD approved a joint application from both the City and County Housing Authorities to convert 124 public housing development units to RAD and also approved 118 RAD Program specific Project Based Vouchers. These vouchers are new to Sacramento and will increase the total number of vouchers administered by the County Housing Authority.

On May 17, 2019, the Housing Authority approved including the remaining six units without vouchers in HUD's Housing Opportunity Through Modernization Act (HOTMA) Project Based Voucher (PBV) Program. Subject to appropriations and compliance with PBV program requirements, the RAD and HOTMA vouchers will remain at the Project as long as the Housing Authority has an ownership interest in the properties.

RAD conversion will not change the composition of the units which will continue to target households with incomes at or below 80% of the area median income. The Project will require a RAD Use Agreement with HUD and a 99-year ground lease that has affordability restrictions on the land beyond the 55-year tax credit affordability term. The Housing Authority will maintain its ground lease and ownership interest in the land to ensure that affordability restrictions do not expire. The voucher allocation for each of the six scattered sites below are summarized in the table.

**RAD Phase 1 - RAD and HOTMA Project Based Vouchers**

<b>Six Scattered Sites</b>	<b>Location and Jurisdiction</b>	<b>RAD PBV</b>	<b>HOTMA PBV</b>	<b>Total PBV</b>
Pointe Lagoon Site 1 of 3	4500 Perry Ave. County of Sacramento	5	5	10
Pointe Lagoon Site 2 of 3	4930 El Paraiso Ave. County of Sacramento	36	0	36
Pointe Lagoon Site 3 of 3	9205 Elk Grove Blvd. City of Elk Grove	16	0	16
Rio Garden	8223 Walerga Road County of Sacramento	24	0	24
Oak Park	4921 Folsom Blvd. City of Sacramento	10	0	10
Meadow Commons	1043 43rd Ave. City of Sacramento	27	1	28
<b>Total</b>		<b>118</b>	<b>6</b>	<b>124</b>

Loan Commitment and Option Agreement

On July 23, 2019, the Board adopted Resolution No. 2019-0012, which authorized the Authority to enter into a Loan Commitment and an Option Agreement for the Ground Lease and Purchase and Sale of Improvements, in an amount justified by an updated fair market value appraisal, with Sacramento Housing Authority Repositioning Program, Inc., (SHARP), or related entity. On August 14, 2019, appraisals were updated.

Tax Credit and Tax Exempt Mortgage Revenue Bonds Allocation

On October 16, 2019, the California Tax Credit Allocation Committee (CTCAC) allocated four percent federal tax credits and the California Debt Limit Allocation Committee (CDLAC) awarded the multifamily mortgage revenue bonds to the Project.

Staff is recommending approval to enter into and execute all necessary documents, agreements and certificates, including, but not limited to the following:

- RAD Documents
- Acquisition Documents
- Seller Carryback Loan Documents
- Construction and Permanent Loan Documents
- Ground Lease Loan Documents
- Governmental Note
- Pledge Obligations
- Assignment/Subordination Documents
- Administrative Services Agreement
- Property Management Agreement
- Assignment of Services Contracts
- Option/Right of First Refusal (ROFR) Documents
- Any and all other documents necessary for the Housing Authority to convert the Project through the RAD Program.

Staff is also recommending approval to convey the leasehold interest in the Land and fee interest in the Improvements, to consummate and subordinate the Seller Carryback Loan, the Construction-Permanent Loan, and the Ground Lease Loan, and to otherwise reasonably assist the Partnership in securing the financing for the Project.

Staff is also requesting authorization to amend the Housing Authority budget and allocate the following for the acquisition, construction and permanent financing of the Project:

### **RAD Phase 1 – Permanent Sources and Not To Exceed (NTE) Amounts**

<b>City Housing Authority Permanent Sources</b>	<b>NTE Amounts</b>
Housing Authority Capital Funds (Construction and Permanent Loan)	\$2,371,871
Cash Proceeds from the Sale of Improvements (Construction and Permanent Loan)	\$ 621,700
Seller Carryback Loan on the Improvements (or an amount justified by an updated fair market value appraisal)	\$1,042,600
Ground Lease Loan (or an amount justified by an updated fair market value appraisal)	\$1,340,000
<b>TOTAL</b>	<b>\$5,376,171</b>

Information on the Oak Park and Meadow Commons sites which are located in the City of Sacramento is included in Attachments 2 through 4, and photos of all proposed RAD Phase 1 properties are included as Attachment 5. The scope of development for Oak Park and Meadow Commons is included in Exhibit A to the Housing Authority Resolution. Additional background is provided below.

#### **Oak Park Site**

The Oak Park site is located at 4921 Folsom Boulevard. There are three buildings on approximately 0.73 acres that provide 10 three-bedroom units and 12 on-site parking spaces.

#### **Meadow Commons Site**

Meadow Commons is located at 1043 43rd Avenue. There are eight buildings on approximately 1.54 acres that provide 28 one-bedroom units, community room, barbecue area and 13 on-site parking spaces.

Developer: The Developer of the Project will be the Sacramento Housing Authority Relocation Program, Inc., (SHARP) which is a nonprofit public benefit corporation created by the Housing Authority in 2009 to implement the Housing Authority's Asset Relocation Strategy. Activities undertaken by SHARP include acquiring, developing, financing, rehabilitating, owning and operating affordable housing which enables aging Housing Authority assets to maintain and preserve their affordable units. SHARP partnered with BRIDGE Housing to rehabilitate a total of three Housing Authority properties, including Sutterview, Washington Plaza and Sierra Vista Apartments. SHARP also partnered with the John Stewart Company to rehabilitate Shasta Hotel.

**Property Management:** Housing Authority staff will manage the RAD Phase 1 units. They currently manage the Sutterview, Washington Plaza and Sierra Vista Apartment complexes, along with over 3,000 other housing units throughout the City and County of Sacramento.

**Resident Services:** Housing Authority staff will provide resident services. Examples of services to be offered include the Family-Self Sufficiency Program for residents transitioning to work and the Service Coordination Program for those who do not have a high school diploma, or who have health or financial literacy needs. Elderly and disabled residents will receive services from Life Skills Training and Educational Programs (LifeSTEPS). In addition, the Housing Authority plans to expand the Jobs Plus Program by partnering with the Section 3 Program to develop training and job opportunities for residents.

**Security Plan:** The security plan includes installation of upgraded exterior lighting.

**Project Financing:** The proposed financing for RAD Phase 1 includes four percent Low Income Housing Tax Credits (LIHTC), tax exempt bonds, a conventional loan, Housing Authority seller carryback (improvements), cash proceeds note from the sale of improvements, Capital Fund and ground lease loans, a deferred developer fee, general partnership contribution, and RAD and HOTMA Program Project Based Vouchers (PBV).

**Low-Income Set-Aside Requirements:** As a condition of receiving tax credits, federal law requires that rental units be set aside for targeted-income groups. Income restrictions from LIHTC financing require that no households have income above 80 percent of Area Median Income (AMI). The affordability restrictions will be specified in regulatory agreements between the Housing Authority and the Developer. The Project Summary and Proforma are included as Attachments 6 and 7. A schedule of maximum income and rents are included as Attachment 8. The anticipated funding sources and their affordability requirements are summarized in the table below for the Project:

#### **RAD Phase 1 – Affordability Levels**

<b>Unit Type</b>	<b>Units</b>	<b>% of Units</b>	<b>Affordability Restriction<sup>1</sup> (55 years)</b>
LIHTC, Tax-exempt Bonds, Housing Authority Funds and RAD PBV	53	43%	Very Low Income 50% of Area Median Income (AMI)
LIHTC, Tax-exempt Bonds, Housing Authority Funds and RAD PBV	60	48%	Low Income 60% of AMI
LIHTC, Tax-exempt Bonds, Housing Authority Funds and HOTMA PBV	6	5%	Low Income 60% of AMI

LIHTC, Tax-exempt Bonds, Housing Authority Funds and RAD PBV	5	4%	Low-Moderate Income 80% of AMI
<b>Total</b>	124	100%	

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits; and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.

**Policy Considerations:** The recommended actions for the Project are consistent with: a) HUD guidelines to reposition and convert City Public Housing Properties under the RAD Program; b) Housing Authority Asset Repositioning Plan; and c) the 2013-2021 Housing Element, Goals H-1.1.1 Sustainable housing practices; H-2.2.4, in part, Pursue and maximize the use of all appropriate state, federal, local and private funding for the development of housing affordable for extremely low-, very low-, and low-income households, while maintaining economic competitiveness in the region; H-3.1.1 Promote extremely low income housing; and H-5.1 to 5.4 Promote, preserve and create accessible residential development (Resolution No. 2013-415); and is generally consistent with the approved Sacramento Housing and Redevelopment Agency’s (Agency) Multifamily Lending and Mortgage Revenue Bond Policies (Policies).

All affordable housing units will be regulated for a period of 99 years by the Housing Authority as a ground lease requirement; 55 years by the California Tax Credit and Debt Limit Allocation Committees as a LIHTC and bond funding requirement. Regulatory restrictions of the Project will be specified in the bond regulatory agreement between the Developer and the Housing Authority for a period of 55 years. Compliance with the regulatory agreement and ground lease will be monitored by the Agency on an annual basis.

**Economic Impacts:** The RAD Phase 1 multifamily residential project is expected to create 82.15 total jobs (46.55 direct jobs and 35.6 jobs through indirect and induced activities) and create \$6,845,816 in total economic output (\$4,172,951 of direct output and another \$2,672,865 of output through indirect and induced activities). *The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.*

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorical Exempt under CEQA pursuant to CEQA Guidelines Section 15301, “Existing Facilities”.

**National Environmental Policy Act (NEPA):** The disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorical



Excluded under NEPA pursuant to 24 CFR 58.35(a)(3)(ii) and (5), and convert to exempt pursuant to 24 CFR 58.34(a)(12).

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

**Commission Action:** At its meeting on November 20, 2019, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

**Rationale for Recommendation:** The recommended actions enable the Agency to continue to fulfill its mission of providing a range of affordable housing opportunities in the City and are consistent with United States Department of Housing and Urban Development (HUD) guidelines related to the repositioning and conversion of City Public Housing Properties under the Rental Assistance Demonstration (RAD) Program, Housing Authority Asset Repositioning Plan, 2013-2021 Housing Element as part of Sacramento's 2035 General Plan, and is generally consistent with the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies.

**Financial Considerations:** The proposed bond issuance will not be an obligation of the City, the Housing Authority or the Sacramento Housing and Redevelopment Agency. The bonds will be the obligation solely of the Project's owner, who will bear all costs associated with the issuance of the bonds. The Agency will receive a one-time issuance fee of 0.25 percent (25 basis points) of the bond amount which is payable at bond closing. The Agency will collect an annual payment for monitoring the regulatory restrictions and administration of the bonds, in the amount of 0.125 percent (12.5 basis points) of the bond amount for monitoring of the regulatory restrictions and administration of the bonds. The law firm Orrick, Herrington and Sutcliffe, LLP, is acting as bond counsel for the Housing Authority. The proposed Housing Authority Capital Funds loan not to exceed \$2,371,871, a cash proceeds note not to exceed \$621,700 from the sale of improvements, seller carryback improvements loan in the amount of \$1,042,600, and ground lease loan in the amount of \$1,340,000 or in an amount to be justified by a fair market value appraisal of the land and improvements, will each have an interest rate of three percent and a term of 30 years after construction is complete. With the exception of the ground lease loan that will have a term of 99 years.

**LBE - M/WBE and Section 3 requirements:** Minority and Women's Business Enterprise requirements and Section 3 will be applied to all activities to the greatest extent possible and as required by federal funding and in accordance with the Agency's Section 3 Economic Opportunity Plan. The Developer and General Contractor will work with the Agency's Section 3 Coordinator, Sacramento Employment and Training Agency, the Greater Sacramento Urban League or similar programs, to promote employment opportunities.

Respectfully Submitted by:



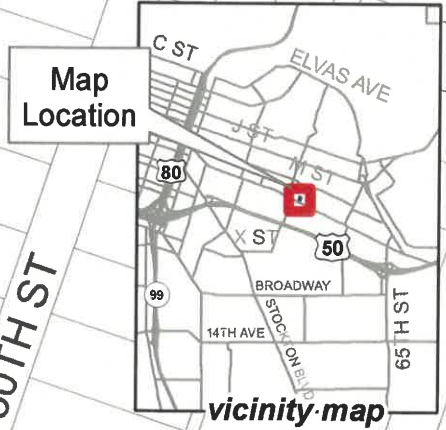
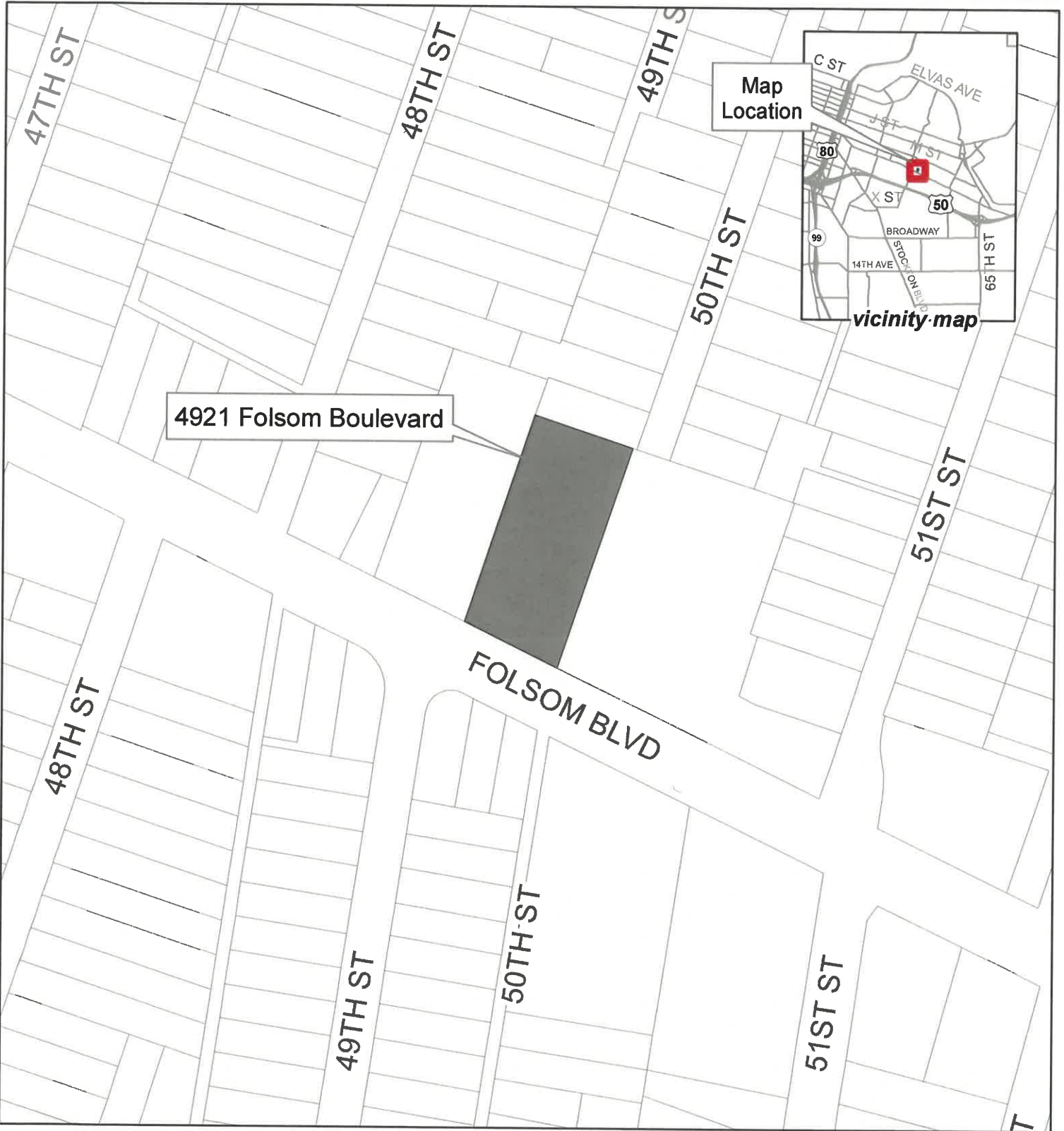
LA SHELLE DOZIER  
Executive Director

**Attachments**

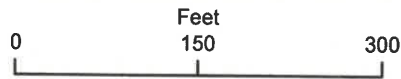
- 1-Description/Analysis and Background
- 2-Vicinity Map of Oak Park (4921 Folsom Boulevard)
- 3-Vicinity Map of Meadow Commons (1043 43rd Avenue)
- 4-Vicinity Map of RAD Phase 1 (all six sites)
- 5-Photos of RAD Phase 1
- 6-Project Summary of RAD Phase 1
- 7-Cash Flow Proforma of RAD Phase 1
- 8-Maximum Income and Rent Limits of RAD Phase 1
- 9-Housing Authority Resolution - RAD, Loan and Ground Lease Documents
- 10-Exhibit A - Scope of Development



# Rental Assistance Demonstration (RAD) Phase 1 (Oak Park - 4921 Folsom Boulevard)



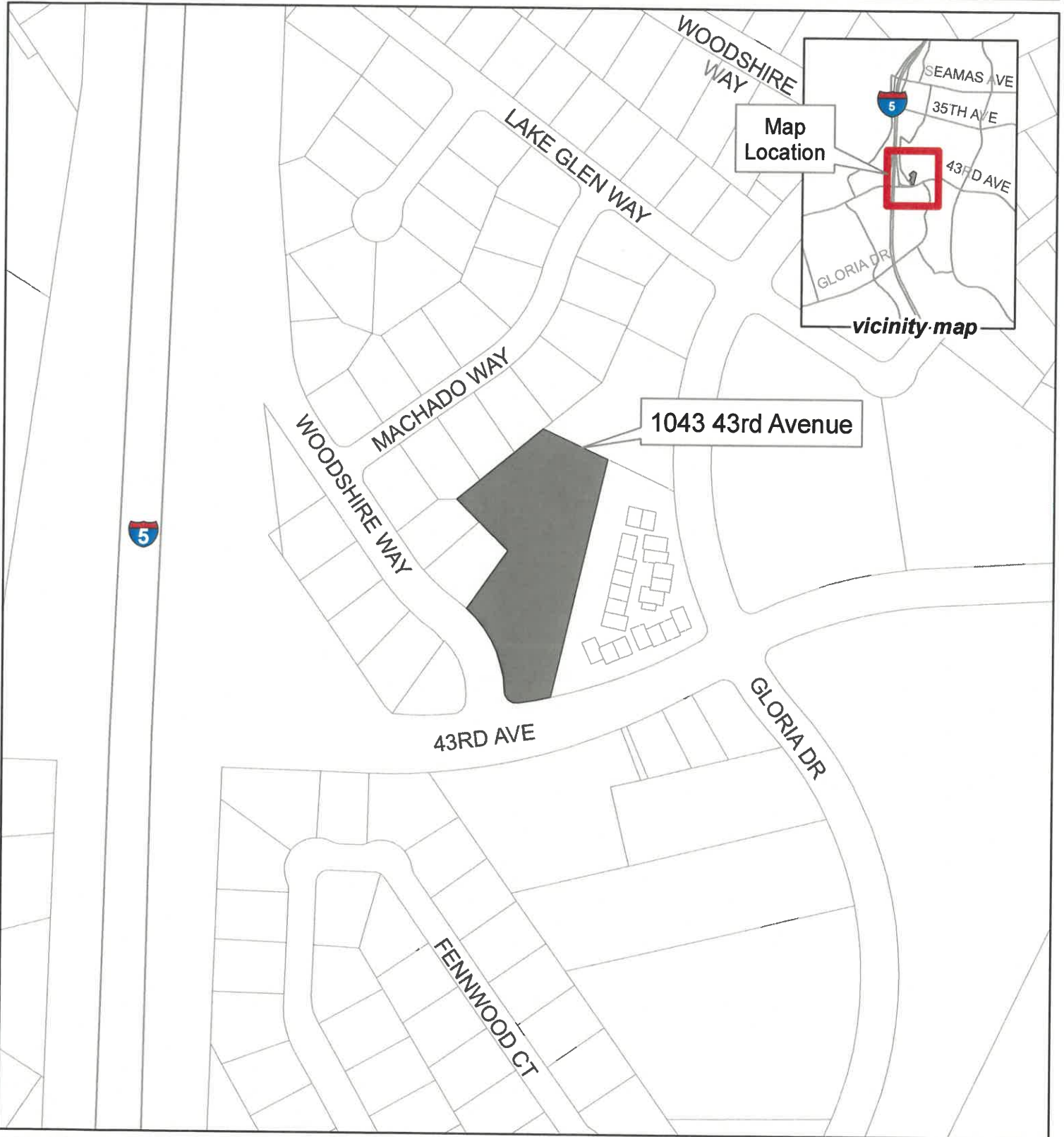
4921 Folsom Boulevard




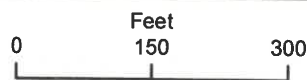
SHRA GIS  
July 1, 2019



# Rental Assistance Demonstration (RAD) Phase 1 (Meadow Commons - 1043 43rd Avenue)



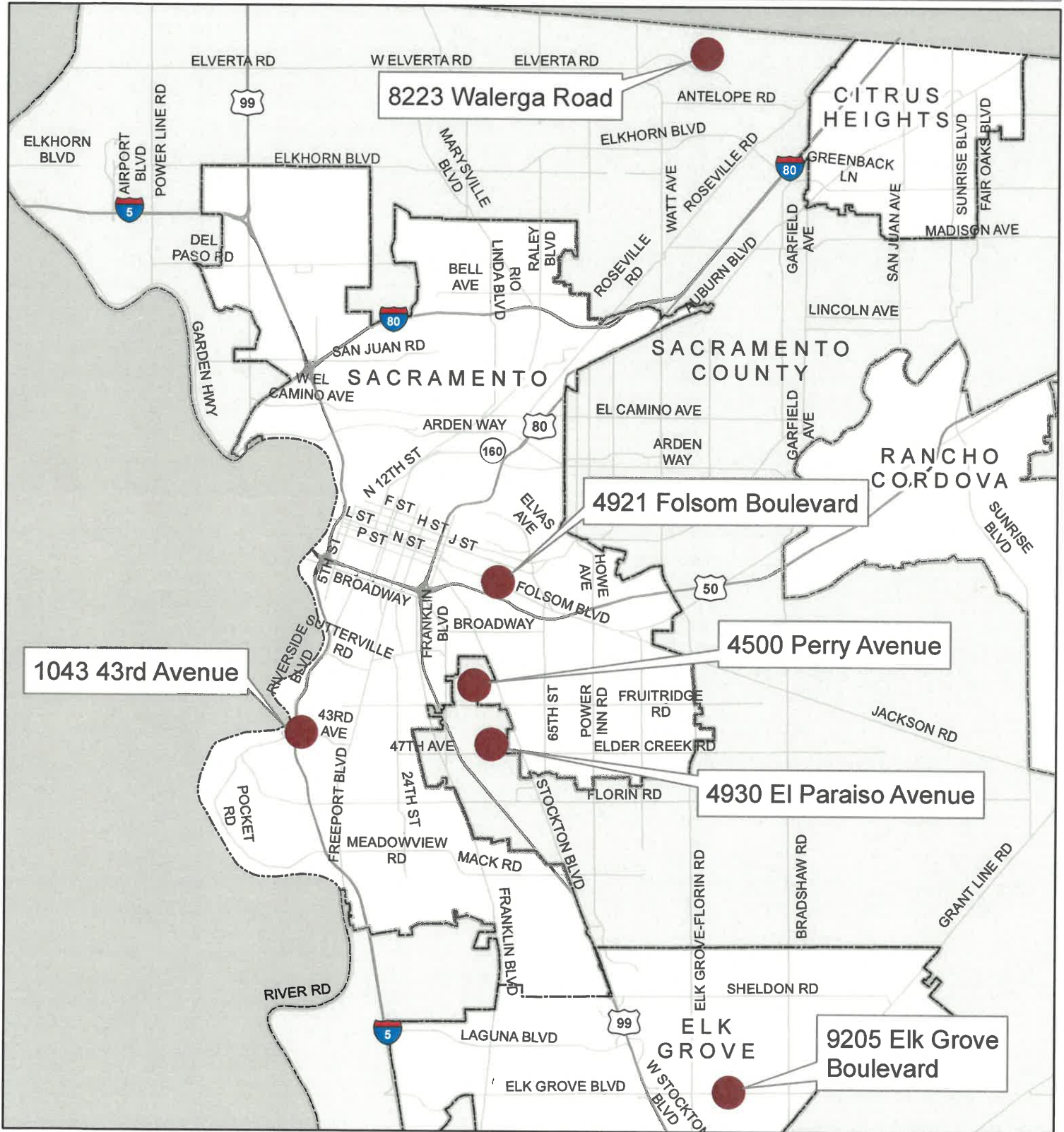
 1043 43rd Avenue



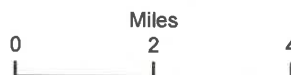
SHRA GIS  
July 1, 2019



# Rental Assistance Demonstration (RAD) Phase 1 (All Six Sites)



 RAD Phase 1 Site



SHRA GIS  
July 1, 2019

**Rental Assistance Demonstration (RAD) Phase 1**  
(six scattered sites)

Oak Park - 4921 Folsom Boulevard, Sacramento



Meadow Commons - 1043 43rd Avenue, Sacramento



**RAD Phase 1**  
(continued)

Pointe Lagoon - 4500 Perry Avenue, Sacramento



Pointe Lagoon - 4930 El Paraiso Avenue, Sacramento



**RAD Phase 1**  
(continued)

Pointe Lagoon - 9205 Elk Grove Boulevard, Elk Grove



Rio Garden - 8223 Walerga Road, Antelope





**Rental Assistance Demonstration (RAD) Phase 1  
Residential Project Summary**

<b>Addresses</b>	Unincorporated County of Sacramento: 4500 Perry Ave, 4930 El Paraiso Ave and 8223 Walerga Rd. City of Elk Grove: 9205 Elk Grove Blvd. City of Sacramento: 1043 43rd Ave and 4921 Folsom Blvd.				
<b>Number of Units</b>	124				
<b>Year Built</b>	4500 Perry Ave (1986), 4930 El Paraiso Ave (1986), 8223 Walerga Rd (1976), 9205 Elk Grove Blvd (1983), 1043 43rd Ave (1972) and 4921 Folsom Blvd (1996).				
<b>Acreage</b>	8.5 acres (37,0260 sq. ft.)				
<b>Project Based Vouchers (RAD and HOTMA)</b>	There are 118 of 124 units with Rental Assistance Demonstration (RAD) Project Based Vouchers (PBV). The remaining 6 units will have Housing Opportunity Through Modernization Act of 2016 (HOTMA) PBV.				
<b>Unit Mix and Rents<sup>1</sup></b>	<u>50% AMI RAD</u>	<u>60% AMI RAD</u>	<u>60% AMI HOTMA</u>	<u>80% AMI RAD</u>	<u>Total</u>
1 bedrooms	30	32	0	2	64
2 bedrooms	7	8	0	1	16
3 bedrooms	16	20	6	2	44
<b>Total Units</b>	<b>53</b>	<b>60</b>	<b>6</b>	<b>5</b>	<b>124</b>
<b>Square Footage</b>	<u>Unit Size (sq.ft.)</u>	<u>Total (sq.ft.)</u>			
1 bedroom	500 to 525	32,900			
2 bedrooms	795	12,720			
3 bedrooms	800 to 1,122	45,458			
Community Space		2,614			
<b>Total Gross</b>		<b>93,692</b>			
<b>Resident Facilities</b>	Rehabilitation of six scattered sites with garden walk-up style units. New HVAC systems, energy efficient appliances, electrical, lighting, windows, doors, water heaters, flooring, and interior and exterior paint. Parking area and drainage renovations will be done as needed. Kitchens and bathrooms will be renovated, replacement of cabinets, sinks, fixtures, vanities and counters as needed.				
<b>Permanent Sources (Combined)</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>		
Tax Credit Equity	6,669,279	53,785	71.18		
Permanent Loan	3,393,000	27,363	36.21		
County Housing Authority (HA) Ground Lease	1,020,000	8,226	10.89		
City HA Ground Lease	1,340,000	10,806	14.30		
County HA Seller Carryback Improvements Loan	4,018,400	32,406	42.89		
City HA Seller Carryback Improvements Loan	950,589	7,666	10.15		
County HA Capital Funds Loan	807,046	6,508	8.61		
City HA Capital Funds Loan	1,983,371	15,995	21.17		
County HA Proceeds Note (Bonds)	2,491,600	20,094	26.59		
City HA Proceeds Note (Bonds)	589,411	4,753	6.29		
Deferred Developer Fee	368,455	2,971	3.93		
GP Contribution	611,002	4,927	6.52		
<b>TOTAL SOURCES</b>	<b>\$ 24,242,153</b>	<b>\$ 195,501.23</b>	<b>\$ 258.74</b>		
<b>Permanent Uses (Combined)</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>		
Acquisition	10,410,000	83,952	111.11		
Construction Costs	6,845,816	55,208	73.07		
Architecture & Engineering	682,080	5,501	7.28		
Permits and Fees	120,102	969	1.28		
Hard Cost Contingency	683,173	5,509	7.29		
Soft Cost Contingency	29,358	237	0.31		
Financing Cost	1,045,239	8,429	11.16		
Operating Reserves	218,535	1,762	2.33		
Capitalized Replacement Reserves	900,000	7,258	9.61		
Legal Fees	205,000	1,653	2.19		
Relocation	512,850	4,136	5.47		
Developer Fee	2,510,000	20,242	26.79		
Third Party Fees, Marketing, Other	80,000	645	0.85		
<b>TOTAL USES</b>	<b>\$ 24,242,153</b>	<b>\$ 195,501</b>	<b>\$ 258.74</b>		
<b>Leverage</b>	<u>HA \$ per Unit</u>	<u>Per Unit Cost</u>	<u>Leverage</u>		
	\$ 106,455	\$ 195,501	SHRA : Other \$1.00 : \$ 1.84		
<b>Management / Operations</b>	Sacramento Housing Authority Repositioning Program, Inc., (SHARP) Housing Authority				
Proposed Developer Property Management Company					
Operations Budget	\$ 593,582	\$ 4,787			
Property Management	\$ 87,669	\$ 707			
Resident Services	\$ 5,863	\$ 47			
Replacement Reserves	\$ 37,200	\$ 300			
Taxes and Insurance	\$ 40,899	\$ 330			

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits; and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.

**Rental Assistance Demonstration (RAD) Phase 1 (six scattered sites)  
Cash Flow Proforma (p. 1 of 2)**

RAD Phase 1 (six scattered sites)		Unit Type <sup>1</sup>	Number	Square Feet	Total Sq Feet	Gross Rent	Utility Allowance	Contract Rent	Rent per Sq Foot	Total Mo. Rent	Annual Rent
<u>(County) Pointe Lagoon - 4500 Perry Ave. 4930 El Paraiso Ave &amp; 9205 Elk Grove Blvd</u>											
1	bedroom @ 50% AMI (RAD PBV)		17	525	8,925	\$ 615	\$ 98	\$ 517	\$ 0.98	\$ 8,789	\$ 105,468
1	bedroom @ 60% AMI (RAD PBV)		18	525	9,450	\$ 615	\$ 98	\$ 517	\$ 0.98	\$ 9,306	\$ 111,672
1	bedroom @ 80% AMI (RAD PBV)		1	525	525	\$ 615	\$ 98	\$ 517	\$ 0.98	\$ 517	\$ 6,204
2	bedroom @ 50% AMI (RAD PBV)		7	795	5,565	\$ 725	\$ 103	\$ 622	\$ 0.78	\$ 4,354	\$ 52,248
2	bedroom @ 60% AMI (RAD PBV)		8	795	6,360	\$ 725	\$ 103	\$ 622	\$ 0.78	\$ 4,976	\$ 59,712
2	bedroom @ 80% AMI (RAD PBV)		1	795	795	\$ 725	\$ 103	\$ 622	\$ 0.78	\$ 622	\$ 7,464
3	bedroom @ 60% AMI (RAD PBV)		5	1,053	5,265	\$ 1,094	\$ 140	\$ 954	\$ 0.91	\$ 4,770	\$ 57,240
3	bedroom @ 60% AMI (HOTMA PBV)		5	1,053	5,265	\$ 954	\$ 140	\$ 814	\$ 0.77	\$ 4,070	\$ 48,840
<u>(County) Rio Garden - 8223 Valencia Rd</u>											
3	bedroom @ 50% AMI (RAD PBV)		11	1,122	12,342	\$ 1,070	\$ 116	\$ 954	\$ 0.85	\$ 10,494	\$ 125,928
3	bedroom @ 60% AMI (RAD PBV)		12	1,122	13,464	\$ 1,070	\$ 116	\$ 954	\$ 0.85	\$ 11,448	\$ 137,376
3	bedroom @ 80% AMI (RAD PBV)		1	1,122	1,122	\$ 1,070	\$ 116	\$ 954	\$ 0.85	\$ 954	\$ 11,448
<u>(City) Oak Park - 4921 Folsom Blvd</u>											
3	bedroom @ 60% AMI (HOTMA PBV)		1	800	800	\$ 954	\$ 116	\$ 838	\$ 1.05	\$ 838	\$ 10,056
3	bedroom @ 50% AMI (RAD PBV)		5	800	4,000	\$ 1,070	\$ 116	\$ 954	\$ 1.19	\$ 4,770	\$ 57,240
3	bedroom @ 60% AMI (RAD PBV)		3	800	2,400	\$ 1,070	\$ 116	\$ 954	\$ 1.19	\$ 2,862	\$ 34,344
3	bedroom @ 80% AMI (RAD PBV)		1	800	800	\$ 1,070	\$ 116	\$ 954	\$ 1.19	\$ 954	\$ 11,448
<u>(City) Meadow Commons - 1043 43rd Ave</u>											
1	bedroom @ 50% AMI (RAD PBV)		13	500	6,500	\$ 612	\$ 95	\$ 517	\$ 1.03	\$ 6,721	\$ 80,652
1	bedroom @ 60% AMI (RAD PBV)		14	500	7,000	\$ 612	\$ 95	\$ 517	\$ 1.03	\$ 7,238	\$ 86,856
1	bedroom @ 80% AMI (RAD PBV)		1	500	500	\$ 612	\$ 95	\$ 517	\$ 1.03	\$ 517	\$ 6,204
	<b>Totals</b>		<b>124</b>	<b>14,132</b>	<b>91,078</b>					<b>\$ 84,200</b>	<b>\$ 1,010,400</b>

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits; and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.

