



NOTICE OF REGULAR MEETING
**Sacramento Housing and
Redevelopment Commission**
TELECONFERENCE MEETING ONLY
Wednesday, December 2, 2020 – 6:00 pm
801 12th Street Commission Room
Sacramento CA

Meetings of the Sacramento Housing and Redevelopment Commission are closed to the public until further notice in compliance with state guidelines on social distancing, in accordance with the Brown Act, (as currently in effect under the State Emergency Services Act), the Governor’s Emergency Declaration related to COVID-19, and the Governor’s Executive Order N-29-20 issued on March 17, 2020. These measures facilitate participation by members of the Commission, staff, and the public and allow meetings to be conducted by teleconference, videoconference, or both.

The Sacramento Housing and Redevelopment Commission meeting will be broadcast live on YouTube. To view the meeting please visit:

<https://youtu.be/uCTo0R9eSyo>

Members of the public who wish to make comments can do so in two ways:

1. Email comments to publiccomments@shra.org which will be read into the record by the Clerk during the meeting.
2. Comment by phone during the meeting by dialing (888) 970-1444. Please call and indicate if you wish to comment during the general ‘Citizens Comments’ period or on a specific agenda item.

Please contact the Agency Clerk’s office at 916-440-1363, if you have questions about the public comment procedure. In compliance with the Americans with Disabilities Act (ADA), SHRA requests that individuals who require special accommodations to access and/or participate in Commission meetings contact the office at (916) 440-1363 at least 24 hours before the scheduled meeting. Agenda materials are available for review online at www.shra.org. If you need assistance with locating reports contact the Agency Clerk at (916) 440-1363 for assistance.

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. 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. Members of the public wishing to provide comment should either email comments to publiccomments@shra.org or be present them verbally by calling (888) 970-1444.

APPROVAL OF MINUTES – November 4, 2020

SPECIAL PRESENTATION

1. Mirasol Village Project Update

DISCUSSION/BUSINESS ITEMS

2. Tax Equity and Fiscal Responsibility Act Hearing and Approval of Tax-Exempt Bonds and Commitment of Housing Authority Successor Agency Funds to the Mirasol Village Block C Project (Twin Rivers Phase 3)
3. Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, Approval of Tax-Exempt Bonds and Commitment of HOME and Housing Trust Funds to On Broadway Apartments

PRESENTATION

4. Family Self Sufficiency (FSS) and Resident Services Program Presentations

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT



MINUTES
Sacramento Housing and Redevelopment Commission (SHRC)
Regular Meeting
November 4, 2020

Meeting noticed on October 30, 2020

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:01 p.m. by Chair Morgan. Note that meeting was held via teleconference following the Governor's executive order during the coronavirus pandemic.

MEMBERS PRESENT: Alcalay, Boyd, Morgan, Osmany, Staajabu, Starks, Woo

MEMBERS ABSENT: Nunley, Griffin (two vacancies)

STAFF PRESENT: La Shelle Dozier, Brad Nakano, James Shields, Ahmad Halimi, Peter Masih, Sarah O'Daniel, Karen Wallace, Tami Southward, Susie Jackson, Celia Yniguez, Vickie Smith, Lira Goff, Celia Yniguez

APPROVAL OF AGENDA

The Agenda was approved, The Chair announced that item number five is being pulled from the agenda. Items 3 and 4 are being presented together.

CITIZENS COMMENTS

Karen Wallace presented Tami Southward, who discussed her experiences as a Family Self Sufficiency Participant and employee with SHRA.

APPROVAL OF MINUTES – October 21, 2020 minutes were approved as submitted.

DISCUSSION/BUSINESS ITEMS

1. **Approval of Updated Sacramento Housing and Redevelopment Agency and Housing Authority Maintenance Schedule of Fees and Charges**

Cecette Hawkins presented the item.

Commissioner Alcalay motioned to approve the staff recommendation for the item listed above. Commissioner Woo seconded the motion. The votes were as follows:

AYES: Alcalay, Boyd, Morgan, Osmany, Starks, Staajabu, Woo

NOES: None

ABSENT: Nunley, Griffin

ABSTAIN: None

2. Authorization to Submit 2020 Emergency Solutions Grant - Coronavirus (ESG-CV) Round 2 Application to the California Department of Housing and Community Development (HCD) and Amend the Sacramento Housing and Redevelopment Agency (SHRA) Budget

Celia Yniguez presented the item.

Commissioner Woo motioned to approve the staff recommendation for the item listed above. Commissioner Staajabu seconded the motion. The votes were as follows:

AYES: Alcalay, Boyd, Morgan, Osmany, Starks, Staajabu, Woo

NOES: None

ABSENT: Nunley, Griffin

ABSTAIN: None

3. Capitol Park Hotel Temporary Emergency Shelter Summary Report
4. Capitol Park Hotel – Approval of Loan Funds and Final Loan Documents

Items 3 & 4 were presented together.

MaryLiz Paulson presented the items.

Item 3 required no action, the vote was for item 4 only. Commissioner Woo motioned to approve the staff recommendation for the item listed above. Commissioner Staajabu seconded the motion. The votes were as follows:

AYES: Alcalay, Boyd, Morgan, Osmany, Starks, Staajabu, Woo

NOES: None

ABSENT: Nunley, Griffin

ABSTAIN: None

5. River District Landing (Bercut Village and Discovery Apartment Homes) – Approval of Financing, Loan, and Operations Agreements, and Related Documents; 2020 Action Plan Amendment; and Reallocation of Innovation and Growth Funds

The item was dropped from the agenda.

EXECUTIVE DIRECTOR'S REPORT

Executive Director La Shelle Dozier reviewed the following:

- Lavender Courtyard virtual event was held on October 29th. Construction is now underway.
- The next meeting is tentatively scheduled for November 18, 2020.
- The last meeting of the year will be December 2, 2020.

COMMISSION CHAIR REPORT

None.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Chair Morgan asked for a Mirasol Village presentation at the next meeting.

Commissioner Starks asks that we make sure that the Agency is publicizing its good work and success.

Executive Director Dozier requested that the Sacramento Observer issue with SHRA spotlight be sent to the Commissioners.

ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 7:05 pm.

Clerk



December 2, 2020

**Sacramento Housing and
Redevelopment Commission
Sacramento, CA**

Honorable Members in Session:

SUBJECT:

Tax Equity and Fiscal Responsibility Act Hearing and Approval of Tax-Exempt Bonds and Commitment of Housing Authority Successor Agency Funds to the Mirasol Village Block C Project (Twin Rivers Phase 3)

RECOMMENDATION:

Staff is presenting this information to the Commission for review, prior to final review by the Sacramento City Council and Housing Authority.

Respectfully Submitted


LA SHELLE DOZIER
Executive Director

Attachment



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

**Public Hearing
December 8, 2020**

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

Title: Tax Equity and Fiscal Responsibility Act Hearing and Approval of Tax-Exempt Bonds and Commitment of Housing Authority Successor Agency Funds to the Mirasol Village Block C Project (Twin Rivers Phase 3)

Location/Council District: 1200 Richards Blvd, District 3

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 Mirasol Village Block C (Block C) development (Project) and approving the issuance of tax-exempt bonds by the Housing Authority of the City of Sacramento (Housing Authority); 2) a Housing Authority Resolution a) indicating the intention of the Housing Authority 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 the Housing Authority to submit 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 any and all documents deemed necessary by herself or her designee and related to the transaction; and 3) a Housing Authority Resolution a) approving the Conditional Funding Commitment of \$2,500,000 in Housing Authority Successor Agency Funds, b) authorizing the Executive Director, or her designee, to execute a Funding Commitment Letter with Twin Rivers Phase 3, L.P. or related entity for the Project, c) authorizing the Executive Director, or designee, to execute any and all documents deemed necessary by herself or her designee and related to the transaction; d) amending the Housing Authority budget, and e) making related findings.

Contact: Christine Weichert, Assistant Director, (916) 440-1353, Tyrone Roderick Williams, Deputy Executive Director, (916) 440-1316, Sacramento Housing and Redevelopment Agency

Presenters: Anne Nicholls, Management Analyst, (916) 440-1353, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: In 2015, the Housing Authority of the County of Sacramento (HACOS) and the City of Sacramento (City) were, as co-grantees, awarded a \$30 million Choice Neighborhoods Implementation (CNI) Grant from the US Department of Housing and Urban Development (HUD) for the Twin Rivers Transit Oriented Development and Light Rail Station master development (Mirasol Village). Sacramento Housing and Redevelopment Agency (SHRA) is managing the master development and McCormack Baron Salazar (MBS) is the master developer and Housing Lead (Developer) under the CNI grant.

The CNI grant supports the redevelopment of the former housing development and the transformation of the River District/Railyards neighborhood. The grant requires replacement of 218 public housing units within a mixed-income development which will include at least 487 housing units, common area, community gathering spaces, and other amenities. Mirasol Village includes six residential blocks on approximately 26 acres and a new light rail station constructed along 12th Street. A vicinity map and Project Rendering are included as Attachments 2 and 3.

Mirasol Village is being developed in five phases. The first phase includes Blocks B and E (123 units) and construction started in July 2020. The second phase is Block A (104 units) which is expected to be under construction by the end of 2020. The third phase is Block C (84 units) which is the subject of this report. The Block C Developer is also actively working to secure the funds needed to construct the fourth phase, Block D (116 units). The fifth phase, Block F, is the block east of 12th Street and will be the last block developed.

On June 30, 2020, the California Department of Housing and Community Development (HCD) awarded \$14,484,068 of Multifamily Housing Program (MHP) funds to Block C.

On October 13, 2020, City Council (Council) approved \$3,038,000 in CNI funds for a predevelopment loan agreement and permanent loan commitment to Twin Rivers Phase 3, L.P. or related entity for Block C.

On October 20, 2020, the Board of the Housing Authority of the County of Sacramento (HACOS) also approved up to \$3,038,000 in CNI funds for a predevelopment loan agreement and permanent loan commitment to Twin Rivers Phase 3, L.P. or related entity for Block C.

The Developer has applied to SHRA and the Housing Authority for the issuance of up to \$35,000,000 in tax exempt mortgage revenue bonds, and a gap financing loan of \$2,500,000 in Housing Authority Successor Agency Funds (HASAF) for the construction and permanent financing of the Project. Subject to Council and Housing Authority Board approval, the Developer will apply for tax-exempt bonds and four percent Low Income Housing Tax Credits (LIHTC) in early 2021, with a goal to close financing and start construction in late 2021.

Development: Mirasol Village Block C is composed of townhouses and garden-style walk-up buildings and includes a total of seven buildings, 68 on-grade parking spaces, and 84 units. There will be 9 Americans with Disabilities Act (ADA) compliant units and four units with communication features. The Project will contain amenities that include bicycle parking, landscaped courtyards and a play area. Additionally, residents from Block C will have access to the master development site amenities that include management offices, resident community rooms, fitness center, a business center, swimming pool, barbeque area, a community park and community garden. Further details of the scope of development are included with the Conditional Funding Commitment as Exhibit A.

Infrastructure Improvements: On May 29, 2018, Council approved the commitment of up to \$16.49 million of Section 108 loan funds to construct new infrastructure systems throughout the Mirasol Village master development. The cost of the infrastructure will be allocated per unit, to increase the value of the Project and thereby generate more tax credit proceeds. This financial mechanism will be documented by an Infrastructure Reimbursement Agreement for approximately \$3,400,000 for Block C and signed between SHRA as Project Manager, the Housing Authority of the County of Sacramento (HACOS) as land owner and the tax credit partnerships that will develop Block C and the other residential blocks.

Entitlements: The site plan approval for Block C was received in February 2020, and the building permits are expected to be ready to issue in May 2021.

Developer: The limited partnership, Twin Rivers Phase 3, L.P. will develop the Project. A McCormack Baron Salazar, Inc. (Developer) affiliate, Twin Rivers Phase 3, MBS GP, Inc., will serve as administrative general partner of the limited partnership. The Developer is an experienced owner and manager of affordable rental housing projects with more than 40 years of experience in affordable housing and has developed over 21,000 homes in 23 states across the U.S., including 13 communities in California. They have extensive experience in financing projects with tax credits, tax exempt bonds, and other public and private funding sources.

The Sacramento Housing Authority Repositioning Program, Inc. (SHARP) is the managing general partner of the limited partnership and is a non-profit public benefit corporation formed by the Housing Authority to pursue projects as a strategic response to reductions in federal funding sources for public housing. SHARP can attract private development partners and financing sources not otherwise directly available to the Housing Authority.

Property Management: The Project will be managed by the John Stewart Company (JSCo), an experienced property management firm with over 40 years of experience operating affordable apartment communities. There are over 420 properties in California consisting of more than 31,600 affordable and market rate residential units in their portfolio. The JSCo currently manages 16 SHRA financed affordable housing properties in the Sacramento region. SHRA staff has reviewed and approved the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures to ensure the company meets SHRA requirements for property management.

Resident Services: Resident services will be provided by Urban Strategies, which currently provides resident services to 11 affordable housing communities across the country. Urban Strategies will be required to provide at least 15 hours of services per week for Block C residents. Programs will be tailored to resident needs. SHRA staff has reviewed and approved Urban Strategies' resident services plan detailing the scope and schedule of services to be provided. Services will be provided by an on-site services coordinator and will include social services and enrichment programs. SHRA will approve subsequent providers of additional services.

Project Financing: In addition to the CNI and HASAF loans, and HACOS ground lease loan, the Project will be financed with four percent Low Income Housing Tax Credits (LIHTC), competitive state tax credits, tax-exempt bond financing, a bank loan, an MHP loan, deferred developer fee and development impact fee waivers. The law firm of Orrick, Herrington and Sutcliffe LLP, will serve as Bond Counsel to the Housing Authority.

Low-Income Set-Aside Requirements: As a condition of receiving LIHTC and the benefits of tax-exempt bond financing, federal law requires that units be set aside for targeted income groups. Income restrictions from LIHTC financing require that 20 percent of the units have rents that are affordable to households with income up to 50 percent of Area Median Income (AMI). SHRA further requires at least 15 percent of the units have rents that are affordable to households with income up to 50 percent AMI and at least 5 percent of the units have rents that are affordable to households with income up to 30 percent AMI, based on financial feasibility. HUD approved 53 replacement Project Based Vouchers for the public housing replacement units in the Project which are administered by the County Housing Authority.

Project affordability restrictions will be specified in regulatory agreements with the Developer. The Project Summary and Proforma are included as attachments 4 and 5, and a schedule of Maximum Income and Rent Limits is included as attachment 6. These anticipated sources and their affordability requirements are summarized in the following table:

Mirasol Village Block C

Affordability Restrictions (55 years) ¹	Units	% of Units
Extremely Low Income (20% AMI)	35	42%
Extremely Low Income (30% AMI)	7	8%
Very-Low Income (50% AMI)	11	13%
Low Income (60% AMI)	10	12%
Moderate Income (80% AMI)	2	2%
Market Rate (Exempt)	18	22%
Management Unit (Exempt)	1	1%
Total	84	100%

¹Pursuant 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 are consistent with 1) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 1 and 2, Preservation and New Construction (Resolution No. 2019-0425 and Housing Authority Resolution No. 2019-022); 2) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); 3) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and 4) 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, the Project is located in an Opportunity Zone that provides a federal tax incentive for investors, who invest in real estate projects and operating businesses located in designated low-income communities through deferral and partial tax reductions of reinvested capital gains and forgiveness of tax on new capital gains (enacted into federal law through the Tax Cuts and Jobs Act of 2017).

Economic Impacts: This multifamily residential project is expected to create 365.09 total jobs (206.89 direct jobs and 158.21 jobs through indirect and induced activities) and create \$30,424,303 in total economic output (\$18,545,508 of direct output and another \$11,878,795 of output through indirect and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations: California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA): A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Mirasol Village (formerly Twin Rivers) Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations (CCR) §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations (CFR) §58.36. The Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) were adopted and a Notice of Determination (NOD) was issued pursuant to CEQA and a Finding of No Significant Impact (FONSI) was prepared pursuant to NEPA. The proposed action requires no further environmental review.

Sustainability Considerations: The Project has been reviewed for consistency with the goals, policies, and targets of the 2035 General Plan. If approved, the project will advance the following goals, policies, and targets that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions, in part, from the 2035 General Plan: a) Housing Element – Strategies and Policies for Conserving Energy Resources – Climate Action Plan, subsection 7.2: improving the energy efficiency in new buildings; and b) Environmental Resources - Air Quality and Climate Change sub-

section 6.1.7: reduce greenhouse gas emissions from new development, promoting water conservation and recycling, promoting development that is compact, mixed-use, pedestrian friendly, and transit oriented; and promoting energy-efficient building design and site planning.

Commission Action: *Sacramento Housing and Redevelopment Commission:* It is anticipated that, at its December 2, 2020 meeting, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Council in the event the item is not approved.

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

Financial Considerations: The \$2,500,000 HASAF loan and \$3,038,000 CNI loan will have a term of 57 years. The HASAF loan will have a simple interest rate at three percent and the CNI loan will have a simple interest rate at four percent. SHRA 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 amount of 0.125 percent of the bond amount. SHRA will also receive a \$100 annual administrative fee for each HASAF assisted unit. The total administrative fee will not exceed \$25,000 annually for the affordable units during the 55-year term. The Developer will be responsible for payment of all costs and fees relating to the bonds. Mortgage revenue bonds do not represent a financial obligation of SHRA, Housing Authority, or City of Sacramento.

Local Business Enterprise (LBE), Minority/Women's Business Enterprise (M/WBE) and Section 3 requirements: Local Business Enterprise requirements do not apply to this report. Minority and Women's Business Enterprise requirements and Section 3 will be applied to all activities to the greatest extent feasible and as required by federal funding and in accordance with SHRA's Section 3 Economic Opportunity Plan. The Developer and general contractor will work with SHRA's Section 3 Administrator, the Sacramento Employment and Training Agency, the Greater Sacramento Urban League or similar entities, to promote employment opportunities.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

01-Description/Analysis

02-Vicinity Map

03-Project Rendering

04-Residential Project Summary

05-Cash Flow Proforma

06-Maximum Income and Rent Limits

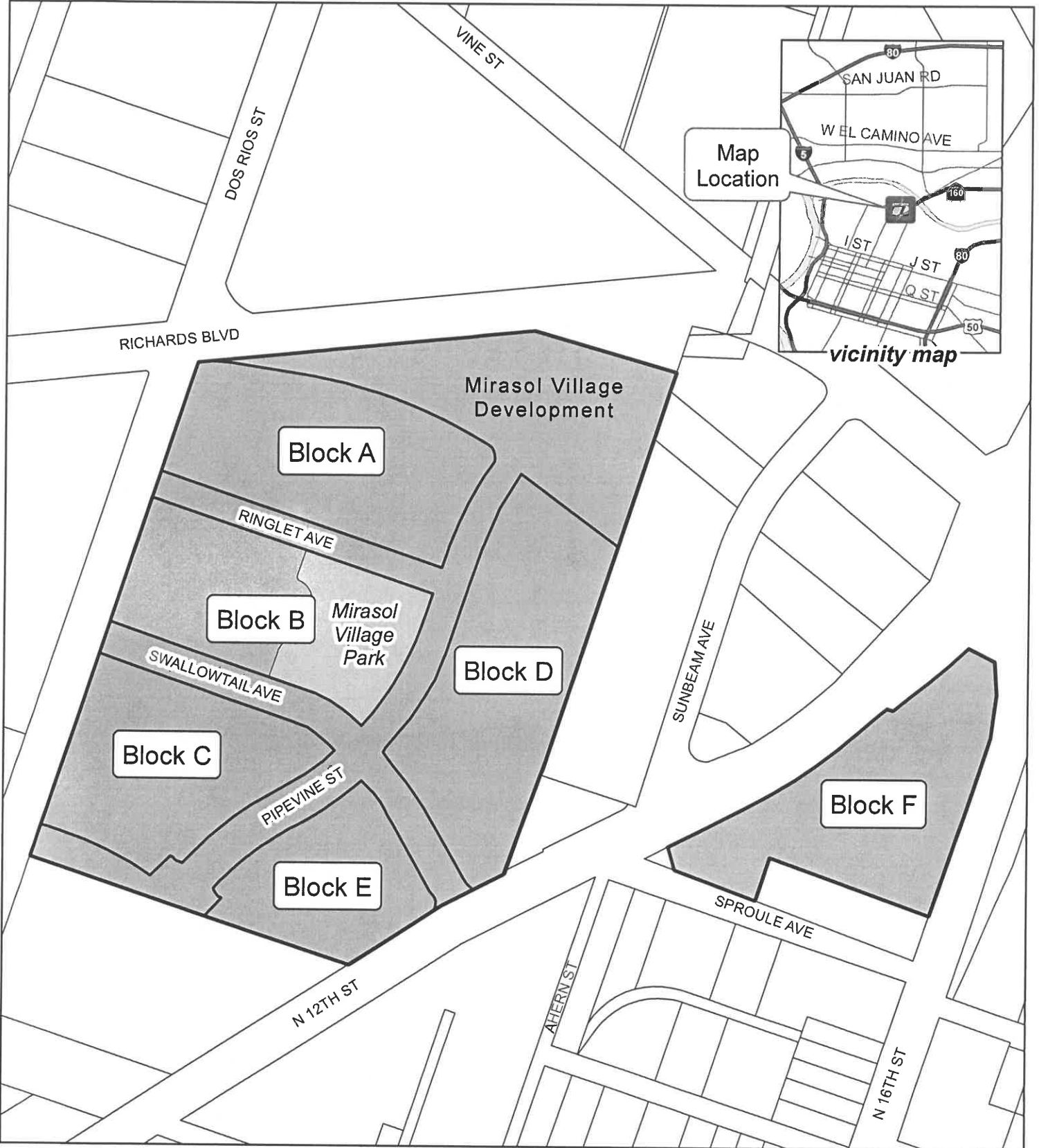
07-City Council Resolution – TEFRA

08-Housing Authority Resolution – Inducement

09-Housing Authority Resolution – Conditional Funding Commitment

10-Exhibit A to Resolution: Conditional Funding Commitment

Mirasol Village (Twin Rivers)

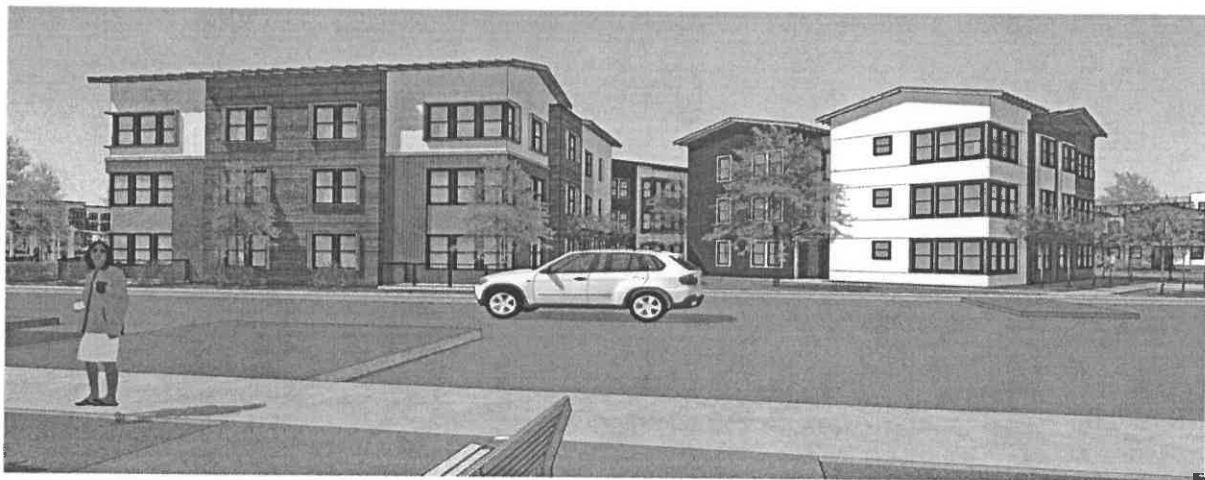
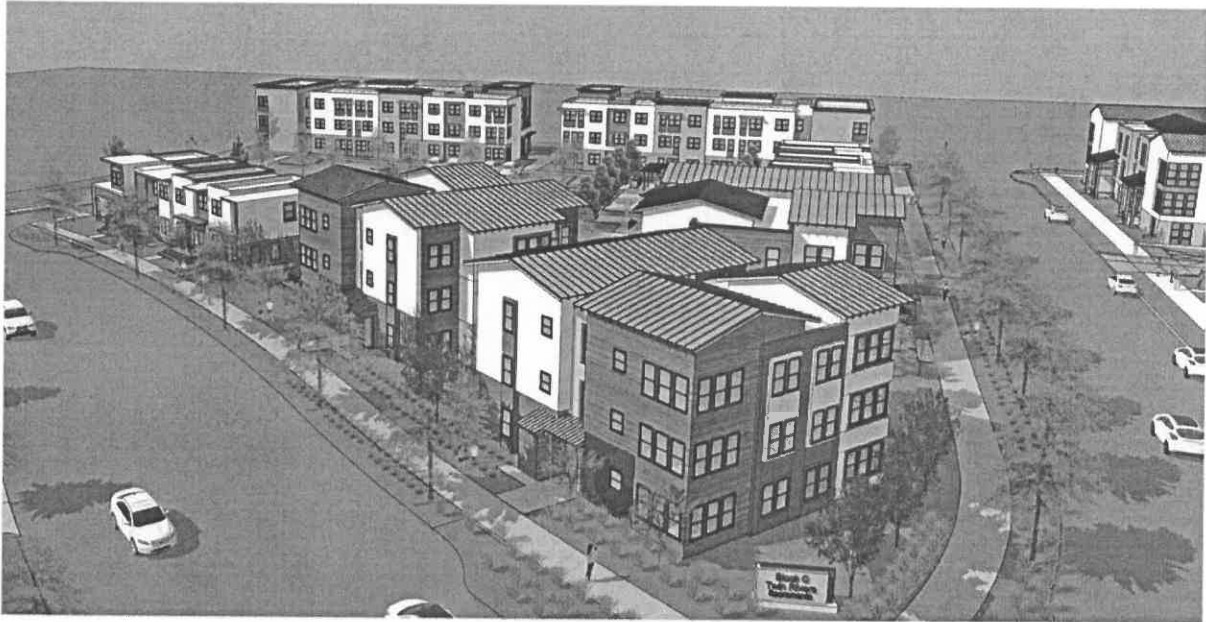


 Mirasol Village Development



SHRA GIS
October 19, 2020

Mirasol Village Block C - Project Rendering



**Mirasol Village Block C (Twin Rivers Phase 3)
Residential Project Summary**

Address	1200 Richards Blvd., Sacramento, CA 95811							
Number of Units	84							
Construction Type	New Construction							
Unit Mix and Rents¹	<u>ELI 20% AMI PBV</u>	<u>ELI 30% AMI PBV</u>	<u>VLI 50% AMI PBV</u>	<u>LI 60% AMI</u>	<u>LM 80% AMI</u>	<u>Market Rate</u>	<u>Exempt Management Unit</u>	<u>Total</u>
1 Bedroom / 1 Bath	6	7	2	6	1	14	0	36
2 Bedroom / 1 Bath	10	0	4	4	1	4	1	24
3 Bedroom / 2 Bath	10	0	4	0	0	0	0	14
3 Townhouse / 2.5 Bath	3	0	0	0	0	0	0	3
4 Bedroom / 2 Bath	0	0	1	0	0	0	0	1
4 Townhouse / 2.5 Bath	5	0	0	0	0	0	0	5
5 Townhouse / 2.5 Bath	1	0	0	0	0	0	0	1
TOTAL	35	7	11	10	2	18	1	84
Square Footage	<u>Per Unit</u>			<u>Total</u>				
1 Bedroom / 1 Bath	619			22,284 sq.ft.				
2 Bedroom / 1 Bath	838			20,112 sq.ft.				
3 Bedroom / 2 Bath	1,169			16,366 sq.ft.				
3 Townhouse / 2.5 Bath	1,327			3,981 sq.ft.				
4 Bedroom / 2 Bath	1,385			1,385 sq.ft.				
4 Townhouse / 2.5 Bath	1,440			7,200 sq.ft.				
5 Townhouse / 2.5 Bath	1,989			1,989 sq.ft.				
TOTAL	73,317			sq.ft.				
Resident Facilities	Management offices, resident community space, fitness center, swimming pool, BBQ area, landscape courtyards, school-aged play ground, community park, on-site surface vehicular parking and secure bicycle parking.							
Permanent Sources	<u>Current Total</u>		<u>Per Unit</u>		<u>Per Sq Ft</u>			
Federal Tax Credit Equity	\$ 13,709,882		\$ 163,213		\$ 186.99			
State Tax Credit Equity	\$ 4,612,003		\$ 54,905		\$ 62.90			
Permanent Loan	\$ 9,470,085		\$ 112,739		\$ 129.17			
HACOS Ground Lease Loan	\$ 378,000		\$ 4,500		\$ 5.16			
HACOS CNI Loan	\$ 3,038,000		\$ 36,167		\$ 41.44			
HACS HASAF Loan	\$ 2,500,000		\$ 29,762		\$ 34.10			
HCD MHP	\$ 14,484,068		\$ 172,429		\$ 197.55			
Deferred Developer Fee	\$ 1,560,926		\$ 18,582		\$ 21.29			
Fee Waiver	\$ 200,000		\$ 2,381		\$ 2.73			
TOTAL SOURCES	\$ 49,952,964		\$ 594,678		\$ 681.33			
Permanent Uses								
Acquisition	\$ 445,000		\$ 5,298		\$ 6.07			
Construction	\$ 30,991,044		\$ 368,941		\$ 422.70			
Permits and Fees	\$ 1,537,562		\$ 18,304		\$ 20.97			
Architecture and Engineering	\$ 2,125,262		\$ 25,301		\$ 28.99			
Hard Cost Contingency	\$ 3,177,000		\$ 37,821		\$ 43.33			
Soft Cost Contingency	\$ 494,600		\$ 5,888		\$ 6.75			
First Mortgage Interest	\$ 1,856,479		\$ 22,101		\$ 25.32			
Financing Costs	\$ 1,608,471		\$ 19,148		\$ 21.94			
Operating Reserves	\$ 677,608		\$ 8,067		\$ 9.24			
Rent Reserves	\$ 775,446		\$ 9,232		\$ 10.58			
Legal Fees	\$ 642,000		\$ 7,643		\$ 8.76			
Developer Fee	\$ 3,500,000		\$ 41,667		\$ 47.74			
Insurance, Third Party, Marketing, Other	\$ 2,122,492		\$ 25,268		\$ 28.95			
TOTAL USES	\$ 49,952,964		\$ 594,678		\$ 681.33			
Leverage	<u>SHRA \$ per Unit</u>		<u>Per Unit Cost</u>		<u>Leverage</u>			
	\$ 70,429		\$ 594,678		\$1.00 : \$8.44			
Management / Operations								
Proposed Developer:			McCormack Baron Salazar					
Property Management Company:			The John Stewart Company					
Operations Budget:	\$ 581,973		\$ 6,928					
Property Management:	\$ 78,013		\$ 929					
Resident Services:	\$ 89,422		\$ 1,065					
Taxes:	\$ 22,485		\$ 268					
Security:	\$ 53,990		\$ 643					
Replacement Reserves	\$ 42,000		\$ 500					

¹Pursuant 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.