Rental Assistance Demonstration (RAD) Phase 1 (six scattered sites)  
Cash Flow Proforma (p. 2 of 2)

	Annual Increase	Per Unit	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	Year 10 2031	Year 15 2036	Year 20 2041	Year 25 2046
<b>Income</b>											
Potential Gross Income (118 RAD PBV units)			1,061,552	1,088,090	1,115,293	1,143,175	1,171,754	1,325,732	1,499,944	1,697,050	1,920,056
Rental Subsidy (6 HOTMA PBV units)			61,272	62,804	64,374	65,964	67,533	76,521	86,576	97,953	110,825
Other Income			6,657	6,823	6,994	7,169	7,348	8,313	9,406	10,642	12,040
Less Vacancy			(56,474)	(57,895)	(59,333)	(60,816)	(62,337)	(70,528)	(79,796)	(90,282)	(102,146)
Effective Gross Income			\$1,073,007	\$1,099,832	\$1,127,328	\$1,155,511	\$1,184,399	\$1,340,038	\$1,516,130	\$1,715,362	\$1,940,775
<b>Operating Expenses</b>											
Operating Expenses		4,787	593,582	614,357	635,860	658,115	681,149	808,991	960,828	1,141,162	1,355,342
Property Management		707	87,669	90,737	93,913	97,200	100,602	119,484	141,909	168,544	200,177
Resident Services		47	5,863	6,280	6,500	6,728	7,990	9,480	11,271	13,387	15,817
Replacement Reserves		300	37,200	37,200	37,200	37,200	37,200	37,200	37,200	37,200	37,200
Taxes/Insurance		330	40,899	41,717	42,551	44,271	48,878	53,966	59,582	65,784	72,584
Total Expenses		6,171	\$765,213	\$790,060	\$815,805	\$842,418	\$869,949	\$1,022,544	\$1,203,393	\$1,417,759	\$1,671,890
Net Operating Income			\$307,794	\$309,772	\$311,523	\$313,093	\$314,449	\$317,495	\$312,738	\$297,603	\$268,885
<b>Debt Service</b>											
Senior Loan			155,355	155,355	155,355	155,355	155,355	155,355	155,355	155,355	155,355
HA Monitoring Fee			15,625	15,625	15,625	15,625	15,625	15,625	15,625	15,625	15,625
Debt Service Subtotal			\$170,980	\$170,980	\$170,980	\$170,980	\$170,980	\$170,980	\$170,980	\$170,980	\$170,980
<b>Priority Distributions</b>											
Asset Management Fee (GP)			\$8,487	8,742	9,004	9,274	9,552	11,074	12,837	14,892	17,252
Partnership Management Fee (LP)			8,487	8,742	9,004	9,274	9,552	11,074	12,837	14,892	17,252
Priority Distributions Subtotal			16,974	17,483	18,008	18,548	19,104	22,147	25,675	29,784	34,504
Net Cash after Priority Distributions			\$119,840	\$121,289	\$122,535	\$123,565	\$124,365	\$124,368	\$116,063	\$267,096	\$236,008
<b>Deferred Developer Fee</b>											
Principal Balance			\$15,425	411,048	302,090	188,618	70,711	0	0	0	0
Interest for Period			15,463	12,331	9,063	5,659	2,121	0	0	0	0
Accumulated Interest			15,463	12,331	9,063	5,659	2,121	0	0	0	0
Payment			119,840	121,289	122,535	123,565	124,365	124,368	116,063	267,096	236,008
Balance			\$411,048	\$302,090	\$188,618	\$70,711	\$0	\$0	\$0	\$0	\$0
Net Cash after Deferred Developer Fee			\$0	\$0	\$0	\$0	\$51,533	\$124,368	\$116,063	\$267,096	\$236,008
<b>Housing Authority of the City of Sacramento Construction &amp; Permanent Loan<sup>1</sup></b>											
Principal Balance			\$2,572,782	2,572,782	2,572,782	2,572,782	2,572,782	2,572,782	2,572,782	2,572,782	2,572,782
Interest for Period			77,183	77,183	77,183	77,183	77,183	77,183	77,183	77,183	77,183
Accumulated Interest			77,183	154,367	231,550	308,734	385,917	469,908	572,290	696,718	842,291
Payment			0	0	0	0	25,766	62,184	95,042	133,548	172,252
Balance			\$2,649,965	\$2,727,149	\$2,804,332	\$2,881,516	\$2,952,933	\$3,006,506	\$3,092,030	\$2,945,952	\$2,996,073
<b>Housing Authority of the County of Sacramento Construction &amp; Permanent Loan<sup>1</sup></b>											
Principal Balance			\$3,298,646	3,298,646	3,298,646	3,298,646	3,298,646	3,298,646	3,298,646	3,298,646	3,298,646
Interest for Period			98,959	98,959	98,959	98,959	98,959	98,959	98,959	98,959	98,959
Accumulated Interest			98,959	197,919	296,878	395,838	494,797	593,756	692,715	791,674	890,633
Payment			0	0	0	0	25,766	62,184	95,042	133,548	172,252
Balance			\$3,397,605	\$3,496,565	\$3,595,524	\$3,694,484	\$3,767,676	\$3,950,130	\$4,144,533	\$4,107,335	\$3,699,408
<b>Housing Authority of the County of Sacramento Seller Carryback Loan (Improvements)</b>											
Principal Balance			\$4,018,400	4,018,400	4,018,400	4,018,400	4,018,400	4,018,400	4,018,400	4,018,400	4,018,400
Interest for Period			120,552	120,552	120,552	120,552	120,552	120,552	120,552	120,552	120,552
Accumulated Interest			120,552	241,104	361,656	482,208	602,760	723,312	843,864	964,416	1,084,968
Payment			0	0	0	0	0	0	0	0	0
Balance			\$4,138,952	\$4,259,504	\$4,380,056	\$4,500,608	\$4,621,160	\$5,223,920	\$5,826,680	\$6,429,440	\$7,032,200
<b>Housing Authority of the City of Sacramento Seller Carryback Loan (Improvements)</b>											
Principal Balance			\$950,589	950,589	950,589	950,589	950,589	950,589	950,589	950,589	950,589
Interest for Period			28,518	28,518	28,518	28,518	28,518	28,518	28,518	28,518	28,518
Accumulated Interest			28,518	57,035	85,553	114,071	142,588	171,105	200,623	229,140	257,657
Payment			0	0	0	0	0	0	0	0	0
Balance			\$979,107	\$1,007,624	\$1,036,142	\$1,064,660	\$1,093,177	\$1,235,766	\$1,378,354	\$1,520,942	\$1,663,531

End Note  
<sup>1</sup>HACS Construction & Permanent Loan includes the Capital Funds and Cash Proceeds Notes.  
<sup>2</sup>HACS Construction & Permanent Loan includes the Capital Funds and Cash Proceeds Notes.

**MAXIMUM GROSS INCOME AND RENT LIMITS 2019<sup>1</sup>**  
 Rental Assistance Demonstration (RAD) Project Based Vouchers (PBV),  
 Housing Opportunity Through Modernization Act of 2016 (HOTMA) PBV and  
 Low Income Housing Tax Credits (LIHTC)

**RAD Phase 1 (Six Scattered Sites)**

**Maximum Gross Income Limits**

<u>Household Size</u>	<u>50% AMI</u>	<u>60% AMI</u>	<u>80% AMI</u>
1 person	\$ 29,300	\$ 35,160	\$ 46,880
2 person	\$ 33,450	\$ 40,140	\$ 53,520
3 person	\$ 37,650	\$ 45,180	\$ 60,240
4 person	\$ 41,800	\$ 50,160	\$ 66,880
5 person	\$ 45,150	\$ 54,180	\$ 72,240
6 person	\$ 48,500	\$ 58,200	\$ 77,600
7 person	\$ 51,850	\$ 62,220	\$ 82,960

**Maximum Gross Rent Limits**

<u>Unit Size</u>	<u>RAD PBV Rents</u>	<u>HOTMA PBV Rents</u>
1 Bedroom	\$ 612	
1 Bedroom	\$ 615	
2 Bedroom	\$ 725	
3 Bedroom	\$ 1,070	
3 Bedroom	\$ 1,094	
3 Bedroom		\$ 1,764

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits; and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.

## RESOLUTION NO. 2019-\_\_\_

Adopted by the Housing Authority of the City of Sacramento

On date of

### **RENTAL ASSISTANCE DEMONSTRATION ("RAD") PHASE 1 REHABILITATION: APPROVING THE DISPOSITION AND FINANCING OF THE REHABILITATION OF OAK PARK AND MEADOW COMMONS THROUGH THE CONVERSION OF UNITS UNDER THE RAD PROGRAM, INCLUDING THE LEASE OF LAND AND SALE OF IMPROVEMENTS TO RAD PILOT LP, THE MAKING OF A SELLER CARRYBACK LOAN, CONSTRUCTION/PERMANENT LOAN, AND GROUND LEASE LOAN TO RAD PILOT LP, THE EXECUTION OF RELATED FINANCING DOCUMENTS; AND MAKING ENVIRONMENTAL FINDINGS**

#### **BACKGROUND**

- A. On October 30, 2018, the Board of the Housing Authority of the City of Sacramento (Board) adopted Resolution No. 2018-0019, which approved the updates to the Housing Authority Asset Repositioning Plan allowing for conversion of the public housing portfolio under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs. Additionally, the Board authorized the Housing Authority to submit an application to United States Department of Housing and Urban Development (HUD) to reposition and convert certain County Public Housing Properties under the RAD Program and certain other County Public Housing Properties under the Section 18 Program.
- B. The Housing Authority of the City of Sacramento (Authority) owns Oak Park located at 4921 Folsom Boulevard and Meadow Commons located at 1043 43<sup>rd</sup> Avenue in the City of Sacramento (collectively, the Authority Sites).
- C. On November 30, 2018, HUD approved an application to reposition and convert ten (10) units at Oak Park and twenty-eight (28) units at Meadow Commons, to RAD Project Based Vouchers.
- D. One (1) of the thirty-eight (38) for "de minimis" conversion under the RAD Program and will be funded with Authority Project Based Vouchers.
- E. On May 17, 2019, one (1) of the thirty-eight (38) units in the Authority Sites were approved by the Authority under the HUD Housing Opportunity Through Modernization Act of 2016 (HOTMA) and will be funded with Authority Project Based Vouchers.

- F. The Authority's RAD application was approved as part of a single, joint scattered site RAD Program rehabilitation project which includes certain properties owned by the Housing Authority of the County of Sacramento (County Authority).
- G. The County properties consist of four sites located at 4930 El Paraiso Avenue, 4500 Perry Avenue, 9205 Elk Grove Boulevard and 8223 Walerga Road (County Sites). The County Sites are the subject of a separate resolution to be authorized by the County Authority.
- H. The Authority Sites and the City Sites are referred to collectively as the "Project."
- I. On July 23, 2019, the Board adopted Resolution No. 2019-0012, which authorized the Authority to: 1) enter into an Option Agreement for the Ground Lease of Land and Purchase and Sale of Improvements in an amount justified by an updated fair market value appraisal (Option to Lease and Sell); and 2) enter into a Loan Commitment of (i) \$1,641,219 in the form of capital funds and (ii) \$860,000 in the form of a seller carryback loan, with the Sacramento Housing Authority Repositioning Program, Inc., a California nonprofit public benefit corporation affiliated with the Authority (SHARP) or an entity related to SHARP.
- J. The Authority entered into the Option to Lease and Sell with SHARP dated July 23, 2019, by which the Authority agreed to lease the Land for a term of ninety-nine (99) years for capitalized rent in the amount of \$1,340,000.
- K. As of August 14, 2019, the updated appraisals indicated the aggregate fair market value of (i) the Improvements is \$1,540,000 and (ii) the Land is \$1,340,000.
- L. SHARP has formed RAD Pilot LP, a California limited partnership (Partnership) to undertake the rehabilitation of the Project, the managing general partner of which is RAD Pilot LLC, a California limited liability company whose sole member is SHARP.
- M. To effectuate the Project, the following will occur simultaneously: (i) the Authority will lease the land underlying the Authority Sites to the Partnership (Land); (ii) the County Authority will lease the land underlying the County Sites to the Partnership; (iii) the Authority will sell the improvements within the Authority Sites (Improvements) to the Partnership; and (iv) the County Authority will sell the improvements within the County Sites to the Partnership.
- N. The Authority and the County will each provide separate financing to the Project with all other loan and tax credit financing for the Project will apply jointly to the Authority Sites and the County Sites.

- O. The Authority desires to enter into certain documents with HUD and/or the Partnership pursuant to the RAD Program, which documents shall include, but are not limited to, a Rental Assistance Demonstration Conversion Commitment (RCC); amendment to RCC; releases of HUD declarations of trust; a RAD use agreement; RAD PBV housing assistance payment contracts (HAPs); an agreement to enter an HACOS PBV HAP (AHAP); certifications; subordination agreements; and any and all documents required by HUD for the RAD Conversion or otherwise under the RAD Program (collectively, RAD Documents).
- P. The Authority desires to enter into a disposition and development agreement (DDA), a ground lease for the Land for a term of ninety-nine (99) years, a purchase and sale agreement for the Improvements in the amount of \$1,540,000 (Purchase Price), a grant deed for the Improvements, a bill of sale and assignment, an assignment of Option to Lease and Sell, an assignment of leases and contracts, a TCAC lease rider, and ancillary documents, including a memorandum of ground lease, a preliminary change of ownership report, closing statements, escrow instructions, and any and all other documents and certifications necessary to ground lease the Land and convey the Improvements to the Partnership, (Acquisition Documents).
- Q. The Authority desires to provide seller financing to the Partnership for a portion of the Purchase Price, in an amount not to exceed \$1,042,600 (Seller Carryback Loan) and shall enter into any and all documents necessary to consummate such loan, including, but not limited to, as needed, a loan agreement, a promissory note and a deed of trust (Seller Carryback Loan Documents).
- R. The Authority desires to provide a loan to the Partnership evidenced by two promissory notes (i) a note from cash proceeds from the sale of the Improvements in an amount not to exceed \$621,700 plus (ii) public housing Capital Funds note in an amount not to exceed \$2,371,871 (collectively, the Construction-Permanent Loan), and enter into any and all documents necessary to consummate such loan, including, but not limited to, as needed, a loan agreement, a construction-permanent loan promissory note, a cash proceeds promissory note, a deed of trust, and a completion guaranty (Construction-Permanent Loan Documents).
- S. The Authority desires to provide a loan to the Partnership in the amount of the capitalized ground lease rent not to exceed \$1,340,000 (Ground Lease Loan) and shall enter into any and all documents necessary to consummate such loan, including, but not limited to, a promissory note and a deed of trust, (Ground Lease Loan Documents).

- T. The County Authority will make a mortgage loan (Project Loan) to the Partnership in a principal amount not to exceed \$12,500,000, with proceeds received from the separate loan (Funding Loan) made to the Authority in a principal amount not to exceed \$12,500,000 by Wells Fargo Bank, National Association (Bank). The Funding Loan will be evidenced by one or more multifamily notes (collectively, the Governmental Note) delivered by the Authority to the Bank.
  
- U. Upon completion of the Project and other standard conditions, the Federal Home Loan Mortgage Corporation (Freddie Mac) has committed to facilitate the financing of the Project in the permanent phase by purchasing the Funding Loan, of which an amount not to exceed \$4,000,000 (Permanent Loan) will be outstanding on the conversion date. On such conversion date, the Bank will deliver and the Prudential Affordable Mortgage Company, LLC (Prudential) will purchase the Funding Loan, as evidenced by the Governmental Note. Thereafter Prudential will deliver the Funding Loan to Freddie Mac for purchase.
  
- V. The NEF Assignment Corporation, an Illinois not-for-profit corporation or its designee, is expected to enter the Partnership as investor limited partner (Investor Limited Partner) and provide an amount not to exceed \$7,000,000 in equity in connection with the tax credit syndication of the Partnership (Tax Credit Syndication).
  
- W. The Bank and the Investor Limited Partner require the Authority to provide a letter of credit as additional security for the obligations of SHARP, who is guarantor for the Project and the Partnership with respect to the Bank and bond-related documents and the Tax Credit Syndication documents, until such time as SHARP is able to meet required financial benchmarks, including unrestricted liquidity of \$2,500,000 and the acquisition of 215 scattered site housing units pursuant to a Section 18 disposition.
  
- X. The terms of such SHARP benchmarks and the Housing Authority of the County of Sacramento obligations are set forth in (i) a Repayment Guaranty Agreement with the Bank, which the Authority is to agree to and acknowledge, and (ii) the terms of the Tax Credit Syndication limited partnership agreement and guaranty to which SHARP and its affiliated limited partnership will be parties, which documents require that the Housing Authority of the County of Sacramento provide a letter of credit to the Bank in the amount of \$1,200,000 for a term not to exceed 24 months, which letter of credit will be secured by HACOS operating reserve funds. The letter of credit is not an obligation of the Housing Authority of the City of Sacramento.



- Y. In connection with the financing of the Project the Authority may be required to execute one or more assignments of HAPs, assignments of AHAPs, and to provide certain documents to the Bank, Freddie Mac, Prudential, or the Investor Limited Partner, including but not limited to subordination agreements with respect to the Seller Carryback Documents, Construction-Permanent Loan Documents, and Ground Lease Loan Documents (collectively, the Assignment/Subordination Documents).
- Z. The Authority and/or the County Authority will provide development services to, and enter into an administrative services agreement with, SHARP or the Partnership (Administrative Services Agreement).
- AA. The Authority and/or the County Authority desires to serve as the property manager for the Project and enter into a property management agreement with the Partnership (Property Management Agreement).
- BB. The Authority has entered or desires to enter into one or more architect's contracts and other professional and service contracts with third parties to provide certain services required in connection with the predevelopment and rehabilitation of the Project (collectively the Service Contracts) and the Authority shall assign such contracts and all rights, warranties and work products from the Service Contracts to the Partnership (Assignment of Service Contracts).
- CC. As a part of the Tax Credit Syndication documents the Authority and/or the County Authority will enter into a purchase option and right of first refusal and a memorandum of purchase option and right of first refusal for the Project (collectively, the Option/ROFR Documents).
- DD. The disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorical Exempt under Categorical Exempt under California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, (Existing Facilities).
- EE. The disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorical Exempt under National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.35(a)(3)(ii) and (5), and convert to exempt pursuant to 24 CFR 58.34(a)(12).

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

- Section 1. The above recitals, including the environmental recitals, are determined to be true and correct.

- Section 2. The Authority shall effectuate the RAD Conversion and shall enter into the RAD Documents.
- Section 3. The Authority shall ground lease the Land and sell the Improvements to the Partnership and shall enter into the Acquisition Documents.
- Section 4. The Authority shall make the Seller Carryback Loan and enter into the Seller Carryback Loan Documents.
- Section 5. The Authority shall make the Construction-Permanent Loan and enter into the Construction-Permanent Loan Documents.
- Section 6. The Authority shall make the Ground Lease Loan and enter into the Ground Lease Loan Documents.
- Section 7. The Authority shall enter into the Assignment/Subordination Documents.
- Section 8. The Authority shall enter into the Administrative Services Agreement, as applicable.
- Section 9. The Authority shall enter into the Property Management Agreement.
- Section 10. The Authority shall enter into the Assignment of Service Contracts.
- Section 11. The Authority shall enter into the Option/ROFR Documents, as applicable.
- Section 12. The Executive Director, or her designee, acting alone on behalf of the Authority, shall be authorized to execute any and all necessary documents, agreements and certificates, including, but not limited to the RAD Documents, the Acquisition Documents, the Seller Carryback Loan Documents, the Construction-Permanent Loan Documents, the Ground Lease Loan Documents, the Assignment/Subordination Documents, the Administrative Services Agreement, the Property Management Agreement, the Assignment of Services Contracts, the Option/ROFR Documents, and any and all other documents necessary for the Authority to convert the Project through the RAD Program, convey the leasehold interest in the Land and fee interest in the Improvements, consummate and subordinate the Seller Carryback Loan, the Construction-Permanent Loan, and the Ground Lease Loan, and otherwise reasonably assist the Partnership in securing the financing for the Project as described above.

Section 13. The Executive Director, or her designee, is authorized to enter into and execute all other documents and agreements as approved to form by Sacramento Housing and Redevelopment Agency counsel, as well as perform other actions necessary to complete the transactions described in, or contemplated by, this Resolution.

Section 14. The Executive Director, or her designee, is authorized to amend the budget to allocate City of Sacramento Housing Authority Capital Funds loan not to exceed \$2,371,871, a cash proceeds note not to exceed \$621,700 from the sale of improvements, ground lease loan in the amount of \$1,340,000 and seller carryback improvements loan in the amount of \$1,042,600 or in an amount to be justified by a fair market value appraisal of the land and improvements.

**Table of Contents**

Exhibit A - Scope of Development

## Scope of Development: Oak Park, 4921 Folsom Blvd, Sacramento (10 units)

Item	Description
1	<b>Mitigation Requirement #1:</b> During renovation of the apartment interiors, install Land Science's Retro-Coat™ Vapor Intrusion Coating System on the existing building slabs to help prevent further vapor intrusion.
2	<b>Mitigation Requirement #2:</b> Monitoring of VOCs in sub-slab vapor and indoor air of the site buildings is required following renovation. One monitoring event in the summer (i.e., during hotter temperatures) and one in the late winter to early spring (i.e., during cooler temperatures) is required to evaluate potential seasonal and temporal variation in vapor intrusion. Monitoring results shall be provided to the Lender's Environmental Coordinator.
3	Seal and Stripe Parking Lots
4	Pedestrian pavement, sidewalk, concrete large 1,000 SF
5	Fence and gate refinish (wood) 500 SF
6	Property signage (monument/pylon)
7	Replace interior and exterior light fixtures
8	Replace water heaters
9	Replace HVAC systems
10	Replace furnace (26 to 40 MBH gas)
11	New Hardware at all entry doors
12	Replace plumbing fixtures
13	Replace countertops at kitchen and baths
14	Replace shower/tub enclosure
15	Replace bath vanity cabinet, wood/cult marble
16	Kitchen cabinet refacing
17	Replace sink (stainless steel)
18	New garbage disposal and dishwashers
19	Replace gas range
20	Replace range hood
21	Replace refrigerator 14-18 cf
22	Install new smoke detectors and CO (battery operated)
23	Load center 120/240 V 125 AMP single phase
24	New Interior and Exterior Paint
25	Replace windows (aluminum, dbl glazed)
26	Repoint Exterior Brick/Brick Veneer
27	Replace interior doors (hollow core)
28	Replace closet doors
29	Replace exterior door (steel)
30	Upgrade/beautify trash enclosure
31	New flooring to replace existing
32	New fire extinguishers
33	Correct ponding issues (allowance)
34	Convert large concrete pad to garden/bbq
35	Final clean
36	Demolition
37	Landscape: Convert concrete pad to gardening and barbecue area
38	Site drainage will be addressed as needed
39	Kitchen Cabinets will be replaced as needed
40	Window Coverings

**Scope of Development: Meadow Commons, 1043 43rd Avenue, Sacramento (28 units)**

<b>Item</b>	<b>Description</b>
1	Repair/replace exterior siding as needed
2	New hardware at all entry doors
3	Replace screen doors
4	Replace interior doors (wood hollow core)
5	Replace interior doors (sliding closet)
6	Replace windows (sliding glass prev. repl)
7	New interior and exterior paint
8	Install new vinyl plank flooring
9	Replace water heaters
10	Replace HVAC (packaged unit RTU, up to 2 ton)
11	Replace interior and exterior light fixtures
12	Replace kitchen ranges and hoods
13	Replace kitchen sinks (stainless steel)
14	Replace refrigerators (14-18 CF)
15	Replace plumbing fixtures
16	Replace shower surrounds
17	Toilet tank replacement
18	Sink replacement (vitreous china) bathroom
19	Reface all cabinets and replace countertops
20	Replace bathroom exhaust fans
21	Install new smoke/CO detectors (Battery operated)
22	GFCI replacement (56)
23	Remove nurse call pull cords and patch holes
24	ADA Visual Bell and Strobe
25	ADA Kitchen, Sink and Counter Full Reconfig/Renovate
26	Upgrade community room - ADA Kitchen/Bath
27	Community room flooring - LVP
28	Community room cabinet replacement
29	Community room exterior paint
30	Community Room - Exterior wall shingle replacement
31	Community Room - Double glazed aluminum windows (10)
32	Community Room - Store front window replacement (2) W/O DOOR
33	Community Room - exterior door w/swinging motor
34	Community Room - roof replacement (asphalt shingle)
35	Community Room - interior door replacement
36	Community Room - interior ceiling paint and prep
37	Community Room - toilet replacement
38	Community Room - sink replacement (vitreous china)
39	Community Room - service sink (porcelain enamel/cast iron)
40	Community Room - Drinking Fountain replacement
41	Community Room - water heater replacement (50 gal electric)
42	Community Room - Condensing unit/Heat Pump split unit 4 ton
43	Community Room - ceiling exhaust fan replacement 70-110 CFM
44	Community Room - Fan Coil Unit 3.5-5 ton
45	Community Room - Fire extinguisher replacement
46	Community Room - Lighting system upgrade (interior)
47	Community Room - Replace Range (Electric)

48	Community Room - Replace Range Hood
49	Community Room - Replace Refrigerator (14-18 cf)
50	Community Room - Replace countertop (plastic laminate)
51	Replace fencing as required
52	Repair concrete patios
53	Provide concrete path to extinguishers
54	Roof replacement
55	Pedestrian Gate - Wrought Iron replacement
56	Pipe and Fittings, Cast Iron 4", replacement
57	Metal Halide or LED Pole and Light Fixture 250 W (10)
58	Vehicle Control Gate w/Controller
59	Landscape - re-establish ground cover
60	Parking lot - pressure wash and restripe
61	Pedestrian pavement, sidewalk - concrete replacement (1000 SF)
62	Irrigation Valve Replacement
63	Exterior Pole Light Replacement 135-1000 W HID replace
64	Site drainage will be addressed as needed
65	Kitchen Cabinets will be replaced as needed
66	Window Coverings

**Attachment 1: Lender's Minimum Construction Standards exhibit is on the following page.**

## **Attachment 1: Lender's Minimum Construction Standards**

This attachment is from Exhibit 5 from the Lender's Multifamily Lending Policies.

### **RENTAL PROPERTY MINIMUM CONSTRUCTION STANDARDS**

The following is a list of the required construction standards that must be incorporated into projects participating in the Agency's investor assistance programs. All rental units and sites associated with these projects must meet or exceed these standards.

#### **General Requirements**

- A. Any component of the project which does or may present a health or safety hazard to the public or tenants shall be corrected to the satisfaction of the local building department.
- B. A useful life of 15 years for all systems located within the approved complex. This can be met in one of two ways, installing and maintaining systems with at least a 15-year scheduled life or install, maintain and replace as needed for a period of 15 years.

Any component of a rehabilitation project whose useful life expectancy has exceeded the useful life identified in the section, "Useful Life Expectancy," shall be replaced unless waived by the Agency in writing. It is not the intent of the Agency to replace systems that appear to have some economic life remaining and appear to be maintained and functioning effectively. It is the intent of the Agency to be assured that systems will be maintained and replaced as needed for a period of 15 years. The preferred method is by replacement and maintenance at the outset of the project; and by setting aside replacement reserves sufficient to address the needs based on current and projected conditions.

- C. A clear pest inspection report will be required at the conclusion of the construction work.
- D. All materials funded under this loan must be new unless previously approved. Recycled items must be approved in writing by the Agency prior to their use.
- E. All work shall comply with Federal and State ADA accessibility requirements. When there are differences the stricter of the two shall apply. Special attention needs to be applied when federal funding is involved.
- F. For all structures built before 1979, a report of compliance with the initial certified inspection report of lead-based paint and asbestos is required.
- G. All units shall be approved for occupancy by the local building department at the conclusion of the work and prior to occupancy, if applicable.
- H. Web-based security cameras and the equipment to record events are required for primary ingress/egress points to and from the site and for the principal parking and common areas.
- I. Site lighting is required for all parking and outside public spaces.

### **Site Work**

- A. All landscaping and irrigation systems must be in a well-maintained condition. Trees and large shrubs must be trimmed, grass areas must be mowed, and all planter areas must be weed-free. All landscaped areas must be served by a programmable automated irrigation system. Irrigation cannot be spraying on building. Sprinklers should minimize overspray that runs to storm drain drop inlets. Areas that show evidence of erosion of soil shall be landscaped to eliminate problem.
- B. All fencing must be in good and serviceable condition.
- C. All driveways and sidewalks must be in good condition. All cracked or uplifted areas (more than ¼") determined in need of repair by the Agency shall be repaired or replaced.
- D. All projects shall meet the parking requirements of the local Agency having jurisdiction over the project. "Grandfathered Projects" will need to show that they are in fact "Grandfathered" by the Local Agency having jurisdiction. All projects shall meet the governing ADA requirements for parking.
- E. A two percent (2%) slope shall be maintained for a distance of five feet from all structures and no standing water shall remain on the site. Provide an on- site drainage system if necessary.

### **Building Envelope and Moisture Protection**

- A. All wet areas must be sealed and watertight.
- B. Roofs must have 15 years or more of remaining life with no visible signs of leakage. A third layer of shingles is not allowed. Provide a 15 year certification if requested by the Agency.
- C. All siding must have 15 years or more of remaining life. Provide a 15 year certification if requested by the Agency.

### **Doors and Windows**

- A. All units must have screens on all windows that are designed to open. Windows designed to open must have functional locks and must operate freely without excessive effort. All windows must at least be low e, double pane energy efficient.
- B. All doors and doorjambes must be in good condition. No damaged or worn doorjambes or doors are allowed.
- C. All exterior doors must have deadbolt locks, keyed latch assemblies, viewers, and 2-inch screws in strike plates.
- D. All sliding exterior doors shall have screen doors and shall have functional locks and must operate freely without excessive effort.
- E. All doors and windows must meet current egress standards.



### **Casework**

- A. All cabinets shall be in very good condition both structurally and in appearance.
- B. All counter tops shall be in very good condition with no significant imperfections, scratches, burns, or other imperfections.

### **Finishes**

- A. Floor coverings must be in good, useable condition - no holes, tears, rips, or stains.
- B. All kitchens and bathrooms must be floored in sheet goods or tile to provide a cleanable, impervious surface.
- C. All exterior and interior surfaces must be painted. No peeling, cracking, chipping, or otherwise failing paint will be allowed. All painted surfaces must be new, or in near new condition and appearance.

### **Equipment**

- A. All appliances must be new or in very good operating condition.
- B. All kitchens must have adequate cabinet and counter space.

### **Furnishings**

- A. All units must have window coverings on all sleeping room windows.

### **Special Construction**

- A. Non-habitable structures on property must be painted to match primary buildings and must be structurally sound.
- B. Laundry facilities must be provided on the basis of one washer and dryer for every ten units, consistent with CTCAC requirements. If the project is more than 20 units, then 1 set of ADA accessible laundry machines must be provided.
- C. Public pools will have a self-closing gate. Fence and gate shall meet applicable current codes and standards. Joints between coping and concrete deck shall be appropriately caulked.
- D. In the case of new construction or substantial upgrade to existing pool, a handicap chair lift is the minimum requirement. The pool will meet applicable standards and codes.

### **Mechanical/Plumbing**

- A. Water heaters must be in enclosures in all habitable rooms and must be insulated and have earthquake strapping and pressure relief valves with lines that terminate to the exterior.
- B. All units must have heating and air conditioning. Wall mount or central systems are acceptable. Evaporated coolers are not acceptable.
- C. All plumbing fixtures shall be new or in very good working condition.

D. All toilets, sinks, and tubs shall be chip and stain free.

### **Electrical**

- A. All new electrical panels must be of the breaker type. Fused disconnects must be approved by the Agency.
- B. All units must have at least one hard-wired smoke detector per bedroom corridor and a minimum of one battery-operated smoke detector per bedroom.
- C. All bathrooms must have at least one GFCI protected outlet, and tub surrounds must be a minimum of 1/8" laminated plastic.
- D. Kitchens must have all GFCI protected outlets within 6 feet of the sink.

### **Resident Services Community Space**

All properties, regardless of project type (i.e. senior, family, or large family), must devote space to actual resident services in the following minimum amounts:

Less than 100 units: 12 s.f. per unit (but no less than 400 s.f. in total)  
100 units and over: 1,200 s.f.

Resident services space includes common kitchens, computer rooms, meeting rooms and general gathering space. It does not include public restrooms, leasing offices, laundry facilities and lobbies.

### **Useful Life Expectancy**

A useful life expectancy list has been established and is available upon request to benchmark the lives of certain components on a multifamily site.

**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

**November 20, 2019**

**RENTAL ASSISTANCE DEMONSTRATION ("RAD") PHASE 1  
REHABILITATION: APPROVING THE DISPOSITION AND FINANCING OF THE  
REHABILITATION OF OAK PARK AND MEADOW COMMONS THROUGH THE  
CONVERSION OF UNITS UNDER THE RAD PROGRAM, INCLUDING THE  
LEASE OF LAND AND SALE OF IMPROVEMENTS TO RAD PILOT LP, THE  
MAKING OF A SELLER CARRYBACK LOAN, CONSTRUCTION/PERMANENT  
LOAN, AND GROUND LEASE LOAN TO RAD PILOT LP, THE EXECUTION OF  
RELATED FINANCING DOCUMENTS; AND MAKING ENVIRONMENTAL  
FINDINGS**

**BACKGROUND**

- A. On October 30, 2018, the Board of the Housing Authority of the City of Sacramento (Board) adopted Resolution No. 2018-0019, which approved the updates to the Housing Authority Asset Repositioning Plan allowing for conversion of the public housing portfolio under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs. Additionally, the Board authorized the Housing Authority to submit an application to United States Department of Housing and Urban Development (HUD) to reposition and convert certain County Public Housing Properties under the RAD Program and certain other County Public Housing Properties under the Section 18 Program.
- B. The Housing Authority of the City of Sacramento (Authority) owns Oak Park located at 4921 Folsom Boulevard and Meadow Commons located at 1043 43<sup>rd</sup> Avenue in the City of Sacramento (collectively, the Authority Sites).
- C. On November 30, 2018, HUD approved an application to reposition and convert ten (10) units at Oak Park and twenty-eight (28) units at Meadow Commons, to RAD Project Based Vouchers.
- D. One (1) of the thirty-eight (38) for "de minimis" conversion under the RAD Program and will be funded with Authority Project Based Vouchers.

- E. On May 17, 2019, one (1) of the thirty-eight (38) units in the Authority Sites were approved by the Authority under the HUD Housing Opportunity Through Modernization Act of 2016 (HOTMA) and will be funded with Authority Project Based Vouchers.
- F. The Authority's RAD application was approved as part of a single, joint scattered site RAD Program rehabilitation project which includes certain properties owned by the Housing Authority of the County of Sacramento (County Authority).
- G. The County properties consist of four sites located at 4930 El Paraiso Avenue, 4500 Perry Avenue, 9205 Elk Grove Boulevard and 8223 Walerga Road (County Sites). The County Sites are the subject of a separate resolution to be authorized by the County Authority.
- H. The Authority Sites and the City Sites are referred to collectively as the "Project."
- I. On July 23, 2019, the Board adopted Resolution No. 2019-0012, which authorized the Authority to: 1) enter into an Option Agreement for the Ground Lease of Land and Purchase and Sale of Improvements in an amount justified by an updated fair market value appraisal (Option to Lease and Sell); and 2) enter into a Loan Commitment of (i) \$1,641,219 in the form of capital funds and (ii) \$860,000 in the form of a seller carryback loan, with the Sacramento Housing Authority Repositioning Program, Inc., a California nonprofit public benefit corporation affiliated with the Authority (SHARP) or an entity related to SHARP.
- J. The Authority entered into the Option to Lease and Sell with SHARP dated July 23, 2019, by which the Authority agreed to lease the Land for a term of ninety-nine (99) years for capitalized rent in the amount of \$1,340,000.
- K. As of August 14, 2019, the updated appraisals indicated the aggregate fair market value of (i) the Improvements is \$1,540,000 and (ii) the Land is \$1,340,000.
- L. SHARP has formed RAD Pilot LP, a California limited partnership (Partnership) to undertake the rehabilitation of the Project, the managing general partner of which is RAD Pilot LLC, a California limited liability company whose sole member is SHARP.
- M. To effectuate the Project, the following will occur simultaneously: (i) the Authority will lease the land underlying the Authority Sites to the Partnership (Land); (ii) the County Authority will lease the land underlying the County Sites to the Partnership; (iii) the Authority will sell the improvements within the Authority Sites (Improvements) to the Partnership; and (iv) the County Authority will sell the improvements within the County Sites to the Partnership.

- N. The Authority and the County will each provide separate financing to the Project with all other loan and tax credit financing for the Project will apply jointly to the Authority Sites and the County Sites.
- O. The Authority desires to enter into certain documents with HUD and/or the Partnership pursuant to the RAD Program, which documents shall include, but are not limited to, a Rental Assistance Demonstration Conversion Commitment (RCC); amendment to RCC; releases of HUD declarations of trust; a RAD use agreement; RAD PBV housing assistance payment contracts (HAPs); an agreement to enter an HACOS PBV HAP (AHAP); certifications; subordination agreements; and any and all documents required by HUD for the RAD Conversion or otherwise under the RAD Program (collectively, RAD Documents).
- P. The Authority desires to enter into a disposition and development agreement (DDA), a ground lease for the Land for a term of ninety-nine (99) years, a purchase and sale agreement for the Improvements in the amount of \$1,540,000 (Purchase Price), a grant deed for the Improvements, a bill of sale and assignment, an assignment of Option to Lease and Sell, an assignment of leases and contracts, a TCAC lease rider, and ancillary documents, including a memorandum of ground lease, a preliminary change of ownership report, closing statements, escrow instructions, and any and all other documents and certifications necessary to ground lease the Land and convey the Improvements to the Partnership, (Acquisition Documents).
- Q. The Authority desires to provide seller financing to the Partnership for a portion of the Purchase Price, in an amount not to exceed \$1,042,600 (Seller Carryback Loan) and shall enter into any and all documents necessary to consummate such loan, including, but not limited to, as needed, a loan agreement, a promissory note and a deed of trust (Seller Carryback Loan Documents).
- R. The Authority desires to provide a loan to the Partnership evidenced by two promissory notes (i) a note from cash proceeds from the sale of the Improvements in an amount not to exceed \$621,700 plus (ii) public housing Capital Funds note in an amount not to exceed \$2,371,871 (collectively, the Construction-Permanent Loan), and enter into any and all documents necessary to consummate such loan, including, but not limited to, as needed, a loan agreement, a construction-permanent loan promissory note, a cash proceeds promissory note, a deed of trust, and a completion guaranty (Construction-Permanent Loan Documents).

- S. The Authority desires to provide a loan to the Partnership in the amount of the capitalized ground lease rent not to exceed \$1,340,000 (Ground Lease Loan) and shall enter into any and all documents necessary to consummate such loan, including, but not limited to, a promissory note and a deed of trust, (Ground Lease Loan Documents).
- T. The County Authority will make a mortgage loan (Project Loan) to the Partnership in a principal amount not to exceed \$12,500,000, with proceeds received from the separate loan (Funding Loan) made to the Authority in a principal amount not to exceed \$12,500,000 by Wells Fargo Bank, National Association (Bank). The Funding Loan will be evidenced by one or more multifamily notes (collectively, the Governmental Note) delivered by the Authority to the Bank.
- U. Upon completion of the Project and other standard conditions, the Federal Home Loan Mortgage Corporation (Freddie Mac) has committed to facilitate the financing of the Project in the permanent phase by purchasing the Funding Loan, of which an amount not to exceed \$4,000,000 (Permanent Loan) will be outstanding on the conversion date. On such conversion date, the Bank will deliver and the Prudential Affordable Mortgage Company, LLC (Prudential) will purchase the Funding Loan, as evidenced by the Governmental Note. Thereafter Prudential will deliver the Funding Loan to Freddie Mac for purchase.
- V. The NEF Assignment Corporation, an Illinois not-for-profit corporation or its designee, is expected to enter the Partnership as investor limited partner (Investor Limited Partner) and provide an amount not to exceed \$7,000,000 in equity in connection with the tax credit syndication of the Partnership (Tax Credit Syndication).
- W. The Bank and the Investor Limited Partner require the Authority to provide a letter of credit as additional security for the obligations of SHARP, who is guarantor for the Project and the Partnership with respect to the Bank and bond-related documents and the Tax Credit Syndication documents, until such time as SHARP is able to meet required financial benchmarks, including unrestricted liquidity of \$2,500,000 and the acquisition of 215 scattered site housing units pursuant to a Section 18 disposition.
- X. The terms of such SHARP benchmarks and the Housing Authority of the County of Sacramento obligations are set forth in (i) a Repayment Guaranty Agreement with the Bank, which the Authority is to agree to and acknowledge, and (ii) the terms of the Tax Credit Syndication limited partnership agreement and guaranty to which SHARP and its affiliated limited partnership will be parties, which documents require that the Housing Authority of the County of Sacramento provide a letter of credit to the Bank in the amount of \$1,200,000 for a term not to exceed 24 months, which letter of credit will be secured by HACOS operating reserve funds. The letter of credit is not an obligation of the Housing Authority of the City of Sacramento.

- Y. In connection with the financing of the Project the Authority may be required to execute one or more assignments of HAPs, assignments of AHAPs, and to provide certain documents to the Bank, Freddie Mac, Prudential, or the Investor Limited Partner, including but not limited to subordination agreements with respect to the Seller Carryback Documents, Construction-Permanent Loan Documents, and Ground Lease Loan Documents (collectively, the Assignment/Subordination Documents).
- Z. The Authority and/or the County Authority will provide development services to, and enter into an administrative services agreement with, SHARP or the Partnership (Administrative Services Agreement).
- AA. The Authority and/or the County Authority desires to serve as the property manager for the Project and enter into a property management agreement with the Partnership (Property Management Agreement).
- BB. The Authority has entered or desires to enter into one or more architect's contracts and other professional and service contracts with third parties to provide certain services required in connection with the predevelopment and rehabilitation of the Project (collectively the Service Contracts) and the Authority shall assign such contracts and all rights, warranties and work products from the Service Contracts to the Partnership (Assignment of Service Contracts).
- CC. As a part of the Tax Credit Syndication documents the Authority and/or the County Authority will enter into a purchase option and right of first refusal and a memorandum of purchase option and right of first refusal for the Project (collectively, the Option/ROFR Documents).
- DD. The disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorical Exempt under Categorical Exempt under California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, (Existing Facilities).
- EE. The disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorical Excluded under National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.35(a)(3)(ii) and (5), and convert to exempt pursuant to 24 CFR 58.34(a)(12).

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

- Section 1. The above recitals, including the environmental recitals, are determined to be true and correct.
- Section 2. The Authority shall effectuate the RAD Conversion and shall enter into the RAD Documents.
- Section 3. The Authority shall ground lease the Land and sell the Improvements to the Partnership and shall enter into the Acquisition Documents.
- Section 4. The Authority shall make the Seller Carryback Loan and enter into the Seller Carryback Loan Documents.
- Section 5. The Authority shall make the Construction-Permanent Loan and enter into the Construction-Permanent Loan Documents.
- Section 6. The Authority shall make the Ground Lease Loan and enter into the Ground Lease Loan Documents.
- Section 7. The Authority shall enter into the Assignment/Subordination Documents.
- Section 8. The Authority shall enter into the Administrative Services Agreement, as applicable.
- Section 9. The Authority shall enter into the Property Management Agreement.
- Section 10. The Authority shall enter into the Assignment of Service Contracts.
- Section 11. The Authority shall enter into the Option/ROFR Documents, as applicable.
- Section 12. The Executive Director, or her designee, acting alone on behalf of the Authority, shall be authorized to execute any and all necessary documents, agreements and certificates, including, but not limited to the RAD Documents, the Acquisition Documents, the Seller Carryback Loan Documents, the Construction-Permanent Loan Documents, the Ground Lease Loan Documents, the Assignment/Subordination Documents, the Administrative Services Agreement, the Property Management Agreement, the Assignment of Services Contracts, the Option/ROFR Documents, and any and all other documents necessary for the Authority to convert the Project through the RAD Program, convey the leasehold interest in the Land and fee interest in the Improvements, consummate and subordinate the Seller Carryback Loan, the Construction-Permanent Loan, and the Ground Lease Loan, and otherwise reasonably assist the Partnership in securing the financing for the Project as described above.



Section 13. The Executive Director, or her designee, is authorized to enter into and execute all other documents and agreements as approved to form by Sacramento Housing and Redevelopment Agency counsel, as well as perform other actions necessary to complete the transactions described in, or contemplated by, this Resolution.

Section 14. The Executive Director, or her designee, is authorized to amend the budget to allocate City of Sacramento Housing Authority Capital Funds loan not to exceed \$2,371,871, a cash proceeds note not to exceed \$621,700 from the sale of improvements, seller carryback improvements loan in the amount of \$1,042,600, and ground lease loan in the amount of \$1,340,000 or in an amount to be justified by a fair market value appraisal of the land and improvements.

---

CHAIR

ATTEST:

---

CLERK



November 15, 2019

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Rental Assistance Demonstration (RAD) Project Phase 1 Re-Tax Equity And  
Fiscal Responsibility Act Hearing, Approval Of Final Tax Exempt Bonds, RAD  
and Loan Documents, And Ground Lease

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report prior to final  
approval by the City of Sacramento.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
January 14, 2020

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

Through: Navdeep S. Gill, County Executive

From: La Shelle Dozier, Executive Director, Sacramento Housing and Redevelopment Agency

Subject: Rental Assistance Demonstration (RAD) Project Phase 1 Re-Tax Equity And Fiscal Responsibility Act Hearing, Approval Of Final Tax Exempt Bonds, RAD and Loan Documents, And Ground Lease

District(s): Frost, Kennedy, Nottoli and Serna

**RECOMMENDED ACTION**

Staff recommends holding a Re-Tax Equity and Fiscal Responsibility Act (TEFRA) hearing, approving the issuance of up to \$25,000,000 in Mortgage Revenue Bonds and authorizing the Executive Director of the Housing Authority of the County of Sacramento (Housing Authority) to execute the necessary agreements to finance the Rental Assistance Demonstration (RAD) Project Phase 1 (Project). The Clerk is requested to provide one certified copy of each resolution to the Sacramento Housing and Redevelopment Agency (Agency).

**BACKGROUND**

Asset Repositioning Plan

On October 30, 2018, the County Housing Authority Board (Board) adopted Resolution No. HA-2423 which approved updates to the Housing Authority's Asset Repositioning Plan allowing for conversion of the public housing portfolio under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs. Additionally, the Board authorized the Housing Authority to submit an application to United States Department of Housing and Urban Development (HUD) to reposition and convert County Public Housing Properties under the RAD and Section 18 Programs.

As part of the initial Asset Repositioning Plan, guiding principles were adopted to establish policy direction for each reposition activity. The general objective of these principles was to prevent the loss of units for extremely low income households, facilitate a decreased reliance on federal funds, incorporate smart growth principles into development opportunities, reinvest sale proceeds into Housing Authority replacement units, foster partnerships with entities to position development efforts for success, and to pursue actions that would generate fees and other revenue for the Housing Authority. Conversion to RAD is a critical component of the Asset Repositioning Plan as RAD allows public housing agencies (PHAs) to convert public housing units to long-term, Project Based Voucher rental assistance developments which facilitates access to private debt and equity to address immediate and long-term capital needs.

#### RAD and HOTMA Project Based Vouchers

On November 30, 2018, HUD approved the Housing Authority's application to convert six scattered sites comprised of 124 public housing development units to RAD, collectively known as the RAD Phase 1 Project (Project). The RAD Phase I Project includes six sites which are: Pointe Lagoon consisting of three scattered sites, two which are located in the unincorporated County of Sacramento (County) and one in the City of Elk Grove; Rio Garden located in the unincorporated County; and Oak Park and Meadow Commons which are located in the City of Sacramento. HUD also approved 118 RAD Program specific Project Based Vouchers with an initial term of 20-years that will automatically renew. These RAD vouchers are new to Sacramento and will increase the total number of vouchers administered by the Housing Authority.

On May 17, 2019, the Housing Authority approved including the remaining six units without vouchers in HUD's Housing Opportunity Through Modernization Act (HOTMA) Project Based Voucher (PBV) Program. Subject to appropriations and compliance with PBV program requirements, the RAD and HOTMA vouchers will remain at the Project as long as the Housing Authority has an ownership interest in the properties.

RAD conversion will not change the composition of the units which will continue to target households with incomes at or below 80% of the area median income. The Project will require a RAD Use Agreement with HUD and a 99-year ground lease that has affordability restrictions on the land beyond the 55-year tax credit affordability term. The Housing Authority will maintain its ground lease and ownership interest in the land to ensure that affordability restrictions do not expire. The voucher allocation for each of the six scattered sites below are summarized in the table.

**RAD Phase 1 - RAD and HOTMA Project Based Vouchers**

<b>Six Scattered Sites</b>	<b>Location and Jurisdiction</b>	<b>RAD PBV</b>	<b>HOTMA PBV</b>	<b>Total PBV</b>
Pointe Lagoon Site 1 of 3	4500 Perry Ave. County of Sacramento	5	5	10
Pointe Lagoon Site 2 of 3	4930 El Paraiso Ave. County of Sacramento	36	0	36
Pointe Lagoon Site 3 of 3	9205 Elk Grove Blvd. City of Elk Grove	16	0	16
Rio Garden	8223 Walerga Road County of Sacramento	24	0	24
Oak Park	4921 Folsom Blvd. City of Sacramento	10	0	10
Meadow Commons	1043 43rd Ave. City of Sacramento	27	1	28
<b>Total</b>		<b>118</b>	<b>6</b>	<b>124</b>

Loan Commitment and Option Agreement

On July 23, 2019, the Board adopted Resolution No. HA-2433, which authorized the Housing Authority to enter into a Loan Commitment and an Option Agreement for the Ground Lease and Purchase and Sale of Improvements, in an amount justified by an updated fair market value appraisal, with Sacramento Housing Authority Repositioning Program, Inc., (SHARP), or related entity. On August 14, 2019, appraisals were updated.

Tax Credit and Tax Exempt Mortgage Revenue Bonds Allocation

On October 16, 2019, the California Tax Credit Allocation Committee (CTCAC) allocated four percent federal tax credits and the California Debt Limit Allocation Committee (CDLAC) awarded multifamily mortgage revenue bonds to the Project.

Staff is requesting approval of the issuance, execution and delivery of multifamily mortgage revenue bonds not to exceed \$25,000,000 for the acquisition, construction and permanent financing of RAD Phase 1. The re-TEFRA is required due to new Internal Revenue Service regulations for scattered site projects.

Rental Assistance Demonstration (RAD) Project Phase 1 Re-Tax Equity And Fiscal Responsibility Act Hearing, Approval Of Final Tax Exempt Bonds, RAD and Loan Documents, And Ground Lease

Page 4

Staff is recommending approval to enter into and execute all necessary documents, agreements and certificates, including, but not limited to the following:

- RAD Documents
- Acquisition Documents
- Seller Carryback Loan Documents
- Construction and Permanent Loan Documents
- Ground Lease Loan Documents
- Governmental Note
- Pledge Obligations
- Assignment/Subordination Documents
- Administrative Services Agreement
- Property Management Agreement
- Assignment of Services Contracts
- Option/Right of First Refusal (ROFR) Documents
- Any and all other documents necessary for the Housing Authority to convert the Project through the RAD Program.

Staff is also recommending approval to convey the leasehold interest in the Land and fee interest in the Improvements, to consummate and subordinate the Seller Carryback Loan, the Construction-Permanent Loan, and the Ground Lease Loan, and to otherwise reasonably assist the Partnership in securing the financing for the Project.

Staff is also requesting authorization to amend the Housing Authority budget and allocate the following for the acquisition, construction and permanent financing of the Project:

**RAD Phase 1 – Permanent Sources and Not To Exceed (NTE) Amounts**

<b>County Housing Authority Permanent Sources</b>	<b>NTE Amounts</b>
Housing Authority Capital Funds (Construction and Permanent Loan)	\$1,000,000
Cash Proceeds from the Sale of Improvements (Construction and Permanent Loan)	\$2,628,300
Seller Carryback Loan on the Improvements (or an amount justified by an updated fair market value appraisal)	\$4,900,000
Ground Lease Loan (or an amount justified by an updated fair market value appraisal)	\$1,020,000
<b>TOTAL</b>	<b>\$9,548,300</b>

Vicinity maps are included as Attachments 1 through 7, and photos of all proposed RAD Phase 1 properties are included as Attachment 8. The scope of development for each site is included in Exhibit A of the Housing Authority Resolution. Additional background related to the Project is included below.

#### Pointe Lagoon

Pointe Lagoon is comprised of three scattered sites with a total of 62 units. The first site is located in the unincorporated area of the County of Sacramento at 4500 Perry Avenue. There are five buildings on approximately 0.54 acres that provide ten three-bedroom units, a laundry facility and 17 on-site parking spaces.

The second site is located in the unincorporated area of the County of Sacramento at 4930 El Paraiso Avenue. There are ten buildings on approximately 2.61 acres that provide 36 one-bedroom units, a community room, laundry facility and 56 on-site parking spaces.

The third site is located in the City of Elk Grove at 9205 Elk Grove Boulevard. There are six buildings on approximately 0.85 acres that provide 16 two-bedroom units and a laundry facility and 24 on-site parking spaces.

#### Rio Garden

The Rio Garden site is located in the unincorporated area of the County of Sacramento at 8223 Walerga Road. There are four buildings on approximately 1.89 acres that provide 24 three-bedroom units, community room, laundry facility and 50 on-site parking spaces.

#### Oak Park

The Oak Park site is located at 4921 Folsom Boulevard in the City of Sacramento. There are three buildings on approximately 0.73 acres that provide 10 three-bedroom units and 12 on-site parking spaces.

#### Meadow Commons

The Meadow Commons site is located at 1043 43rd Avenue in the City of Sacramento. There are eight buildings on approximately 1.54 acres that provide 28 one-bedroom units, community room, barbecue area and 13 on-site parking spaces.

Developer: The Developer of the Project will be the Sacramento Housing Authority Repositioning Program, Inc., (SHARP) which is a nonprofit public benefit corporation created by the Housing Authority in 2009 to implement the Housing Authority's Asset Repositioning Strategy. Activities undertaken by SHARP include acquiring, developing, financing, rehabilitating, owning and operating affordable housing which enables aging Housing Authority

assets to maintain and preserve their affordable units. SHARP partnered with BRIDGE Housing to rehabilitate a total of three Housing Authority properties, including Sutterview, Washington Plaza and Sierra Vista Apartments. SHARP also partnered with the John Stewart Company to rehabilitate Shasta Hotel.

Property Management: Housing Authority staff will manage the RAD Phase 1 units. They currently manage the Sutterview, Washington Plaza and Sierra Vista Apartment complexes, along with over 3,000 other housing units throughout the City and County of Sacramento.

Resident Services: Housing Authority staff will provide resident services. Examples of services to be offered include the Family-Self Sufficiency Program for residents transitioning to work and the Service Coordination Program for those who do not have a high school diploma, or who have health or financial literacy needs. Elderly and disabled residents will receive services from Life Skills Training and Educational Programs (LifeSTEPS). In addition, the Housing Authority plans to expand the Jobs Plus Program by partnering with the Section 3 Program to develop training and job opportunities for residents.

Security Plan: The security plan includes installation of upgraded exterior lighting.

Project Financing: The proposed financing for RAD Phase 1 includes four percent Low Income Housing Tax Credits (LIHTC), tax exempt bonds, a conventional loan, Housing Authority seller carryback (improvements), cash proceeds note from the sale of improvements, Capital Funds, ground lease loans, a deferred developer fee, general partnership contribution, and RAD and HOTMA Program Project Based Vouchers (PBV).

Low-Income Set-Aside Requirements: As a condition of receiving tax credits, federal law requires that rental units be set aside for targeted-income groups. Income restrictions from LIHTC financing require that no households have income above 80 percent of Area Median Income (AMI). The affordability restrictions will be specified in regulatory agreements between the Housing Authority and the Developer. The Project Summary and Proforma are included as Attachments 9 and 10. A schedule of maximum income and rents are included as Attachment 11. The anticipated funding sources and their affordability requirements are summarized in the table below for the Project:



**RAD Phase 1 - Affordability Levels**

<b>Unit Type</b>	<b>Units</b>	<b>% of Units</b>	<b>Affordability Restriction<sup>1</sup> (55 years)</b>
LIHTC, Tax-exempt Bonds, Housing Authority Funds and RAD PBV	53	43%	Very Low Income 50% of Area Median Income (AMI)
LIHTC, Tax-exempt Bonds, Housing Authority Funds and RAD PBV	60	48%	Low Income 60% of AMI
LIHTC, Tax-exempt Bonds, Housing Authority Funds and HOTMA PBV	6	5%	Low Income 60% of AMI
LIHTC, Tax-exempt Bonds, Housing Authority Funds and RAD PBV	5	4%	Low-Moderate Income 80% of AMI
<b>Total</b>	<b>124</b>	<b>100%</b>	

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits; and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.

**COMMISSION ACTION**

At its meeting of November 20, 2019, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. Staff will notify the Board in the event the item was not approved.

**POLICY CONSIDERATIONS**

The recommended actions are consistent HUD guidelines to reposition and convert County Public Housing Properties under the RAD Program and the Housing Authority Asset Repositioning Plan. In addition, the Project is generally consistent with the approved Agency's Multifamily Lending and Mortgage Revenue Bond Policies.

All affordable housing units will be regulated for a period of 99 years by the Housing Authority as a ground lease requirement; 55 years by the California Tax Credit and Debt Limit Allocation Committees as a LIHTC and bond funding requirement. Regulatory restrictions of the Project will be specified in the bond regulatory agreement between the Developer and the Housing Authority for a period of 55 years. Compliance with the regulatory agreement and ground lease will be monitored by the Agency on an annual basis.

### ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorically Exempt under CEQA pursuant to CEQA Guidelines Section 15301, "Existing Facilities".

National Environmental Policy Act (NEPA): The disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorically Excluded under NEPA pursuant to 24 CFR 58.35(a)(3)(ii) and (5), and convert to exempt pursuant to 24 CFR 58.34(a)(12).

### M/WBE/SECTION 3 CONSIDERATIONS

Minority and Women's Business Enterprise requirements and Section 3 will be applied to all activities to the greatest extent possible and as required by federal funding and in accordance with the Agency's Section 3 Economic Opportunity Plan. The Developer and General Contractor will work with the Agency's Section 3 Coordinator, the Sacramento Employment and Training Agency, and the Greater Sacramento Urban League or similar programs to promote employment opportunities.

### FINANCIAL ANALYSIS

The proposed bond issuance will not be an obligation of the County, the Housing Authority or the Sacramento Housing and Redevelopment Agency. The bonds will be the obligation solely of the Project's owner, who will bear all costs associated with the issuance of the bonds. The Agency will receive a one-time issuance fee of 0.25 percent (25 basis points) of the bond amount which is payable at bond closing. The Agency will collect an annual payment for monitoring the regulatory restrictions and administration of the bonds, in the amount of 0.125 percent (12.5 basis points) of the bond amount for monitoring of the regulatory restrictions and administration of the bonds. The law firm Orrick, Herrington and Sutcliffe, LLP, is acting as bond counsel for the Housing Authority. The proposed Housing Authority Capital Funds loan not to exceed \$1,000,000, a cash proceeds note not to exceed \$2,628,300 from the sale of improvements, seller carryback improvements loan not to exceed \$4,900,000, and ground lease loan not to exceed

Rental Assistance Demonstration (RAD) Project Phase 1 Re-Tax Equity And  
Fiscal Responsibility Act Hearing, Approval Of Final Tax Exempt Bonds, RAD  
and Loan Documents, And Ground Lease  
Page 9

\$1,020,000 or in an amount to be justified by a fair market value appraisal  
of the land and improvements, will each have an interest rate of three  
percent and a term of 30 years after construction is complete. With the  
exception of the ground lease loan that will have a term of 99 years.

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 – Board of Supervisors Resolution-TEFRA
- RES – Housing Authority Resolution-Final Bond Authorization
- Exhibit A – Public Disclosures Relating to Conduit Revenue Obligations
- RES – Housing Authority Resolution-RAD Documents, Loan Documents, and  
Ground Lease
- Exhibit A – Scope of Development
- ATT 01 – Vicinity Map of Pointe Lagoon (4500 Perry Avenue)
- ATT 02 – Vicinity Map of Pointe Lagoon (4930 El Paraiso Avenue)
- ATT 03 – Vicinity Map of Pointe Lagoon (9205 Elk Grove Blvd)
- ATT 04 – Vicinity Map of Rio Garden (8223 Walerga Road)
- ATT 05 – Vicinity Map of Oak Park (4921 Folsom Boulevard)
- ATT 06 – Vicinity Map of Meadow Commons (1043 43rd Avenue)
- ATT 07 – Vicinity Map of RAD Phase 1 (all six sites)
- ATT 08 – Photos of RAD Phase 1
- ATT 09 – Project Summary
- ATT 10 – Cash Flow Proforma
- ATT 11 – Maximum Income and Rent Limits

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

**RENTAL ASSISTANCE DEMONSTRATION (RAD) PHASE 1  
REHABILITATION: APPROVING THE ISSUANCE OF  
OBLIGATIONS BY THE HOUSING AUTHORITY OF THE  
COUNTY OF SACRAMENTO ON BEHALF OF RAD PILOT, LP,  
A CALIFORNIA LIMITED PARTNERSHIP**

**WHEREAS**, the Housing Authority of the County of Sacramento, a housing authority organized and existing under the laws of the State of California (Authority), proposes a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (Code) in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$25,000,000 (Obligations) and to lend the proceeds thereof to RAD Pilot, LP, a California limited partnership or a partnership of which Sacramento Housing Authority Repositioning Program, Inc. (SHARP) (Developer) or a related person to the Developer is the general partner, to be used to provide funds to finance or refinance the acquisition, rehabilitation and development of the following multifamily housing residential facilities in the following not to exceed amounts: (1) 1043 43rd Avenue, Sacramento, California, consisting of 28 units (Obligation proceeds in an amount not to exceed \$5,600,000), (2) 4921 Folsom Boulevard, Sacramento, California, consisting of 10 units (Obligation proceeds in an amount not to exceed \$2,200,000), (3) 4930 El Paraiso Avenue, Sacramento, California, consisting of 36 units (Obligation proceeds in an amount not to exceed \$6,400,000), (4) 4500 Perry Avenue, Sacramento, California, consisting of 10 units (Obligation proceeds in an amount not to exceed \$4,000,000), (5) 8223 Walerga Road, Antelope, California, consisting of 24 units (Obligation proceeds in an amount not to exceed \$4,500,000), and (6) 9205 Elk Grove Boulevard, Elk Grove, California, consisting of 16 units (Obligation proceeds in an amount not to exceed \$2,300,000);

**WHEREAS**, Section 147(f) of the Code requires the execution and delivery of the Obligations to be approved by the Board of Supervisors of the County (Board), as the elected representative of the County of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, after a public hearing has been held following reasonable and proper notice;

**WHEREAS**, a public hearing was held by the Board on January 14, 2020, following duly published notice thereof, and all persons desiring to be heard have been heard; and

**WHEREAS**, it is in the public interest and for the public benefit that the Board, as the elected representative of the County of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, approve the execution and delivery by the Authority of the Obligations.

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

Section 1. The Board of Supervisors of the County of Sacramento hereby finds, determines and declares that issuance by the Authority of the Obligations in the maximum principal amount of \$25,000,000 for the purposes described above is hereby approved.

Section 2. This resolution shall take effect immediately upon its adoption.