Mirasol Village Block C (Twin Rivers Phase 3)
Cash Flow Proforma

Mirasol Village Block C (Twin Rivers Phase 3) Unit Type	Area Median Income % (AMI)	Number	Square Feet	Total Sq Feet	Gross Rent*		Utility Allowance		Net Rent	Net Rent per Sq Foot					Current Annual Rent		
					2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4		2027 Year 5	2032 Year 10	2037 Year 15	2042 Year 20	2047 Year 25		2052 Year 30	
1BD/1 BA (PBV)	20%	6	619	3,714	324	69	255	0.41	1,530	18,360							
1BD/1 BA (PBV)	30%	7	619	4,333	486	69	417	0.67	2,919	35,028							
1BD/1 BA (PBV)	50%	7	619	1,238	810	69	741	1.20	1,482	17,784							
1BD/1 BA (PBV)	60%	6	619	3,714	972	69	903	1.46	5,418	65,016							
1BD/1 BA (PBV)	80%	1	619	8,666	1,296	69	1,227	1.98	14,724	14,724							
2BD/1 BA (PBV)	20%	10	838	8,380	388	86	302	0.36	21,000	252,000							
2BD/1 BA (PBV)	30%	4	838	3,352	971	86	885	1.06	3,540	42,480							
2BD/1 BA (PBV)	50%	4	838	3,352	1,165	86	1,079	1.29	4,316	51,792							
2BD/1 BA (PBV)	60%	4	838	3,352	1,650	86	1,468	1.75	4,688	17,616							
2BD/1 BA (PBV)	80%	10	838	13,270	449	105	344	0.26	6,600	79,200							
3BD/2 BA (PBV)	20%	4	1,327	1,122	105	105	1,017	0.77	4,068								
3BD/2 BA (PBV)	30%	4	1,327	3,981	449	128	321	0.82	963	11,556							
4BD/2.5 BA (PBV)	20%	3	1,385	1,252	123	123	1,129	0.24	1,129	13,548							
4BD/2.5 BA (PBV)	30%	5	1,440	7,200	501	152	349	0.24	1,745	20,940							
5BD/2.5 BA (PBV)	20%	1	1,889	1,989	552	175	377	0.19	377	4,524							
2BD/1 BA Manager Unit	Exempt	84	838	838	-	-	-	-	-	-	64,242	680,808					
Totals																	
* 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.																	
Income		Annual Increase	Per Unit	2023	2024	2025	2026	2027	2032	2037	2042	2047	2052				
Gross Potential Rent		2.50%	6,928	581,973	602,342	623,424	645,244	667,827	783,169	842,036	1,118,844	1,282,400	1,578,240				
Other Income		3.50%	929	76,013	83,570	89,522	94,484	99,522	106,324	112,279	149,860	178,129	211,562				
Rental Subsidy		2.50%	1,065	89,422	92,551	95,791	99,143	102,613	107,872	112,746	147,466	171,913	242,500				
Less Vacancy		5.00%	268	22,485	22,935	23,861	24,339	24,872	26,872	29,666	32,757	36,166	39,930				
Operating Expenses		3.50%	643	53,990	55,879	57,835	59,859	61,954	73,582	81,954	103,795	123,276	146,414				
Property Management		0.00%	500	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000				
Resident Services			10,332	\$896,882	\$896,451	\$926,013	\$956,602	\$988,256	\$1,163,920	\$1,372,123	\$1,619,289	\$1,912,566	\$2,260,646				
Taxes				\$689,059	\$659,414	\$709,749	\$720,054	\$730,317	\$760,567	\$827,794	\$869,716	\$903,495	\$925,492				
Security				474,615	474,615	474,615	474,615	474,615	474,615	474,615	474,615	474,615	474,615				
Replacement Reserves				60,833	60,833	60,833	60,833	60,833	60,833	60,833	60,833	60,833	60,833				
Total Expenses				25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000				
Net Operating Income				\$560,448	\$560,448	\$560,448	\$560,448	\$560,448	\$560,448	\$560,448	\$560,448	\$560,448	\$560,448				
Debt/Service				\$128,611	\$138,966	\$148,301	\$159,605	\$169,889	\$220,139	\$267,346	\$306,268	\$343,047	\$365,043				
Senior Loan	amount	4.00%	7,500	7,500	7,725	7,957	8,195	8,441	8,786	9,144	9,514	9,895	10,288				
HCD Monitoring Fee	rate	0.420%	7,500	7,500	7,725	7,957	8,195	8,441	8,786	9,144	9,514	9,895	10,288				
SHRA Monitoring Fee	amount	3.00%	15,000	15,000	15,450	15,915	16,391	16,883	17,391	17,914	18,452	19,009	19,589				
Debt Service Subtotal	rate	0.125%	30,000	30,000	30,900	31,827	32,782	33,765	34,777	35,817	36,885	37,980	39,103				
Cash Available after Debt Service			\$98,611	\$108,066	\$117,474	\$126,839	\$136,103	\$145,268	\$154,341	\$163,320	\$172,205	\$180,995	\$189,683				
Priority Distributions																	
Limited Partner Management Fee	amount	3.00%	7,500	7,500	7,725	7,957	8,195	8,441	8,786	9,144	9,514	9,895	10,288				
Managing General Partner Management Fee	rate	3.00%	7,500	7,500	7,725	7,957	8,195	8,441	8,786	9,144	9,514	9,895	10,288				
Administrative General Partner Fee	amount	3.00%	15,000	15,000	15,450	15,915	16,391	16,883	17,391	17,914	18,452	19,009	19,589				
Priority Distributions Subtotal	rate	3.00%	30,000	30,000	30,900	31,827	32,782	33,765	34,777	35,817	36,885	37,980	39,103				
Net Cash after Priority Distributions			\$68,611	\$78,066	\$86,574	\$95,912	\$105,073	\$114,041	\$122,855	\$131,505	\$140,090	\$148,603	\$157,035				
Deferred Developer Fee																	
Deferred Developer Fee	amount	1.00%	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926				
Principal Balance	rate	3.00%	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926	\$1,560,926				
Payment			98,611	108,066	117,474	126,823	136,103	145,268	154,341	163,320	172,205	180,995	189,683				
Balance			\$1,472,315	\$1,452,860	\$1,433,486	\$1,414,103	\$1,394,708	\$1,375,293	\$1,355,858	\$1,336,403	\$1,316,928	\$1,297,433	\$1,277,918				
Net Cash after Deferred Developer Fee			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Investor Cash Flow																	
Residential NOI after Debt Service, Priority Distributions & Deferred Developer Fee			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
HCD MHP Loan																	
Principal Balance	amount	3.00%	\$14,484,068	\$14,484,068	\$14,484,068	\$14,484,068	\$14,484,068	\$14,484,068	\$14,484,068	\$14,484,068	\$14,484,068	\$14,484,068	\$14,484,068				
Interest for Period	rate	3.00%	434,522	434,522	434,522	434,522	434,522	434,522	434,522	434,522	434,522	434,522	434,522				
Payment			\$14,918,590	\$15,497,953	\$16,077,315	\$16,656,678	\$17,236,041	\$17,815,403	\$18,394,765	\$18,974,127	\$19,553,489	\$20,132,851	\$20,712,213				
Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
City Housing Authority HASAF Loan																	
Principal Balance	amount	3.00%	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000				
Interest for Period	rate	3.00%	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000				
Payment			\$2,575,000	\$2,650,000	\$2,725,000	\$2,800,000	\$2,875,000	\$2,950,000	\$3,025,000	\$3,100,000	\$3,175,000	\$3,250,000	\$3,325,000				
Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
County Housing Authority CNI Loan																	
Principal Balance	amount	4.00%	\$3,038,000	\$3,038,000	\$3,038,000	\$3,038,000	\$3,038,000	\$3,038,000	\$3,038,000	\$3,038,000	\$3,038,000	\$3,038,000	\$3,038,000				
Interest for Period	rate	4.00%	121,520	121,520	121,520	121,520	121,520	121,520	121,520	121,520	121,520	121,520	121,520				
Payment			\$3,159,520	\$3,281,040	\$3,402,560	\$3,524,080	\$3,645,600	\$3,767,120	\$3,888,640	\$4,010,160	\$4,131,680	\$4,253,200	\$4,374,720				
Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
County Housing Authority Ground Lease Loan																	
Principal Balance	amount	0.00%	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000				
Payment			\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000	\$378,000				
Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				

Mirasol Village Block C (Twin Rivers Phase 3)**MAXIMUM INCOME AND RENT LIMITS 2020***Rents at 20%, 30%, 50%, 60% and 80% of Area Median Income (AMI)**Low Income Housing Tax Credits, Mortgage Revenue Bonds, Multifamily Housing Program,
Choice Neighborhoods Initiative, Housing Authority Successor Agency Funds***Maximum Gross Income Limits**

Family Size	20% AMI	30% AMI	50% AMI	60% AMI	80% AMI
1 person	\$ 12,100	\$ 18,150	\$ 30,250	\$ 36,300	\$ 48,400
2 person	\$ 13,820	\$ 20,730	\$ 34,550	\$ 41,460	\$ 55,280
3 person	\$ 15,540	\$ 23,310	\$ 38,850	\$ 46,620	\$ 62,160
4 person	\$ 17,260	\$ 25,890	\$ 43,150	\$ 51,780	\$ 69,040
5 person	\$ 18,660	\$ 27,990	\$ 46,650	\$ 55,980	\$ 74,640
6 person	\$ 20,040	\$ 30,060	\$ 50,100	\$ 60,120	\$ 80,160
7 person	\$ 21,420	\$ 32,130	\$ 53,550	\$ 64,260	\$ 85,680
8 person	\$ 22,800	\$ 34,200	\$ 57,000	\$ 68,400	\$ 91,200
9 person	\$ 24,600	\$ 48,540	\$ 60,450	\$ 72,492	\$ 96,700
10 person	\$ 26,500	\$ 52,960	\$ 63,900	\$ 76,634	\$ 102,200
11 person	\$ 28,600	\$ 57,380	\$ 67,350	\$ 80,777	\$ 107,750

Maximum Gross Rent Limits¹

Unit Size	20% AMI	30% AMI	50% AMI	60% AMI	80% AMI
1 Bedroom	\$ 324	\$ 486	\$ 810	\$ 972	\$ 1,296
2 Bedroom	\$ 388	\$ 582	\$ 971	\$ 1,165	\$ 1,554
3 Bedroom	\$ 449	\$ 673	\$ 1,122	\$ 1,347	\$ 1,796
4 Bedroom	\$ 501	\$ 751	\$ 1,252	\$ 1,503	\$ 2,004
5 Bedroom	\$ 552	\$ 829	\$ 1,381	\$ 1,658	\$ 2,211

¹Pursuant 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. 2020-_____

Adopted by the Sacramento City Council

On date of

MIRASOL VILLAGE BLOCK C: APPROVAL OF THE ISSUANCE OF OBLIGATIONS BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON BEHALF OF TWIN RIVERS PHASE 3, L.P.

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 (Obligations) and to lend the proceeds thereof to Twin Rivers Phase 3, L.P. or a partnership of which McCormack Baron Salazar, Inc. (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 multifamily housing residential facility to be located at 320, 370 Dos Rios Street, 1234, 1252 Swallowtail Avenue and 330, 350, 380 Pipevine 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 (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 8, 2020, 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.
- E. A combined Initial Study/Environmental Assessment was prepared for the Mirasol Village (formerly Twin Rivers) Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations §58.36. The Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program were adopted and a Notice of Determination

was issued pursuant to CEQA and a Finding of No Significant Impact was prepared pursuant to NEPA. The proposed action requires no further environmental review.

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. 2020-

Adopted by the Housing Authority of the City of Sacramento

On the date of

MIRASOL VILLAGE BLOCK C: 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 (Authority) intends to issue tax-exempt obligations (Obligations) for the purpose, among other things, of making a loan to Twin Rivers Phase 3, L.P., or a limited partnership or a limited liability company related to or formed by McCormack Baron Salazar, Inc. (Developer), the proceeds of which shall be used by the Developer to finance the acquisition, construction and development of a 84-unit multifamily housing residential facility to be located at 320, 370 Dos Rios Street, 1234, 1252 Swallowtail Avenue and 330, 350, 380 Pipevine Street, Sacramento, California (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.
- D. A combined Initial Study/Environmental Assessment was prepared for the Mirasol Village (formerly Twin Rivers) Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations §58.36. The Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program were adopted and a Notice of Determination was issued pursuant to CEQA and a Finding of No Significant Impact was prepared pursuant to NEPA. The proposed action requires no further environmental review.

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. 2020 -

Adopted by the Housing Authority of the City of Sacramento

on date of

MIRASOL VILLAGE BLOCK C: AUTHORIZATION TO AMEND THE HOUSING AUTHORITY BUDGET AND ALLOCATE UP TO \$2,500,000 IN HOUSING AUTHORITY SUCCESSOR AGENCY FUNDS (HASAF) TO BLOCK C (PHASE 3) HOUSING; APPROVAL TO EXECUTE A CONSTRUCTION AND PERMANENT LOAN COMMITMENT OF UP TO \$2,500,000 OF HASAF AND TO EXECUTE RELATED DOCUMENTS WITH TWIN RIVERS PHASE 3 L.P. OR RELATED ENTITY; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. In 2011 the California Legislature enacted AB 1X26, which, coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies as of February 1, 2012.
- B. The City of Sacramento, by Resolution Number 2012-018 (adopted on January 31, 2012), designated the Housing Authority of the City of Sacramento as the local authority to retain the housing assets and functions previously performed by the Redevelopment Agency of the City of Sacramento.
- C. The Housing Authority of the City of Sacramento, by Resolution Number 2012-001 (adopted on January 31, 2012), accepted the housing assets and housing functions previously performed by the Redevelopment Agency of the City of Sacramento.
- D. The Redevelopment Agency of the City of Sacramento, by resolution Number 2012-001 (adopted on January 31, 2012) transferred its housing assets and housing functions to the Housing Authority of the City of Sacramento.
- E. On April 1, 2013, the California Department of Finance issued its final determination related to the Housing Asset Transfer assets. This final determination included these Housing Successor funds.
- F. On September 28, 2015, the US Department of Housing and Urban Development (HUD) awarded the Housing Authority of the County of Sacramento (HACOS), as Lead Grantee, and the City of Sacramento, as Co-Grantee, a \$30 million Choice Neighborhoods Implementation (CNI) Grant to implement the Twin Rivers-River District/Railyards Neighborhood Transformation Plan.
- G. On December 15, 2015, HACOS and the City of Sacramento executed the FYs 2014-2015 CNI Implementation Grant Agreement with HUD.
- H. On June 30, 2020, the California Department of Housing and Community Development awarded \$14,484,068 of Multifamily Housing Program funds to Mirasol Village Block C (Project).