Rental Assistance Demonstration (RAD) Project Phase 1 Re-Tax Equity And  
Fiscal Responsibility Act Hearing, Approval Of Final Tax Exempt Bonds, RAD  
Documents, And Ground Lease  
Page 3

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 14th day of January, 2020 by the following vote, to wit:

AYES: Supervisor,

NOES: Supervisor,

ABSENT: Supervisor,

ABSTAIN: Supervisors,

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

---

Chair of the Board of Supervisors  
of the County of Sacramento,  
California

(SEAL)

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

**HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO**

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

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS RAD PHASE I APARTMENTS PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT, A PROJECT LOAN AGREEMENT, A REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS FOR EACH PROJECT SITE AND OTHER DOCUMENTS RELATING THERETO; AND APPROVING OTHER ACTIONS AND MATTERS RELATING THERETO**

**WHEREAS**, the Housing Authority of the County of Sacramento (the "Authority") is authorized by Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (commencing with Section 34200) (the "Act") to issue and sell revenue obligations for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

**WHEREAS**, the governing board of the Authority (the "Board") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to finance multifamily housing projects pursuant to the Act, in order to increase and maintain the supply of multifamily housing in the County of Sacramento (the "County") available to persons and families within the income limitations established by the Act; and

**WHEREAS**, the proceeds of such obligations issued by a housing authority may be loaned to a nongovernmental owner of multifamily housing, who shall be responsible for the payment of such obligations, to allow such nongovernmental owner to reduce the cost of operating such housing and to assist in providing housing for low and very low income persons; and

**WHEREAS**, RAD Pilot, LP, a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested the Authority execute and deliver its Housing Authority of the County of Sacramento Multifamily Housing Revenue Note (RAD Phase I Apartments Project) 2020 Issue A (the "Note") and loan the proceeds thereof to the Borrower to finance the acquisition and rehabilitation of a 124-unit scattered site multifamily rental housing development, consisting of (i) a 28-unit multifamily rental housing development located at 1043 43<sup>rd</sup> Avenue, Sacramento, California and known as Site A – 43<sup>rd</sup> Avenue; (ii) a 10-unit multifamily rental housing development located at 4921 Folsom Boulevard, Sacramento, California and known as Site B – Folsom Boulevard; (iii) a 36-unit multifamily rental housing development located at 4930 El Paraiso Avenue, Sacramento, California and known as Site C – El Paraiso Avenue; (iv) a 10-unit multifamily rental housing development located at 4500 Perry Avenue, Sacramento, California and known as Site D – 4500 Perry Avenue; (v) a 24-unit multifamily rental housing development located at 8223 Walerga Road, Antelope, California and known as Site E – 8223 Walerga Road; and (vi) a 16-unit multifamily rental housing development located at 9205 Elk Grove Boulevard, Elk Grove, California and known as Site F – 9205 Elk Grove Boulevard, (each a "Site"), all located in the County of



Sacramento, and to be commonly known as RAD Phase I Apartments Project (collectively, the "Project"); and

**WHEREAS**, on October 16, 2019, the Authority received an allocation in the amount of \$12,500,000 (the "Allocation Amount") from the California Debt Limit Allocation Committee in connection with the Project; and

**WHEREAS**, the Board of Supervisors of the County has by resolution approved the issuance of the Note by the Authority, following notice and a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended; and

**WHEREAS**, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$25,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for persons of low and very low income; and

**WHEREAS**, the Note will be executed and delivered to Wells Fargo Bank, National Association (the "Funding Lender"), as the initial purchaser of the Note, in accordance with the Authority's policies; and

**WHEREAS**, the Federal Home Loan Mortgage Company, a shareholder-owned government-sponsored enterprise ("Freddie Mac") has entered into an agreement with the Funding Lender whereby Freddie Mac has committed to facilitate the permanent financing of the Project by purchasing the Funding Loan as evidenced by the Note from Prudential Affordable Mortgage Company, LLC (the "Freddie Mac Seller/Servicer"), subject to such Freddie Mac Seller/Servicer's purchase of the Funding Loan as evidenced by the Note from the Funding Lender upon the date of

completion of the rehabilitation of the Project and subject to satisfaction of certain conditions as described in the Funding Loan Agreement and that certain Construction Phase Financing Agreement, among the Funding Lender, Freddie Mac and the Freddie Mac Seller/Service as acknowledged and agreed to by the Borrower.

**WHEREAS**, there have been prepared and made available to the Board the following documents required for the execution and delivery of the Note, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the "Funding Loan Agreement") to be entered into between the Funding Lender, the Authority and U.S. Bank, National Association, as fiscal agent (the "Fiscal Agent");

(2) Project Loan Agreement (the "Project Loan agreement") to be entered into between the Authority, the Fiscal Agent and the Borrower;

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into between the Authority and the Borrower, with respect to each Site related to the Project; and

WHEREAS, the Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act; and

WHEREAS, all conditions, items and acts required to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of the Note as contemplated by this resolution and the documents referred to herein will exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act; and

**WHEREAS**, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain

representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth on Exhibit A attached hereto; and

**NOW, THEREFORE,** BE IT RESOLVED THAT THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO DECLARES AND ORDERS AS FOLLOWS:

Section 1. The Authority hereby finds and declares that the above recitals are true and correct.

Section 2. Pursuant to the Act and the Funding Loan Agreement, the execution and delivery of a Note designated as "Housing Authority of the County of Sacramento Multifamily Housing Revenue Note (RAD Phase I Apartments Project) 2020 Issue A," is hereby authorized, including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$25,000,000; provided that the aggregate principal amount of any tax-exempt Note issued shall not exceed the Allocation Amount.

Section 3. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual or facsimile signature of the Chairperson or Executive Director of the Authority, or their designee, each acting alone (each an "Authorized Officer"), with such changes, deletions and insertions as may be approved by such Authorized Officers and legal counsel to the Authority, such approvals being conclusively evidenced by the execution and delivery thereof, and the Clerk of the Sacramento Housing and Redevelopment Agency or such designee (the "Clerk") is hereby authorized and directed, if required, to attest the Note in

said form by manual or facsimile signature thereof. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved.

Section 4. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority, the County of Sacramento, the Sacramento Housing and Redevelopment Agency or any commissioners of the Board.

Section 5. The Funding Loan Agreement in the form on file with the Clerk, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Authority to execute by manual signature and deliver the Funding Loan Agreement with such changes, additions or deletions as may be approved by such Authorized Officer and legal counsel to the Authority, such approvals to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates (which shall not be more than 45 years from the date of execution and delivery thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 6. The Project Loan Agreement in the form on file with the Clerk, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Authority to execute by manual signature and deliver the Project Loan Agreement with such changes, additions and deletions as may be approved by such Authorized Officer and

legal counsel to the Authority, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Regulatory Agreement in the form on file with the Clerk, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Authority to execute by manual signature and deliver a Regulatory Agreement for each Site with such changes, additions or deletions as may be approved by such Authorized Officer and legal counsel to the Authority, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 8. The Authority is hereby authorized to execute and deliver the Note to the Funding Loan pursuant to the terms and conditions of the Funding Loan Agreement.

Section 9. The Note, when executed, shall be delivered to the Fiscal Agent for authentication and registration. The Fiscal Agent is hereby requested and directed to register the Note by executing the certificate of registration appearing thereon, and to deliver the Note, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Officer, which any Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Fiscal Agent. Such instructions shall provide for the delivery of the Note to the purchasers thereof upon payment of the purchase price thereof.

Section 10. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, confirmed and ratified, and the proper officers of the Authority, including the Authorized Officers, are

hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note in accordance with this Resolution, including but not limited to those certificates, agreements and other documents described in the Funding Loan Agreement, the Project Loan Agreement and the Regulatory Agreement and other documents herein approved.

Section 11. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Officer, as appropriate, without further authorization by the Board, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein. The documents authorized herein may be dated such date, and different series designations given to any Note, as may be appropriate to indicate when such Note is actually sold or delivered or the nature of such Note.

Section 12. This Resolution shall take effect immediately upon its adoption.

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 14th day of January, 2020 by the following vote, to wit:

AYES: [Supervisor],

NOES: [Supervisor],

ABSENT: [Supervisor],

ABSTAIN: [Supervisors],

RECUSAL: [Supervisor],

(PER POLITICAL REFORM ACT (§ 18702.5.))

\_\_\_\_\_  
Chair of the Housing Authority  
of the County of Sacramento, California

(SEAL)

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

## EXHIBIT A

### PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the Housing Authority of the County of Sacramento (the "Housing Authority") prior to the Housing Authority's regular meeting (the "Meeting") of its Housing Authority Board (the "Board") at which Meeting the Board will consider the authorization of conduit revenue obligations (the "Bonds") as identified below.

1. Name of Borrower: **RAD Pilot LP, a California limited partnership**
2. Authority Meeting Date: **January 14, 2019.**
3. Name of Bond Issue / Conduit Revenue Obligations: **Not to Exceed \$25,000,000 Housing Authority of the County of Sacramento Multifamily Housing Revenue Bonds (Pass-Through – RAD Phase 1) Series 2019.**
4.  Private Placement Lender or Bond Purchaser,  Underwriter or  **Financial Advisor** (mark one) engaged by the Borrower from which the Borrower obtained the following required good faith estimates relating to the Bonds:
  - (A) The true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Bonds (to the nearest ten-thousandth of one percent): 6.01 %.
  - (B) The finance charge of the Bonds, which means the sum of all fees and charges paid to third parties: \$ 215,000.
  - (C) The amount of proceeds received by the public body for sale of the Bonds less the finance charge of the bonds described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Bonds: \$ 10,491,249.
  - (D) The total payment amount, which means the sum total of all payments the borrower will make to pay debt service on the Bonds plus the finance charge of the Bonds described in subparagraph (B) not paid with the proceeds of the Bonds (which total payment amount shall be calculated to the final maturity of the Bonds): \$ 13,173,902.

This document has been made available to the public at the Meeting of the Housing Authority.



**RESOLUTION NO.**

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

**RENTAL ASSISTANCE DEMONSTRATION (RAD) PHASE 1  
REHABILITATION: APPROVING THE DISPOSITION AND  
FINANCING OF THE REHABILITATION OF POINTE LAGOON AND  
RIO GARDEN THROUGH THE CONVERSION OF UNITS UNDER THE  
RAD PROGRAM, INCLUDING THE LEASE OF LAND AND SALE OF  
IMPROVEMENTS TO RAD PILOT LP, THE MAKING OF A SELLER  
CARRYBACK LOAN, CONSTRUCTION/PERMANENT LOAN, AND  
GROUND LEASE LOAN TO RAD PILOT LP, THE PROVISION OF A  
LETTER OF CREDIT FOR \$1,200,000 MILLION DOLLARS AS  
TEMPORARY SECURITY FOR PROJECT FINANCING, AND THE  
EXECUTION OF RELATED FINANCING DOCUMENTS; AND MAKING  
ENVIRONMENTAL FINDINGS**

**WHEREAS,** on October 30, 2018, the Board of the Housing Authority of the County of Sacramento (Board) adopted Resolution No. HA-2423, which approved the updates to the Housing Authority Asset Repositioning Plan allowing for conversion of the public housing portfolio under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs. Additionally, the Board authorized the Housing Authority to submit an application to United States Department of Housing and Urban Development (HUD) to reposition and convert certain County Public Housing Properties under the RAD Program and certain other County Public Housing Properties under the Section 18 Program;

**WHEREAS,** the Housing Authority of the County of Sacramento (Authority) owns Pointe Lagoon and Rio Garden, two public housing projects located in the County of Sacramento, California, consisting of three (3) Pointe Lagoon properties located at 4500 Perry Avenue, Sacramento; 4930 El Paraiso Avenue, Sacramento; and 9205 Elk Grove Boulevard, Elk Grove; and one (1) Rio Garden property located at 8223 Walerga Road, Antelope (collectively, the Authority Sites);

**WHEREAS**, on November 30, 2018, HUD approved an application to reposition and convert 62 units at Pointe Lagoon and 24 units at Rio Garden, to RAD Project Based Vouchers;

**WHEREAS**, five of the 86 units in the Authority Sites were approved by HUD for "de minimis" conversion under the RAD Program and will be funded with Authority Project Based Vouchers;

**WHEREAS**, on May 17, 2019, five of the 86 units in the Authority Sites were approved by the Authority under the HUD Housing Opportunity Through Modernization Act of 2016 (HOTMA) and will be funded with Authority Project Based Vouchers;

**WHEREAS**, the Authority's RAD application was approved as part of a single, joint scattered site RAD Program rehabilitation project which includes certain properties owned by the Housing Authority of the City of Sacramento (City Authority);

**WHEREAS**, the City properties are located in the City of Sacramento and consist of two sites located at 4921 Folsom Boulevard and 1043 43rd Avenue in the City of Sacramento (City Sites). The City Sites are the subject of a separate resolution to be authorized by the City Authority;

**WHEREAS**, the Authority Sites and the City Sites are referred to collectively as the "Project";

**WHEREAS**, on July 23, 2019, the Board adopted Resolution No. HA-2433, which authorized the Authority to: 1) enter into an Option Agreement for the Ground Lease of Land and Purchase and Sale of Improvements in an amount justified by an updated fair market value appraisal (Option to Lease and Sell); and 2) enter into a Loan Commitment of (i) \$958,129 in the form of capital funds and (ii) \$4,900,000 in the form of a seller carryback loan, with the Sacramento Housing Authority Repositioning Program, Inc., a California nonprofit public benefit corporation affiliated with the Authority (SHARP) or an entity related to SHARP;

**WHEREAS**, the Authority entered into the Option to Lease and Sell with SHARP dated July 23, 2019 by which the Authority agreed to lease the Land for a term of 99 years for capitalized rent in the amount of \$1,020,000;

**WHEREAS**, as of August 14, 2019, the updated appraisals indicated the aggregate fair market value of (i) the Improvements is \$6,510,000 and (ii) the Land is \$1,020,000;

**WHEREAS**, SHARP has formed RAD Pilot LP, a California limited partnership (Partnership) to undertake the rehabilitation of the Project, the managing general partner of which is RAD Pilot LLC, a California limited liability company whose sole member is SHARP;

**WHEREAS**, to effectuate the Project, the following will occur simultaneously: (i) the Authority will lease the land underlying the Authority Sites to the Partnership (Land); (ii) the City Authority will lease the land underlying the City Sites to the Partnership; (iii) the Authority will sell the improvements within the Authority Sites (Improvements) to the Partnership; and (iv) the City Authority will sell the improvements within the City Sites to the Partnership;

**WHEREAS**, the Authority and the City will each provide separate financing to the Project with all other loan and tax credit financing for the Project will apply jointly to the Authority Sites and the City Sites;

**WHEREAS**, the Authority desires to enter into certain documents with HUD and/or the Partnership pursuant to the RAD Program, which documents shall include, but are not limited to, a Rental Assistance Demonstration Conversion Commitment (RCC); amendment to RCC; releases of HUD declarations of trust; a RAD use agreement; RAD PBV housing assistance payment contracts (HAPs); an agreement to enter an HACOS PBV HAP (AHAP); certifications; subordination agreements; and any and all documents required by HUD for the RAD Conversion or otherwise under the RAD Program (collectively, the RAD Documents);

**WHEREAS**, the Authority desires to enter into a disposition and development agreement (DDA), a ground lease for the Land for a term of ninety-nine (99) years, a purchase and sale agreement for the Improvements in the amount of \$6,510,000 (Purchase Price), a grant deed for the Improvements, a bill of sale and assignment, an assignment of Option to Lease and Sell, an assignment of leases and contracts, a Tax Credit Allocation Committee (TCAC) lease rider, and ancillary documents, including a memorandum of ground lease, a preliminary change of ownership report, closing statements, escrow instructions, and any and all other documents and certifications necessary to ground lease the Land and convey the Improvements to the Partnership, (Acquisition Documents);

**WHEREAS**, the Authority desires to provide seller financing to the Partnership for a portion of the Purchase Price, in an amount not to exceed \$4,900,000 (Seller Carryback Loan) and shall enter into any and all documents necessary to consummate such loan, including, but not limited to, as needed, a loan agreement, a promissory note and a deed of trust (Seller Carryback Loan Documents);

**WHEREAS**, the Authority desires to provide a loan to the Partnership evidenced by two promissory notes: (i) a note from cash proceeds from the sale of the Improvements in an amount not to exceed \$2,628,300, plus (ii) a public housing Capital Funds note in an amount not to exceed \$965,129 (collectively, the Construction-Permanent Loan), and enter into any and all documents necessary to consummate such loan, including, but not limited to, as needed, a loan agreement, a construction-permanent loan promissory note, a cash proceeds promissory note, a deed of trust, and a completion guaranty (Construction-Permanent Loan Documents);

**WHEREAS**, the Authority desires to provide a loan to the Partnership in the amount of the capitalized ground lease rent not to exceed \$1,020,000 (Ground Lease Loan) and shall enter into any and all documents necessary

to consummate such loan, including, but not limited to, a promissory note and a deed of trust, (Ground Lease Loan Documents);

**WHEREAS**, the Authority will make a mortgage loan (Project Loan) to the Partnership in a principal amount not to exceed \$12,500,000, with proceeds received from the separate loan (Funding Loan) made to the Authority in a principal amount not to exceed \$12,500,000, by Wells Fargo Bank, National Association (Bank). The Funding Loan will be evidenced by one or more multifamily notes (collectively, the Governmental Note) delivered by the Authority to the Bank;

**WHEREAS**, upon completion of the Project and other standard conditions, the Federal Home Loan Mortgage Corporation (Freddie Mac) has committed to facilitate the financing of the Project in the permanent phase by purchasing the Funding Loan, of which an amount not to exceed \$4,000,000 (Permanent Loan) will be outstanding on the conversion date. On such conversion date, the Bank will deliver and the Prudential Affordable Mortgage Company, LLC (Prudential) will purchase the Funding Loan, as evidenced by the Governmental Note. Thereafter Prudential will deliver the Funding Loan to Freddie Mac for purchase;

**WHEREAS**, the NEF Assignment Corporation, an Illinois not-for-profit corporation or its designee, is expected to enter the Partnership as investor limited partner (Investor Limited Partner) and provide an amount not to exceed \$7,000,000 in equity in connection with the tax credit syndication of the Partnership (Tax Credit Syndication);

**WHEREAS**, the Bank and the Investor Limited Partner require the Authority to provide a letter of credit to the Bank as additional security for the obligations of SHARP, who is the guarantor for the Project and the Partnership with respect to the Bank and bond-related documents and the Tax Credit Syndication documents, until such time as SHARP is able to meet required financial benchmarks, including unrestricted liquidity of \$2,500,000 and the acquisition of 215 scattered site housing units pursuant to a Section

18 disposition;

**WHEREAS**, the terms of such SHARP benchmarks and Authority obligations are set forth in (i) a Repayment Guaranty Agreement with the Bank, which the Authority is to agree to and acknowledge, and (ii) the terms of the Tax Credit Syndication limited partnership agreement and guaranty to which SHARP and its affiliated limited partnership will be parties, which documents require that the Housing Authority of the County of Sacramento provide a letter of credit to the Bank in the amount of \$1,200,000 for a term not to exceed 24 months, which letter of credit will be secured by Authority operating reserve funds (collectively, the Authority Letter of Credit Obligations);

**WHEREAS**, in connection with the financing of the Project the Authority may be required to execute one or more assignments of HAPs, assignments of AHAPs, and to provide certain documents to the Bank, Freddie Mac, Prudential, or the Investor Limited Partner, including but not limited to subordination agreements with respect to the Seller Carryback Documents, Construction-Permanent Loan Documents, and Ground Lease Loan Documents (collectively, the Assignment/Subordination Documents);

**WHEREAS**, the Authority and/or City Authority desires to provide development services to, and enter into an administrative services agreement with, SHARP or the Partnership (Administrative Services Agreement);

**WHEREAS**, the Authority and/or City Authority desires to serve as the property manager for the Project and enter into a property management agreement with the Partnership (Property Management Agreement);

**WHEREAS**, the Authority has entered or desires to enter into one or more architect's contracts and other professional and service contracts with third parties to provide certain services required in connection with the predevelopment and rehabilitation of the Project (collectively the Service Contracts) and the Authority shall assign such contracts and all rights,

warranties and work products from the Service Contracts to the Partnership (Assignment of Service Contracts);

**WHEREAS,** as a part of the Tax Credit Syndication documents the Authority desires to enter into a purchase option and right of first refusal and a memorandum of purchase option and right of first refusal for the Project (collectively, the Option/ROFR Documents);

**WHEREAS,** the disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorically Exempt under Categorically Exempt under California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, "Existing Facilities";

**WHEREAS,** the disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorically Excluded under National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.35(a)(3)(ii) and (5), and convert to exempt pursuant to 24 CFR 58.34(a)(12).

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

Section 1. The above recitals, including the environmental recitals, are determined to be true and correct.

Section 2. The Authority shall effectuate the RAD Conversion and shall enter into the RAD Documents.

Section 3. The Authority shall ground lease the Land and sell the Improvements to the Partnership and shall enter into the Acquisition Documents.

Section 4. The Authority shall make the Seller Carryback Loan and enter into the Seller Carryback Loan Documents.

Section 5. The Authority shall make the Construction-Permanent Loan and enter into the Construction-Permanent Loan Documents.

Section 6. The Authority shall make the Ground Lease Loan and

enter into the Ground Lease Loan Documents.

Section 7. The Authority shall make the Funding Loan and Project Loan, authorize the Permanent Loan and execute the Governmental Note.

Section 8. The Authority shall enter into the Authority Letter of Credit Obligations.

Section 9. The Authority shall enter into the Assignment and Subordination Documents.

Section 10. The Authority shall enter into the Administrative Services Agreement.

Section 11. The Authority shall enter into the Property Management Agreement.

Section 12. The Authority shall enter into the Assignment of Service Contracts.

Section 13. The Authority shall enter into the Option/Right of First Refusal Documents.

Section 14. The Executive Director, or her designee, acting alone on behalf of the Authority, shall be authorized to execute any and all necessary documents, agreements and certificates, including, but not limited to the RAD Documents, the Acquisition Documents, the Seller Carryback Loan Documents, the Construction-Permanent Loan Documents, the Ground Lease Loan Documents, the Governmental Note, the Authority Letter of Credit Obligations, the Assignment/Subordination Documents, the Administrative Services Agreement, the Property Management Agreement, the Assignment of Services Contracts, the Option/ROFR Documents, and any and all other documents necessary for the Authority to convert the Project through the RAD Program, convey the leasehold interest in the Land and fee interest in the Improvements, consummate and subordinate the Seller Carryback Loan, the Construction-Permanent Loan, and the Ground Lease Loan, and otherwise reasonably assist the Partnership in securing the financing for the Project as described above.



Section 15: The Executive Director, or her designee, is authorized to enter into and execute all other documents and agreements as approved to form by Sacramento Housing and Redevelopment Agency counsel, as well as perform other actions necessary to complete the transactions described in, or contemplated by, this Resolution.

Section 16. The Executive Director, or her designee, is authorized to amend the budget to allocate County of Sacramento Housing Authority Capital Funds loan not to exceed \$1,000,000; a cash proceeds note not to exceed \$2,628,300 from the sale of improvements; and seller carryback improvements loan not to exceed \$4,900,000 and ground lease loan not to exceed \$1,020,000 or in an amount to be justified by a fair market value appraisal of the land and improvements.

On a motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of the Housing Authority of the County of Sacramento this 14th day of January, 2020, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSENT: Members,

ABSTAIN: Members,

RECUSAL: Members,

(PER POLITICAL REFORM ACT (§ 18702.5.))

---

Chair of the Board of the Housing Authority  
of Sacramento County, California

(SEAL)

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

Clerk

**Scope of Development: Pointe Lagoon, 4500 Perry Avenue, Sacramento (10 units)**

Item	Description
1	Parking/Striping
2	Landscaping
3	Replacement of Plywood Sheeting (Stucco)
4	Drywall Repairs
5	Final Clean
6	Interior Paint (Units)
7	Exterior Paint (Units)
8	Kitchen Cabinet (Refacing)
9	Kitchen and Bath Countertop Replacement - Upgraded
10	Window Replacement
11	Roof Replacement
12	Exterior Door Replacement
13	Interior Door Replacement
14	Interior Door Replacement (sliding closet doors)
15	HVAC
16	Flooring (w/Luxury Vinyl Plank)
17	Load center 120/240 , 125 AMP replacement in units
18	Interior Lights
19	Exterior Lights (CFL Ballast)
20	Exterior Lights (Light Poles)
21	Replace Kitchen Ranges and Hoods
22	Replace Refrigerators
23	Plumbing Fixtures
24	Shower Surrounds
25	Toilet Tank Replacement
26	Kitchen and Bathroom Sink Replacement
27	Replace bathroom vanity cabinet and cultured sink top
28	Water Heater Replacement
29	New Smoke/CO Detectors (battery operated)
30	ADA Kitchen Modification (1 unit)
31	ADA Hearing/Visual Impairment modification (1 unit)
32	ADA Bathroom full reconfiguration
33	New Laundry Room Flooring
34	Convert Laundry Room to DVR Room
35	Laundry Room Exterior Door
36	Laundry Room (large) Interior Paint and Prep
37	Laundry Room (small) Interior Paint and Prep
38	Laundry Room Water Heater replacement
39	Laundry Room Load Center (120/240 V, 125 AMP to 225)
40	Laundry Room Lighting Upgrade
41	Laundry Room ADA Doorway Modification
42	Laundry Room ADA Miscellaneous Budgetary Allowance
43	Landscaping - drought tolerant and address drainage issues
44	Sidewalk repair/replacement as needed
45	Site drainage will be addressed as needed
46	Kitchen Cabinets will be replaced as needed
47	Window Coverings

## Scope of Development: Pointe Lagoon, 4930 El Paraiso Ave, Sacramento (36 units)

Item	Description
1	Patch asphalt seal and stripe parking lot
2	Parking lots Mill and Overlay
3	Pedestrian gate - wrought iron
4	Metal Halide Lighting Fixture, pulse start 150 W
5	Vehicle control gate w/controller replacement
6	Fence and gate perimeter - woodboard refinish 3,918 SF
7	Fence and gates - metal tube 6' high 540 LF
8	Landscaping Sod at eroded areas 10,000 SF
9	Furnace, electric, 26 to 40 MBH replacement
10	New Interior and Exterior Paint
11	New hardware at Entry door
12	Replace windows and sliders
13	Replace screen doors
14	Replace water heaters
15	Repair and possibly refinish Fencing (allowance)
16	Replace interior and exterior lights (incl light poles)
17	Replace kitchen ranges and range hoods
18	Replace refrigerators 14-18 CF (36)
19	Replace plumbing fixtures
20	Toilet/flush tank replacement
21	Replace shower surrounds and mixing valves
22	Bathroom exhaust fan replacement
23	Bathroom vanity cabinet (wood) with cultured marble top 24-30" (Reface)
24	Microwave shelf in kitchen
25	Garbage disposals
26	Replace kitchen sinks
27	New smoke and CO detectors (battery operated)
28	Remove nurse call stations and patch holes
29	Plywood siding with cementitious siding
30	Replace siding with stucco
31	Replace flooring with LVP
32	ADA bathroom renovation
33	Replace laundry flooring and countertops, install folding table
34	Community Room improvements (floors, cabinets)
35	Comm. Room (ADA, paint, water heater (com + laundry room), HVAC)
36	Final Clean
37	Demolition
38	Drywall
39	Landscaping: sod to be addressed
40	Sidewalk repair/replacement as needed
41	Site drainage will be addressed as needed
42	Kitchen - all cabinets will be replaced
43	Kitchen countertops will be replaced with solid surface
44	Window Coverings
45	Bathroom tubs will be replaced as needed

## Scope of Development: Pointe Lagoon, 9205 Elk Grove Blvd, Elk Grove (16 units)

Item	Description
1	Patch asphalt and seal and stripe parking lot
2	Correct site drainage issues at back of property
3	Replace roof (asphalt shingle)
4	Replace windows (SMUD Rebate)
5	Replace HVAC systems (SMUD Rebate)
6	Furnace, electric 26 to 40 MBH replacement
7	New hardware at all entry doors
8	Load Center 120/240 V 125 AMP replacement
9	Interior Door (Hollow core) replacement
10	Replace all flooring with LVP
11	New interior and exterior paint
12	Replace laundry area doors
13	Replace interior and exterior light fixtures
14	Replace kitchen ranges and hoods (SMUD Rebate)
15	Kitchen sink replacement (stainless steel)
16	Microwave brackets in kitchen
17	Replace shower surrounds and mixing valves
18	Replace plumbing fixtures (toilets, shower heads, faucets)
19	Replace countertops in kitchen and baths
20	Reface cabinetry in kitchen and baths
21	Install new smoke/CO detectors (Baterly op-4@\$68 each)
22	Replace fencing as required (allowance)
23	Replace laundry bldg water heater (SMUD Rebate)
24	Replace laundry room flooring
25	Replace laundry room folding table
26	Laundry Room exterior paint 1250 sq ft
27	Laundry Room exterior door
28	Laundry Room replace sink (vitreous china)
29	Laundry Room roof (asphalt shingle)
30	Laundry Room interior wall finish - plastic fiberglass panel 2000 sq ft
31	Final clean
32	Drywall
33	ADA unit - visual bell and strobe, hearing impaired
34	Demolition
35	Sidewalk repair/replacement as needed
36	Site drainage will be addressed as needed
37	Kitchen Cabinets replace as needed
38	Window Coverings
39	Bathroom tubs will be replaced as needed

## Scope of Development: Rio Garden, 8223 Walerga Road, Antelope (24 units)

Item	Description
1	Interior and Exterior Light Fixtures
2	Light pole upgrade 135 to 1000 W
3	Load center 120/240 V, 50 AMP to 100
4	Kitchen ranges and hoods
5	Refrigerator replacement (14-18CF)
6	Replace water heaters (30 to 50 gallon)
7	Replace condensate pans on HVAC
8	Condensing unit/heat pump replace
9	Replace plumbing fixtures
10	Replace shower surrounds
11	Replace countertops in kitchen/bathroom
12	Full cabinet refacing
13	New Interior/Exterior Paint
14	New flooring (LVP)
15	Install new smoke/CO detectors (battery operated)
16	New shower door (upper floor bathrooms) (just shower curtains& splash guard)
17	Toilet tank replacement
18	Sink replacement
19	Bathroom vanity replacement (cultured marbled 24-30)
20	Replace exterior doors (steel)
21	Replace interior doors (sliding hollow core)
22	Replace interior doors (hollow core bedrm)
23	Ceiling lights in all bedrooms
24	Garbage disposals/dishwashers
25	Roof replacement
26	Sprinkler head (per sq ft @ 37800 sq. ft)
27	Fire alarm control panel (addressable) bldg 11 and 12
28	Fire extinguisher replacement
29	Parking lot (asphalt pavement, seal and stripe)
30	Parking lot (Mill and Overlay)
31	Pedestrian pvmnt/sidewalk concrete repl. 15000 SF
32	Fences and Gates - wrought iron 4" high (100 LF)
33	Dumpster accessories - Enclosure 8" high (20 LF)
34	Final clean
35	Demolition
36	Drywall misc repair
37	ADA Kitchen Postformed replace kitchen sink, counter, full reconfigure
38	ADA Restroom full reconfiguration
39	Site drainage will be addressed as needed
40	Kitchen Cabinets will be replaced as needed
41	Window Coverings
42	Bathroom tubs will be replaced as needed

**Scope of Development: Oak Park, 4921 Folsom Blvd, Sacramento (10 units)**

Item	Description
1	<b>Mitigation Requirement #1:</b> During renovation of the apartment interiors, install Land Science's Retro-Coat™ Vapor Intrusion Coating System on the existing building slabs to help prevent further vapor intrusion.
2	<b>Mitigation Requirement #2:</b> Monitoring of VOCs in sub-slab vapor and indoor air of the site buildings is required following renovation. One monitoring event in the summer (i.e., during hotter temperatures) and one in the late winter to early spring (i.e., during cooler temperatures) is required to evaluate potential seasonal and temporal variation in vapor intrusion. Monitoring results shall be provided to the Lender's Environmental Coordinator.
3	Seal and Stripe Parking Lots
4	Pedestrian pavement, sidewalk, concrete large 1,000 SF
5	Fence and gate refinish (wood) 500 SF
6	Property signage (monument/pylon)
7	Replace interior and exterior light fixtures
8	Replace water heaters
9	Replace HVAC systems
10	Replace furnace (26 to 40 MBH gas)
11	New Hardware at all entry doors
12	Replace plumbing fixtures
13	Replace countertops at kitchen and baths
14	Replace shower/tub enclosure
15	Replace bath vanity cabinet, wood/cult marble
16	Kitchen cabinet refacing
17	Replace sink (stainless steel)
18	New garbage disposal and dishwashers
19	Replace gas range
20	Replace range hood
21	Replace refrigerator 14-18 cf
22	Install new smoke detectors and CO (battery operated)
23	Load center 120/240 V 125 AMP single phase
24	New Interior and Exterior Paint
25	Replace windows (aluminum, dbl glazed)
26	Repoint Exterior Brick/Brick Veneer
27	Replace interior doors (hollow core)
28	Replace closet doors
29	Replace exterior door (steel)
30	Upgrade/beautify trash enclosure
31	New flooring to replace existing
32	New fire extinguishers
33	Correct ponding issues (allowance)
34	Convert large concrete pad to garden/bbq
35	Final clean
36	Demolition
37	Landscape: Convert concrete pad to gardening and barbecue area
38	Site drainage will be addressed as needed
39	Kitchen Cabinets will be replaced as needed
40	Window Coverings

**Scope of Development: Meadow Commons, 1043 43rd Avenue, Sacramento (28 units)**

Item	Description
1	Repair/replace exterior siding as needed
2	New hardware at all entry doors
3	Replace screen doors
4	Replace interior doors (wood hollow core)
5	Replace interior doors (sliding closet)
6	Replace windows (sliding glass prev. repl)
7	New interior and exterior paint
8	Install new vinyl plank flooring
9	Replace water heaters
10	Replace HVAC (packaged unit RTU, up to 2 ton)
11	Replace interior and exterior light fixtures
12	Replace kitchen ranges and hoods
13	Replace kitchen sinks (stainless steel)
14	Replace refrigerators (14-18 CF)
15	Replace plumbing fixtures
16	Replace shower surrounds
17	Toilet tank replacement
18	Sink replacement (vitreous china) bathroom
19	Reface all cabinets and replace countertops
20	Replace bathroom exhaust fans
21	Install new smoke/CO detectors (Battery operated)
22	GFCI replacement (56)
23	Remove nurse call pull cords and patch holes
24	ADA Visual Bell and Strobe
25	ADA Kitchen, Sink and Counter Full Reconfig/Renovate
26	Upgrade community room - ADA Kitchen/Bath
27	Community room flooring - LVP
28	Community room cabinet replacement
29	Community room exterior paint
30	Community Room - Exterior wall shingle replacement
31	Community Room - Double glazed aluminum windows (10)
32	Community Room - Store front window replacement (2) W/O DOOR
33	Community Room - exterior door w/swinging motor
34	Community Room - roof replacement (asphalt shingle)
35	Community Room - interior door replacement
36	Community Room - interior ceiling paint and prep
37	Community Room - toilet replacement
38	Community Room - sink replacement (vitreous china)
39	Community Room - service sink (porcelain enamel/cast iron)
40	Community Room - Drinking Fountain replacement
41	Community Room - water heater replacement (50 gal electric)
42	Community Room - Condensing unit/Heat Pump split unit 4 ton
43	Community Room - ceiling exhaust fan replacement 70-110 CFM
44	Community Room - Fan Coil Unit 3.5-5 ton
45	Community Room - Fire extinguisher replacement
46	Community Room - Lighting system upgrade (interior)
47	Community Room - Replace Range (Electric)



48	Community Room - Replace Range Hood
49	Community Room - Replace Refrigerator (14-18 cf)
50	Community Room - Replace countertop (plastic laminate)
51	Replace fencing as required
52	Repair concrete patios
53	Provide concrete path to extinguishers
54	Roof replacement
55	Pedestrian Gate - Wrought Iron replacement
56	Pipe and Fittings, Cast Iron 4", replacement
57	Metal Halide or LED Pole and Light Fixture 250 W (10)
58	Vehicle Control Gate w/Controller
59	Landscape - re-establish ground cover
60	Parking lot - pressure wash and restripe
61	Pedestrian pavement, sidewalk - concrete replacement (1000 SF)
62	Irrigation Valve Replacement
63	Exterior Pole Light Replacement 135-1000 W HID replace
64	Site drainage will be addressed as needed
65	Kitchen Cabinets will be replaced as needed
66	Window Coverings

**Attachment 1: Lender's Minimum Construction Standards exhibit is on the following page.**

## **Attachment 1: Lender's Minimum Construction Standards**

This attachment is from Exhibit 5 from the Lender's Multifamily Lending Policies.

### **RENTAL PROPERTY MINIMUM CONSTRUCTION STANDARDS**

The following is a list of the required construction standards that must be incorporated into projects participating in the Agency's investor assistance programs. All rental units and sites associated with these projects must meet or exceed these standards.

#### **General Requirements**

- A. Any component of the project which does or may present a health or safety hazard to the public or tenants shall be corrected to the satisfaction of the local building department.
- B. A useful life of 15 years for all systems located within the approved complex. This can be met in one of two ways, installing and maintaining systems with at least a 15-year scheduled life or install, maintain and replace as needed for a period of 15 years.

Any component of a rehabilitation project whose useful life expectancy has exceeded the useful life identified in the section, "Useful Life Expectancy," shall be replaced unless waived by the Agency in writing. It is not the intent of the Agency to replace systems that appear to have some economic life remaining and appear to be maintained and functioning effectively. It is the intent of the Agency to be assured that systems will be maintained and replaced as needed for a period of 15 years. The preferred method is by replacement and maintenance at the outset of the project; and by setting aside replacement reserves sufficient to address the needs based on current and projected conditions.

- C. A clear pest inspection report will be required at the conclusion of the construction work.
- D. All materials funded under this loan must be new unless previously approved. Recycled items must be approved in writing by the Agency prior to their use.
- E. All work shall comply with Federal and State ADA accessibility requirements. When there are differences the stricter of the two shall apply. Special attention needs to be applied when federal funding is involved.
- F. For all structures built before 1979, a report of compliance with the initial certified inspection report of lead-based paint and asbestos is required.
- G. All units shall be approved for occupancy by the local building department at the conclusion of the work and prior to occupancy, if applicable.
- H. Web-based security cameras and the equipment to record events are required for primary ingress/egress points to and from the site and for the principal parking and common areas.
- I. Site lighting is required for all parking and outside public spaces.

## **Site Work**

- A. All landscaping and irrigation systems must be in a well-maintained condition. Trees and large shrubs must be trimmed, grass areas must be mowed, and all planter areas must be weed-free. All landscaped areas must be served by a programmable automated irrigation system. Irrigation cannot be spraying on building. Sprinklers should minimize overspray that runs to storm drain drop inlets. Areas that show evidence of erosion of soil shall be landscaped to eliminate problem.
- B. All fencing must be in good and serviceable condition.
- C. All driveways and sidewalks must be in good condition. All cracked or uplifted areas (more than ¼") determined in need of repair by the Agency shall be repaired or replaced.
- D. All projects shall meet the parking requirements of the local Agency having jurisdiction over the project. "Grandfathered Projects" will need to show that they are in fact "Grandfathered" by the Local Agency having jurisdiction. All projects shall meet the governing ADA requirements for parking.
- E. A two percent (2%) slope shall be maintained for a distance of five feet from all structures and no standing water shall remain on the site. Provide an on- site drainage system if necessary.

## **Building Envelope and Moisture Protection**

- A. All wet areas must be sealed and watertight.
- B. Roofs must have 15 years or more of remaining life with no visible signs of leakage. A third layer of shingles is not allowed. Provide a 15 year certification if requested by the Agency.
- C. All siding must have 15 years or more of remaining life. Provide a 15 year certification if requested by the Agency.

## **Doors and Windows**

- A. All units must have screens on all windows that are designed to open. Windows designed to open must have functional locks and must operate freely without excessive effort. All windows must at least be low e, double pane energy efficient.
- B. All doors and doorjambs must be in good condition. No damaged or worn doorjambs or doors are allowed.
- C. All exterior doors must have deadbolt locks, keyed latch assemblies, viewers, and 2-inch screws in strike plates.
- D. All sliding exterior doors shall have screen doors and shall have functional locks and must operate freely without excessive effort.
- E. All doors and windows must meet current egress standards.

### **Casework**

- A. All cabinets shall be in very good condition both structurally and in appearance.
- B. All counter tops shall be in very good condition with no significant imperfections, scratches, burns, or other imperfections.

### **Finishes**

- A. Floor coverings must be in good, useable condition - no holes, tears, rips, or stains.
- B. All kitchens and bathrooms must be floored in sheet goods or tile to provide a cleanable, impervious surface.
- C. All exterior and interior surfaces must be painted. No peeling, cracking, chipping, or otherwise failing paint will be allowed. All painted surfaces must be new, or in near new condition and appearance.

### **Equipment**

- A. All appliances must be new or in very good operating condition.
- B. All kitchens must have adequate cabinet and counter space.

### **Furnishings**

- A. All units must have window coverings on all sleeping room windows.

### **Special Construction**

- A. Non-habitable structures on property must be painted to match primary buildings and must be structurally sound.
- B. Laundry facilities must be provided on the basis of one washer and dryer for every ten units, consistent with CTCAC requirements. If the project is more than 20 units, then 1 set of ADA accessible laundry machines must be provided.
- C. Public pools will have a self-closing gate. Fence and gate shall meet applicable current codes and standards. Joints between coping and concrete deck shall be appropriately caulked.
- D. In the case of new construction or substantial upgrade to existing pool, a handicap chair lift is the minimum requirement. The pool will meet applicable standards and codes.

### **Mechanical/Plumbing**

- A. Water heaters must be in enclosures in all habitable rooms and must be insulated and have earthquake strapping and pressure relief valves with lines that terminate to the exterior.
- B. All units must have heating and air conditioning. Wall mount or central systems are acceptable. Evaporated coolers are not acceptable.
- C. All plumbing fixtures shall be new or in very good working condition.

D. All toilets, sinks, and tubs shall be chip and stain free.

### **Electrical**

- A. All new electrical panels must be of the breaker type. Fused disconnects must be approved by the Agency.
- B. All units must have at least one hard-wired smoke detector per bedroom corridor and a minimum of one battery-operated smoke detector per bedroom.
- C. All bathrooms must have at least one GFCI protected outlet, and tub surrounds must be a minimum of 1/8" laminated plastic.
- D. Kitchens must have all GFCI protected outlets within 6 feet of the sink.

### **Resident Services Community Space**

All properties, regardless of project type (i.e. senior, family, or large family), must devote space to actual resident services in the following minimum amounts:

Less than 100 units: 12 s.f. per unit (but no less than 400 s.f. in total)  
100 units and over: 1,200 s.f.

Resident services space includes common kitchens, computer rooms, meeting rooms and general gathering space. It does not include public restrooms, leasing offices, laundry facilities and lobbies.

### **Useful Life Expectancy**

A useful life expectancy list has been established and is available upon request to benchmark the lives of certain components on a multifamily site.



# Rental Assistance Demonstration (RAD) Phase 1 (Pointe Lagoon - 4500 Perry Avenue)



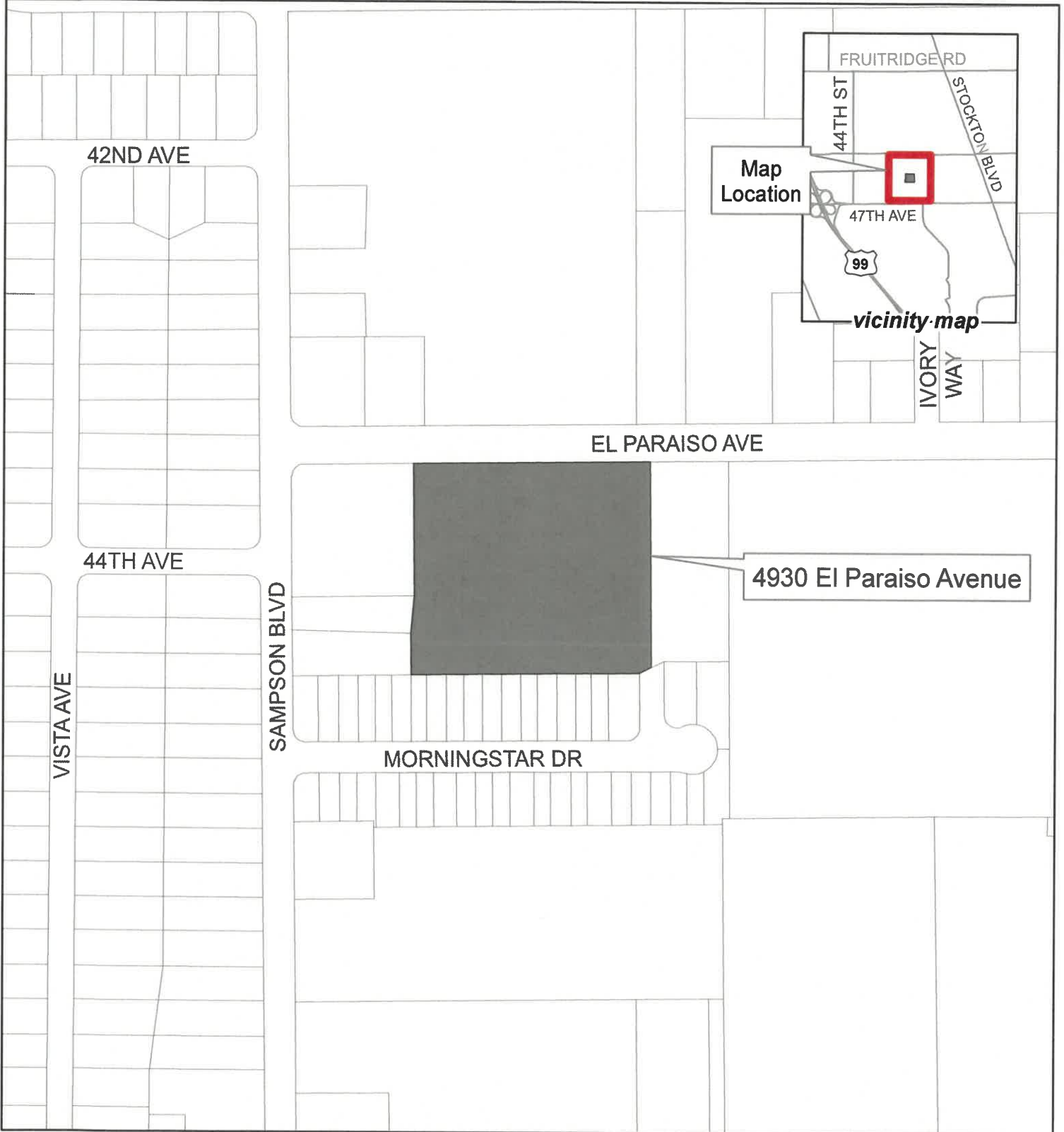
4500 Perry Avenue



SHRA GIS  
July 1, 2019



# Rental Assistance Demonstration (RAD) Phase 1 (Pointe Lagoon - 4930 El Paraiso Avenue)



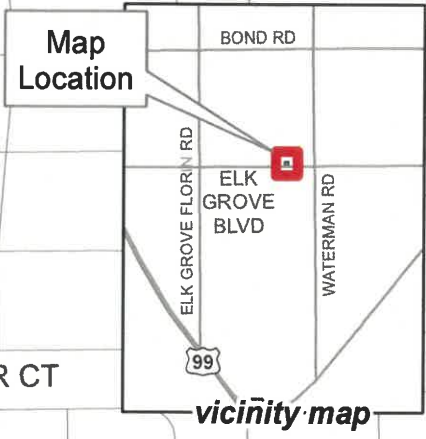
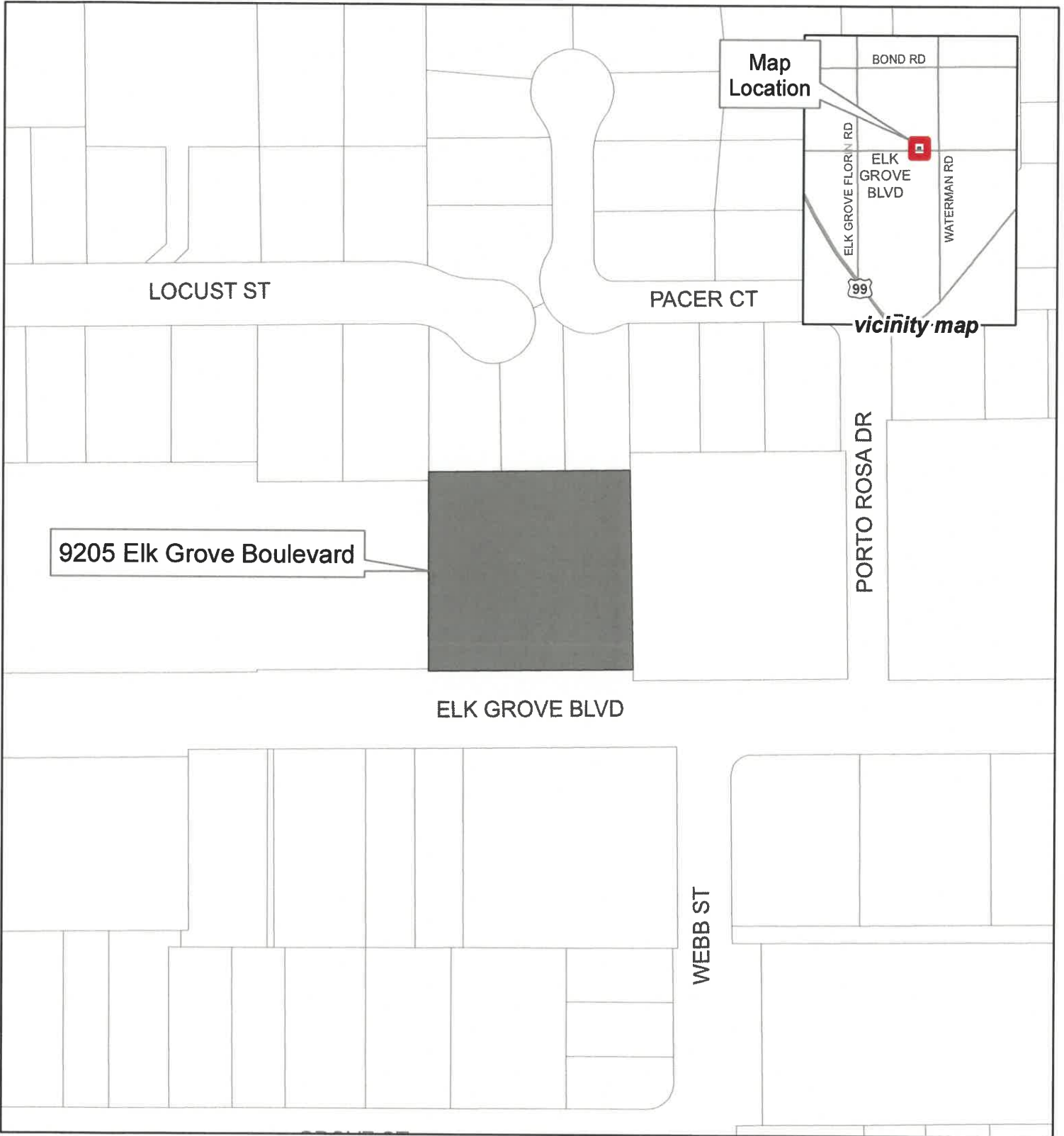
4930 El Paraiso Avenue



SHRA GIS  
July 1, 2019



# Rental Assistance Demonstration (RAD) Phase 1 (Pointe Lagoon - 9205 Elk Grove Boulevard)



9205 Elk Grove Boulevard



9205 Elk Grove Boulevard



SHRA GIS  
July 1, 2019





# Rental Assistance Demonstration (RAD) Phase 1 (Rio Garden - 8223 Walerga Road)



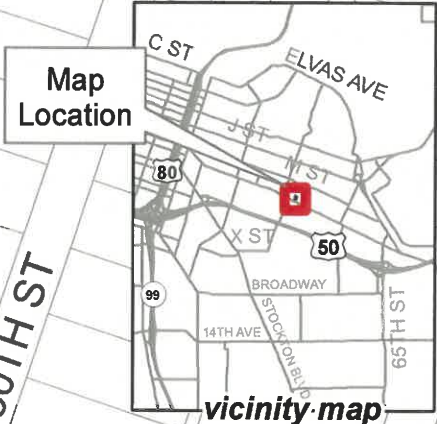
8223 Walerga Road



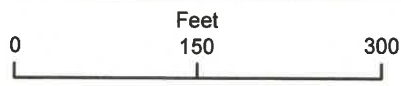
SHRA GIS  
July 1, 2019



# Rental Assistance Demonstration (RAD) Phase 1 (Oak Park - 4921 Folsom Boulevard)



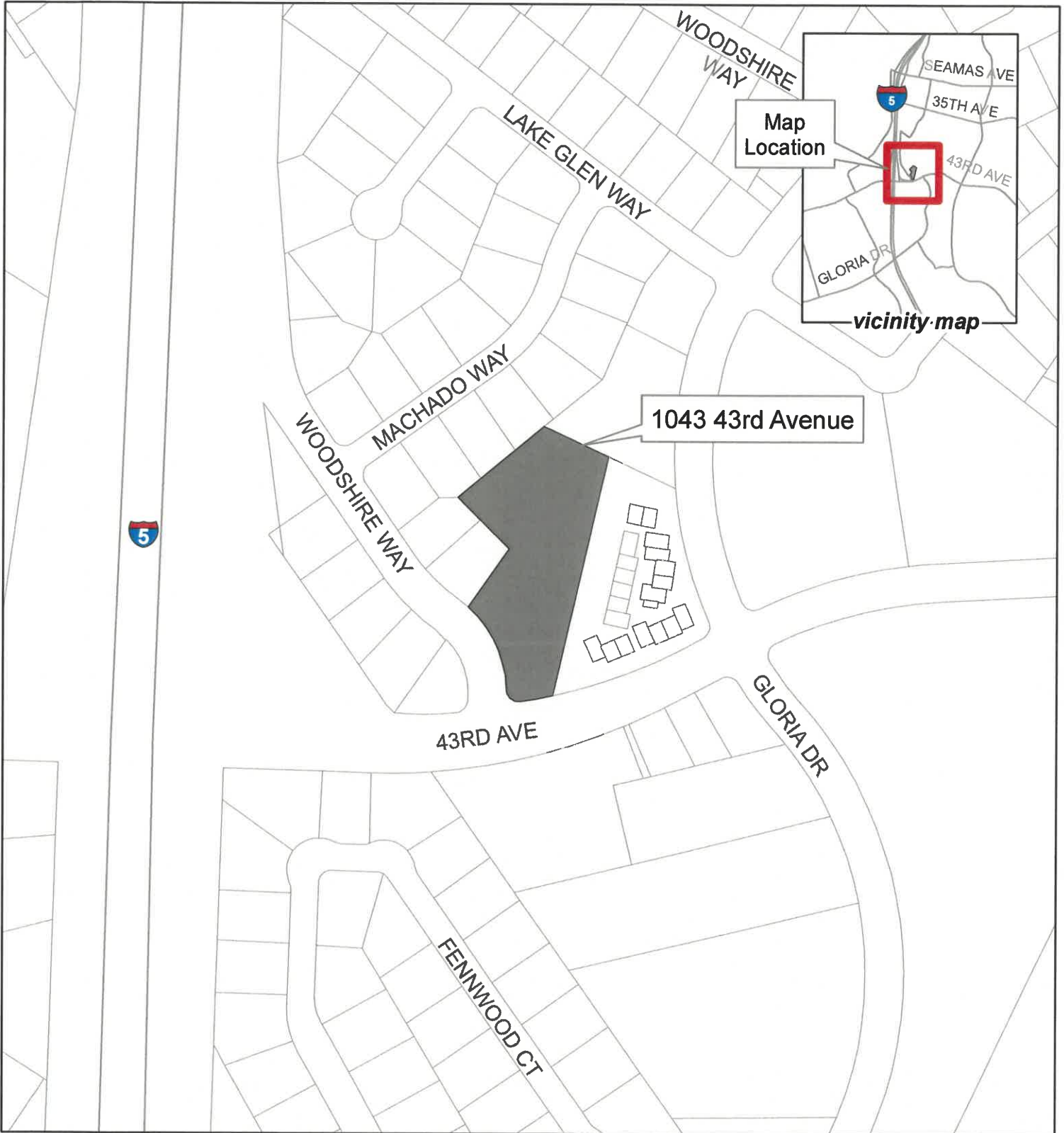
4921 Folsom Boulevard




SHRA GIS  
July 1, 2019



# Rental Assistance Demonstration (RAD) Phase 1 (Meadow Commons - 1043 43rd Avenue)



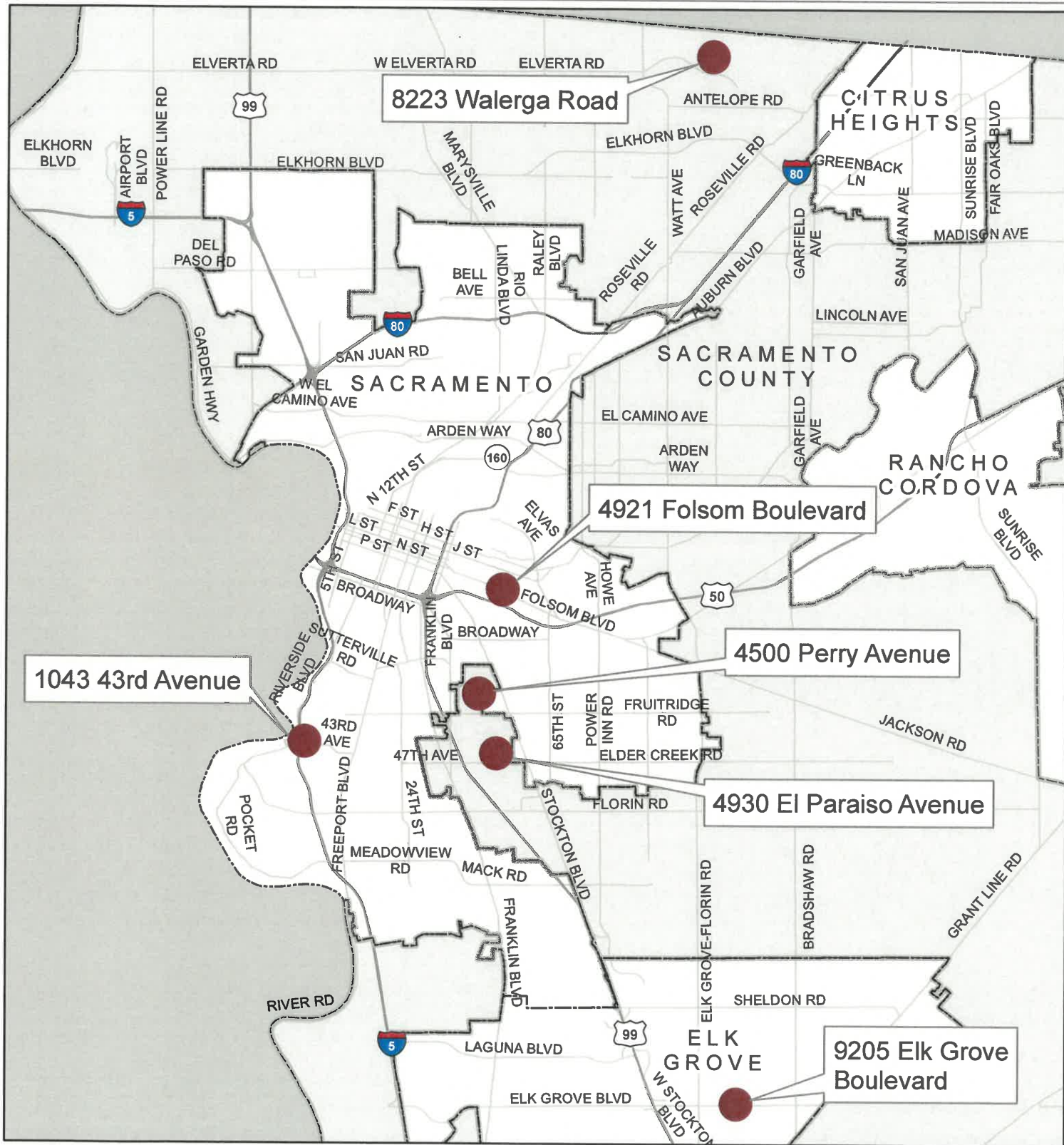
 1043 43rd Avenue



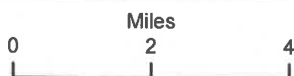
SHRA GIS  
July 1, 2019



# Rental Assistance Demonstration (RAD) Phase 1 (All Six Sites)



RAD Phase 1 Site



SHRA GIS  
July 1, 2019

**Rental Assistance Demonstration (RAD) Phase 1**  
(six scattered sites)

Pointe Lagoon - 4500 Perry Avenue, Sacramento



Pointe Lagoon - 4930 El Paraiso Avenue, Sacramento



**RAD Phase 1**  
(continued)

Pointe Lagoon - 9205 Elk Grove Boulevard, Elk Grove



Rio Garden - 8223 Walerga Road, Antelope



**RAD Phase 1**  
(continued)

Oak Park - 4921 Folsom Boulevard, Sacramento



Meadow Commons - 1043 43rd Avenue, Sacramento



**Rental Assistance Demonstration (RAD) Phase 1  
Residential Project Summary**

<b>Addresses</b>	Unincorporated County of Sacramento: 4500 Perry Ave, 4930 El Paraiso Ave and 8223 Walerga Rd. City of Elk Grove: 9205 Elk Grove Blvd. City of Sacramento: 1043 43rd Ave and 4921 Folsom Blvd.				
<b>Number of Units</b>	124				
<b>Year Built</b>	4500 Perry Ave (1986), 4930 El Paraiso Ave (1986), 8223 Walerga Rd (1976), 9205 Elk Grove Blvd (1983), 1043 43rd Ave (1972) and 4921 Folsom Blvd (1996).				
<b>Acreage</b>	8.5 acres (37,0260 sq. ft.)				
<b>Project Based Vouchers (RAD and HOTMA)</b>	There are 118 of 124 units with Rental Assistance Demonstration (RAD) Project Based Vouchers (PBV). The remaining 6 units will have Housing Opportunity Through Modernization Act of 2016 (HOTMA) PBV.				
<b>Unit Mix and Rents<sup>1</sup></b>	<u>50% AMI RAD</u>	<u>60% AMI RAD</u>	<u>60% AMI HOTMA</u>	<u>80% AMI RAD</u>	<u>Total</u>
1 bedrooms	30	32	0	2	64
2 bedrooms	7	8	0	1	16
3 bedrooms	16	20	6	2	44
<b>Total Units</b>	<b>53</b>	<b>60</b>	<b>6</b>	<b>5</b>	<b>124</b>
<b>Square Footage</b>	<u>Unit Size (sq.ft.)</u>	<u>Total (sq.ft.)</u>			
1 bedroom	500 to 525	32,900			
2 bedrooms	795	12,720			
3 bedrooms	800 to 1,122	45,458			
Community Space		2,614			
<b>Total Gross</b>		<u>93,692</u>			
<b>Resident Facilities</b>	Rehabilitation of six scattered sites with garden walk-up style units. New HVAC systems, energy efficient appliances, electrical, lighting, windows, doors, water heaters, flooring, and interior and exterior paint. Parking area and drainage renovations will be done as needed. Kitchens and bathrooms will be renovated, replacement of cabinets, sinks, fixtures, vanities and counters as needed.				
<b>Permanent Sources (Combined)</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>		
Tax Credit Equity	6,669,279	53,785	71.18		
Permanent Loan	3,393,000	27,363	36.21		
County Housing Authority (HA) Ground Lease	1,020,000	8,226	10.89		
City HA Ground Lease	1,340,000	10,806	14.30		
County HA Seller Carryback Improvements Loan	4,018,400	32,406	42.89		
City HA Seller Carryback Improvements Loan	950,589	7,666	10.15		
County HA Capital Funds Loan	807,046	6,508	8.61		
City HA Capital Funds Loan	1,983,371	15,995	21.17		
County HA Proceeds Note (Bonds)	2,491,600	20,094	26.59		
City HA Proceeds Note (Bonds)	589,411	4,753	6.29		
Deferred Developer Fee	368,455	2,971	3.93		
GP Contribution	611,002	4,927	6.52		
<b>TOTAL SOURCES</b>	<b>\$ 24,242,153</b>	<b>\$ 195,501.23</b>	<b>\$ 258.74</b>		
<b>Permanent Uses (Combined)</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>		
Acquisition	10,410,000	83,952	111.11		
Construction Costs	6,845,816	55,208	73.07		
Architecture & Engineering	682,080	5,501	7.28		
Permits and Fees	120,102	969	1.28		
Hard Cost Contingency	683,173	5,509	7.29		
Soft Cost Contingency	29,358	237	0.31		
Financing Cost	1,045,239	8,429	11.16		
Operating Reserves	218,535	1,762	2.33		
Capitalized Replacement Reserves	900,000	7,258	9.61		
Legal Fees	205,000	1,653	2.19		
Relocation	512,850	4,136	5.47		
Developer Fee	2,510,000	20,242	26.79		
Third Party Fees, Marketing, Other	80,000	645	0.85		
<b>TOTAL USES</b>	<b>\$ 24,242,153</b>	<b>\$ 195,501</b>	<b>\$ 258.74</b>		
<b>Leverage</b>	<u>HA \$ per Unit</u>	<u>Per Unit Cost</u>	<u>Leverage</u>		
	\$ 106,455	\$ 195,501	SHRA : Other \$1.00 :	\$	1.84
<b>Management / Operations</b>	Sacramento Housing Authority Repositioning Program, Inc., (SHARP) Housing Authority				
Proposed Developer					
Property Management Company					
Operations Budget	\$ 593,582	\$ 4,787			
Property Management	\$ 87,669	\$ 707			
Resident Services	\$ 5,863	\$ 47			
Replacement Reserves	\$ 37,200	\$ 300			
Taxes and Insurance	\$ 40,899	\$ 330			

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits; and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.



Rental Assistance Demonstration (RAD) Phase 1 (six scattered sites)  
Cash Flow Proforma (p. 1 of 2)

RAD Phase 1 (six scattered sites)		Unit Type <sup>1</sup>	Number	Square Feet	Total Sq Feet	Gross Rent	Utility Allowance	Contract Rent	Rent per Sq Foot	Total Mo. Rent	Annual Rent
<u>(County) Pointe Lagoon - 4500 Perry Ave. 4930 El Paraiso Ave &amp; 9205 Elk Grove Blvd</u>											
1	bedroom @ 50% AMI (RAD PBV)		17	525	8,925	\$ 615	\$ 98	\$ 517	\$ 0.98	\$ 8,789	\$ 105,468
1	bedroom @ 60% AMI (RAD PBV)		18	525	9,450	\$ 615	\$ 98	\$ 517	\$ 0.98	\$ 9,306	\$ 111,672
1	bedroom @ 80% AMI (RAD PBV)		1	525	525	\$ 615	\$ 98	\$ 517	\$ 0.98	\$ 517	\$ 6,204
2	bedroom @ 50% AMI (RAD PBV)		7	795	5,565	\$ 725	\$ 103	\$ 622	\$ 0.78	\$ 4,354	\$ 52,248
2	bedroom @ 60% AMI (RAD PBV)		8	795	6,360	\$ 725	\$ 103	\$ 622	\$ 0.78	\$ 4,976	\$ 59,712
2	bedroom @ 80% AMI (RAD PBV)		1	795	795	\$ 725	\$ 103	\$ 622	\$ 0.78	\$ 622	\$ 7,464
3	bedroom @ 60% AMI (RAD PBV)		5	1,053	5,265	\$ 1,094	\$ 140	\$ 954	\$ 0.91	\$ 4,770	\$ 57,240
3	bedroom @ 60% AMI (HOTMA PBV)		5	1,053	5,265	\$ 954	\$ 140	\$ 814	\$ 0.77	\$ 4,070	\$ 48,840
<u>(County) Rio Garden - 8223 Valencia Rd</u>											
3	bedroom @ 50% AMI (RAD PBV)		11	1,122	12,342	\$ 1,070	\$ 116	\$ 954	\$ 0.85	\$ 10,494	\$ 125,928
3	bedroom @ 60% AMI (RAD PBV)		12	1,122	13,464	\$ 1,070	\$ 116	\$ 954	\$ 0.85	\$ 11,448	\$ 137,376
3	bedroom @ 80% AMI (RAD PBV)		1	1,122	1,122	\$ 1,070	\$ 116	\$ 954	\$ 0.85	\$ 954	\$ 11,448
<u>(City) Oak Park - 4921 Folsom Blvd</u>											
3	bedroom @ 60% AMI (HOTMA PBV)		1	800	800	\$ 954	\$ 116	\$ 838	\$ 1.05	\$ 838	\$ 10,056
3	bedroom @ 50% AMI (RAD PBV)		5	800	4,000	\$ 1,070	\$ 116	\$ 954	\$ 1.19	\$ 4,770	\$ 57,240
3	bedroom @ 60% AMI (RAD PBV)		3	800	2,400	\$ 1,070	\$ 116	\$ 954	\$ 1.19	\$ 2,862	\$ 34,344
3	bedroom @ 80% AMI (RAD PBV)		1	800	800	\$ 1,070	\$ 116	\$ 954	\$ 1.19	\$ 954	\$ 11,448
<u>(City) Meadow Commons - 1043 43rd Ave</u>											
1	bedroom @ 50% AMI (RAD PBV)		13	500	6,500	\$ 612	\$ 95	\$ 517	\$ 1.03	\$ 6,721	\$ 80,652
1	bedroom @ 60% AMI (RAD PBV)		14	500	7,000	\$ 612	\$ 95	\$ 517	\$ 1.03	\$ 7,238	\$ 86,856
1	bedroom @ 80% AMI (RAD PBV)		1	500	500	\$ 612	\$ 95	\$ 517	\$ 1.03	\$ 517	\$ 6,204
<b>Totals</b>			<b>124</b>	<b>14,132</b>	<b>91,078</b>					<b>\$ 84,200</b>	<b>\$ 1,010,400</b>

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits, and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.