- I. On August 3, 2020, Twin Rivers Phase 3, L.P. (McCormack Baron Salazar, Inc.) (Developer) submitted a funding application to Sacramento Housing and Redevelopment Agency (SHRA) requesting a \$3,038,000 loan in CNI funds and a \$2,500,000 loan in Housing Authority Successor Agency Funds (HASAF) to assist in funding the construction and permanent financing of the Project.
- J. On October 13, 2020, the Sacramento City Council approved a \$3,038,000 loan commitment comprised of CNI funds between HACOS and the Developer to assist in funding the construction and permanent financing of the Project (CNI Loan Commitment). On October 20, 2020, the Board of HACOS also approved the CNI Loan Commitment.
- K. The recommended actions are consistent with a) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 1. Preservation (Resolution No. 2009-148); b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by 2025 (Resolution No. 2015-282).
- L. A combined Initial Study/Environmental Assessment was prepared for the Mirasol Village (formerly Twin Rivers) Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations §58.36. The Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program were adopted and a Notice of Determination was issued pursuant to CEQA and a Finding of No Significant Impact was prepared pursuant to NEPA. The proposed action requires no further environmental review.

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

- Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated above, are found to be true and accurate and are hereby approved adopted.
- Section 2. The Conditional Funding Commitment attached hereto as Exhibit A for financing of the Project with up to \$2,500,000 in Housing Authority Successor Agency Funds (Funding Commitment) is approved and the Executive Director, or designee, is authorized to execute and transmit the Funding Commitment to Twin Rivers Phase 3, L.P. (McCormack Baron Salazar or related entity).
- Section 3. The Executive Director, or designee, is authorized to execute related documents, as approved to form by its Office of the General Counsel, and perform other actions the Housing Authority deems necessary to fulfill the intent of the Housing Authority Successor Agency Funds, including without

limitation, financial restructuring, and extensions, consistent with its adopted policy and with this resolution.

Section 4. The Housing Authority is authorized to amend its budget and allocate an amount not to exceed \$2,500,000 in Housing Authority Successor Agency Funds to provide construction and permanent financing for the Project.

Table of Contents:

Exhibit A: Conditional Funding Commitment (HASAF)



Effective Date: December 8, 2020

Twin Rivers Phase 3, L.P.
c/o McCormack Baron Salazar, Inc.
Daniel Falcon, Vice President
801 S. Grand Avenue, Suite 780
Los Angeles, CA 90017

RE: Conditional Funding Commitment for Mirasol Village Block C (Twin Rivers Phase 3)

Dear Mr. Falcon:

On behalf of the Housing Authority of the City of Sacramento (Agency), we are pleased to advise you of this Conditional Funding Commitment (Commitment) of construction and permanent loan funds (Loan) comprised of \$2,500,000 in Housing Authority Successor Agency Funds (HASAF) for the purpose of financing the acquisition, rehabilitation and development of that certain real property known as Mirasol Village Block C (Twin Rivers Phase 3) located at 320 Dos Rios Street, Sacramento, (formerly 321 Eliza Street; Lot 3, Sacramento), California 95811 (Property). **The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this Commitment is void.** Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

The Loan shall be made on standard Agency loan documents. Loan terms not in this Commitment and the attached loan document forms shall not be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this Commitment and the loan documents, the terms stated in this Commitment 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 30, 2022**, unless a mutually agreed upon extension is made.



1. PROJECT DESCRIPTION: Mirasol Village Block C development is composed of townhouses and garden-style walk-up buildings and includes a total of seven (7) buildings, 74 on-grade parking spaces, and 84 units comprised of 1-bedroom, 2-bedroom, 3-bedroom, 4-bedroom, and 5-bedroom units. The Project will contain amenities that include secure bicycle parking, landscaped courtyards and a play area. Additionally, residents will have access to the master plan site amenities that include management offices, resident community rooms, fitness center, business center, swimming pool and barbeque area.
2. BORROWER: The name of the Borrower for the Loan is Twin Rivers Phase 3, L.P., a California limited partnership created by McCormack Baron Salazar, Inc., or related entity as the lead development partner.
3. PURPOSE OF LOAN: The Loan is to be used by Borrower solely to pay the costs of development, permanent financing and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. PRINCIPAL AMOUNT: The principal amount of the Loan will be the lesser of (a) Two Million Five Hundred Thousand Dollars and No Cents (\$2,500,000.00), or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency.
5. TERM OF LOAN: The Loan shall mature 57 years or 684 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. INTEREST RATE: The Loan will bear simple interest at three percent (3%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.
7. ANNUAL REPAYMENT: Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date.
8. SOURCE OF LOAN FUNDS: Agency is making the Loan from the following source of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: City of Sacramento Housing Authority Successor Agency Funds (HASAF). This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.



9. **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)

10. **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.
11. **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 or other lender and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency may subordinate said deeds of trust in order to accommodate completion of the development of the Property. The Agency will not subordinate the regulatory agreement(s) to said deeds of trust in order to preserve the affordable housing covenants.
12. **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.
13. **PROOF OF EQUITY:** Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than stated in Borrower's request for the Loan. Proof of equity will generally be in the form of verified low income housing tax credit equity and deferred developer fee. If the final equity contribution is less than the anticipated \$17,000,000, the difference in equity must be offset by an increase in the anticipated deferred developer fee of \$1,500,000.
14. **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:
1. As a condition precedent to disbursement of the remainder of the Agency loan, construction financing from a private lender(s) in an amount(s) sufficient to complete construction of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performances for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.
 2. Commitments for permanent financing sufficient to "take out" all liens senior to the Agency's lien.



3. Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.
 4. Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of the DDA, OPA or other agreements.
15. 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.
16. SOILS AND TOXIC REPORTS: Borrower has submitted to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property will be remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.
17. 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.
18. PLANS AND SPECIFICATION: Final plans and specifications, if any, for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursal of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project. The final plans shall incorporate all related mitigation measures as required in the Mitigation Monitoring and Reporting Program of Twin Rivers Transit Oriented Development and Light Rail Station Project as may applicable to Twin Rivers Phase 3, environmental conditions required, if any, for compliance with approvals under CEQA, and/or NEPA, or the U.S. Department of Housing and Urban Development as conditions of approval of the project.



19. 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.
20. 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.
21. ECONOMIC OPPORTUNITY EMPLOYMENT REQUIREMENTS: The Loan will require that to the greatest extent feasible, opportunities for training and employment be given to lower income residents in and around the area of the project. Borrower will instruct its Contractor and its subcontractors to utilize lower income project area residents as employees to the greatest extent feasible.
22. RETENTION AMOUNT: The Agency shall retain ten percent (10.0%) of the total amount of the Loan as retention and shall be released when the Agency determines all conditions to final disbursement of the Loan have been satisfied.
23. 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.



24. 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.
25. 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.
26. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than twenty-four (24) months following the close of construction financing.
27. SECURITY CAMERAS AND OUTSIDE LIGHTING: Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, and security patrols, all as approved by the Agency.
28. 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.
29. 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).
30. 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.

31. 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 ALTA endorsement nos. 9.6 and 9.7 (or CLTA endorsement nos. 100 and 116) and ALTA endorsement no. 25 (or CLTA endorsement no. 116) insuring Agency in an amount equal to the principal amount of the Loan and covenants, conditions or restrictions 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.
32. 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.
33. PURCHASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.
34. 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.



35. 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.
36. AFFIRMATIVE FAIR 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, providing sufficient marketing time prior to Lease Up (as defined in the Affirmative Marketing Policies), and lotteries or other method for initial Lease Up and initial waiting list creation, as agreed upon by the Agency and Borrower prior to the start of Lease Up.
37. 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 on-site resident services according to the following minimum schedule of fifteen (15) hours per week:
1. Coordinator: Four (4) hours per week (maximum)
 2. After School Programming: Eight (8) hours per week (two hours per day and four days per week minimum)
 3. Additional Programming: Balance of minimum three (3) hours per week shall include, but are not limited to:
 - a. Workforce development support and activities.
 - b. Education classes such as nutrition, exercise, health resources, health insurance application assistance, Annual onsite health fair and ESL classes.
 - c. Socialization activities such as bingo, gardening and community building events.
 - d. Other services such as transportation assistance, counseling assistance and employee readiness and job search assistance.
38. 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.
39. 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.
40. 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.
41. CONSISTENCY OF DOCUMENTS: As a material obligation under this Commitment, 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.



42. 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.
43. 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 terms and conditions of the Commitment and Scope of Development and Rental Property Minimum Construction Standards (Exhibit 1), and has executed this Commitment as of the Effective Date.

BORROWER:

Twin Rivers Phase 3, L.P., a California limited partnership

By: McCormack Baron Salazar, Inc. or related entity

By: _____

Daniel Falcon, Vice President

Attachment:

Exhibit 1 - Scope of Development and Rental Property Minimum Construction Standards



Exhibit 1: Scope of Development and Rental Property Minimum Construction Standards

Mirasol Village Block C

Project Summary:

Mirasol Village Block C is the third phase of a master plan, mixed-income housing development located at 320 Dos Rios Street. The proposed development will replace the existing public housing development in this area, and the final project development will include 427 apartment units, with 84 units in this phase. All off-site infrastructure and the adjacent right-of-way improvements will be constructed under a separate contract. The project will be designed to secure a Green Point Rated Certification. The development will be a vibrant new addition to the neighborhood and help encourage future improvements and development.

A.Site:

1. New construction of 7 new buildings: 2 two-story townhome buildings, 3 three-story garden-style apartments, and 2 four-story apartment buildings. All the buildings will be Type V wood construction, with some concrete and/or steel at the ground-level of the four-story buildings.
2. All adjacent streets will be in place prior to completion of Block C and are under a separate contract.
3. There will be an accessible path of travel into each building, the parking area, and all common area amenity spaces.
4. The parking lot shall be constructed by a combination of pervious concrete paving at the parking spaces and asphalt paving at the drive aisles. The parking lot shall be striped completely, identifying all parking spaces, ADA spaces, pedestrian pathways, and other potential hazards. Bicycle parking will be available.
5. Site amenities will include a school-age appropriate playground and landscaped area with picnic tables and benches.
6. The site will have pervious pavement and on-site drainage retention to accommodate all site drainage requirements in addition to all of the adjacent ROW.
7. New vehicular driveways access to the surface parking lots will be constructed as part of the infrastructure contract.
8. New landscaping throughout the project, including both along the new and existing streets and internally within the block. The landscaping and street design will serve to create a walkable neighborhood that encourages physical activity. Drought tolerant trees will be included and a smart controller with a drop system will be used for irrigation.



9. The entire site will have a decorative wrought iron picket fence off-set well beyond the property line, towards the back of the buildings. The goal is to secure the site without the feel of being fenced in.
10. The fence will have several pedestrian and vehicular access points throughout the site with access control. Only residents will have access to parking within the site, all visitors will park on the street.
11. Each building will have controlled access as will each of the common area amenity spaces.
12. Web-based CCTV will be provided with cameras covering primary ingress/egress points to the site; principal parking areas; and indoor/outdoor common areas. Site lighting shall be provided at all parking and outside public spaces and shall be of LED or similarly energy efficient type.
13. A minimum of one trash enclosure will be provided at each Block C. Trash enclosures will be constructed out of concrete block and metal gates with a concrete apron in front. They will include separate recycling and trash receptacles within the same enclosure. The trash enclosure will be completely accessible.
14. Most of the outdoor amenity areas will have either a permanent shade structure or removable (fabric) shade structure. There will also be some shading elements on the residential buildings.
15. There will be mailboxes located on Block C for its respective residents.

B. Building Exteriors:

1. The exterior building materials will be a combination of stucco, fiber cement siding (both painted and wood-look) with accent areas of metal siding.
2. The townhome and walk-up apartment buildings will have primary entrances facing the street to engage the neighborhood, and secondary entrances internally facing the parking courts.
3. The townhome buildings will have stoops at the street side of the building to engage and active the public way.
4. Provide Operating Procedures Outline Sheet (OPOS) as required by Cal-OSHA.

C. Parking:

1. Block C will include a surface parking lot at the interior of the parcel, with approximately 74 spaces. Each lot will have required accessible parking as well as the infrastructure for electrical vehicle charging and outdoor bicycle parking.



D. Tenant Units:

BDRM Size	Type	Number of Units
One	Elevator	24
One	Walkup	12
Two	Elevator	18
Two	Walkup	6
Three	Elevator	6
Three	Walkup	8
Three	Townhouse	3
Four	Walkup	1
Four	Townhouse	5
Five	Townhouse	1
TOTAL		84

1. **Appliances:** All units will be equipped with a washer/dryer. All kitchens shall have refrigerator/freezer, dishwashers, stove/oven, and micro-hoods in non-accessible units and microwave shelves built into lower cabinets in ADA units. All appliances will be Energy Star, where applicable. Each unit will have garbage disposals.
2. **Electrical:** All units will have smoke/carbon monoxide detectors installed per current code.
3. **Stoops:** The townhome units will all have front stoops at the street.
4. **Doors:** All exterior doors shall have deadbolt locks, keyed latch assemblies and viewers. The tenant units' entry doors shall have single action hardware to release deadbolt and latch assembly.
5. **Windows:** New dual-paned (at a minimum) window with screens will be installed throughout. Window coverings will be provided on all windows.
6. **Flooring:** All units will have Luxury Vinyl Plank (LVP) throughout with a minimum wear layer of 12 mils. Bathrooms will be sheet vinyl. All common areas will be LVP.
7. **Cabinets, Counters:** All kitchen and bathroom cabinets will have plywood boxes with solid face frames, doors, and drawer faces. All kitchens and bathrooms will have solid surface countertops.
8. **Lighting:** Units will have new LED lighting throughout.
9. **Finishes:** All unit interiors will have level 4 drywall finish.
10. **Plumbing Fixtures:** Bathrooms shall have low-flow, water-efficient fixtures.



11. **Bathrooms:** Bathrooms shall be fully equipped with accessories including towel bars, toilet paper dispensers and mirrors. All countertops shall be solid surface. Tub surrounds will be of fiberglass.
12. **Hallways:** The hallways on the upper floors of the 4-story building and garden-style buildings will be Luxury Vinyl Tile (LVT).
13. **Accessible Units:** There will be total of 9 fully accessible units and 4 audio/visual accessible units.

Community Areas:

1. **On-site Management:** On-site Property Management will be located on Block A.
2. **Community/Management Spaces:** Community, Resident Services and Property Management Spaces will be located on Block A.
3. **Resident Services:** Resident Services will be located on Block A.
4. **Elevators and Stairs:** The four-story buildings will have an elevator and enclosed stairways. Each of the three-story walk-up buildings will have an internal stair serving all three floors. Stairways will include closed risers and non-slip concrete finish or other slip-resistant material on the treads.

Attachment 1: Rental Property Minimum Construction Standards are 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.

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. Exceptions to these standards may be made for properties subject to U.S. Department of Housing and Urban Development replacement reserve requirements that allow for renovation over time rather than at recapitalization (e.g., Rental Assistance Demonstration conversions for conventional public housing).

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 FannieMae'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 FannieMae 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. Any windows showing signs of condensation or leakage of any kind shall be replaced. SHRA allows window replacement using retrofit windows when those windows are installed by trained professionals following manufacturer’s specifications. Retrofit windows must have a similar useful life as “new, construction” (i.e., nail fin) windows.
- 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.
- B. 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.
- C. 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, at a minimum, be consistent with CTCAC requirements of one washer and dryer for every ten dwelling units for family housing and one for every 15 units for senior and special needs projects. 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.
- C. Broadband infrastructure meeting the requirements of 24 CFR 5.100* is required in all new construction projects of 4 or more units.

**Broadband infrastructure means cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, that is capable of providing access to Internet connections in individual housing units, and that meets the definition of "advanced telecommunications capability" determined by the Federal Communications Commission under section 706 of the Telecommunications Act of 1996 (47 U.S.C. 1302).*

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.