Rental Assistance Demonstration (RAD) Phase 1 (six scattered sites)  
Cash Flow Proforma (p. 2 of 2)

	Annual Increase	Per Unit	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	Year 10 2031	Year 15 2036	Year 20 2041	Year 25 2046
<b>Income</b>											
Potential Gross Income (118 RAD PBV units)	2.50%	4,787	1,061,552	1,088,090	1,115,293	1,143,175	1,171,754	1,325,732	1,489,944	1,687,050	1,920,056
Rental Subsidy (6 HOTMA PBV units)	2.50%	707	61,272	62,804	64,374	65,984	67,633	76,521	86,576	97,953	110,825
Other Income	2.50%	47	6,657	6,823	6,994	7,169	7,348	8,313	9,406	10,642	12,040
Less: Vacancy	5.00%	330	(56,474)	(57,869)	(59,333)	(60,816)	(62,337)	(70,529)	(79,799)	(90,282)	(102,146)
Effective Gross Income		6,171	\$1,073,007	\$1,098,832	\$1,127,328	\$1,155,511	\$1,184,389	\$1,340,038	\$1,516,130	\$1,715,362	\$1,940,775
<b>Operating Expenses</b>											
Operating Expenses	3.50%	4,787	593,582	614,357	635,860	658,115	681,149	808,991	960,828	1,141,162	1,355,342
Property Management	3.50%	707	87,669	90,737	93,913	97,200	100,602	119,484	141,909	168,544	200,177
Resident Services	3.50%	47	5,863	6,068	6,280	6,500	6,728	7,960	9,490	11,271	13,387
Replacement Reserves	0.00%	300	37,200	37,200	37,200	37,200	37,200	37,200	37,200	37,200	37,200
Taxes/Insurance	2.00%	330	40,899	41,717	42,551	44,271	44,271	44,271	53,966	59,582	65,784
Total Expenses		6,171	\$765,213	\$790,080	\$815,805	\$842,418	\$869,949	\$1,022,544	\$1,203,393	\$1,417,759	\$1,671,890
<b>Net Operating Income</b>			<b>\$307,794</b>	<b>\$308,752</b>	<b>\$311,523</b>	<b>\$313,093</b>	<b>\$314,449</b>	<b>\$317,495</b>	<b>\$312,738</b>	<b>\$297,603</b>	<b>\$268,885</b>
<b>Debt Service</b>											
Senior Loan	4.097%	35	155,355	155,355	155,355	155,355	155,355	155,355	155,355	155,355	155,355
HA Monitoring Fee	0.125%		15,625	15,625	15,625	15,625	15,625	15,625	15,625	15,625	15,625
Debt Service Subtotal			\$170,980	\$170,980	\$170,980	\$170,980	\$170,980	\$170,980	\$170,980	\$170,980	\$170,980
<b>Priority Distributions</b>											
Asset Management Fee (GP)	3.00%		8,487	8,742	9,004	9,274	9,552	11,074	12,837	14,882	17,252
Partnership Management Fee (LP)	3.00%		8,487	8,742	9,004	9,274	9,552	11,074	12,837	14,882	17,252
Priority Distributions Subtotal			16,974	17,483	18,008	18,548	19,104	22,147	25,675	29,764	34,504
<b>Net Cash after Priority Distributions</b>			<b>\$118,840</b>	<b>\$121,289</b>	<b>\$122,535</b>	<b>\$123,565</b>	<b>\$124,365</b>	<b>\$124,368</b>	<b>\$116,063</b>	<b>\$267,096</b>	<b>\$236,008</b>
<b>Deferred Developer Fee</b>											
Principal Balance	3.00%		515,425	411,048	302,090	188,618	70,711	0	0	0	0
Interest for Period			15,463	12,331	9,063	5,659	2,121	0	0	0	0
Accumulated Interest			15,463	12,331	9,063	5,659	2,121	0	0	0	0
Payment			119,840	121,289	122,535	123,565	124,365	124,368	124,368	124,368	124,368
Balance			\$411,048	\$302,090	\$188,618	\$70,711	\$0	\$0	\$0	\$0	\$0
<b>Net Cash after Deferred Developer Fee</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,533</b>	<b>\$124,368</b>	<b>\$116,063</b>	<b>\$267,096</b>	<b>\$236,008</b>
<b>Housing Authority of the City of Sacramento Construction &amp; Permanent Loan<sup>1</sup></b>											
Principal Balance	3.00%		2,572,782	2,572,782	2,572,782	2,572,782	2,572,782	2,572,782	2,572,782	2,572,782	2,572,782
Interest for Period			77,183	77,183	77,183	77,183	77,183	77,183	77,183	77,183	77,183
Accumulated Interest			77,183	154,367	231,550	308,734	385,917	495,908	677,290	942,237	1,319,420
Payment			0	0	0	0	25,766	62,184	58,042	133,548	423,291
Balance			\$2,649,965	\$2,727,149	\$2,804,332	\$2,881,516	\$2,932,933	\$3,006,506	\$3,092,030	\$2,945,952	\$2,995,073
<b>Net Cash after Deferred Developer Fee</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,533</b>	<b>\$124,368</b>	<b>\$116,063</b>	<b>\$267,096</b>	<b>\$236,008</b>
<b>Housing Authority of the County of Sacramento Construction &amp; Permanent Loan<sup>2</sup></b>											
Principal Balance	3.00%		3,298,646	3,298,646	3,298,646	3,298,646	3,298,646	3,298,646	3,298,646	3,298,646	3,298,646
Interest for Period			98,959	98,959	98,959	98,959	98,959	98,959	98,959	98,959	98,959
Accumulated Interest			98,959	197,919	296,878	395,838	494,797	713,667	903,929	1,192,237	1,626,769
Payment			0	0	0	0	25,766	62,184	58,042	133,548	296,008
Balance			\$3,397,605	\$3,496,565	\$3,595,524	\$3,694,484	\$3,767,676	\$3,850,130	\$4,144,533	\$4,107,335	\$3,689,408
<b>Net Cash after Deferred Developer Fee</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,533</b>	<b>\$124,368</b>	<b>\$116,063</b>	<b>\$267,096</b>	<b>\$236,008</b>
<b>Housing Authority of the County of Sacramento Seller Carryback Loan (Improvements)</b>											
Principal Balance	3.00%		4,018,400	4,018,400	4,018,400	4,018,400	4,018,400	4,018,400	4,018,400	4,018,400	4,018,400
Interest for Period			120,552	120,552	120,552	120,552	120,552	120,552	120,552	120,552	120,552
Accumulated Interest			120,552	241,104	361,656	482,208	602,760	1,205,520	1,808,280	2,411,040	3,013,800
Payment			0	0	0	0	0	0	0	0	0
Balance			\$4,138,952	\$4,259,504	\$4,380,056	\$4,500,608	\$4,621,160	\$5,223,320	\$5,826,680	\$6,429,440	\$7,032,200
<b>Net Cash after Deferred Developer Fee</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,533</b>	<b>\$124,368</b>	<b>\$116,063</b>	<b>\$267,096</b>	<b>\$236,008</b>
<b>Housing Authority of the City of Sacramento Seller Carryback Loan (Improvements)</b>											
Principal Balance	3.00%		950,589	950,589	950,589	950,589	950,589	950,589	950,589	950,589	950,589
Interest for Period			28,518	28,518	28,518	28,518	28,518	28,518	28,518	28,518	28,518
Accumulated Interest			28,518	57,035	85,553	114,071	142,588	285,177	427,765	570,353	712,942
Payment			0	0	0	0	0	0	0	0	0
Balance			\$979,107	\$1,007,624	\$1,036,142	\$1,064,660	\$1,093,177	\$1,235,766	\$1,378,354	\$1,520,942	\$1,663,531

End Note

<sup>1</sup>HACS Construction & Permanent Loan includes the Capital Funds and Cash Proceeds Notes.

<sup>2</sup>HACOS Construction & Permanent Loan includes the Capital Funds and Cash Proceeds Notes.

**MAXIMUM GROSS INCOME AND RENT LIMITS 2019<sup>1</sup>**  
 Rental Assistance Demonstration (RAD) Project Based Vouchers (PBV),  
 Housing Opportunity Through Modernization Act of 2016 (HOTMA) PBV and  
 Low Income Housing Tax Credits (LIHTC)

**RAD Phase 1 (Six Scattered Sites)**

**Maximum Gross Income Limits**

<u>Household Size</u>	<u>50% AMI</u>	<u>60% AMI</u>	<u>80% AMI</u>
1 person	\$ 29,300	\$ 35,160	\$ 46,880
2 person	\$ 33,450	\$ 40,140	\$ 53,520
3 person	\$ 37,650	\$ 45,180	\$ 60,240
4 person	\$ 41,800	\$ 50,160	\$ 66,880
5 person	\$ 45,150	\$ 54,180	\$ 72,240
6 person	\$ 48,500	\$ 58,200	\$ 77,600
7 person	\$ 51,850	\$ 62,220	\$ 82,960

**Maximum Gross Rent Limits**

<u>Unit Size</u>	<u>RAD PBV Rents</u>	<u>HOTMA PBV Rents</u>
1 Bedroom	\$ 612	
1 Bedroom	\$ 615	
2 Bedroom	\$ 725	
3 Bedroom	\$ 1,070	
3 Bedroom	\$ 1,094	
3 Bedroom		\$ 1,764

<sup>1</sup>Pursuant to 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits; and the AMI change is due to income averaging regulation by CDLAC. The tenant rent will not exceed 30% of the household adjusted gross income with PBV.

## 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

**November 20, 2019**

**RENTAL ASSISTANCE DEMONSTRATION (RAD) PHASE 1 REHABILITATION: APPROVING THE DISPOSITION AND FINANCING OF THE REHABILITATION OF POINTE LAGOON AND RIO GARDEN THROUGH THE CONVERSION OF UNITS UNDER THE RAD PROGRAM, INCLUDING THE LEASE OF LAND AND SALE OF IMPROVEMENTS TO RAD PILOT LP, THE MAKING OF A SELLER CARRYBACK LOAN, CONSTRUCTION/PERMANENT LOAN, AND GROUND LEASE LOAN TO RAD PILOT LP, THE PROVISION OF A LETTER OF CREDIT FOR \$1,200,000 MILLION DOLLARS AS TEMPORARY SECURITY FOR PROJECT FINANCING, AND THE EXECUTION OF RELATED FINANCING DOCUMENTS; AND MAKING ENVIRONMENTAL FINDINGS**

**WHEREAS**, on October 30, 2018, the Board of the Housing Authority of the County of Sacramento (Board) adopted Resolution No. HA-2423, which approved the updates to the Housing Authority Asset Repositioning Plan allowing for conversion of the public housing portfolio under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs. Additionally, the Board authorized the Housing Authority to submit an application to United States Department of Housing and Urban Development (HUD) to reposition and convert certain County Public Housing Properties under the RAD Program and certain other County Public Housing Properties under the Section 18 Program;

**WHEREAS**, the Housing Authority of the County of Sacramento (Authority) owns Pointe Lagoon and Rio Garden, two public housing projects located in the County of Sacramento, California, consisting of three (3) Pointe Lagoon properties located at 4500 Perry Avenue, Sacramento; 4930 El Paraiso Avenue, Sacramento; and 9205 Elk Grove Boulevard, Elk Grove; and one (1) Rio Garden property located at 8223 Walerga Road, Antelope (collectively, the Authority Sites);

**WHEREAS**, on November 30, 2018, HUD approved an application to reposition and convert 62 units at Pointe Lagoon and 24 units at Rio Garden, to RAD Project Based Vouchers;

**WHEREAS**, five of the 86 units in the Authority Sites were approved by HUD for "de minimis" conversion under the RAD Program and will be funded with Authority Project Based Vouchers;

**WHEREAS**, on May 17, 2019, five of the 86 units in the Authority Sites were approved by the Authority under the HUD Housing Opportunity Through Modernization Act of 2016 (HOTMA) and will be funded with Authority Project Based Vouchers;

**WHEREAS**, the Authority's RAD application was approved as part of a single, joint scattered site RAD Program rehabilitation project which includes certain properties owned by the Housing Authority of the City of Sacramento (City Authority);

**WHEREAS**, the City properties are located in the City of Sacramento and consist of two sites located at 4921 Folsom Boulevard and 1043 43rd Avenue in the City of Sacramento (City Sites). The City Sites are the subject of a separate resolution to be authorized by the City Authority;

**WHEREAS**, the Authority Sites and the City Sites are referred to collectively as the "Project";

**WHEREAS**, on July 23, 2019, the Board adopted Resolution No. HA-2433, which authorized the Authority to: 1) enter into an Option Agreement for the Ground Lease of Land and Purchase and Sale of Improvements in an amount justified by an updated fair market value appraisal (Option to Lease and Sell); and 2) enter into a Loan Commitment of (i) \$958,129 in the form of capital funds and (ii) \$4,900,000 in the form of a seller carryback loan, with the Sacramento Housing Authority Repositioning Program, Inc., a California nonprofit public benefit corporation affiliated with the Authority (SHARP) or an entity related to SHARP;

**WHEREAS**, the Authority entered into the Option to Lease and Sell with SHARP dated July 23, 2019 by which the Authority agreed to lease the Land for a term of 99 years for capitalized rent in the amount of \$1,020,000;

**WHEREAS**, as of August 14, 2019, the updated appraisals indicated the aggregate fair market value of (i) the Improvements is \$6,510,000 and (ii) the Land is \$1,020,000;

**WHEREAS**, SHARP has formed RAD Pilot LP, a California limited partnership (Partnership) to undertake the rehabilitation of the Project, the managing general partner of which is RAD Pilot LLC, a California limited liability company whose sole member is SHARP;

**WHEREAS**, to effectuate the Project, the following will occur simultaneously: (i) the Authority will lease the land underlying the Authority Sites to the Partnership (Land); (ii) the City Authority will lease the land underlying the City Sites to the Partnership; (iii) the Authority will sell the improvements within the Authority Sites (Improvements) to the Partnership; and (iv) the City Authority will sell the improvements within the City Sites to the Partnership;

**WHEREAS**, the Authority and the City will each provide separate financing to the Project with all other loan and tax credit financing for the Project will apply jointly to the Authority Sites and the City Sites;

**WHEREAS**, the Authority desires to enter into certain documents with HUD and/or the Partnership pursuant to the RAD Program, which documents shall include, but are not limited to, a Rental Assistance Demonstration Conversion Commitment (RCC); amendment to RCC; releases of HUD declarations of trust; a RAD use agreement; RAD PBV housing assistance payment contracts (HAPs); an agreement to enter an HACOS PBV HAP (AHAP); certifications; subordination agreements; and any and all documents required by HUD for the RAD Conversion or otherwise under the RAD Program (collectively, the RAD Documents);

**WHEREAS**, the Authority desires to enter into a disposition and development agreement (DDA), a ground lease for the Land for a term of ninety-nine (99) years, a purchase and sale agreement for the Improvements in the amount of \$6,510,000 (Purchase Price), a grant deed for the Improvements, a bill of sale and assignment, an assignment of Option to Lease and Sell, an assignment of leases and contracts, a Tax Credit Allocation Committee (TCAC) lease rider, and ancillary documents, including a memorandum of ground lease, a preliminary change of ownership report, closing statements, escrow instructions, and any and all other documents and certifications necessary to ground lease the Land and convey the Improvements to the Partnership, (Acquisition Documents);

**WHEREAS**, the Authority desires to provide seller financing to the Partnership for a portion of the Purchase Price, in an amount not to exceed \$4,900,000 (Seller Carryback Loan) and shall enter into any and all documents necessary to consummate such loan, including, but not limited to, as needed, a loan agreement, a promissory note and a deed of trust (Seller Carryback Loan Documents);

**WHEREAS**, the Authority desires to provide a loan to the Partnership evidenced by two promissory notes: (i) a note from cash proceeds from the sale of the Improvements in an amount

not to exceed \$2,628,300, plus (ii) a public housing Capital Funds note in an amount not to exceed \$965,129 (collectively, the Construction-Permanent Loan), and enter into any and all documents necessary to consummate such loan, including, but not limited to, as needed, a loan agreement, a construction-permanent loan promissory note, a cash proceeds promissory note, a deed of trust, and a completion guaranty (Construction-Permanent Loan Documents);

**WHEREAS**, the Authority desires to provide a loan to the Partnership in the amount of the capitalized ground lease rent not to exceed \$1,020,000 (Ground Lease Loan) and shall enter into any and all documents necessary to consummate such loan, including, but not limited to, a promissory note and a deed of trust, (Ground Lease Loan Documents);

**WHEREAS**, the Authority will make a mortgage loan (Project Loan) to the Partnership in a principal amount not to exceed \$12,500,000, with proceeds received from the separate loan (Funding Loan) made to the Authority in a principal amount not to exceed \$12,500,000, by Wells Fargo Bank, National Association (Bank). The Funding Loan will be evidenced by one or more multifamily notes (collectively, the Governmental Note) delivered by the Authority to the Bank;

**WHEREAS**, upon completion of the Project and other standard conditions, the Federal Home Loan Mortgage Corporation (Freddie Mac) has committed to facilitate the financing of the Project in the permanent phase by purchasing the Funding Loan, of which an amount not to exceed \$4,000,000 (Permanent Loan) will be outstanding on the conversion date. On such conversion date, the Bank will deliver and the Prudential Affordable Mortgage Company, LLC (Prudential) will purchase the Funding Loan, as evidenced by the Governmental Note. Thereafter Prudential will deliver the Funding Loan to Freddie Mac for purchase;

**WHEREAS**, the NEF Assignment Corporation, an Illinois not-for-profit corporation or its designee, is expected to enter the Partnership as investor limited partner (Investor Limited Partner) and provide an amount not to exceed \$7,000,000 in equity in connection with the tax credit syndication of the Partnership (Tax Credit Syndication);

**WHEREAS**, the Bank and the Investor Limited Partner require the Authority to provide a letter of credit to the Bank as additional security for the obligations of SHARP, who is the guarantor for the Project and the Partnership with respect to the Bank and bond-related documents and the Tax Credit Syndication documents, until such time as SHARP is able to meet required financial benchmarks, including unrestricted liquidity of \$2,500,000 and the acquisition of 215 scattered site housing units pursuant to a Section 18 disposition;

**WHEREAS**, the terms of such SHARP benchmarks and Authority obligations are set forth in (i) a Repayment Guaranty Agreement with the Bank, which the Authority is to agree to and acknowledge, and (ii) the terms of the Tax Credit Syndication limited partnership agreement and guaranty to which SHARP and its affiliated limited partnership will be parties, which documents require that the Housing Authority of the County of Sacramento provide a letter of credit to the Bank in the amount of \$1,200,000 for a term not to exceed 24 months, which letter of credit will be secured by Authority operating reserve funds (collectively, the Authority Letter of Credit Obligations);

**WHEREAS**, in connection with the financing of the Project the Authority may be required to execute one or more assignments of HAPs, assignments of AHAPs, and to provide certain documents to the Bank, Freddie Mac, Prudential, or the Investor Limited Partner, including but not limited to subordination agreements with respect to the Seller Carryback Documents, Construction-Permanent Loan Documents, and Ground Lease Loan Documents (collectively, the Assignment/Subordination Documents);

**WHEREAS**, the Authority and/or City Authority desires to provide development services to, and enter into an administrative services agreement with, SHARP or the Partnership (Administrative Services Agreement);

**WHEREAS**, the Authority and/or City Authority desires to serve as the property manager for the Project and enter into a property management agreement with the Partnership (Property Management Agreement);

**WHEREAS**, the Authority has entered or desires to enter into one or more architect's contracts and other professional and service contracts with third parties to provide certain services required in connection with the predevelopment and rehabilitation of the Project (collectively the Service Contracts) and the Authority shall assign such contracts and all rights, warranties and work products from the Service Contracts to the Partnership (Assignment of Service Contracts);

**WHEREAS**, as a part of the Tax Credit Syndication documents the Authority desires to enter into a purchase option and right of first refusal and a memorandum of purchase option and right of first refusal for the Project (collectively, the Option/ROFR Documents);

**WHEREAS**, the disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorically Exempt under Categorically Exempt under California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301,



“Existing Facilities”;

**WHEREAS**, the disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorically Excluded under National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.35(a)(3)(ii) and (5), and convert to exempt pursuant to 24 CFR 58.34(a)(12).

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

Section 1. The above recitals, including the environmental recitals, are determined to be true and correct.

Section 2. The Authority shall effectuate the RAD Conversion and shall enter into the RAD Documents.

Section 3. The Authority shall ground lease the Land and sell the Improvements to the Partnership and shall enter into the Acquisition Documents.

Section 4. The Authority shall make the Seller Carryback Loan and enter into the Seller Carryback Loan Documents.

Section 5. The Authority shall make the Construction-Permanent Loan and enter into the Construction-Permanent Loan Documents.

Section 6. The Authority shall make the Ground Lease Loan and enter into the Ground Lease Loan Documents.

Section 7. The Authority shall make the Funding Loan and Project Loan, authorize the Permanent Loan and execute the Governmental Note.

Section 8. The Authority shall enter into the Authority Letter of Credit Obligations.

Section 9. The Authority shall enter into the Assignment and Subordination Documents.

Section 10. The Authority shall enter into the Administrative Services Agreement.

Section 11. The Authority shall enter into the Property Management Agreement.

Section 12. The Authority shall enter into the Assignment of Service Contracts.

Section 13. The Authority shall enter into the Option/Right of First Refusal Documents.

Section 14. The Executive Director, or her designee, acting alone on behalf of the Authority, shall be authorized to execute any and all necessary documents, agreements and certificates, including, but not limited to the RAD Documents, the Acquisition Documents, the Seller Carryback Loan Documents, the Construction-Permanent Loan Documents, the Ground Lease Loan Documents, the Governmental Note, the Authority Letter of Credit Obligations, the

Assignment/Subordination Documents, the Administrative Services Agreement, the Property Management Agreement, the Assignment of Services Contracts, the Option/ROFR Documents, and any and all other documents necessary for the Authority to convert the Project through the RAD Program, convey the leasehold interest in the Land and fee interest in the Improvements, consummate and subordinate the Seller Carryback Loan, the Construction-Permanent Loan, and the Ground Lease Loan, and otherwise reasonably assist the Partnership in securing the financing for the Project as described above.

Section 15: The Executive Director, or her designee, is authorized to enter into and execute all other documents and agreements as approved to form by Sacramento Housing and Redevelopment Agency counsel, as well as perform other actions necessary to complete the transactions described in, or contemplated by, this Resolution.

Section 16. The Executive Director, or her designee, is authorized to amend the budget to allocate County of Sacramento Housing Authority Capital Funds loan not to exceed \$1,000,000; a cash proceeds note not to exceed \$2,628,300 from the sale of improvements; and seller carryback improvements loan not to exceed \$4,900,000 and ground lease loan not to exceed \$1,020,000 or in an amount to be justified by a fair market value appraisal of the land and improvements.

---

CHAIR

ATTEST:

---

CLERK



November 15, 2019

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Lavender Courtyard by Mutual Housing - Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, Approval of Tax Exempt Bonds, and Extension of funding commitment

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report prior to final approval by the City of Sacramento.

Respectfully submitted,



LA SHELLE DOZIER  
Executive Director

Attachment



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

**Public Hearing  
December 10, 2019**

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

**Title: Lavender Courtyard by Mutual Housing - Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, Approval of Tax Exempt Bonds, and Extension of Funding Commitment**

**Location/Council District:** 605 16th Street, 1612 F Street and 1616 F Street, District 4

**Recommendation:** Conduct a public hearing and upon conclusion adopt 1) a **City Council Resolution** indicating the City Council has conducted a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing related to the proposed construction and financing of the Lavender Courtyard by Mutual Housing; 2) a **City Council Resolution** which authorizes the Sacramento Housing and Redevelopment Agency to a) approve a funding commitment of \$1,905,525 in City Home Investment Partnership (HOME) funds b) execute a Funding Commitment Letter with Lavender Associates, L.P. (Mutual Housing California) or related entity, c) execute all necessary documents associated with this transaction, d) amend the Agency budget, and e) make related findings; and 3) a **Housing Authority Resolution** a) indicating the intention of the Housing Authority of the City of Sacramento to issue up to \$35,000,000 in tax-exempt mortgage revenue bonds to provide acquisition, construction and permanent financing for the Project, b) authorizing an application to the California Debt Limit Allocation Committee (CDLAC) for allocation authority to issue bonds, and c) authorizing the Executive Director, or designee, to execute necessary documents associated with the transaction.

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

**Presenters:** Anne Nicholls, Housing Finance Analyst, Sacramento Housing and Redevelopment Agency

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

## Description/Analysis

**Issue Detail:** On March 8, 2016, the City Council authorized the Agency to execute a Loan Commitment for \$1,905,525 in Home Investment Partnership (HOME) funds. That commitment expired on March 8, 2017 and this report seeks reauthorization of the commitment of HOME funds for Lavender Courtyard by Mutual Housing (Project). The amount of HOME funds committed to the Project has not changed. The Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and intent to issue up to \$13,500,000 in tax-exempt mortgage revenue bonds that was held on March 8, 2016 has also expired and this report seeks to conduct another TEFRA hearing and increase the tax-exempt mortgage revenue bonds issuance up to \$35,000,000. The increased cost is generally attributed to construction and financing expenses.

The Project is a new construction affordable senior housing development friendly to the Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) community and is the first of its kind in the region. The development is located on approximately 0.59 vacant acres at 605 16th Street, 1612 F Street and 1616 F Street in Sacramento's historic Mansion Flats neighborhood. A vicinity map is included as Attachments 2.

Lavender Associates, L.P. (Mutual Housing California) acquired the property in July 2015. Mutual Housing California (Developer) has applied to the Agency for the issuance of up to \$35,000,000 in tax exempt mortgage revenue bonds, and a gap financing Agency loan of \$1,905,525 in Home Investment Partnership (HOME) funds for the acquisition, construction and permanent financing of the Project.

In addition to the Agency loan, the Project is anticipated to be funded with four percent Low Income Housing Tax Credits (LIHTC's), State Tax Credits, Project-Based Vouchers (20), tax-exempt bond financing, a Multifamily Housing Program (MHP) loan from the State Department of Housing and Community Development, a bank loan, a deferred developer fee and a general partner capital contribution. The affordability schedule consists of 8 units affordable to seniors earning 20 percent or less of area median income (AMI), 14 units to seniors earning 30 percent or less of AMI, 21 units to seniors earning 35 percent or less of AMI, and 9 units to seniors earning 40 percent or less of AMI.

Description of Development: Lavender Associates, L.P. acquired property at the southeast corner of 16<sup>th</sup> and F Streets in the historic Mansion Flats neighborhood of downtown Sacramento in July 2015. Mutual Housing California proposes to develop Lavender Courtyard by Mutual Housing, a new construction affordable senior housing development friendly to the LGBTQ community. This Project is the first of its kind in our region. The development will have a four-story wood frame building totaling approximately 35,000 square feet on 0.59 acres of undeveloped land.

The Project includes 53 residential units, consisting of 48 one-bedroom and four two-bedroom residential units for seniors age 62 years of age and over and a one-bedroom manager's unit. "Green" building materials, energy-efficient HVAC systems, kitchen appliances and lighting, as well as water-efficient plumbing fixtures will be used. All units provide one-bathroom, living space, storage and private outdoor balconies that have a minimum five foot depth.

The ground floor of the building will include a small 863 square foot commercial space for use by a community partner. Also located on the ground floor is a 17-space gated parking garage accessed from the alley through a roll up door, trash enclosures, and fire, electrical and utility equipment areas. A rooftop photovoltaic system will also be installed.

Additional amenities include covered bicycle parking on the ground floor, an outdoor landscaped courtyard to provide socializing areas with bench seating, a barbeque area, management office, community space for resident services and activities, elevator, and security cameras with a digital video recording system. Similar "Green" materials and systems will be included in the common areas, the building's exterior and landscaped areas.

Developer: Mutual Housing California (MHC) is an experienced owner and manager of affordable rental housing projects. MHC owns and operates 18 communities, and houses more than 3,000 low income residents. Incorporated in 1988, MHC was formed as a partnership of neighborhood residents, business representatives, housing advocates and local government dedicated to improving housing opportunities for lower income families.

MHC's goal is to offer a permanent solution to the housing needs of low-income residents with residents taking a key role in the management and maintenance of their homes and developing a vested interest in the success of their community. MHC is the owner of a number of projects in the Sacramento area, including Evergreen Estates, Glen Ellen Estates, Mutual Housing at Lemon Hill, Norwood Avenue Apartments, Norwood Estates, River Garden Estates and Victory Townhomes.

Property Management: The Project will be managed by Mutual Housing Management, a property management company with staff experienced in operating affordable apartment communities. Agency staff has reviewed and approved the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures, to ensure the company meets the Agency's requirements for property management.

Resident Services: Resident services will be provided by MHC which currently provides resident services to 18 properties serving low and very low income residents. The service provider will be required to provide at least 15 hours of services per week. Programs will be tailored to the needs of the residents. The Agency staff has reviewed and approved MHC's resident services plan detailing the scope and schedule of services to be provided. Examples of services include an on-site services coordinator, as well as educational and enrichment programs. Lutheran Social Services will provide case management to 24 households formerly experiencing homelessness.

Project Financing: The Project's anticipated financing will include a combination of four percent Low Income Housing Tax Credits (LIHTC), Project-Based Vouchers (PBV), tax-exempt bond financing, a Multifamily Housing Program (MHP) loan from the State Department of Housing and Community Development, a bank loan, a deferred developer fee, a general partner capital contribution, an Agency loan of \$1,905,525 in City HOME Investment Partnership (HOME) funds.

A project summary, including proposed sources and uses of funds, is included as Attachment 3 and a project cash flow pro forma is included as Attachment 4.

Low-Income Set-Aside Requirements: As a condition of receiving tax credits and the benefits of tax-exempt bond financing, federal law requires that apartments be set-aside for targeted income groups. Income restrictions from LIHTC financing require that no households have income higher than 60 percent Area Median Income (AMI). The Agency further requires that 20 percent of the units be restricted to households with income no greater than 50 percent AMI. Maximum rent and income limits can be found in Attachment 5. Project affordability restrictions will be specified in regulatory agreements with the Developer. These anticipated sources and their affordability requirements are summarized in the following table:

Unit Type	Units	% of Units	Affordability Restriction (55 years)
4% LIHTC, State Tax Credits, Tax-exempt Bonds, MHP & PBV	8	15%	Extremely Low Income 20% of Area Median Income (AMI)
4% LIHTC, State Tax Credits, Tax-exempt Bonds, MHP & PBV	12	23%	Extremely Low Income 30% of AMI
4% LIHTC, State Tax Credits, Tax-exempt Bonds & MHP	2	4%	Extremely Low Income 30% of AMI
4% LIHTC, State Tax Credits, Tax-exempt Bonds, MHP & HOME	21	39%	Very-Low Income 35% of AMI
4% LIHTC, State Tax Credits, Tax-exempt Bonds, MHP & HOME	9	17%	Very-Low Income 40% of AMI
Management Unit	1	2%	Exempt Management Unit
<b>Total</b>	<b>53</b>	<b>100%</b>	

**Policy Considerations:** The recommended actions are consistent with a) the Agency's previously-approved Multifamily Lending and Mortgage Revenue Bond Policies; b) the 2013-2021 Housing Element, encourages the development of senior housing, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal is to increase housing types and transit growth to promote livability and connectivity within the

Promise Zone (Resolution No. 2015-263); and d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282). Additionally, on November 30, 2015, the City of Sacramento approved the Project, including site plan and design review (File No. DR15-299).

Regulatory restrictions on the property will be specified in regulatory agreements between the Developer and the Agency for a period of 20 years on the HOME-assisted units and 55 years on the mortgage revenue bond assisted units. Compliance with the regulatory agreements will be monitored by the Agency on an annual basis. All units will be regulated for a period of 55 years as a Low Income Housing Tax Credit funding requirement.

**Economic Impacts:** This multifamily residential project is expected to create an estimated 210.94 total jobs (118.42 direct jobs and 92.52 jobs through indirect and induced activities) and create an estimated \$18,503,226 in total economic output (\$11,371,306 of direct output and another \$7,131,920 of output through indirect and induced activities). *The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.*

**Environmental Considerations: California Environmental Quality Act (CEQA):** This project has been determined to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 (infill development) and 15194 (Affordable Housing). **National Environmental Policy Act (NEPA):** An Environmental Assessment (EA) was prepared for this project and a Finding of No Significant Impact (FONSI) was made pursuant to the National Environmental Policy Act (NEPA). The Authority to Use Grant Funds (AUGF) was received on March 30, 2016.

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



**Commission Action:** At its meeting of November 20, 2019, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

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

**Financial Considerations:** The Agency will receive a one-time issuance fee of 0.25 percent of the bond amount, which is payable at bond closing, and annual payment for monitoring the regulatory restrictions and administration of the bonds, in the lesser of 0.125 percent of the bond amount or \$25,000 for the term of 55 years. The Developer will be responsible for payment of all costs, fees, and deposits relating to the bond application. Mortgage revenue bonds do not represent a financial obligation of the Agency, Housing Authority, or City of Sacramento. The law firm Orrick, Herrington and Sutcliffe, LLP, is acting as bond counsel for the Housing Authority. The Agency loan is comprised of \$1,905,525 in HOME funds with an interest rate of three percent and a term of 55 years after the construction period is complete.

**LBE - M/WBE and Section 3 requirements:** Minority and Women's Business Enterprise requirements and Section 3 will be applied to all activities to the greatest extent possible and as required by federal funding and in accordance with the Agency's Section 3 Economic Opportunity Plan. The Developer and General Contractor will work with the Agency's Section 3 Coordinator, Sacramento Employment and Training Agency, the Greater Sacramento Urban League or similar programs, to promote employment opportunities.

Respectfully Submitted by:

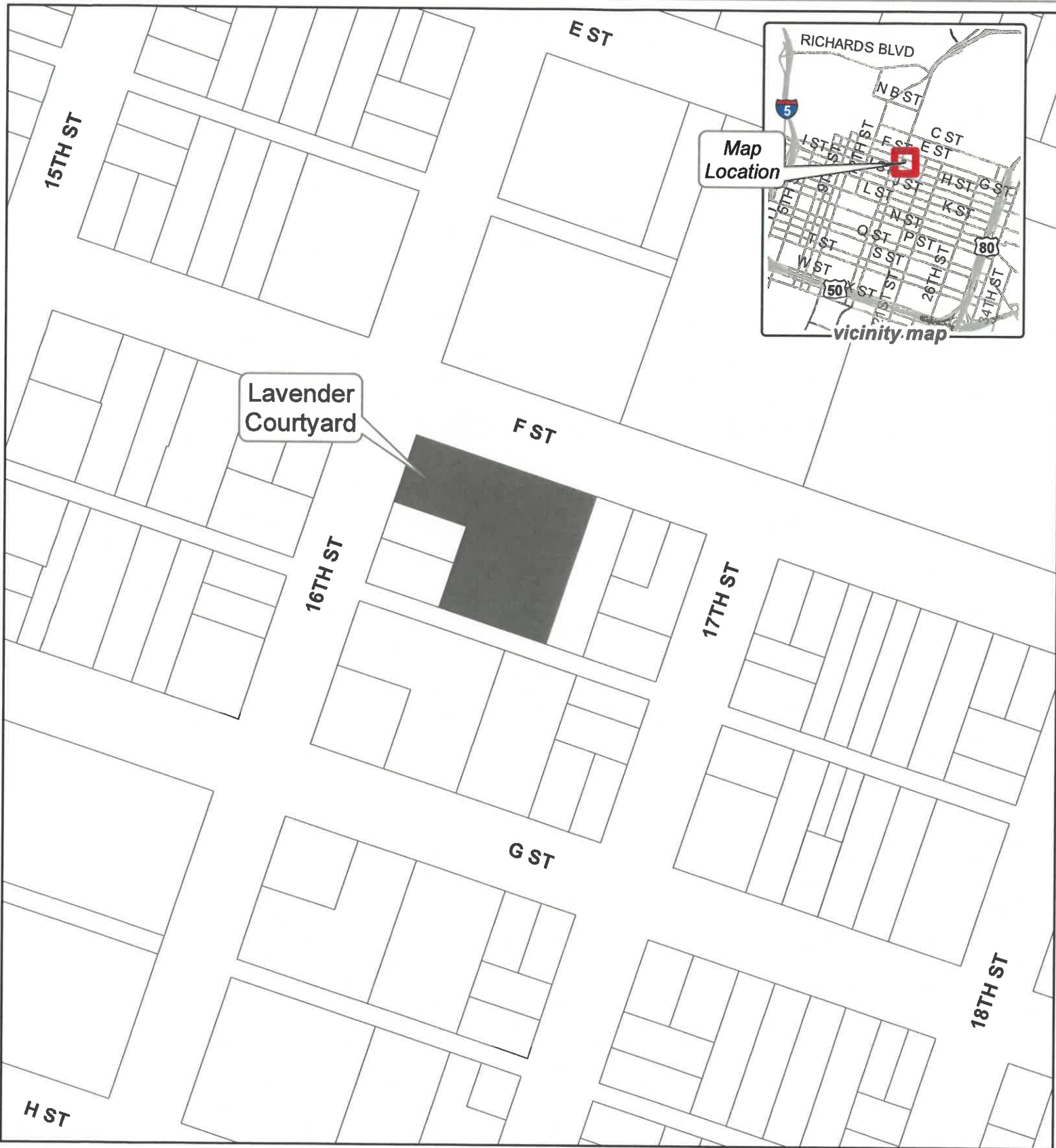
  
LA SHELLÉ DOZIER  
Executive Director

**Attachments**

- 01 Description/Analysis and Background
- 02 Vicinity Map
- 03 Project Summary
- 04 Cash Flow
- 05 Maximum Income and Rent Levels
- 06 City Resolution – TEFRA Hearing
- 07 Housing Authority Resolution – Tax Exempt Bonds
- 08 City Resolution – Loan Commitment
- 09 Exhibit A: Loan Commitment Letter



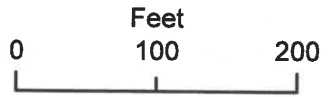
# Lavender Courtyard by Mutual Housing



Lavender Courtyard

Map Location

 Lavender Courtyard



SHRA GIS  
October 24, 2019

Lavender Courtyard by Mutual Housing  
Residential Project Summary

<b>Address</b>	605 16th Street, 1612 F Street and 1616 F Street, Sacramento 95814					
<b>Number of Units</b>	53					
<b>Year Built</b>	New Construction					
<b>Acreage (combined with Phase II)</b>	0.59 acres (25,700.4 sq. ft.)					
<b>Unit Mix and Rents</b>	<u>ELI (20% AMI) PBV</u>	<u>ELI (30% AMI) PBV</u>	<u>ELI (30% AMI)</u>	<u>VLI (35% AMI)</u>	<u>LI (40% AMI)</u>	<u>Total</u>
1 Bedroom/1 Bath	8	10	2	20	8	48
2 Bedrooms/1 Bath	0	2	0	1	1	4
Management Units (1 Bedroom)	0	0	0	0	0	1
Total Units	8	12	2	21	9	53
<b>Square Footage</b>	<u>Unit Size (sq.ft.)</u>	<u>Total</u>				
1 Bedroom/1 Bath	500	24,500	sq. ft.			
2 Bedrooms/1 Bath	800	3,200	sq. ft.			
Community Area		2,541	sq. ft.			
Total Gross		30,241	sq. ft.			
<b>Resident Facilities</b>	Management office, community room with kitchen, indoor play area, computer laboratory, barbeque and picnic area, playground, basketball court, bike parking, outdoor movie area and resident community gardens.					
<b>Permanent Sources</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>			
Federal Tax Credit Equity	7,751,637	146,257.30	256.33			
State Tax Credit Equity	6,037,101	113,908	199.63			
HCD MHP Loan	11,263,818	212,525	372.47			
SHRA Loan	1,905,525	35,953	63.01			
GP Contribution	2,500,000	47,170	82.67			
Deferred Developer Fee/GP Contribution	1,640,463	30,952	54.25			
Fee Waivers	200,000	3,774	6.61			
<b>TOTAL SOURCES</b>	\$ 31,298,544	590,539	\$ 1,034.97			
<b>Permanent Uses</b>						
Acquisition	1,000,000	18,868	33.07			
Construction Costs	18,503,226	349,117	611.86			
Architecture & Engineering	1,008,661	19,031	33.35			
Permits and Fees	841,473	15,877	27.83			
Hard Cost Contingency	1,850,000	34,906	61.18			
Soft Cost Contingency	150,000	2,830	4.96			
Financing Cost	1,336,896	25,224	44.21			
Operating Reserve	222,136	4,191	7.35			
Rent Reserve	252,844	4,771	8.36			
MHP COSR	2,330,540	43,972	77.07			
Legal Fees	130,000	2,453	4.30			
Developer Fee	3,499,768	66,033	115.73			
Third Party Fees, Marketing, Other	173,000	3,264	5.72			
<b>TOTAL USES</b>	\$ 31,298,544	\$ 590,539	\$ 1,034.97			
<b>Leverage</b>	<u>SHRA \$ per Unit</u>	<u>Per Unit Cost</u>	<u>Leverage</u>			
	\$ 35,953	\$ 590,539	\$1.00 :			\$16.43
<b>Management / Operations</b>						
Proposed Developer	Mutual Housing California					
Property Management Company	Mutual Housing Management					
Operating Expenses	\$ 314,710	\$ 5,938				
Property Management	\$ 38,487	\$ 726				
Resident Services	\$ 26,781	\$ 505				
Replacement Reserves	\$ 26,500	\$ 500				
Taxes and Insurance	\$ 16,386	\$ 309				

Lavender Courtyard by Mutual Housing  
Cash Flow Proforma

Lavender Courtyard by Mutual Housing		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 15
Unit Type	Number	Gross Rent	Utility Allowance	Net Rent	Rent per Sq Foot	Total Mo. Rent	Annual Rent					
1 Bedroom/1 Bath @ 20% AMI	8	\$ 313	\$ 52	\$ 261	\$ 0.52	\$ 2,088	\$ 25,056					
1 Bedroom/1 Bath @ 30% AMI	12	\$ 470	\$ 52	\$ 418	\$ 0.84	\$ 5,016	\$ 60,192					
1 Bedroom/1 Bath @ 35% AMI	20	\$ 549	\$ 52	\$ 497	\$ 0.99	\$ 9,940	\$ 119,280					
1 Bedroom/1 Bath @ 40% AMI	8	\$ 627	\$ 52	\$ 575	\$ 1.15	\$ 4,600	\$ 55,200					
2 Bedrooms/1 Bath @ 30% AMI	2	\$ 564	\$ 70	\$ 494	\$ 0.62	\$ 988	\$ 11,856					
2 Bedrooms/1 Baths @ 35% AMI	1	\$ 658	\$ 70	\$ 588	\$ 0.74	\$ 588	\$ 7,056					
2 Bedrooms/1 Bath @ 40% AMI	1	\$ 753	\$ 70	\$ 683	\$ 0.85	\$ 683	\$ 8,196					
1 Bedroom/1 Bath - Exempt Management Unit	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
<b>Totals</b>	<b>53</b>	<b>\$ 4,900</b>	<b>\$ 27,700</b>	<b>\$ 23,903</b>	<b>\$ 286,836</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Annual Increase</b>												
Potential Gross Income	2.50%	301,357	308,891	316,613	324,529	332,642	340,958	349,482	358,219	367,174	376,354	425,810
Rental Subsidy	2.50%	213,538	218,877	224,349	229,957	235,706	241,599	247,639	253,830	260,176	266,680	301,724
Other Income	2.50%	11,925	12,223	12,528	12,841	13,163	13,492	13,829	14,175	14,529	14,892	16,849
Less Vacancy	5.00%	(26,341)	(27,000)	(27,675)	(28,366)	(29,076)	(29,802)	(30,547)	(31,311)	(32,094)	(32,896)	(37,219)
Effective Gross Income		\$500,479	\$512,991	\$525,816	\$538,981	\$552,435	\$566,246	\$580,402	\$594,912	\$609,785	\$625,030	\$707,164
<b>Operating Expenses</b>												
Operating Expenses	3.50%	314,710	325,725	337,125	348,924	361,137	373,777	386,859	400,389	414,413	428,917	509,419
Property Management	3.50%	38,487	39,894	41,228	42,671	44,165	45,710	47,310	48,966	50,680	52,454	62,299
Resident Services	3.50%	26,781	27,718	28,688	29,692	30,731	31,807	32,920	34,072	35,265	36,499	43,350
Replacement Reserves	0.00%	500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500
Taxes/Insurance	2.00%	16,386	16,714	17,048	17,389	17,737	18,092	18,454	18,823	19,199	19,583	24,821
Total Expenses		\$422,864	\$436,491	\$450,590	\$465,177	\$480,270	\$495,886	\$512,043	\$528,760	\$546,057	\$563,953	\$663,189
<b>Net Operating Income</b>		<b>\$77,615</b>	<b>\$76,500</b>	<b>\$75,226</b>	<b>\$73,784</b>	<b>\$72,165</b>	<b>\$70,360</b>	<b>\$68,359</b>	<b>\$66,152</b>	<b>\$63,728</b>	<b>\$61,076</b>	<b>\$43,975</b>
<b>Debt Service</b>												
HCD Monitoring Fee	0.42%	47,308	47,308	47,308	47,308	47,308	47,308	47,308	47,308	47,308	47,308	47,308
SHRA Monitoring Fee	0.15%	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500
Debt Service Subtotal		\$99,808	\$99,808	\$99,808	\$99,808	\$99,808	\$99,808	\$99,808	\$99,808	\$99,808	\$99,808	\$99,808
<b>Priority Distributions</b>												
Partnership Management Fee (LP)	3.00%	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	7,563
Asset Management Fee (GP)	3.00%	\$20,000	21,218	22,510	23,881	25,335	26,876	28,507	30,230	32,047	33,961	40,252
Priority Distributions Subtotal		\$25,000	\$26,368	\$27,815	\$29,345	\$30,963	\$32,672	\$34,477	\$36,379	\$38,381	\$40,485	\$47,815
Net Cash after Priority Distributions		\$52,615	\$50,132	\$47,411	\$44,439	\$41,202	\$37,688	\$34,873	\$32,743	\$31,344	\$30,587	\$26,163
Draw from COSR		\$47,193	\$49,058	\$51,104	\$53,342	\$55,781	\$58,430	\$61,300	\$64,403	\$67,749	\$71,351	\$83,648
<b>Deferred Developer Fee<sup>1</sup></b>		<b>\$1,640,463</b>	<b>\$1,640,463</b>	<b>\$1,640,463</b>	<b>\$1,640,463</b>	<b>\$1,640,463</b>	<b>\$1,640,463</b>	<b>\$1,640,463</b>	<b>\$1,640,463</b>	<b>\$1,640,463</b>	<b>\$1,640,463</b>	<b>\$1,640,463</b>
Principal Balance	0.00%	1,640,463	1,640,463	1,640,463	1,640,463	1,640,463	1,640,463	1,640,463	1,640,463	1,640,463	1,640,463	1,640,463
Interest for Period		0	0	0	0	0	0	0	0	0	0	0
Payment from Cash Flow/COSR		\$1,640,463	\$1,640,463	\$1,640,463	\$1,640,463	\$1,640,463	\$1,640,463	\$1,640,463	\$1,640,463	\$1,640,463	\$1,640,463	\$1,640,463
Net Cash after Deferred Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Investor Cash Flow</b>												
Residential NOI after Debt Service, Priority Distributions & Deferred Developer Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>HCD-MHP Loan<sup>1</sup></b>												
Principal Balance	3.00%	\$11,263,818	\$11,263,818	\$11,263,818	\$11,263,818	\$11,263,818	\$11,263,818	\$11,263,818	\$11,263,818	\$11,263,818	\$11,263,818	\$11,263,818
Interest for Period		337,915	337,915	337,915	337,915	337,915	337,915	337,915	337,915	337,915	337,915	337,915
Accumulated Interest		337,915	675,829	1,013,744	1,351,658	1,689,573	2,027,487	2,365,402	2,703,316	3,041,231	3,379,145	3,717,059
Payment		\$11,601,733	\$11,601,733	\$11,601,733	\$11,601,733	\$11,601,733	\$11,601,733	\$11,601,733	\$11,601,733	\$11,601,733	\$11,601,733	\$11,601,733
Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>SHRA Loan<sup>1</sup></b>												
Principal Balance	3.00%	\$1,905,525	\$1,905,525	\$1,905,525	\$1,905,525	\$1,905,525	\$1,905,525	\$1,905,525	\$1,905,525	\$1,905,525	\$1,905,525	\$1,905,525
Interest for Period		57,166	57,166	57,166	57,166	57,166	57,166	57,166	57,166	57,166	57,166	57,166
Accumulated Interest		57,166	114,332	171,497	228,663	285,829	342,995	400,160	457,326	514,492	571,658	628,824
Payment		\$1,962,691	\$1,962,691	\$1,962,691	\$1,962,691	\$1,962,691	\$1,962,691	\$1,962,691	\$1,962,691	\$1,962,691	\$1,962,691	\$1,962,691
Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash After Loan Repayment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Distribution of Reserves</b>												
Capitalized Operating Subsidy Reserve (HCD MHP)		2,330,540	2,294,347	2,234,289	2,183,185	2,129,843	2,074,082	2,015,632	1,954,332	1,889,930	1,822,180	1,423,848
Operating, Debt Service, Priority Distribution and Loan Payments		47,193	49,058	51,104	53,342	55,781	58,430	61,300	64,403	67,749	71,351	83,648
Net Capitalized Operating Subsidy Reserve		\$2,283,347	\$2,234,289	\$2,183,185	\$2,129,843	\$2,074,062	\$2,015,652	\$1,954,332	\$1,889,930	\$1,822,180	\$1,750,829	\$1,330,200

END NOTE: <sup>1</sup>Any deferred developer fee not paid off by year 15, will become a GP Contribution.

**MAXIMUM GROSS INCOME AND RENT LIMITS 2019**  
 Low Income Housing Tax Credits/HOME/MHP

**Lavender Courtyard**

**Maximum Gross Income Limits**

<b><u>Family Size</u></b>	<b><u>20% AMI</u></b>	<b><u>30% AMI</u></b>	<b><u>35% AMI</u></b>	<b><u>40% AMI</u></b>
1 person	\$ 11,720	\$ 17,580	\$ 20,510	\$ 23,440
2 person	\$ 13,380	\$ 20,070	\$ 23,415	\$ 26,760
3 person	\$ 15,060	\$ 22,590	\$ 26,355	\$ 30,120
4 person	\$ 16,720	\$ 25,080	\$ 29,260	\$ 33,440
5 person	\$ 18,060	\$ 27,090	\$ 31,605	\$ 36,120

**Rent Limits**

<b><u>Unit Size</u></b>	<b><u>20% AMI</u></b>	<b><u>30% AMI</u></b>	<b><u>35% AMI</u></b>	<b><u>40% AMI</u></b>
1 Bedroom	\$ 313	\$ 470	\$ 549	\$ 627
2 Bedroom	\$ 376	\$ 564	\$ 658	\$ 753

# **RESOLUTION NO. 2019 -**

**Adopted by the Sacramento City Council**

On date of

## **LAVENDER COURTYARD BY MUTUAL HOUSING PROJECT: AUTHORIZING A \$1,905,525 LOAN COMMITMENT OF CITY HOME INVESTMENT PARTNERSHIP (HOME); EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH LAVENDER ASSOCIATES, L.P. (MUTUAL HOUSING CALIFORNIA) OR RELATED ENTITY; RELATED BUDGET AMENDMENT; AND ENVIRONMENTAL FINDINGS**

### **BACKGROUND**

- A. Mutual Housing California (Developer) has applied for an allocation of \$1,905,525 in City HOME Investment Partnership (HOME) funds to assist in funding the acquisition, construction and permanent financing of the 53-unit Lavender Courtyard by Mutual Housing (Project). The Project is a new construction affordable senior housing development friendly to the Lesbian, Gay, Bisexual and Transgender (LGBT) community. It is the first of its kind in the region.
- B. The Lavender Courtyard by Mutual Housing Project is consistent with a) the Sacramento Housing and Redevelopment Agency (Agency) approved Multifamily Lending and Mortgage Revenue Bond Policies; b) the 2013-2021 Housing Element, encourages the development of senior housing, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainability Built Community sub-goal is to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282).
- C. On November 30, 2015, the City of Sacramento approved the Project including site plan and design review (File No. DR15-299).
- D. This project has been determined to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 (infill development) and 15194 (Affordable Housing).
- E. An Environmental Assessment (EA) was prepared for this project and a Finding of No Significant Impact (FONSI) was made pursuant to the National Environmental Policy Act (NEPA). The Authority to Use Grant Funds (AUGF) was received on March 30, 2016.

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

- Section 1. All of the evidence having been duly considered, the facts as presented and as stated above, including the environmental facts and findings, as stated above, are found to be true and correct.
- Section 2. The Loan Commitment letter attached to and incorporated in this resolution by this reference (Exhibit A) for financing the Lavender Courtyard by Mutual Housing Project with \$1,905,525 in City HOME funds is approved, and the Agency is delegated authority to execute and transmit the Loan Commitment to the Lavender Associates, L.P. (Mutual Housing California) or related entity.
- Section 3. The Agency is authorized to enter into and execute other documents, as approved to form by Agency Counsel, and perform other actions necessary to fulfill the intent of the Loan Commitment that accompanies this resolution, in accordance with its terms, and to ensure proper repayment of the Agency funds including without limitation, subordination, extensions consistent with Agency adopted policy and with this resolution.
- Section 4. The Agency is authorized to amend the Agency budget and allocate up to \$1,905,525 in City HOME funds to the Lavender Courtyard by Mutual Housing Project.

**Table of Contents:**

Exhibit A: Conditional Funding Loan Commitment Letter





Exhibit A

Date: December 3, 2019

Mutual Housing California  
Roberto Jiménez, Chief Executive Officer  
3321 Power Inn Road, Suite 320  
Sacramento, CA 95826

RE: Conditional Funding Loan Commitment  
Lavender Courtyard by Mutual Housing  
SE Corner of 16<sup>th</sup> and F Streets - APN:002-0173-032-0000  
Sacramento, California 95814

Dear Mr. Jiménez,

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), this letter confirms the commitment of permanent loan funds (Loan) comprised of \$1,905,525 in City HOME Investment Partnership Program funds (HOME), including Community Housing Development Organization funds (CHDO), for the purpose of financing the costs of acquisition and construction of that certain real property known as Lavender Courtyard by Mutual Housing located at the Southeast Corner of 16th and F Streets, Sacramento, California (Property). **The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this commitment is void.** Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

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

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

This commitment will expire **June 3, 2021**.



1. PROJECT DESCRIPTION: Lavender Courtyard by Mutual Housing (Project) is a new construction affordable senior housing development. The Project is located at the southeast corner of 16<sup>th</sup> and F Streets in downtown Sacramento. The Project will be a four-story building constructed on a currently vacant 0.59 acre lot. There will be 53 units consisting of 49 one-bedroom units and four two-bedroom units. On-site amenities include a community room, management office, laundry facility, elevator, courtyard, parking garage and bicycle parking. Plans include commercial space on the ground level.
2. BORROWER: The name of the Borrower for the Loan is Lavender Housing Associates, L.P., a California limited partnership (Mutual Housing California is the sole member of Lavender Mutual Housing, LLC, the general partner).
3. PURPOSE OF LOAN: The Loan is to be used by Borrower solely to pay the costs of acquisition and construction or for such purposes as Agency expressly agrees to in the loan and agreements, and such other agreements as may be generally required by the Agency for the use of the funding sources for the Loan.
4. PRINCIPAL AMOUNT: The Agency's Loan commitment is as follows:
  - a) The combined principal amount of the acquisition, construction and permanent Loan will be the lesser of \$1,905,525 in HOME funds or (ii) an amount to be determined prior to close of the Loan based on a Project budget approved by Agency.
5. TERM OF LOAN: The Loan shall mature 57 years or 684 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. INTEREST RATE: The Loan will bear simple interest at three percent (3%) per annum or the Applicable Federal Rate if required. 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 payments will be made on a Residual Receipts, as defined below, basis until the maturity date. Annual payments shall be applied first to outstanding interest accrued and unpaid and then to principal.

“Residual Receipts” is defined as follows: After Month 204, annual installments (as described in Section [f] of this paragraph) are to begin on the first day of the 205th month of the loan. Based on the annual audited financial statement from the preceding year, payments will be made upon a “Residual Cash Flow” basis meaning Net Operating Income (NOI) less: **(a)** Debt Service, which means the monitoring fees of the State of California Housing Community Development (HCD) Multifamily Housing Program (MHP) loan and the County of Sacramento Housing Authority mortgage revenue bond issuance; **(b)** Priority Distributions, which means \$5,000 partnership management fee and \$20,000 asset management fee, both escalating at 3% annually as of the Loan's



Effective Date; (c) Deferred Developer Fee; (d) fifty percent (50%) of the available cash flow from NOI to Borrower after Sections (a) through (c) of this paragraph are paid; (e) forty-three percent (43%), or the proportional share of HCD's public assistance, of the available cash flow from NOI towards loan repayment to HCD after Sections (a) through (d) of this paragraph are paid; and (f) the remaining seven (7%), or the proportional share of the Agency's public assistance, of the available cash flow from NOI towards loan repayment to the Agency after Sections (a) through (e) of this paragraph are paid.

The Net Operating Income is defined as periodic "Revenue" less "Operating Expenses." "Revenue" means all revenue from the leasing of the Project, including but not limited to all rents, fees, and charges paid by tenants as well as rental subsidy payments regardless of the source of these subsidies, forfeited tenant deposits, rent increases, proceeds from vending machines and laundry room machines. Revenue shall not include tenants' security deposits (unless forfeited), interest on those deposits, loan proceeds, capital contributions or similar advances, or amounts released from reserves or interest on reserves.

"Operating Expenses" shall mean actual costs, fees and expenses as evidenced by invoices attributable to the operation, recordkeeping, maintenance, taxes and management of the Project, including property management fees; taxes and assessments; payroll, benefits and payroll taxes for property employees; insurance; security; painting, cleaning, repairs, and alterations; landscaping; sewer charges; utility charges; advertising, promotion and publicity; cable television, satellite and other similar services; office, janitorial, cleaning and building supplies; recreational amenities and supplies; purchase, repair, servicing and installation of appliances; costs and expenses associated with the provision of resident and supportive services to the tenants of the Project; equipment, fixtures and furnishing; fire alarm and elevator monitoring; fees and expenses of accountants, attorneys, consultants and other professionals. The definition will include deposits into operating and/or replacement reserves maintained by the Borrower.

8. SOURCE OF LOAN FUNDS:

Agency is making the Loan from the following sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: City HOME Investment Partnership Program (HOME), including CHDO funds. The 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 a conventional lender, the Department of Housing and Community Development's Multifamily Housing Program, and such loans 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 and permanent financing 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, the Department of Housing and Community Development's Multifamily Housing Program and/or other funding sources.
12. **PROOF OF EQUITY:** Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than \$13,700,000 in Low Income Housing Tax Credit Equity and no less than \$1,600,000 in deferred developer fee. If LIHTC equity goes below \$13,700,000 it must be offset by an increase in deferred developer fee or other funding source provided by Borrower.
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 public/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. California State Department of Housing and Community and Development loan consisting of Multifamily Housing Program (MHP) funds will be superior to Agency loan.



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

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 (ASTM) "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 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 SPECIFICATIONS: Final plans and specifications, if any, for the Project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursal of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the Project.
18. ARCHITECTURAL AGREEMENT: The architectural agreement (Agreement), if any, for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
19. CONSTRUCTION CONTRACT: The construction contract (Contract), if any, and any change orders issued thereunder, and the contractor (Contractor) to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency



may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency may require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.

20. RETENTION AMOUNT: The Agency shall retain ten percent (10.0%) as retention from each disbursement, not to exceed a total of ten percent (10.0%) of the total amount of the Loan.
21. COST BREAKDOWN: Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Improvements, which breakdown conforms to the Project plans and specification and the budget approved with this commitment. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.

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

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

22. COST SAVINGS: At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency, which cost certification shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source including any loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the Project.
23. START OF CONSTRUCTION: Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.



24. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
25. SECURITY CAMERAS AND OUTSIDE LIGHTING: Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, all as approved by the Agency.
26. INSURANCE PROVIDER: Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A+ VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.
27. HAZARD INSURANCE: Borrower shall procure and maintain fire and extended coverage insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00).
28. PUBLIC LIABILITY AND OTHER INSURANCE: Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than \$1,000,000, per occurrence limit; \$5,000,000 general aggregate limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.
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. AFFIRMATIVE MARKETING: Borrower agrees to follow the Agency's Affirmative Marketing Policies that require outreach to groups least likely to apply for the housing based on local demographic information, sufficient marketing time prior to lease up, and lotteries or other method for initial lease-up and waiting list, as agreed upon by the Agency and Borrower prior to the start of lease up. The special needs population will be referred to the Project through the Coordinated Entry System (CES) of the County of Sacramento.
35. RESIDENT SERVICES AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement is subject to Agency Approval. The agreement must include a minimum of fifteen (15) hours of on-site resident services per week consisting of four (4) hours of a resident services





coordinator, eight (8) hours of senior activities and three (3) hours of additional resident services.

36. LOW INCOME HOUSING TAX CREDITS (LIHTC): Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and to meet all requirements to maintain the LIHTC allocation if granted.
37. SMOKE-FREE ENVIRONMENT: 100% of the buildings and units must be smoke free (including all forms of smoking that create secondhand smoke that impacts the health of nonsmokers). In addition, all indoor common areas must be smoke-free. Clearly-marked designated smoking areas must be provided.
38. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
39. CONSISTENCY OF DOCUMENTS: As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply, in all respects, with this commitment letter.
40. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
41. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.



Sincerely,

---

La Shelle Dozier  
Executive Director

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

Dated: December 3, 2019

**BORROWER:**

Lavender Housing Associates, L.P, a California limited partnership

By: Lavender Mutual Housing LLC, a California limited liability company

By: Mutual Housing California, a California nonprofit public benefit corporation

---

By: Roberto Jiménez  
Its: CEO

**The Exhibit listed below is incorporated in this Loan Commitment by this reference for the financing of the Lavender Courtyard by Mutual Housing Project:  
Exhibit 1 - Scope of Development**



## Scope of Development

### I. Project Description

Lavender Courtyard by Mutual Housing is located in the Boulevard Park neighborhood in the Midtown area of Sacramento, at the corner of 16<sup>th</sup> and F Streets. In the proposed development, there will be a total of 53 units, with 49 one bedrooms and 4 two-bedrooms. The development will also allow for American with Disabilities Act (ADA) accessibility throughout the Project.

### II. Site Improvements

1. **Landscaping:** Project will be designed in accordance with local and state requirements.
  - a) Existing trees shall be evaluated by an arborist and trimmed/removed according to the evaluation. Any tree trimming or tree removal will either occur outside the nesting season for nesting birds.
  - b) All soil shall be covered in mulch, bark or some other ground cover with a weed barrier. Soil in planter areas shall be established to a depth that ensures the ground cover does not freely spill into the adjacent concrete pathway. Planters shall be sloped away from the building foundation with a minimum two percent (2%) slope.
2. **Irrigation:** Irrigation system(s) shall be served with an automated irrigation system that incorporates a "SMART controller" that senses rain to reduce water use. Irrigation piping and fixtures shall be installed with new system that includes appropriate water efficient fixtures.
3. **Playground Equipment:** None for this project as it will be for people over the age of 62.
4. **Pedestrian and Fire-access Gates:** Gate from alley to main courtyard will meet code. A lock box will be added to two fire-access gates, one on each side of the property.
5. **Site Accessories:** Bike racks, tables, benches, etc., will be included in the development.
6. **Perimeter Fence:** There will be a perimeter fence except where there are buildings fronting 16<sup>th</sup> St, F Street and Fat Alley.
7. **Asphalt Parking Lot and Drive Aisles:** There are 17 proposed parking spaced. Parking lot and drive aisles will be designed in accordance with geotechnical recommendations. The parking lot will meet current code and ADA requirements, with respect to including required ADA van accessible parking. There will be an accessible van space.