December 2, 2020

**Sacramento Housing and
Redevelopment Commission
Sacramento, CA**

Honorable Members in Session:

SUBJECT:

Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, Approval of Tax-Exempt Bonds and Commitment of HOME and Housing Trust Funds to On Broadway Apartments

RECOMMENDATION:

Staff is presenting this information to the Commission for review, prior to final review by the Sacramento City Council and Housing Authority.

Respectfully Submitted


LA SHELLE DOZIER
Executive Director

Attachment



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

**Public Hearing
December 8, 2020**

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

Title: Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, Approval of Tax-Exempt Bonds and Commitment of HOME and Housing Trust Funds to On Broadway Apartments

Location/Council District: 1901 Broadway/District 5

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 acquisition, construction and permanent financing of the On Broadway Apartments (Project); 2) a City Council Resolution authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to: a) approve the Conditional Funding Commitment of \$3,300,000 comprised of \$2,400,000 in HOME Investment Partnerships Program (HOME) funds and \$900,000 in Housing Trust Funds (HTF) to the Project, b) execute a Funding Commitment Letter and all necessary documents associated with this transaction with EAH Housing, Inc. or related entity for the Project, c) execute any and all documents deemed necessary by SHRA and related to the transaction, d) amend the SHRA budget, and e) make related findings; and 3) a Housing Authority Resolution a) indicating the intention of the Housing Authority to issue up to \$55,000,000 in tax exempt mortgage revenue bonds to provide acquisition, construction and permanent financing for the Project, b) authorizing the Housing Authority to submit 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 any and all documents deemed necessary by herself or her designee and related to the transaction.

Contact: Christine Weichert, Assistant Director, (916) 440-1353, Sacramento Housing and Redevelopment Agency; Tyrone Roderick Williams, Deputy Executive Director, (916) 440-1316, Sacramento Housing and Redevelopment Agency.

Presenters: Cylus Scarbrough, Housing Finance Analyst, (916) 440-1353, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: On June 29, 2020, Sacramento County and SHRA jointly issued a "Request to Partner on No Place Like Home Developments" (RTP). The selection criteria contained in the RTP mirrored the California Department of Housing and Community Development (HCD) competitive selection criteria, including development team experience, site control, integration, financial feasibility, capital and operational leverage, readiness and supportive services.

On September 1, 2020, SHRA received a new construction development application for On Broadway Apartments (Project) located in the City of Sacramento in response to the RTP. EAH Housing, Inc. (Developer), the organization proposing the On Broadway Apartments, also submitted a funding application to SHRA and the Housing Authority for the issuance of up to \$55,000,000 in tax exempt mortgage revenue bonds, and a gap financing loan of \$3,300,000 to assist in funding the acquisition, construction and permanent financing of the Project.

Project Based Vouchers and No Place Like Home

On June 23, 2020, the On Broadway Apartments proposal was awarded 37 Project Based Vouchers (PBV) by Sacramento Housing and Redevelopment Agency (SHRA) to benefit homeless households. The 37 PBV units will be assisted through the No Place Like Home Program (NPLH). The NPLH Program provides funding to households that have been designated homeless and that includes at least one household member living with mental illness.

On October 23, 2020, HCD released the third round Notice of Funding Availability (NOFA) for the NPLH program. An NPLH Selection Committee (comprised of representatives from the County Director of Homeless Initiatives, Division of Behavioral Health Services, and SHRA Development Finance) recommended On Broadway to partner with Sacramento County as co-applicants for a NPLH funding application to HCD. The Board of Supervisors will be asked to support the application to HCD for the NPLH funding in January 2021. NPLH applications are due to HCD on January 19, 2021. HCD is scheduled to announce the NPLH awards in Spring 2021. Construction would be complete within two years after all financing is secured.

Project Description: On Broadway Apartments is a permanent supportive and workforce housing development proposed on a 1.25-acre property at 1901 Broadway in the Greater Broadway District. The site has a vacant office building, which will be demolished by the Developer. The proposed Project includes two buildings, 63 on-grade parking spaces and 140 units, including 2 management units. There will be 14 Americans with Disabilities Act (ADA) compliant units and seven units with communication features. The proposed Project amenities include management and services offices and meeting rooms, two community rooms, 2 laundry facilities, 4 elevators, four community restrooms, indoor bicycle storage, 2 play areas with playgrounds for school aged children, picnic areas, dog park and landscaped courtyards. On the West side of the property, there will be over 3,300 square feet of commercial space open to the public that will enhance the living environment of the residents of the Project, with a use subject to approval by SHRA. A vicinity map and project rendering are included as Attachments 2 and 3.

The NPLH units will be distributed throughout the project and will not be concentrated by location or unit type. The bedroom mix for the NPLH units will be as follows: 25 one-bedroom units, 9 2-bedroom units, and 3 3-bedroom units.

Developer: EAH Housing, Inc. has developed and acquired over 104 properties with over 8,400 units in California and Hawaii since 1968. This will be the first affordable housing project in the Sacramento region.

Property Management: The Project will be managed by EAH Housing, Inc. property management department that services over 210 properties with over 11,000 units in California and Hawaii. SHRA staff has reviewed and approved the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures to ensure the company meets SHRA requirements for property management.

Supportive Services: Sacramento County Department of Health Services (DHS) will be responsible for the mental health supportive services and the coordination of other supportive services needed by the 37 NPLH residents for a minimum of 20 years as required by the State NPLH program.

Resident Services: Resident services will be provided by EAH Housing resident services department that serves over 70 properties with over 6,400 units in California and Hawaii. Resident services will include a 1.5 FTE service coordinator, after school program, workforce development services and enrichment activities. SHRA staff has reviewed EAH's qualifications and the resident services plan, and has found that the proposed resident services provider and resident services plan meets SHRA requirements.

Security Plan: SHRA staff has reviewed and approved the security plan which includes installation of video assessment and surveillance cameras interconnected to the police department on the interior and exterior of the building's perimeter, key FOB access on the ground floor for tenants, as well as a vehicular gate on X Street. In addition, two management staff will live at the development.

Project Financing: In addition to a HOME and HTF loan, the Project will be financed with four percent Low Income Housing Tax Credit (LIHTC), competitive state tax credits, tax-exempt bond financing, competitive NPLH loan, Affordable Housing and Sustainable Communities program (AHSC) loan, Affordable Housing program (AHP) loan from the Federal Home Loan Bank of San Francisco, deferred developer fee and development impact fee waivers. The law firm of Orrick, Herrington and Sutcliffe LLP, will serve as Bond Counsel to the Housing Authority.

In addition, SHRA has committed a total of 37 Project Based Vouchers (PBV's) to this project. Project Based Vouchers are awarded in accordance with the SHRA's administration of the Housing Choice Voucher Program as authorized by section 8(o)(13) of the U.S. Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) and is based on the Public Housing Authority's Annual Plan. The Plan is approved annually by the federal Department of Housing and Urban Development (HUD).

Low-Income Set-Aside Requirements: As a condition of receiving LIHTC and the benefits of tax-exempt bond financing, federal law requires that units be set aside for targeted income groups. Income restrictions from LIHTC financing require that 20 percent of the units have rents that are affordable to households with income up to 50 percent of Area Median Income (AMI). SHRA further requires at least 15 percent of the units have rents that are affordable to households with income up to 50 percent AMI and at least 5 percent of the units have rents that are affordable to households with income up to 30 percent AMI, based on financial feasibility. SHRA approved 37 Project Based Vouchers in the proposed Project which will be administered by the Housing Authority.

Project affordability restrictions will be specified in regulatory agreements with the Developer. The Project Summary and Pro Forma are included as attachments 4 and 5, and a schedule of Maximum Income and Rent Limits is included as attachment 6. These anticipated sources and their affordability requirements are summarized in the following table:

On Broadway Apartments

Affordability Restrictions (55 years) ¹	Units	% of Units
Extremely Low Income (30% AMI)	37	27%
Very-Low Income (50% AMI)	52	37%
Low Income (60% AMI)	49	35%
Management Unit (Exempt)	2	1%
Total	140	100%

¹Pursuant 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 On Broadway development are consistent with a) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 2. New Construction (Resolution No. 2019-0425); b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); and c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263).

Economic Impacts: The On Broadway Apartments multi-family residential project is expected to create 518.11 total jobs (290.874 direct jobs and 227.24 jobs through indirect and induced activities) and create \$44,984,175 in total economic output (\$27,698,516 of direct output and another \$17,285,659 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 proposed project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 (Infill Exemption).

National Environmental Policy Act (NEPA): An Environmental Assessment (EA) has been prepared for the proposed project pursuant to the National Environmental Policy Act (NEPA) at 24 CFR Part 58 and it has been determined that the project will not result in a significant impact on the human environment.

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: *Sacramento Housing and Redevelopment Commission:* It is anticipated that, at its December 2, 2020 meeting, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Council in the event the item is not approved.

Rationale for Recommendation: The actions recommended in this report enable SHRA to continue to fulfill its mission of providing a range of affordable housing opportunities in the City and are consistent with the SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies and the City of Sacramento's 2013-2021 Housing Element as part of Sacramento's 2035 General Plan.

Financial Considerations: The \$3,300,000 SHRA loan comprised of \$2,400,000 in HOME funds and \$900,000 in HTF will have a term of 57 years and bear a simple interest rate at three percent. SHRA 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 amount of 0.125 percent of the bond amount. SHRA will also receive a \$100 annual administrative fee for each HOME and HTF assisted unit. The total administrative fee will not exceed \$25,000 annually for the affordable units during the 55-year term. The Developer will be responsible for payment of all costs and fees relating to the bonds. Mortgage revenue bonds do not represent a financial obligation of SHRA, Housing Authority, or City of Sacramento.

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

Local Business Enterprise (LBE), Minority/Women's Business Enterprise (M/WBE) and Section 3 requirements: Local Business Enterprise requirements do not apply to this report. Minority and Women's Business Enterprise requirements and Section 3 will be applied to all activities to the greatest extent feasible and as required by federal funding and in accordance with SHRA's Section 3 Economic Opportunity Plan. The Developer and general contractor will work with SHRA's Section 3 Administrator, the Sacramento Employment and Training Agency, the Greater Sacramento Urban League or similar entities, to promote employment opportunities.

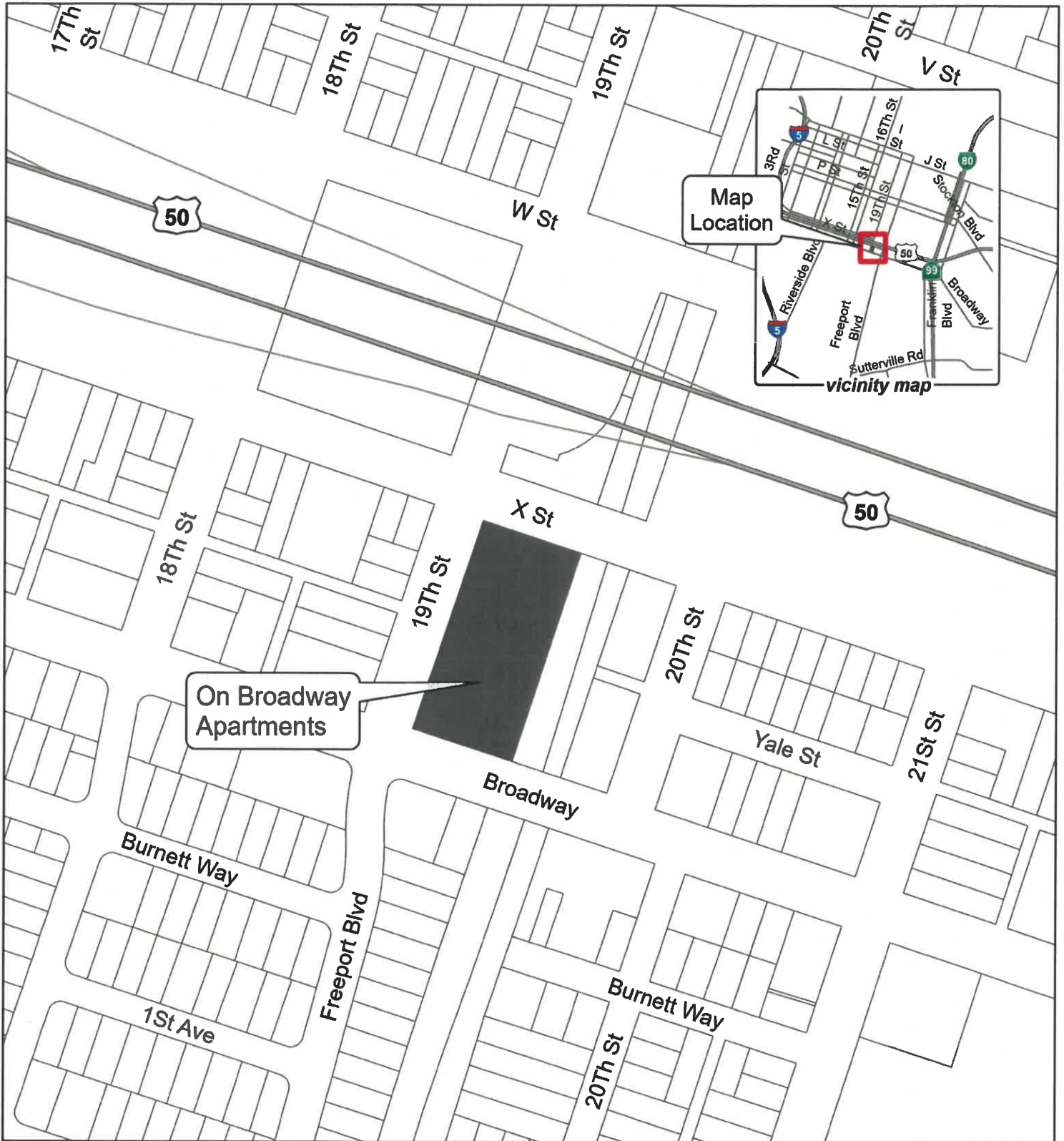
Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

- 1-Description/Analysis and Background
- 2-Vicinity Map
- 3-Project Rendering
- 4-Project Summary
- 5-Cash Flow Proforma
- 6-Maximum Income and Rent Limits
- 7-City Council Resolution – TEFRA
- 8-City Council Resolution – Conditional Funding Commitment
- 9-Exhibit A to Resolution: Conditional Funding Commitment
- 10-Housing Authority Resolution – Inducement

On Broadway Apartments



 On Broadway Apartments (1901 Broadway)