### III. Building Exterior Improvements

8. **Roof:** The roofing of all buildings have a minimum 20-year warranty. It will be a single-ply roof.
9. **Gutters, Downspouts and Downspout Extensions:** All gutters, downspouts and downspout extensions will be new and connected to a storm drain system and/or routed to surface drain to site bio-retention planters.
10. **Siding:** There will be fiber cement lap siding on the building with prefinished metal sunshade over windows and roofs over balconies with fiber cement fascia.
11. **Balcony and Patio Enclosures:** Ground floor apartments will have private patios accessible from the units; while upper level apartments will have balconies with composite decking.
12. **Paint:** Building will have interior and exterior painting.
13. **Windows and Sliders:** All windows will be energy-efficient windows. Windows will be designed to open and will have screens.
14. **Trash Enclosures:** We will have an accessible trash room at the ground floor with trash chutes above.
15. **Lighting:** The exterior wall lights will be LED fixtures, downlit to reduce light trespass to the night sky and/or neighboring property. If any, site pole lights will have LED fixtures.
16. **Sidewalks and Ramps:** The sidewalks and ramps will be meet current code and ADA requirements throughout the Project.
17. **Mailbox Units:** Mailbox units will be installed and shall include space for larger parcels delivered to site.
18. **Stairways, Railings and Landings:** Common area stairs will meet current accessible codes for treads and risers, guardrails and handrails. Bottom of stairs will either be closed off for storage or provided with cane rails.
19. **Signage:** New monument signage, buildings, apartments, parking, ADA, and property signage throughout as required by current code.
20. **Security:** New CCTV system with cameras at primary automobile entrances, parking, common areas, mailboxes and community room(s).



#### IV. Building Interior

**ADA units:** All dwelling units shall be adaptable and accessible (CBC 1102A.3.2).

All Bathroom vanities and Kitchen sinks shall be provided with removable lower cabinets to allow for a front approach (CBC 1133A.3 and CBC 1134A.8.4)

5% of the Dwelling Unit kitchens shall be provided with adjustable height kitchen countertops at the sink and a 30-inch work space adjacent to the kitchen range (CBC 1133A.4.1).

2% of the Dwelling Units shall be provided with communications features (visual alarms, door signal device, etc.).

1. **Central Heating, Ventilation and Air Conditioning Systems (HVAC):** All of the units will have energy efficient HVAC systems with individual controls accessible within the unit.
2. **Water heaters:** All units will have new EnergyStar water heaters.
3. **Water distribution System:** PEX piping for branch lines and Aquatherm piping for main water lines.
4. **Kitchens:** All kitchens will have new solid-surface counters, cabinets, drawers, refrigerator/freezer combination appliances, free-standing electric range/oven combination appliances, ventilation hood appliances, dishwashers, sinks, garbage disposals, angle stops, low-flow faucets and finishes. All appliances will be EnergyStar or better.
5. **Bathrooms:** All bathrooms will have new solid-surface counters, sinks, tubs and surrounds, accessories (i.e., toilet paper holders, towel racks, shower rods and curtains), low-flow showerheads, low-flow toilets and low-flow faucets.
6. **Ceilings and Walls:** All interior walls and ceilings will have a drywall finish. In select areas of common areas (lobbies, community room, office areas, etc.) higher grade finishes (wood, tile, etc.) and acoustic panels / clouds may be used.
7. **Doors:** All doors will be new and will meet current egress standards.
8. **Flooring:** New resilient flooring will be installed in all residential units.
9. **Windows:** New window blinds will be installed on all windows and sliders.



10. **Paint:** Paint will be applied to all walls, ceilings, and trim, in all rooms, closets and storage rooms.
11. **Electrical:** GFI outlets will be installed to code. New hardwired smoke and CO detectors will be installed in the hallways of all units. New hardwired smoke detectors will be installed in the bedrooms of all units.
12. **Lighting:** All kitchens, dining rooms, bedrooms, bathrooms and hallways will have energy efficient light fixtures installed.

## V. Community Areas

### 1. Community Room, Office, Kitchen and Restroom:

- a) The amenity space includes a community room with shared kitchen, offices, and other community serving commercial space.
  - b) The kitchen will have new solid-surface counters, refrigerator/freezer combination appliance, free-standing warming over (may add electric range), dishwasher, sink, garbage disposal and low-flow faucets. All appliances will be EnergyStar or better. The kitchen will have new cabinets and fixtures.
  - c) The restroom will meet current code and ADA requirements.
2. **Laundry Facilities:** There will be one laundry facility at the ground floor serving all residents that will meet code and ADA requirements. New resilient flooring, windows, doors, washer and dryer appliances, counter for folding laundry, lighting fixtures, humidistat, and paint on walls and ceilings will be installed. A total of 6 washers and 6 dryers will be installed; one washer and one dryer will be ADA accessible.

**Attachment 1: Lender's Minimum Construction Standards exhibit is on the following page.**



### **Attachment 1: Lender's Minimum Construction Standards**

This attachment is from Exhibit 2 from the Lender's Multifamily Lending and Mortgage Revenue Bond Policies.

## **SHRA RENTAL PROPERTY MINIMUM CONSTRUCTION STANDARDS**

The following is a list of the required minimum construction standards that must be incorporated into projects participating in SHRA's Multifamily Financing and/or Mortgage Revenue Bond programs. All rental units and sites associated with these projects must meet or exceed these standards.

**Note:** For rehabilitation projects, all of the following standards shall apply. The non-rehabilitation sections below shall apply to new construction projects.

### **Useful Life Expectancy – Rehabilitation only**

SHRA shall reference the current edition of Fannie Mae's "Instructions for Performing a Multifamily Property Condition Assessment, Appendix F. Estimated Useful Life Tables" in determining the useful life for all building components and systems located within the project. A remaining useful life of 15 years or more is required for all building components and systems located within the approved complex. All items on the Fannie Mae tables with useful lives indicated to be less than 15 years shall be replaced.

### **General Requirements**

- A. All materials funded under this loan must be new unless previously approved. Recycled items must be approved in writing by SHRA prior to their use.
- B. All work shall comply with Federal and State ADA accessibility requirements, as well as any other requirements stipulated by the funding source(s). When there are differences the stricter of the two shall apply. The developer is responsible for notifying their architect and/or engineer of all funding sources used on the project. The architect and/or engineer must indicate these funding requirements in the project's plans/scope.
- C. All units shall be approved for occupancy by the local Building Department or any other Agency Having Jurisdiction (AHJ) at the conclusion of the work and prior to occupancy.
- D. Web-based security cameras and the equipment to record events are required for primary ingress/egress points to and from the site and for the principal parking and indoor and outdoor common areas where people will be congregating.
- E. Site lighting is required for all parking and outside public spaces, and shall be of LED or similarly energy efficient type. The lenses on the exterior lights shall be cleaned with all oxidation removed or replaced. Light poles shall be new or painted, and shall be structurally sound and stable.
- F. The developer's architect is responsible for providing an Operating Procedure Outline Sheet (OPOS) for window washing systems where applicable, per Cal-OSHA requirements.
- G. SHRA encourages the use of energy and water-efficient systems wherever they may be incorporated into the project.



## **General Requirements – Rehabilitation only**

- A. Any component of the project which does or may present a health or safety hazard to the public or tenants shall be corrected to the satisfaction of the local Building Department or AHJ.
- B. A clear pest inspection report will be required at the conclusion of the construction work for rehabilitation projects.
- C. For all structures where disturbance of any hazardous materials (e.g. lead, asbestos, mold, etc.) will occur, a clearance report from an environmental consultant is required.
- D. Projects deemed historically significant landmark by either the City of Sacramento or the National Register of Historic Places shall consult with the State Historic Preservation Officer (SHPO), and shall conform to the Secretary of the Interior Standards for the Treatment of Historic Properties.

## **Site Work**

- A. Trees and large shrubs must be trimmed, grass areas must be mowed, and all planter areas must be weed-free. The landscape design shall incorporate a sustainable design appropriate for the Sacramento Valley. Vegetation that assists in minimizing crime and enhances public safety is preferred. Trees compromising building envelope materials (roofing, siding, windows, etc.) and/or structural integrity (including foundations) must be removed. An arborist shall be consulted for an opinion on trees prior to major branch trimming, root cutting or tree removal. All trees, bushes and other plants that are to be removed shall have the root ball removed by grinding or by mechanical means. A landscape plan describing the above must be provided to SHRA for approval.
- B. All landscaped areas must be served by a programmable automated irrigation system. The irrigation controller shall be a "Smart Controller" that senses rain to reduce water use. Irrigation shall be designed to use bubblers and other water saving measures. Irrigation must not spray on building. Sprinklers should minimize overspray that runs to storm drain drop inlets. Areas that show evidence of erosion of soil shall be landscaped to eliminate problems. The landscape plan must be approved by SHRA and applied.
- C. For gated communities containing swinging vehicle gates, driveways shall be striped to show the area under the gate swings for safety purposes.
- D. All projects shall contain trash enclosures with concrete aprons. Trash enclosures shall be made of cinder block or stucco. Trash enclosures shall be accessible to all tenants. Provisions for tenants with disabilities must be addressed in the project Scope of Development or the project plans.
- E. All projects shall meet the parking requirements of the local Agency Having Jurisdiction (AHJ) over the project. "Grandfathered Projects" will need to show that they are in fact "Grandfathered" or otherwise exempted by the local AHJ. Otherwise, all projects shall meet the governing ADA requirements for parking.
- F. A two percent (2%) slope shall be maintained for a distance of five feet from all structures and no standing water shall remain on the site. Provide an on- site drainage system if necessary.





- G. Stairways in common areas must include closed risers and non-slip concrete finish or other slip-resistant material on the treads.
- H. Exterior mounted electrical, mechanical, and plumbing systems must be protected from vandalism.
- I. For family projects of 50 or more units, a minimum of one school age-appropriate play structure is required. For family projects of 100 or more units, a minimum of one school age and one toddler-appropriate play structure is required.

**Site Work – Rehabilitation only**

- A. All landscaping and irrigation systems must be in a well-maintained condition.
- B. All fencing must be in good and serviceable condition. Existing fencing that is to remain shall be free of flaking paint, rust, or any other signs of failure. If existing fencing shows any signs of failure, it shall be repaired, painted and restored to look new. All chain link fencing must be removed and replaced with fencing of another approved material. All pedestrian gates hardware must be functional and in new or near-new condition. Access Control systems are required at exterior pedestrian gates.
- C. All driveways and sidewalks must be in good condition. All cracked or uplifted areas (more than ¼”) shall be repaired or replaced.
- D. The asphalt shall be in good condition, with no alligator cracking, longitudinal cracking, potholes, or standing water. Repairs to portions of parking lots not suitable for new coatings shall be performed by removing and replacing damaged paving. A new seal-coat or slurry-coat shall then be applied to the entire parking lot surface. Parking spaces shall be restriped, including ADA aisles and other applicable striping/painting.
- E. All site accessories (bollards, benches, tables, play equipment, bike racks, mailboxes, shade structures, BBQs, sheds, etc.) shall be replaced or in good repair (cleaned, painted and/or re-coated).

**Building Envelope and Moisture Protection – Rehabilitation only**

- A. All areas exposed to moisture must be sealed and watertight. Buildings showing evidence of water intrusion shall have the areas inspected by a licensed architect/engineer or by a certified water intrusion expert. A water intrusion report shall be submitted to SHRA, and shall include the cause of the issue and a resolution to eradicate the water intrusion. If the inspection cannot be completed until the demolition phase of the project, the report shall describe a procedure to inspect the issue during demolition.
- B. Roofing must have 15 years or more of remaining life with no visible signs of leakage. For roofs containing composition shingles, a maximum of two layers of shingles are allowed (including any proposed new layers). Provide evidence that the roof system has a 15-year life remaining on the manufacturer’s warranty.
- C. All siding must have 15 years or more of remaining life. Hairline cracks in stucco must be sealed and painted with elastomeric paint. If requested by SHRA, a statement by a licensed architect and/or engineer that the existing siding contains at least 15 years of



useful life remaining shall be provided.

- D. Fireplaces must be clean and meet applicable air quality standards. Chimneys shall be clean and must be inspected by a certified chimney inspector for structural integrity. All recommended structural repairs shall be performed.

### **Doors and Windows**

- A. All dwelling/tenant units must have screens on all windows that are designed to open. Windows designed to open must have functional locks and must operate freely without excessive effort. All windows must be dual-paned (minimum), and shall meet or exceed the State of California's currently applicable efficiency standards, and any other efficiency standards that may be dictated by the funding source or other governing bodies for the project.
- B. All doors must have matching hardware finishes.
- C. All exterior doors must have deadbolt locks, keyed latch assemblies, viewers, and screws in strike plates long enough to penetrate the door jamb framing by at least one inch. The dwelling entry door hardware shall have single action hardware to release deadbolt and latch assembly.
- D. All sliding exterior doors shall have screen doors and shall have functional locks and must operate freely without excessive effort.
- E. All doors and windows must meet current egress standards.

### **Doors and Windows – Rehabilitation only**

- A. Retrofit windows are not acceptable. Any windows showing signs of condensation or leakage of any kind shall be replaced.
- B. All doors and doorjamb must be in good condition. No damaged or worn doorjamb or doors are allowed. Doors and/or jamb beyond their useful life shall be replaced.

### **Casework**

- A. New cabinet boxes shall be made of plywood or solid wood. No particle board boxes will be allowed.
- B. All counter tops shall be of solid surface or granite, and in very good condition with no significant scratches, burns or other imperfections.
- C. Face frames, doors and drawer faces shall be solid hardwood. No plastic laminate finishes will be allowed.

### **Casework – Rehabilitation only**

- A. All cabinets shall be replaced or in very good condition, within their 15 year useful life, both structurally and in appearance.



## **Finishes**

- A. All dwelling unit kitchens shall contain luxury vinyl plank (LVP) flooring. Bathrooms must be floored with LVP, sheet vinyl or ceramic tile to provide a cleanable, impervious surface. Bedrooms, hallways, and living and dining rooms may be floored with carpeting, LVP or hardwood. Wear layer of LVP shall be at least 12 mils inside dwelling units. Tenant unit entries shall be floored with LVP or ceramic tile.

In common areas, corridors may be floored with LVP, glue-down carpeting, or carpet tiles. Community rooms and kitchens shall be floored with LVP. Wear layer of LVP in common/commercial areas shall be a minimum of 20 mils thick.

Carpet shall meet or exceed the minimum standards as set by HUD's UM-44D bulletin.

## **Finishes – Rehabilitation only**

- A. Floor coverings must be in good, useable condition - no holes, tears, rips, or stains.
- B. All exterior and interior surfaces must be painted. No peeling, cracking, chipping, or otherwise failing paint will be allowed. All painted surfaces must be new, or in near new condition and appearance.
- C. Acoustic (popcorn) ceiling texture must be removed and refinished with new texture to match wall texture.

## **Equipment**

- A. Dishwashers, refrigerator/freezer, oven, stoves and garbage disposals are required in all dwelling unit kitchens. All appliances must be new or in very good operating condition. All appliances must be Energy Star rated, as applicable. Appliances slated for ADA units shall be per code requirements.
- B. SRO projects are encouraged to provide the appliances listed above and will be reviewed and approved on a case-by-case basis.
- C. All kitchens must have adequate cabinet and counter space. Installation of shelving for microwaves is required if over-the-range microwaves are not used, with the exception of ADA units.

## **Furnishings**

- A. Dwelling units must have window coverings on all windows.

## **Special Construction**

- A. Non-habitable structures on property must be painted to match primary buildings and must be structurally sound.
- B. Laundry facilities must be provided on the basis of one washer and dryer for every ten dwelling units. Ten percent of the total number of washer/dryers must be ADA-accessible machines (unless the ADA units contain their own laundry facilities). Solid surface countertops will be required within laundry rooms and countertops shall meet all



ADA requirements.

- C. Public pool areas shall have self-closing gate(s). Fences and gates at pool areas shall meet applicable current codes and standards. Joints between coping and concrete deck shall be appropriately caulked. Existing pools shall have no cracks in plaster or tile grout joints. The Developer is responsible for ensuring pool and surroundings meet all applicable current codes and standards. If a project contains two or more pools, at least one must remain following rehabilitation.

### **Mechanical/Plumbing**

- A. Water heaters must be installed per current applicable codes.
- B. All common areas and tenant units must have heating and air conditioning. Wall mount (i.e. PTAC units) or central systems are acceptable. Evaporative coolers are not acceptable. HVAC units should be protected from vandalism, pursuant to discretion of SHRA.
- C. Toilets, showerheads, faucets, and mixing valves shall be new and meet current water conservation codes.
- D. Tub surrounds must be one unbroken piece per wall and must be of solid surfaces (such as "Swanstone" or other solid acrylic materials, quartz composites), or other similar materials. Fiberglass/acrylic surrounds are acceptable.

### **Mechanical/Plumbing – Rehabilitation only**

- A. All toilets, sinks, and tubs shall be chip and stain free.

### **Electrical**

- A. All units must have smoke/carbon monoxide detectors installed per current code.
- B. Wiring from telephone/data/cable suppliers shall be installed within walls, attic spaces, and/or crawl spaces. No conduits are allowed to be mounted on the exterior of the buildings in new construction.

### **Electrical – Rehabilitation only**

- A. All electrical panels shall meet current code.
- B. Any rehabilitation projects with un-grounded electrical systems shall be re-wired with grounded systems to meet current code.
- C. For rehabilitation projects, switches, outlets and light fixtures shall be replaced with devices that meet current applicable codes.
- D. Wiring mounted on the exterior of the surface may be allowed if it is concealed in conduit and conduit is painted to match exterior siding. For projects where exterior siding will be removed, this wiring shall be installed within walls, attic spaces, and/or crawl spaces.



### **Resident Services Community Space**

All properties, regardless of project type (i.e. senior, family, or large family), must devote a minimum of 1,200 s.f. to actual resident services/community space. Resident services space includes common kitchens, computer rooms, meeting rooms and general gathering space. It does not include public restrooms, leasing offices, laundry facilities and lobbies. Common kitchens are required, including refrigerator, stove, garbage disposal, and dishwasher.

For existing buildings, these requirements shall apply unless SHRA deems there to be significant physical constraints.

### **End of Scope of Development**



# RESOLUTION NO. 2019-\_\_\_\_\_

Adopted by the Sacramento City Council

On date of

## LAVENDER COURTYARD BY MUTUAL HOUSING: APPROVAL OF THE ISSUANCE OF OBLIGATIONS BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON BEHALF OF LAVENDER HOUSING ASSOCIATES, LP

### BACKGROUND

- A. The Housing Authority of the City of Sacramento, a housing authority organized and existing under the laws of the State of California (the "Authority"), proposes a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code") in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$35,000,000 (the "Obligations") and to lend the proceeds thereof to Lavender Housing Associates, LP or a partnership of which Mutual Housing California (the "Developer") or a related person to the Developer is the general partner, to be used to provide funds to finance or refinance the acquisition, construction and development of a 53-unit multifamily housing residential facility to be located at 605 16th Street, 1612 F Street and 1616 F Street, in the City of Sacramento, California;
- B. Section 147(f) of the Code requires the execution and delivery of the Obligations to be approved by the City Council of the City (the "City Council"), as the elected representative of the City of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, after a public hearing has been held following reasonable and proper notice;
- C. A public hearing was held by the City Council on December 10, 2019, following duly published notice thereof, and all persons desiring to be heard have been heard;
- D. It is in the public interest and for the public benefit that the City Council, as the elected representative of the City of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, approve the execution and delivery by the Authority of the Obligations;

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

- Section 1. The City Council of the City of Sacramento hereby finds, determines and declares that issuance by the Authority of the Obligations in the maximum principal amount of \$35,000,000 for the purposes described above is hereby approved.
- Section 2. This resolution shall take effect immediately upon its adoption.

# **RESOLUTION NO. 2019-\_\_\_\_\_**

**Adopted by the Housing Authority of the City of Sacramento**

On the date of

## **LAVENDER COURTYARD BY MUTUAL HOUSING: A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO DECLARING INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS**

### **BACKGROUND**

- A. The Housing Authority of the City of Sacramento (the "Authority") intends to issue tax-exempt obligations (the "Obligations") for the purpose, among other things, of making a loan to Lavender Housing Associates, LP, or a limited partnership or a limited liability company related to or formed by Mutual Housing California (the "Developer"), the proceeds of which shall be used by the Developer to finance the acquisition, construction and development of a 53-unit multifamily housing residential facility to be located at 605 16th Street, 1612 F Street and 1616 F Street, Sacramento, California (the "Project").
- B. United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer must declare an intention to reimburse such expenditure.
- C. It is in the public interest and for the public benefit that the Authority declare its official intent to reimburse the expenditures referenced herein.

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

- Section 1. The Authority intends to issue the Obligations for the purpose of paying the costs of financing the acquisition, construction and development of the Project.
- Section 2. The Authority hereby declares that it reasonably expects that a portion of the proceeds of the Obligations will be used for reimbursement of expenditures for the acquisition, construction and development of the Project that are paid before the date of initial execution and delivery of the Obligations.



- Section 3. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, construction and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$35,000,000.
- Section 4. The foregoing declaration is consistent with the budgetary and financial circumstances of the Authority in that there are no funds (other than proceeds of the Obligations) that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the Authority, or any public entity controlled by the Authority, for the expenditures for the acquisition, construction and development of the Project that are expected to be reimbursed from the proceeds of the Obligations.
- Section 5. The Developer shall be responsible for the payment of all present and future costs in connection with the issuance of the Obligations, including, but not limited to, any fees and expenses incurred by the Authority in anticipation of the issuance of the Obligations, any fees required by the California Debt Limit Allocation Committee ("CDLAC") the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Obligations. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Developer. The Obligations shall not constitute a debt or obligation of the Authority.
- Section 6. The appropriate officers or the staff of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to make an application to CDLAC for an allocation of private activity bonds for the financing of the Project.
- Section 7. The adoption of this Resolution shall not obligate (i) the Authority to provide financing to the Developer for the acquisition, construction and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the Authority, or any department of the Authority or the City of Sacramento to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, construction, development or operation of the Project.
- Section 8. This resolution shall take effect immediately upon its adoption.

# RESOLUTION NO. 2019-\_\_\_\_\_

Adopted by the Housing Authority of the City of Sacramento

On the date of

## LAVENDER COURTYARD BY MUTUAL HOUSING: A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO DECLARING INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS

### BACKGROUND

- A. The Housing Authority of the City of Sacramento (the "Authority") intends to issue tax-exempt obligations (the "Obligations") for the purpose, among other things, of making a loan to Lavender Housing Associates, LP, or a limited partnership or a limited liability company related to or formed by Mutual Housing California (the "Developer"), the proceeds of which shall be used by the Developer to finance the acquisition, construction and development of a 53-unit multifamily housing residential facility to be located at 605 16th Street, 1612 F Street and 1616 F Street, Sacramento, California (the "Project").
- B. United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer must declare an intention to reimburse such expenditure.
- C. It is in the public interest and for the public benefit that the Authority declare its official intent to reimburse the expenditures referenced herein.

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

- Section 1. The Authority intends to issue the Obligations for the purpose of paying the costs of financing the acquisition, construction and development of the Project.
- Section 2. The Authority hereby declares that it reasonably expects that a portion of the proceeds of the Obligations will be used for reimbursement of expenditures for the acquisition, construction and development of the Project that are paid before the date of initial execution and delivery of the Obligations.

- Section 3. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, construction and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$35,000,000.
- Section 4. The foregoing declaration is consistent with the budgetary and financial circumstances of the Authority in that there are no funds (other than proceeds of the Obligations) that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the Authority, or any public entity controlled by the Authority, for the expenditures for the acquisition, construction and development of the Project that are expected to be reimbursed from the proceeds of the Obligations.
- Section 5. The Developer shall be responsible for the payment of all present and future costs in connection with the issuance of the Obligations, including, but not limited to, any fees and expenses incurred by the Authority in anticipation of the issuance of the Obligations, any fees required by the California Debt Limit Allocation Committee ("CDLAC") the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Obligations. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Developer. The Obligations shall not constitute a debt or obligation of the Authority.
- Section 6. The appropriate officers or the staff of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to make an application to CDLAC for an allocation of private activity bonds for the financing of the Project.
- Section 7. The adoption of this Resolution shall not obligate (i) the Authority to provide financing to the Developer for the acquisition, construction and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the Authority, or any department of the Authority or the City of Sacramento to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, construction, development or operation of the Project.
- Section 8. This resolution shall take effect immediately upon its adoption.



## 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

**NOVEMBER 20, 2019**

**LAVENDER COURTYARD BY MUTUAL HOUSING PROJECT: AUTHORIZING A LOAN COMMITMENT CONSISTING OF \$1,905,525 IN CITY HOME INVESTMENT PARTNERSHIP (HOME) FUNDS EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH LAVENDER ASSOCIATES, L.P. (MUTUAL HOUSING CALIFORNIA) OR RELATED ENTITY; RELATED BUDGET AMENDMENT; AND ENVIRONMENTAL FINDINGS**

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1. This project has been determined to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 (infill development) and 15194 (Affordable Housing).

Section 2. An Environmental Assessment (EA) was prepared for this project and a Finding of No Significant Impact (FONSI) was made pursuant to the National Environmental Policy Act (NEPA). The Authority to Use Grant Funds (AUGF) was received on March 30, 2016.

Section 3. Subject to approval by the City Council, the Loan Commitment attached to and incorporated in this resolution by this reference for the financing of the Lavender Courtyard by Mutual Housing project (Loan Commitment) is approved and the Executive Director, or designee, is authorized to execute the Loan Commitment and related documents and transmit to Lavender Associates, L.P. (Mutual Housing California) or related entity.

Section 4. The Executive Director, or designee, is authorized to amend the Sacramento Housing and Redevelopment Agency (Agency) budget to transfer \$1,905,525 from City Home Investment Partnership Program (HOME) funds to the Lavender Courtyard by Mutual Housing project.

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

---

CHAIR

ATTEST:

---

CLERK



November 16, 2019

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Meeting Stipend Increase for Sacramento Housing and Redevelopment Agency  
Commission Members

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report prior to final  
approval by the City of Sacramento.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment



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

Consent  
**December 10, 2019**

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

**Title: Meeting Stipend Increase for Sacramento Housing and Redevelopment Agency Commission Members**

**Location/Council District:** Citywide

**Recommendation:** Adopt a City Council Resolution approving a) a stipend increase for the Sacramento Housing and Redevelopment Agency Commission (SHRC) members from \$75 per meeting to \$100 per meeting attended effective January 1, 2020, and b) making related findings.

**Contact:** James Shields, Director of Administration, Sacramento Housing and Redevelopment Agency (916) 440-1308; Vickie Smith, Agency Clerk, Sacramento Housing and Redevelopment Agency, (916) 440-1363

**Presenters:** Not applicable.

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis:**

**Issue Detail:** SHRC members receive a stipend for attending regularly scheduled Sacramento Housing and Redevelopment Agency Commission meetings. Stipends are provided to assist members with costs associated with transportation, child and/or elder care, and other related expenses incurred as a result of attendance at the scheduled meetings. The amount of the stipend has not been increased since 1991.

**Policy Considerations:** Actions recommended in this report are consistent with current Agency policy and with recommendations approved by the City of Sacramento's Compensation Subcommittee.

**Economic Impacts:** If the stipend increase is approved, staff estimates that the additional amount needed for the SHRC will be \$3500 per year. There is sufficient funding for the proposed stipend in the 2020 Agency Budget which was approved on November 5, 2019.



**Environmental Considerations:** The proposed action to increase the SHRC stipend does not constitute a project under California Environmental Quality Act (CEQA) per Guidelines Section 15378 (b)(2) and is exempt under The National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a)(2) and (3).

**Sustainability Considerations:** Not applicable

**Commission Action:** Sacramento Housing and Redevelopment Commission: At its November 20, 2019 meeting, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

**Rationale for Recommendation:** This report recommends that the stipends for SHRC members be increased to \$100 per meeting or a maximum of \$200 per month. Stipends paid to SHRC members have not been increased in more than 25 years. As the SHRC is a joint city/county group, SHRA staff reviewed compensation received by both City and County Commissions and Boards. Several Boards and Commissions with duties comparable to the SHRC receive stipends of \$100 per meeting including the City's Planning and Design Commission, the County's Employee Retirement Board, and the County appointed Sunrise Recreation and Park District.

**Financial Considerations:** If the stipend increase is approved, staff estimates that the additional amount needed for the SHRC will be \$3500 per year. There is sufficient funding for the proposed stipend in the 2020 Agency Budget which was approved on November 5, 2019.

**LBE - M/WBE and Section 3 requirements:** The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:



LA SHELLE DOZIER  
Executive Director

**Attachments**

- 1-Description/Analysis
- 2-Resolution

# **RESOLUTION NO. 2019 -**

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

On date of

### **MEETING STIPEND INCREASE FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY COMMISSION (SHRC) BOARD MEMBERS**

#### **BACKGROUND**

- A. SHRC current members receive a stipend of \$75 for attending regularly scheduled meetings.
- B. An increase in the meeting stipend will allow the compensation paid to SHRC members to be consistent with the amount currently received by other similar advisory groups.

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

- Section 1. The recommended action increasing Commissioners' stipend does not constitute a project under California Environmental Quality Act (CEQA) per Guidelines Section 15378 (b)(2) and is exempt under the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a)(2) and (3).
- Section 2. The stipend is increased for the Sacramento Housing and Redevelopment Commission to \$100 per regularly scheduled meeting attended effective January 1, 2020.

# 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

**November 20, 2019**

## **MEETING STIPEND INCREASE FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY COMMISSION (SHRC) BOARD MEMBERS**

### **BACKGROUND**

- A. SHRC members currently receive a stipend of \$75 for attending regularly scheduled meetings.
- B. An increase in the meeting stipend will allow the compensation paid to SHRC members to be consistent with the amount currently received by other similar advisory groups.

### **BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:**

- Section 1. This recommended action increasing the Commissioners' stipend does not constitute a project under California Environmental Quality Act (CEQA) per Guidelines Section 15378 (b)(2). The National Environmental Policy Act (NEPA) does not apply.
- Section 2. The stipend is increased for the Sacramento Housing and Redevelopment Commission to \$100 per regularly scheduled meeting attended effective January 1, 2020.

---

CHAIR

ATTEST:

---

CLERK



November 16, 2019

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Meeting Stipend Increase for Sacramento Housing and Redevelopment Agency  
Commission Members

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report prior to final  
approval by the City of Sacramento.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
December 10, 2019

To: Board of Supervisors

Through: Navdeep S. Gill, County Executive

From: La Shelle Dozier, Executive Director, Sacramento Housing and Redevelopment Agency (SHRA)

Subject: Meeting Stipend Increase for Sacramento Housing and Redevelopment Agency Commission (SHRC) Members

District(s): All

**RECOMMENDED ACTION**

Adopt a Board of Supervisors Resolution approving a stipend increase for the Sacramento Housing and Redevelopment Agency's Commission (SHRC) from \$75 per meeting to \$100 per meeting attended effective January 1, 2020.

**BACKGROUND**

SHRC members receive a stipend for attending regularly scheduled meetings. Stipends are provided to assist members with costs associated with transportation, child and/or elder care, and other related expenses incurred as a result of attendance at the scheduled meetings. The amount of the Stipend has not been increased since 1991.

**DISCUSSION**

This report recommends that the stipends for SHRC members be increased to \$100 per meeting or a maximum of \$200 per month. Stipends paid to SHRC members have not been increased in more than 25 years. As the SHRC is a joint city/county group, SHRA staff reviewed compensation received by both City and County Commissions and Boards. Several Boards and Commissions with duties comparable to the SHRC receive stipends of \$100 per meeting including the City's Planning and Design Commission, the County's Employee Retirement Board, and the County appointed Sunrise Recreation and Park District.

**COMMISSION ACTION**

At its meeting of November 20, 2019, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. Staff will notify the Board in the event the staff recommendation is not approved.

**POLICY CONSIDERATIONS**

Actions recommended in this report are consistent with current Agency policy.

**ENVIRONMENTAL REVIEW**

The proposed action to increase the SHRC stipend does not constitute a project under California Environmental Quality Act (CEQA) per Guidelines Section 15378 (b)(2) and is exempt under The National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a)(2) and (3).

**M/WBE/SECTION 3 CONSIDERATIONS**

The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

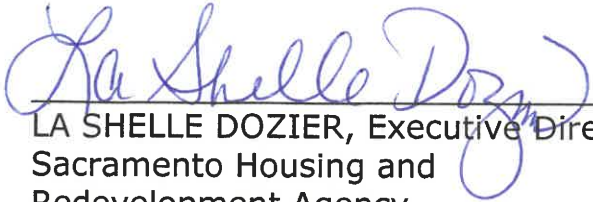
**FINANCIAL ANALYSIS**

If the stipend increase is approved, staff estimates that the additional amount needed for the SHRC will be \$3500 per year. Funding for the proposed increased stipend was included in the 2020 Agency Budget which was approved November 5, 2019.

Sacramento Housing And Redevelopment Agency Commission Stipend  
Increase  
Page 3

Respectfully Submitted,

APPROVED  
NAVDEEP S. GILL,  
County Executive



LA SHELLA DOZIER, Executive Director  
Sacramento Housing and  
Redevelopment Agency

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

Attachments:  
RES – Resolution



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

**MEETING STIPEND INCREASE FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY COMMISSION (SHRC) MEMBERS**

**WHEREAS**, SHRC members receive a stipend for attending regularly scheduled meetings; and; and

**WHEREAS**, an increase in the stipend will allow the compensation paid to SHRC members to be consistent with the amount currently received by other advisory groups.

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

Section 1: The recommended action increasing Commissioners' stipend does not constitute a project under California Environmental Quality Act (CEQA) per Guidelines Section 15378 (b)(2) and is exempt under the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a)(2) and (3).

Section 2: The stipend is increased for the Sacramento Housing and Redevelopment Agency's Commission from \$75 per meeting to \$100 per meeting attended effective January 1, 2009.

Meeting Stipend Increase For Sacramento Housing And Redevelopment  
Agency Commission Board Members  
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 10<sup>th</sup> day of  
December, 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