On Broadway Apartments – Project Renderings



View from Broadway and 19th Street



View from X Street and 19th Street



View from Broadway and Railway



View from 19th Street

On Broadway
Residential Project Summary

Address	1901 Broadway				
Number of Units	140				
Year Built	New Construction				
Acreage	1.25 acres (54,450 sq. ft.)				
No Place Like Home (NPLH) Units	37 of the 140 units will be designated as NPLH				
Unit Mix and Rents	ELI 30% AMI NPLH & PBV	VLI 50% AMI	LI 60% AMI	Exempt Management Units	Total
1 Bedroom/1 Bath	32	21	19	0	72
2 Bedroom/1 Bath	4	23	23	2	52
3 Bedroom/2 Bath	1	8	7	0	16
Total Units	37	52	49	2	140
Square Footage		<i>Per Unit</i>	<i>Total</i>		
1 Bedroom/1 Bath		597	42,984	sq.ft.	
2 Bedroom/1 Bath		914	47,528	sq.ft.	
3 Bedroom/2 Bath		1,136	18,176	sq.ft.	
Community Area			5,355	sq.ft.	
Total Gross			114,043	sq.ft.	
Resident Facilities	Management and services offices and meeting rooms, two community rooms, two laundry facilities, four elevators, four community restrooms, indoor bicycle storage, two play areas with playgrounds for school aged children, picnic areas, dog park, landscaped courtyards and 63 on-grade parking spaces.				
Permanent Sources	<i>Total</i>	<i>Per Unit</i>	<i>Per Square Foot</i>		
Federal Tax Credit Equity	\$23,750,873	\$169,649	\$208		
Senior Loan	\$5,567,000	\$39,764	\$49		
GP Certificated Credit Sale Loan	\$12,298,054	\$87,843	\$108		
Accrued Deferred Interest - GP	\$106,223	\$759	\$1		
SHRA Loan	\$3,300,000	\$23,571	\$29		
Aff Housing & Sustainable Communities	\$15,900,000	\$113,571	\$139		
No Place Like Home (Competitive)	\$6,076,835	\$43,406	\$53		
No Place Like Home (non-Competitive)	\$2,287,737	\$16,341	\$20		
Affordable Housing Program	\$1,250,000	\$8,929	\$11		
Impact Fee Waiver	\$1,617,471	\$11,553	\$14		
Deferred Developer Fee	\$400,000	\$2,857	\$4		
General Partner Equity	\$5,406,614	\$38,619	\$47		
TOTAL SOURCES	\$77,960,807	\$556,863	\$684		
Permanent Uses	<i>Total</i>	<i>Per Unit</i>	<i>Per Square Foot</i>		
Acquisition	\$5,600,000	\$40,000	\$49		
Demolition	\$463,786	\$3,313	\$4		
Construction Costs	\$44,984,175	\$321,316	\$394		
Architecture & Engineering	\$1,786,134	\$12,758	\$16		
Permits	\$3,448,755	\$24,634	\$30		
Hard Cost Contingency	\$5,361,572	\$38,297	\$47		
Soft Cost Contingency	\$496,359	\$3,545	\$4		
Financing Cost	\$4,558,355	\$32,560	\$40		
Operating Reserves	\$386,681	\$2,762	\$3		
Capitalized Operating Reserve	\$70,000	\$500	\$1		
Legal Fees	\$459,000	\$3,279	\$4		
Developer Fee	\$8,570,225	\$61,216	\$75		
Third Party Fees, Marketing, Other	\$1,775,765	\$12,684	\$16		
TOTAL USES	\$77,960,807	\$556,863	\$684		
Leverage	<i>SHRA \$ per Unit</i>	<i>Per Unit Cost</i>	<i>Leverage</i>		
	\$23,571	\$556,863	\$1.00 : \$24		
Management / Operations					
Proposed Developer	EAH Housing, Inc.				
Property Management Company	EAH Housing, Inc.				
Operating Expenses	\$840,339	\$6,002			
Property Management Fee	\$114,679	\$819			
Resident Services	\$88,798	\$634			
Security Services	\$27,977	\$200			
Replacement Reserves	\$70,000	\$500			
Taxes and Insurance	\$71,633	\$512			

¹Pursuant 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.

On Broadway Apartments

MAXIMUM INCOME AND RENT LIMITS 2020

*Rents at 30%, 50% and 60% Area Median Income (AMI)
Low Income Housing Tax Credits, Mortgage Revenue Bonds,
No Place Like Home, Affordable Housing and Sustainable Communities
Program, HOME Investment Partnerships Program
and Housing Trust Funds*

Maximum Gross Income Limits

Family Size	30% AMI		50% AMI		60% AMI	
1 person	\$	18,150	\$	30,250	\$	36,300
2 person	\$	20,730	\$	34,550	\$	41,460
3 person	\$	23,310	\$	38,850	\$	46,620
4 person	\$	25,890	\$	43,150	\$	51,780
5 person	\$	27,990	\$	46,650	\$	55,980
6 person	\$	30,060	\$	50,100	\$	60,120
7 person	\$	32,130	\$	53,550	\$	64,260

Maximum Gross Rent Limits¹

Unit Size	30% AMI		50% AMI		60% AMI	
1 Bedroom	\$	486	\$	810	\$	972
2 Bedroom	\$	582	\$	971	\$	1,165
3 Bedroom	\$	673	\$	1,122	\$	1,347

¹Pursuant 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. 2020-

Adopted by the Sacramento City Council

on date of

ON BROADWAY APARTMENTS: APPROVAL OF THE ISSUANCE OF OBLIGATIONS BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON BEHALF OF BROADWAY STATION 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 \$55,000,000 (the "Obligations") and to lend the proceeds thereof to Broadway Station LP or a partnership of which EAH Housing, Inc. (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 multifamily housing residential facility to be located at 1901 Broadway, 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 8, 2020, 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.
- E. The proposed project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 (Infill Exemption).

- F. An Environmental Assessment (EA) has been prepared for the proposed project pursuant to the National Environmental Policy Act (NEPA) at 24 CFR Part 58 and it has been determined that the project will not result in a significant impact on the human environment.

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 \$55,000,000 for the purposes described above is hereby approved.
- Section 2. This resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 2020 -

Adopted by the Sacramento City Council

on date of

ON BROADWAY APARTMENTS: AUTHORIZATION TO AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET AND ALLOCATE UP TO \$2,400,000 IN HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FUNDS AND \$900,000 IN HOUSING TRUST FUNDS (HTF) TO THE ON BROADWAY APARTMENTS; APPROVAL TO EXECUTE AN ACQUISITION, CONSTRUCTION AND PERMANENT LOAN COMMITMENT OF \$3,300,000 IN HOME AND HTF PROGRAM FUNDS AND TO EXECUTE RELATED DOCUMENTS WITH EAH HOUSING, INC. OR RELATED ENTITY; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. On June 23, 2020, the On Broadway Apartments proposal was awarded 37 Project Based Vouchers (PBV) by Sacramento Housing and Redevelopment Agency (SHRA) to benefit homeless households.
- B. On June 29, 2020, Sacramento County and SHRA jointly issued a "Request to Partner on No Place Like Home Developments" (RTP). The selection criteria contained in the RTP mirrored California Department of Housing and Community Development's (HCD) competitive selection criteria, including development team experience, site control, integration, financial feasibility, capital and operational leverage, readiness and supportive services.
- C. On September 1, 2020, SHRA received two new construction development applications, the Elk Grove Apartments in the City of Elk Grove, and the On Broadway Apartments (Project) located in the City of Sacramento in response to the RTP. EAH Housing, Inc. (Developer), the organization proposing the On Broadway Apartments, also submitted a funding application to SHRA and the Housing Authority for the issuance of up to \$55,000,000 in tax exempt mortgage revenue bonds, and a gap financing loan of \$3,300,000 comprised of \$2,400,000 in HOME Investment Partnerships Program (HOME) funds and \$900,000 in Housing Trust Funds (HTF) to assist in funding the acquisition, construction and permanent financing of the Project.
- D. The recommended actions are consistent with a) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies (Resolution No. 2019-0452), priority 2. New Construction; b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); and c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263).

- E. The proposed project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 (Infill Exemption).
- F. An Environmental Assessment (EA) has been prepared for the proposed project pursuant to the National Environmental Policy Act (NEPA) at 24 CFR Part 58 and it has been determined that the project will not result in a significant impact on the human environment.

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

- Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated above, are found to be true and accurate and are hereby approved adopted.
- Section 2. The Conditional Funding Commitment attached hereto as Exhibit A for financing of the Project with \$3,300,000 comprised of \$2,400,000 in HOME and \$900,000 in HTF program funds (Funding Commitment) is approved and Sacramento Housing and Redevelopment Agency (SHRA) is authorized to enter into the Funding Commitment to EAH Housing, Inc. or related entity.
- Section 3. SHRA is authorized to enter into related documents, as approved to form by its Office of the General Counsel, and perform other actions the Housing Authority deems necessary to fulfill the intent of the HOME and HTF program funds, including without limitation, financial restructuring and extensions, consistent with its adopted policy and with this resolution.
- Section 4. SHRA is authorized to amend its budget and allocate an amount not to exceed \$3,300,000 comprised of \$2,400,000 in HOME and \$900,000 in HTF program funds to provide acquisition, construction and permanent financing for the Project.

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Exhibit A: Funding Commitment



Effective Date: December 8, 2020

Welton Jordon, Chief Real Estate Development Officer
EAH Housing, Inc.
22 Pelican Way
San Rafael, CA 94901

RE: Conditional Funding Commitment for On Broadway Apartments

Dear Mr. Johnson:

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of this Conditional Funding Commitment (Commitment) of construction and permanent loan funds (Loan) comprised of \$2,400,000 in City of Sacramento HOME Investment Partnerships funds (HOME) and \$900,000 in City of Sacramento Housing Trust Funds (HTF) for the purpose of financing the acquisition, rehabilitation and development of that certain real property known as On Broadway Apartments located at 1901 Broadway, Sacramento, California 95818 (Property). **The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this Commitment is void.** Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

The Loan shall be made on standard Agency loan documents. Loan terms not in this Commitment and the attached loan document forms shall not be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this Commitment and the loan documents, the terms stated in this Commitment 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 30, 2022**, unless a mutually agreed upon extension is made.

1. **PROJECT DESCRIPTION:** On Broadway Apartments is a permanent supportive and workforce housing development proposed on a 1.25-acre property at 1901 Broadway in the Greater Broadway District. The site has a vacant office building, which will be demolished by the Developer. The proposed Project includes two buildings, 63 on-grade parking spaces and 140 units, including two management units. There will be 14 Americans with Disabilities Act (ADA) compliant units and seven units with communication features. The proposed Project amenities include management and services offices and meeting rooms, two community rooms, two laundry facilities, four elevators, four community restrooms, indoor bicycle storage, two play areas with playgrounds for school aged children, picnic areas, dog park and landscaped courtyards. On the West side of the property, there will be over 3,300 square feet of commercial space open to the public that will enhance the living environment of the residents of the Project, and is subject to approval by the Agency.
2. **BORROWER:** The name of the Borrower for the Loan is EAH Housing, Inc. or related entity.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of development, permanent financing and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. **PRINCIPAL AMOUNT:** The combined principal amount of the Loan will be the lesser of (a) Three Million Three Hundred Thousand Dollars and No Cents (\$3,300,000.00), or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency.
5. **TERM OF LOAN:** The Loan shall mature 57 years or 684 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. **INTEREST RATE:** The Loan will bear simple interest at three percent (3%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.
7. **ANNUAL REPAYMENT:** Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement and as calculated to achieve a minimum annual debt service coverage ratio of 1.2:1. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date.
8. **SOURCE OF LOAN FUNDS:** Agency is making the Loan from the following sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: HOME and HTF. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.



9. **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)

10. 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.
11. 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 or other lender and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency may subordinate said deeds of trust in order to accommodate completion of the development of the Property. The Agency will not subordinate the regulatory agreement(s) to said deeds of trust in order to preserve the affordable housing covenants.
12. 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.
13. PROOF OF EQUITY: Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than \$35,000,000 in Low Income Housing Tax Credit Equity and no less than \$400,000 in deferred developer fee. If LIHTC equity goes below \$35,000,000 the equity must be offset by an increase in deferred developer fee or other non-Agency funding source.
14. 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:
1. As a condition precedent to disbursement of the remainder of the Agency loan, construction financing from a private lender(s) in an amount(s) sufficient to complete construction of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performances for



- completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.
2. Commitments for permanent financing sufficient to "take out" all liens senior to the Agency's lien.
 3. Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.
 4. Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of the DDA, OPA or other agreements.
15. 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.
16. SOILS AND TOXIC REPORTS: Borrower has submitted to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property will be remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.
17. 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.
18. PLANS AND SPECIFICATION: Final plans and specifications, if any, for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursal of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project. The final plans shall incorporate all related mitigation measures, environmental conditions required, if any, for compliance with approvals under CEQA, and/or NEPA, or the U.S. Department of Housing and Urban Development as conditions of approval of the project.



19. 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.
20. 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.
21. ECONOMIC OPPORTUNITY EMPLOYMENT REQUIREMENTS: The Loan will require that to the greatest extent feasible, opportunities for training and employment be given to lower income residents in and around the area of the project. Borrower will instruct its Contractor and its subcontractors to utilize lower income project area residents as employees to the greatest extent feasible.
22. RETENTION AMOUNT: The Agency shall retain ten percent (10.0%) of the total amount of the Loan as retention and shall be released when the Agency determines all conditions to final disbursement of the Loan have been satisfied.
23. 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.



24. 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.
25. 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.
26. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than twenty-four (24) months following the close of construction financing.
27. SECURITY CAMERAS AND OUTSIDE LIGHTING: Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, and security patrols, all as approved by the Agency.
28. 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.
29. 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).
30. 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.

31. 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 ALTA endorsement nos. 9.6 and 9.7 (or CLTA endorsement nos. 100 and 116) and ALTA endorsement no. 25 (or CLTA endorsement no. 116) insuring Agency in an amount equal to the principal amount of the Loan and covenants, conditions or restrictions 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.
32. 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.
33. PURCHASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.
34. 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.

35. 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.
36. AFFIRMATIVE FAIR 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, providing sufficient marketing time prior to lease Up (as defined in the Affirmative Marketing Policies), and lotteries or other method for initial Lease Up and initial waiting list creation, as agreed upon by the Agency and Borrower prior to the start of Lease Up.
37. 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 on-site resident services according to the following minimum schedule of sixty (60) hours per week:
 1. Coordinator: Twelve (12) hours per week (maximum)
 2. After School Programming: Ten (10) hours per week (two hours per day and five days per week, minimum)
 3. Additional Programming: Balance of minimum thirty-eight (38) hours per week shall include, but are not limited to:
 - a. Workforce development support and activities.
 - b. Education classes such as nutrition, exercise, health resources, health insurance application assistance, Annual onsite health fair and ESL classes.
 - c. Socialization activities such as bingo, gardening and community building events.
 - d. Other services such as transportation assistance, counseling assistance and employee readiness and job search assistance.
38. 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.
39. 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.
40. 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.

41. CONSISTENCY OF DOCUMENTS: As a material obligation under this Commitment, 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.
42. 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.
43. 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 terms and conditions of the Commitment and Scope of Development and Rental Property Minimum Construction Standards (Exhibit 1), and has executed this Commitment as of the Effective Date.

BORROWER:
EAH Housing, Inc. or related entity

By: _____
Welton Jordan, Chief Real Estate Development Officer

Attachment:
Exhibit 1 - Scope of Development and Rental Property Minimum Construction Standards



Exhibit 1: Scope of Development and Rental Property Minimum Construction Standards

ON BROADWAY

On Broadway Apartments is a new construction development on approximately 1.25 acres located along the Broadway corridor in Sacramento. The development consists of 140 units comprised of 72 one-bedroom with one-bathroom, 52 two-bedroom with one-bathroom, and 16 three-bedroom with two-bathroom units. Inclusive of this unit mix, 2 units will be exempt for management staff. The common areas and amenities include laundry room, long term and short term bike storage, conference room, community room with kitchen, support services office on site and an outdoor courtyard.

All work shall comply with Federal and State Americans with Disability Act (ADA) accessibility requirements, as well as any other requirements stipulated by the funding sources. When there are differences, the stricter shall prevail. The Borrower 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 of work.

I. Mitigation Measures:

Reserved - TBD.

II. Mitigation Monitoring Plan:

Reserved - TBD.

III. Building Exteriors:

1. **Asphalt Pavements:** The development will include approximately 63 onsite surface parking spaces. There will be three (3) ADA parking spaces. The parking lot and drive aisles will include three pedestrian crosswalks using enhanced paving technique.
2. **Balconies and Patios:** The Project will not have any balconies or patios.
3. **Site Lighting:** The site will be lit with Title 24 compliant building mounted lighting, decorative pole lights and other luminaires for all parking and outside public spaces and will be of LED or similarly energy efficient type.
4. **Non-Smoking:** The Project is 100% non-smoking.
5. **Landscaping and Courtyard:** Landscaping is designed with drought tolerant plants and trees. Trees will be planted throughout the parking lot to meet City shading requirements. The L-shaped buildings has a center open-air landscaped courtyard with hardscaped picnic area and two children's play area and a synthetic turf pet park. Borrower's Landscape Plan dated was included with plans submitted for entitlements.
6. **Picnic Area:** Two Barbeques and seating areas will be provided.
7. **Play Area:** The play area will have one (1) school age and one (1) toddler-appropriate play structures.
8. **Site Fencing:** The sliding auto entry gate for the site is on X Street and is set back from the street to allow for vehicular turn around. The site will be gated and remain closed at all times. Residents and employees of the complex will have remote access to open the gate and park inside. There is a 60 foot long loading zone on X Street as a pull in lane for rideshare and other drop-offs. Pedestrian access to the site is through the building



lobby and pedestrian gates along the 19th Street, Broadway and X Street from the sidewalk. Perimeter site fencing will be tubular steel.

9. **Stormwater:** The development will meet C3 storm water requirements through use of on-site storm water planters and/or bioswales along the project perimeter.
10. **Roof:** Buildings are planned with flat roofs and parapets in order to provide a platform for solar hot water panels, potential PV panels, and mechanical equipment. The material on the roof will be white Thermoplastic Polyolefin (TPO) planned to passively counteract the warm conditions of Sacramento County.
11. **Exterior Materials:** The building skin will be painted stucco at the upper floors and exposed concrete podium at the ground floor. Accent elements are mosaic tiles at the upper floors to add color and texture opportunities as well as a metal banding separating the ground floor and the residential units above.
12. **Offsite Improvements:** Public offsite improvements consist of street frontage improvements along Broadway, including new sidewalks, curbs, gutters, landscaping, and lighting.

IV. Building Interiors

1. **Americans with Disabilities Act (ADA) Units:** There will be sixteen (16) units, 11% of the units, accessible with mobility features.
2. **Non-Smoking:** The Project will have 100% non-smoking units.
3. **Smoke Detectors:** All units, offices and interior common areas will have a smoke/carbon monoxide detector installed in accordance with current code requirements.
4. **Appliances:** All apartment kitchens will have brand new Energy Star rated appliances including, refrigerator with freezer combination, electric stove and range, dishwasher and garbage disposal.
5. **Bathtubs and Toilets:** All apartments will have a bathtub/shower. Restrooms will have water efficient toilet and fixtures, and bath accessories.
6. **Doors (Interior, Exterior and Sliding Glass):** All interior and exterior doors will have matching hardware finishes. All exterior doors will 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. All doors will meet current egress standards.
7. **Cabinets, Counters and Sinks:** All apartment kitchens will have modular all plywood construction cabinets, solid surface countertops, and stainless-steel sink. Microwave shelving will be provided (except in ADA units) either above the counter, or on the pantry shelving with electrical outlet for microwave, All apartment bathrooms will have all wood vanity, and solid surface countertops with integral sink. All cabinetry face frames, doors and drawer faces will be solid hardwood.
8. **Ceilings and Walls:** Low or no VOC paint will be used in building interiors.
9. **Windows:** All apartments will have energy efficient vinyl dual pane windows. Windows designed to open will have screens. All windows will meet current egress standards.
10. **Blinds:** Vertical blinds will be provided in all apartment windows and sliding glass doors.



11. **Electrical and Lighting:** All apartments will have high efficiency lighting, exhaust fans vented to the exterior and bathroom humidistat fans. Central air conditioning and forced air heat will be provided. Any exterior mounted electrical, mechanical and plumbing systems will be protected from vandalism. Wiring from telephone/data/cable suppliers will be installed within walls, attic spaces, and/or crawl spaces. Conduits are not allowed to be mounted on the exterior of the buildings.
12. **Flooring:** Apartment interiors will have luxury vinyl plank (LVP) flooring throughout, except in bathrooms where they will have vinyl sheet flooring.
13. **Plumbing Fixtures:** All apartments will have new water efficient plumbing fixtures.

V. Community Amenities

1. **Management Office and Lobby:** The furnished management office and lobby will have stained concrete flooring, energy efficient lighting and HVAC systems.
2. **Ceilings and Walls:** Low or no VOC paint will be used in all building interiors.
3. **Community Restrooms:** The two community restrooms per building on the first floor will be ADA compliant, have low-flow bathroom fixtures, sink, solid surface countertop, and bathroom accessories. Bathroom walls will have glazed wall tile to 48 inches high.
4. **Community Room located on the 1st Floor:** The community room, computer room, and conference rooms will have stained concrete flooring, energy efficient lighting, all furnishings and HVAC systems. There are two community rooms totaling 1,852 square feet, two Youth rooms/computer rooms 1,519 square feet, and two conference rooms 722 square feet. These spaces will be ADA compliant.
5. **Community Room Kitchen:** The community room kitchen will be ADA compliant and include all plywood construction cabinets with solid hardwood faces, solid surface countertop, and stained concrete. New Energy Star rated appliances (refrigerator, electric stove, electric oven, microwave, garbage disposal and dishwasher), energy efficient lighting, HVAC system and water efficient plumbing fixtures will be installed.
6. **Elevator:** Four hydraulic elevator will be installed. The elevator floor surface area will be a minimum of 28 square feet.
7. **Hallways and Stairs:** Enclosed stairs will have non-slip concrete treads, landings and closed risers. The first floor hallways will be stained concrete. All residential hallway floorings will be carpet.
8. **HVAC & Plumbing Systems:** Each apartment will have its own split system air conditioning and forced air heat with its own thermostat. Residential hallways will have air conditioning. Stairwells will not have heating or air conditioning. A gas-fired central boiler augmented by solar thermal panels will provide hot water for the development. Bathroom exhaust fans will be humidistat controlled.
9. **Laundry Facility:** The 400 square foot laundry room accommodates seven (7) washers and seven (7) dryers, which will include one set of ADA accessible laundry machines. There are two laundry rooms, one per building for a total of 14 washers/dryers for the project.
10. **Signage:** A comprehensive signage package will be implemented throughout the development including all common area signage, unit ID, wayfinding, code, fire, life and safety signage.
11. **Trash Room:** One trash chute and one recycle chute will be located on each floor. A trash and recycle receiving room is located on the ground floor within the building envelope. A trash staging area is located along X Street for trash pick up.



12. **Recycle:** One recycle chute will be located on each floor, emptying into the ground floor trash and recycle room.
13. **Bicycle parking:** A minimum of one hundred thirty-five (135) long-term and twenty two (22) short-term bicycle parking will be provided. Long-term bicycle parking will be provided within the building on the ground floor, and short-term bicycle parking will be provided on the exterior of the building.
14. **Security Cameras:** there will be interior and exterior web-based security cameras; the equipment will record events for primary ingress/egress points to and from the site, parking lots and indoor and outdoor common areas where people will be congregating.

Attachment 1: Lender's Minimum Construction Standards (MCS) exhibit is on the following page. [include MCS in effect at time of application from SHRA Lending policies]

Attachment 1: Rental Property Minimum Construction Standards are 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.

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. Exceptions to these standards may be made for properties subject to U.S. Department of Housing and Urban Development replacement reserve requirements that allow for renovation over time rather than at recapitalization (e.g., Rental Assistance Demonstration conversions for conventional public housing).

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 FannieMae'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 FannieMae 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. Any windows showing signs of condensation or leakage of any kind shall be replaced. SHRA allows window replacement using retrofit windows when those windows are installed by trained professionals following manufacturer’s specifications. Retrofit windows must have a similar useful life as “new, construction” (i.e., nail fin) windows.
- 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.
- B. 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.
- C. 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, at a minimum, be consistent with CTCAC requirements of one washer and dryer for every ten dwelling units for family housing and one for every 15 units for senior and special needs projects. 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.
- C. Broadband infrastructure meeting the requirements of 24 CFR 5.100* is required in all new construction projects of 4 or more units.

**Broadband infrastructure means cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, that is capable of providing access to Internet connections in individual housing units, and that meets the definition of "advanced telecommunications capability" determined by the Federal Communications Commission under section 706 of the Telecommunications Act of 1996 (47 U.S.C. 1302).*

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. 2020-_____

Adopted by the Housing Authority of the City of Sacramento

on the date of

ON BROADWAY APARTMENTS: 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 Broadway Station LP, or a limited partnership or a limited liability company related to or formed by EAH Housing, Inc. (the "Developer"), the proceeds of which shall be used by the Developer to finance the acquisition, construction and development of a 140-unit multifamily housing residential facility to be located at 1901 Broadway, 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.
- D. The proposed project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 (Infill Exemption).
- E. An Environmental Assessment (EA) has been prepared for the proposed project pursuant to the National Environmental Policy Act (NEPA) at 24 CFR Part 58 and it has been determined that the project will not result in a significant impact on the human environment.

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 \$55,000,000.
- 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

December 2, 2020

ON BROADWAY APARTMENTS: AUTHORIZATION TO AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET AND ALLOCATE UP TO \$2,400,000 IN HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FUNDS AND \$900,000 IN HOUSING TRUST FUNDS (HTF) TO THE ON BROADWAY APARTMENTS; APPROVAL TO EXECUTE AN ACQUISITION, CONSTRUCTION AND PERMANENT LOAN COMMITMENT OF \$3,300,000 IN HOME AND HTF PROGRAM FUNDS AND TO EXECUTE RELATED DOCUMENTS WITH EAH HOUSING, INC. OR RELATED ENTITY; AND ENVIRONMENTAL FINDINGS

WHEREAS, on June 23, 2020, the On Broadway Apartments proposal was awarded 37 Project Based Vouchers (PBV) by Sacramento Housing and Redevelopment Agency (SHRA) to benefit homeless households.

WHEREAS, on June 29, 2020, Sacramento County and SHRA jointly issued a "Request to Partner on No Place Like Home Developments" (RTP). The selection criteria contained in the RTP mirrored California Department of Housing and Community Development's (HCD) competitive selection criteria, including development team experience, site control, integration, financial feasibility, capital and operational leverage, readiness and supportive services.

WHEREAS, on September 1, 2020, SHRA received two new construction development applications, the Elk Grove Apartments in the City of Elk Grove, and the On Broadway Apartments (Project) located in the City of Sacramento in response to the RTP. EAH Housing, Inc. (Developer), the organization proposing the On Broadway Apartments, also submitted a funding application to SHRA and the Housing Authority for the issuance of up to \$55,000,000 in tax exempt mortgage revenue bonds, and a gap financing loan of \$4,600,000 comprised of \$2,400,000 in HOME Investment Partnerships Program (HOME) funds and \$900,000 in Housing Trust Funds (HTF) to assist in funding the acquisition, construction and permanent financing of the Project.

WHEREAS, the recommended actions are consistent with a) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 2. New Construction; b) the

On Broadway Apartments: Authorization To Amend The Sacramento Housing And
Redevelopment Agency Budget And Allocate Up To \$2,400,000 In Home Investment
Partnerships Program Funds And \$900,000 In Housing Trust Funds To The On Broadway
Apartments
Page 2

2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); and c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263).

WHEREAS, the proposed project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 (Infill Exemption).

WHEREAS, an Environmental Assessment (EA) has been prepared for the proposed project pursuant to the National Environmental Policy Act (NEPA) at 24 CFR Part 58 and it has been determined that the project will not result in a significant impact on the human environment.

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

Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated above, are found to be true and accurate and are hereby approved adopted.

Section 2. The Conditional Funding Commitment attached hereto as Exhibit A for financing of the Project with \$3,300,000 comprised of \$2,400,000 in HOME and \$900,000 in HTF program funds (Funding Commitment) is approved and the Executive Director, or designee, is authorized to execute and transmit the Funding Commitment to EAH Housing, Inc. or related entity.

Section 3. The Executive Director, or designee, is authorized to execute related documents, as approved to form by its Office of the General Counsel, and perform other actions deemed necessary to fulfill the intent of the HOME and HTF program funds, including without limitation, financial restructuring and extensions, consistent with its adopted policy and with this resolution.

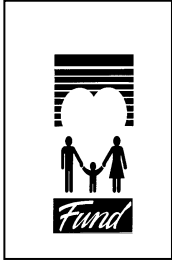
Section 4. The Executive Director, or designee, is authorized to amend its budget and allocate an amount not to exceed \$3,300,000 comprised of \$2,400,000 in HOME and \$900,000 in HTF program funds to provide acquisition, construction and permanent financing for the Project.

On Broadway Apartments: Authorization To Amend The Sacramento Housing And
Redevelopment Agency Budget And Allocate Up To \$2,400,000 In Home Investment
Partnerships Program Funds And \$900,000 In Housing Trust Funds To The On Broadway
Apartments
Page 3

CHAIR

ATTEST:

CLERK



NOTICE OF MEETING

Board of Directors

Foundation Uniting Needs and Dollars (FUND) Inc.

Wednesday, December 2, 2020 - 6:05 p.m.

TELECONFERENCE MEETING ONLY

801 12th Street Commission Room

Sacramento CA

Meetings of Foundation Uniting Needs and Dollars (FUND) Inc. are closed to the public until further notice in compliance with state guidelines on social distancing, in accordance with the Brown Act, (as currently in effect under the State Emergency Services Act), the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020. These measures facilitate participation by members of the Board, staff, and the public and allow meetings to be conducted by teleconference, videoconference, or both.

The Foundation Uniting Needs and Dollars (FUND) Inc. meeting will be broadcast live on YouTube. To view the meeting please visit:

<https://youtu.be/uCTo0R9eSyo>

Members of the public who wish to make comments can do so in two ways:

1. Email comments to publiccomments@shra.org which will be read into the record by the Clerk during the meeting.
2. Comment by phone during the meeting by dialing (888) 970-1444. Please call and indicate if you wish to comment during the general 'Citizens Comments' period or on a specific agenda item.

Please contact the Agency Clerk's office at 916-440-1363, if you have questions about the public comment procedure. In compliance with the Americans with Disabilities Act (ADA), individuals who require special accommodations to access and/or participate in meetings should contact the Agency Clerk at (916) 440-1363 at least 24 hours before the scheduled meeting. Copies of documents relating to agenda items are available for review online at www.shra.org. If you need assistance with locating reports contact the Agency Clerk at (916) 440-1363.

ROLL CALL

CITIZENS COMMENTS

1. While the Board welcomes and encourages participation in the Board meetings, it would be appreciated if you would limit your comments to three minutes so that everyone may be heard. Public testimony will be permitted on each agenda item as it is called. Matters under the jurisdiction of the Board, and not on the posted agenda, may be addressed by the general public at this time. Please silence any electronic devices in your possession.

CONSENT

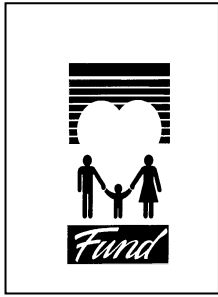
2. Approval of minutes from December 4, 2019 meeting

BUSINESS

3. 2020 Foundation Uniting Needs and Dollars (FUND), Inc. Annual Report, Release of Request for Proposals, and Authorization to Award Funds

ADJOURN

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



MEETING MINUTES
Board of Directors
Foundation Uniting Needs and Dollars (FUND) Inc.
Wednesday, December 4, 2019
6:05 p.m.
Marina Vista Community Room
240 Seavey Circle
Sacramento CA

ROLL CALL

The Board of Directors of Foundation Uniting Needs and Dollars (FUND) Inc. meeting was called to order at 6:45 p.m. by Chair Morgan

MEMBERS PRESENT: Alcalay, Boyd, Griffin, Macedo, Morgan, Staajabu, Starks

MEMBERS ABSENT: Nunley, Wedding

CITIZENS COMMENTS

1. none

CONSENT

2. Approval of minutes of December 5, 2018 meeting – Meeting minutes of December 5, 2018 were approved unanimously as submitted.

BUSINESS

2. 2019 Foundation Uniting Needs and Dollars, Inc. Annual Report and authorization to award funds

Cecette Hawkins presented the item.

Commissioners recommended that the following be considered for the fund awards in 2020.

- Consider larger allocations for more impact
- Try not to fund the same things each year – do more outreach
- Be sure to not fund staff costs
- Include explanation about why funds rolled over.

On a motion by Member Griffin, seconded by Member Staajabu, the Board of Directors recommended approval of the staff recommendation for the item listed above. The votes were as follows:

AYES: Alcalay, Boyd, Griffin, Macedo, Morgan, Staajabu, Starks

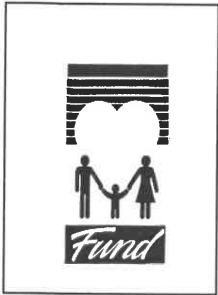
NOES: none

ABSENT: Nunley, Wedding

FUND Inc Synopsis
December 4, 2019

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 7:05 p.m.

CLERK



December 2, 2020

FUND Inc., Board of Directors
Sacramento, California

Honorable Members in Session:

SUBJECT 2020 Foundation Uniting Needs and Dollars (FUND), Inc. Annual Report, Release of Request for Proposals, and Authorization to Award Funds

RECOMMENDATION

Staff recommends 1) holding the annual meeting of the FUND, Inc. Board of Directors, 2) adoption of the attached resolution which approves projects for 2021 funding, 3) authorizing the release of a Request for Proposals in 2021.

CONTACT PERSONS

Stephanie Green, Management Analyst	440-1302
Patricia Simpson, Management Analyst	440-1347
Karen Wallace, Assistant Director of Housing	449-6228

BACKGROUND

FUND, Inc, a 501(c)(3) non-profit organization, was created in 1983 to support the projects and programs of the Housing Authority and the Sacramento Housing and Redevelopment Agency (SHRA) , including the Housing Choice Voucher (HCV) Program, the Conventional Housing Program, and other affordable housing activities managed and funded by SHRA. When FUND Inc. was established, the Sacramento Housing and Redevelopment Commission (SHRC) was designated as its Board of Directors. FUND Inc. is supported by SHRA employee payroll deductions and other outside donations.

As funds are available (typically once each year) staff issues a FUND Inc. Request for Proposals (RFP). In October of 2020, an RFP was issued to solicit funding proposals for eligible programs and projects. A total of \$5200 was identified in the RFP as available for distribution from new contributions. In addition to the new funding contributions, the

RFP also identified \$4800 of unspent funds from projects awarded in the previous funding cycle.

Unfortunately, COVID has had an unforeseen impact on the ability of the projects awarded in the previous year to expend funds, and it is unlikely that these projects would be able to expend any funds by the end of the year. For example, some funding was earmarked for celebration events, workshops, and field trips, which all had to be cancelled due to COVID. Due to the extenuating circumstances, the RFP provided an opportunity for the grantees to submit an extension request proposal to extend their funding through the next funding cycle. The Grantees were requested to provide an explanation of how their project was impacted by COVID, how they proposed to amend the project so that funds could be expended by the end of 2021 with COVID in mind, and to identify any amendments to their funding requests based on the revisions they made to the projects.

An employee committee, consisting of FUND Inc. contributors, reviewed the proposals submitted in response to the October RFP. They also reviewed the extension request proposals and determined if the extension requests should be granted or if the funds should be re-allocated toward new projects. The committee is making the funding recommendations outlined below to the FUND Inc. Board.

New Proposals

Award Amount

FSS HCV – Essential Tools/Activities,

Ceremonial/Outreach Events, Transportation:

\$1000

The Family Self Sufficiency (FSS) Housing Choice Voucher (HCV) Program will use funds across three categories: essential tools and activities, ceremony and outreach events, and transportation. Essential tools/activities funds will be used to supply essential tools needed to obtain long-term gainful employment, such as interview materials, resume building and other educational workshops, examination or licensing fees, seminars, certifications, networking events, and materials such as binders, flash drives, and calculators. Ceremony and outreach funds will be used to facilitate ceremonial recognition events designed to improve program results by recognizing and reinforcing the achievements of program participants. Transportation funds will be used for gas cards and bus passes to help participants travelling to workshops, career fairs, job interviews, and ceremonial recognition and outreach events.

FSS Public Housing – Self-Sufficiency Workshops:

\$500

The FSS program does not have a budget beyond staff costs. The capacity of the program and quality of service to residents is linked to the ability to provide workshops throughout the year. Funds will be used to provide refreshments and small raffle prizes as incentives during 10 workshops throughout the year to encourage participation for

public housing residents. As COVID continues, workshops will be hosted using Zoom, and raffle items will be provided. Providing modest refreshments and prizes will demonstrate enthusiasm for our residents' success.

Region 5 Community Enrichment Program: **\$1000**

Because the Region 5 properties (Alder Grove, Oak Park, and Pointe Lagoon) are so large, trash on the sites tends to be a problem especially with COVID when most people are at home. Resident involvement can supplement caretaker activities while instilling a sense of pride for residents and give them the tools to utilize this skill for possible employment. The Community Enrichment Program will foster community wellness and awareness in keeping the Region 5 properties looking their best while maintaining safety for all residents. Funding will be used to provide equipment and supplies to volunteers from the communities for walking the properties and picking up trash items that are near dumpsters or parking lots. Residents will be provided with High Visibility safety apparel T-shirts, a Standard Trash Picker 36 inch, Trash Bags, and gloves, as well as other PPE as necessary. Volunteers will be recruited through on-site advertising, and volunteer clean up days will be coordinated weekly.

Homeless Innovations – Welcome Home Gift Baskets: **\$1000**

The Homeless Innovations Department interacts with many individuals that are chronically homeless and assists them in obtaining stable housing. The funds would be used to provide gift baskets to new applicants of the program once they move into their new home.

Resident Services - No Meal Missed Project: **\$600**

The No Meal Missed Project will help to provide additional food support to SHRA families with children. Due to COVID, many children are transitioning to virtual learning which is creating a further strain on food security for many families. The No Meal Missed Project would be an added resource to help families with their goals of self-sufficiency by allowing their focus to be on other goals instead of wondering where their children's next meal will come from. The funds would be used to purchase gift cards in the amount of \$25 or \$50 to provide to families on a first come first serve basis. Families would be identified during assessment/outreach callings per the resident's request for assistance, or through our Service Coordination hotline.

VASH - Expandable Files: **\$300**

Veterans attempting the transition from homelessness to housed frequently find the task of getting organized and managing the paperwork associated with their assistance to be overwhelming. Overwhelmed and anxiety-ridden from the extra tasks and deadlines, many veterans simply state, "I had the paperwork...somewhere!" Providing expandable files to keep all of their paperwork organized will directly impact their ability manage their paperwork. Increasing their ability to manage their paperwork will help them gain

confidence in their abilities to perform these unfamiliar tasks and meet the related deadlines. This funding will assist veterans in their goals of self-sufficiency by assisting with organizing and managing paperwork. Funds will be used to purchase expandable files to gift to veterans who are utilizing our programs.

Total Proposed New Awards **\$4,400**

Extension Requests **Award Amount**

FSS HCV – Education, Ceremonial/Outreach Events, Transportation: **\$1000**

The Family Self Sufficiency (FSS) Housing Choice Voucher (HCV) Program originally proposed to use funds across three categories: education, ceremony and outreach events, and transportation. Due to COVID, in person education opportunities, workshops and ceremonies are not taking place. The FSS HCV program plans to transition to a virtual platform. The program requested an extension of all of the funds for the following: fees associated with online courses, workshops, and seminars (including classes to assist with mental health awareness during COVID), certifications and licensing, educational materials, materials such as games and prizes for virtual celebrations and outreach events, small congratulatory gifts in lieu of in-person ceremonies, and PPE for participants (such as hand sanitizer, masks, and gloves). The program is still requesting a small portion of funds to be utilized for gas cards and bus passes for program participants, as originally proposed, as needed.

Leataata Floyd Community Center – College Field Trips: **\$1000**

The Leataata Floyd Student and Family Community Center (LFSFCC) serves at risk youth and families of the elementary school and surrounding neighborhood of Marina Vista and Alder Grove public housing. Funding was originally proposed to cover transportation, parking, and lunch/snacks for college and tech school tours for students attending the Mercy Academic Achievement Program (MAAP) at LFSFCC. Due to COVID-19 restrictions, they haven't been able to provide in person college tours for youth so far this year. While they hope to resume in-person tours at some point, they plan to temporarily transition to virtual tours. They would like to request funds to facilitate virtual tours, as well as potentially host two in person tours by the end of 2021.

SIMPL Project – Community Engagement Resources and Incentives: **\$700**

The SIMPL project's goal is to create safe, beautiful, and integrated public spaces within the community around Mirasol Village (formerly Twin Rivers) which provide access to transit, bike and walking paths, connectivity to parks and greenspace, as well as new job and education opportunities. Funds were originally proposed to assist and encourage residents to actively participate in the decision making process that will ultimately help shape the community that they live in through resources such as

transportation, food, childcare, and other incentives to increase participation at SIMPL meetings. Due to COVID, all in-person events and meetings have been cancelled. The SIMPL project plans to resume meetings and events in 2021 utilizing virtual engagement events as well as socially-distanced outdoor events. The SIMPL project requests an extension of funds to facilitate these virtual and outdoor events. Funds will be used for up to four events, and will be used to purchase supplies, refreshments, pay for child care, and tools/supplies for engaging residents in outdoor event activities such as gardening and art projects, and bicycle rides.

HCV VASH – Security Deposits: **\$1000**

The Veteran's Administration (VA), a partner with SHRA on the Veteran's Affairs Supportive Housing (VASH) program, has traditionally had difficulty in obtaining funds for security deposits for VASH Program participants. FUND Inc. grant funds were originally proposed to be used to provide \$200 individual grants to five veterans with families to be used toward the payment of their initial security deposit. However, due to COVID 19 and the CARES Act, the Landlord Incentive Program and availability of security deposits were made available to all tenants this year, thus making this project's security deposit assistance duplicative. However, the Landlord Incentive program, and the security deposit assistance it provides, will expire on December 31, 2021, OR when funds run out. If the funds run out before December 31, 2021, it will not change the fact that there are still many homeless veterans on the streets and in need of a home, or the fact that the most common obstacle faced by homeless veterans during the lease-up process is still a lack of funds for security deposits. Extending this project's expenditure deadline to December 31, 2021 will help to ensure that the Landlord Incentive Program is utilized more fully before making the funds from this project available to homeless veterans. The program is requesting that the \$1,000 grant is extended and will be used for five veterans and their families to receive \$200 each toward their security deposit.

HCV VASH – Bus Passes for Veterans: **\$300**

SHRA works closely with the VA to house homeless veterans, and keep them housed. The Bus Passes for Veterans project originally proposed to use the funds to help homeless veterans overcome transportation barriers that make it hard for them to receive and maintain their VASH voucher by providing bus passes. The bus passes would have been used by homeless veterans to attend briefings or go search for unit to lease up in Sacramento. Due to COVID-19, some briefings are done electronically, but some veterans cannot conduct online briefings and need to come to our office to get their voucher, and still need to travel to rental offices. The bus passes will help get the veterans to our office to get their vouchers and/or meet with their prospective landlords. The program was interrupted by COVID, but wishes to continue providing bus passes to homeless veterans.

Total Extended Awards

\$4,000

Staff also requests Board approval to issue an RFP in late 2021 to solicit proposals to be awarded in 2022.

FINANCIAL CONSIDERATIONS

As of September 30, 2020, FUND, Inc. had an undesignated fund balance of \$5,245.63, and an additional unexpended allocation of \$4,800.00 for a total fund balance of \$10,045.63.

With the award of \$4,400 in new funds for 2021 and the extension of \$4,000 in awards from 2020 into 2021, the new FUND, Inc. undesignated fund balance will be \$1,645.63 before the remaining 2020 employee contributions and other donations, and the expenditure of any 2020 funds.

POLICY CONSIDERATIONS

The proposed actions are consistent with the FUND, Inc. bylaws. No policy changes are recommended.

ENVIRONMENTAL REVIEW

This report does not constitute a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations (CCR) section 15378(b)(2), or a federal undertaking under the National Environmental Policy Act (NEPA). No environmental review is required at this time.

M/WBE CONSIDERATIONS

Minority and Women's Business Enterprise requirements, Section 3 requirements and LBE do not apply to this report.

Respectfully submitted,


LASHELLE DOZIER
Executive Director



**RESOLUTION CONSIDERED BY THE FUND INC.
BOARD OF DIRECTORS**

ON DATE OF

DECEMBER 2, 2020

GRANT OF 2020 UNDESIGNATED AND UNEXPENDED FUNDS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FUND INC.:

Section 1. Undesignated funds in the amount of \$4,400 are allocated and appropriated to activities complimentary to Sacramento Housing and Redevelopment Agency's mission as follows:

<u>Program/Project/Activity</u>	<u>Allocation</u>
FSS HCV – Essential Tools/Activities, Ceremonial/Outreach Events, Transportation.....	\$1,000
FSS Public Housing – Self –Sufficiency Workshops.....	\$500
Region 5 – Community Enrichment Program.....	\$1000
Homeless Innovations – Welcome Home Gift Baskets.....	\$1000
Resident Services – No Meal Missed Project.....	\$600
VASH – Expandable Files.....	\$300
Subtotal.....	\$4400

Section 2. Unexpended funds for activities funded in 2019 in the amount of \$4,000 are extended for expenditure by the end of December 31, 2021 as follows:

<u>Program/Project/Activity</u>	<u>Allocation</u>
FSS HCV – Education, Ceremonial/Outreach Events, Transportation.....	\$1,000
Leataata Floyd Community Center – College Field Trips	\$1,000
SIMPL Project – Community Engagement Resources and Incentives.....	\$700
Housing Choice Voucher/Veterans Affairs Supportive Housing – Security Deposits.....	\$1,000
Housing Choice Voucher/Veterans Affairs Supportive Housing – Bus Passes.....	\$300
Subtotal.....	\$4000

Section 3. A total of \$4,400 shall be deducted from the \$5,245.63 Undesignated Fund balance leaving a balance of \$1,645.63 before the remaining 2020 employee contributions and other donations, and the expenditure of any 2020 funds.

Section 4. A total of \$4,000 in unexpended funds will be continued from 2020 projects into the 2021 funding cycle.

Section 5. A Request for Proposals (RFP) may be issued in 2021 to award 2022 FUND, Inc. funds, and to such programs, projects, and/or activities to be recommended by the Employee Committee to the FUND, Inc. Board of Directors (Board).

Section 6. This action does not constitute a project under the California Environmental Quality Act (CEQA) per 14 California Code of Regulations (CCR) §15378(b)(2), or a federal undertaking under the National Environmental Policy Act (NEPA). As such, no environmental review is required at this time.

_____ CHAIR

_____ CLERK