



NOTICE OF REGULAR MEETING
**Sacramento Housing and
Redevelopment Commission**
TELECONFERENCE MEETING ONLY
Wednesday, March 3, 2021 – 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/aZC-u-KxTuw>

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 916-440-1332, 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) 440-1332 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) 440-1332 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 – February 17, 2021

CONSENT ITEMS

1. Mirasol Village Project– Application for Affordable Housing and Sustainable Communities Grant to Mirasol Village Block D

BUSINESS ITEMS

2. Implementation of the X Street Navigation Center
3. Approval of Loan Commitment for Sage at Folsom Senior Development - continued from Agenda of February 3, 2021

PRESENTATIONS

4. City Housing Element Review

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT



MINUTES
Sacramento Housing and Redevelopment Commission (SHRC)
Regular Meeting
February 17, 2021

Meeting noticed on February 12, 2021

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Morgan. Note that meeting was held via teleconference following the Governor's executive order during the coronavirus pandemic.

MEMBERS PRESENT: Boyd (6:20 pm), Morgan, Nunley, Osmany, Staajabu, Starks, Woo

MEMBERS ABSENT: Griffin (three vacancies)

STAFF PRESENT: La Shelle Dozier, Brad Nakano, Tyrone Roderick Williams, Susanna Jackson, James Shields, Sarah Thomas, MaryLiz Paulson, Julius Austin, Vickie Smith, Ahmad Halimi, Lira Goff, Peter Masih.

APPROVAL OF AGENDA

The Agenda was approved as submitted. The Chair announced that item number 2 was dropped from the agenda.

CITIZENS COMMENTS

Comment was provided by Emily Sanders regarding the HCV program.

APPROVAL OF MINUTES – February 3, 2021 minutes were approved as submitted.

BUSINESS ITEMS

1. **Implementation of the Sacramento Emergency Rental Assistance Program Phase 2**

The item was presented by MaryLiz Paulson. Commissioners Starks and Woo requested that equal language access be made a priority.

On a motion by Commissioner Woo, seconded by Commissioner Nunley, the Commission recommended approval of the staff recommendation for the items listed above. The votes were as follows:

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

NOES: None

ABSENT: Griffin (three vacancies)

2. Approval of Loan Commitment for Sage at Folsom Senior Development - continued from Agenda of February 3, 2021

The item was dropped from the agenda.

PRESENTATIONS

3. Promise Zone Update

The item was presented by Tyrone Roderick Williams. There was a request that the program flyer be e-mailed to the Commission.

EXECUTIVE DIRECTOR'S REPORT

Executive Director La Shelle Dozier reviewed the following:

- The next meeting is scheduled for March 3, 2021.

COMMISSION CHAIR REPORT

None.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

None.

ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 7:01 pm.

Clerk



March 3, 2021

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

Honorable Members in Session:

SUBJECT:

(City Council) Mirasol Village Project– Application for Affordable Housing and Sustainable Communities Grant to Mirasol Village Block D

RECOMMENDATION:

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

Respectfully Submitted


LA SHELLE DOZIER
Executive Director

Attachment



Consent
March 16, 2021

Honorable Mayor and Members of the City Council

Title: Mirasol Village Project– Application for Affordable Housing and Sustainable Communities Grant to Mirasol Village Block D

Location/Council District: 1200 Richards Blvd. Council District 3

Recommendation: Adopt a **City Council resolution** that (a) authorizes the Sacramento Housing and Redevelopment Agency (SHRA) as designated Project Manager for the Mirasol Village Project (Project), to apply to the State of California Strategic Growth Council and Department of Housing and Community Development in funding Round 6 for an Affordable Housing and Sustainable Communities (AHSC) grant of up to \$30,000,000 for Block C of the Project, (b) authorizes SHRA to execute all documents required for participation in the AHSC program; and (c) authorizes the City Manager or designee to execute all documents required for participation in the AHSC program.

Contact: Tyrone Roderick Williams, Deputy Executive Director 916-440-1316; Victoria Johnson, Assistant Director of Development 916-440-1388, Sacramento Housing and Redevelopment Agency

Presenters: Not applicable.

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 (Mirasol Village) Transit Oriented Development and Light Rail Station project (Project). The development was renamed as Mirasol Village in 2019. SHRA is managing the Project and McCormack Baron Salazar is the designated developer and Housing Lead (Developer) under the CNI grant.

The CNI grant supports the redevelopment of the Mirasol Village public housing project and the transformation of the River District/Railyards neighborhood. The CNI program

Development, Housing-Related Infrastructure, Sustainable Transportation Infrastructure (STI), Transit-Related Amenities, and Program activities as defined in the AHSC program guidelines. To achieve maximum scoring, the final amount requested will be less than the maximum grant amount. Staff currently estimates the request will include a maximum of \$20 million for housing and a maximum of \$10 million for transit-related projects.

All of the applicable state funding programs are over-subscribed and competitive. As a back-up plan in case the AHSC funds are not awarded, MBS also plans to submit an application for the Mixed Income Program administered through CalHFA on behalf of Block D in 2021.

Policy Considerations: The recommended actions are consistent with: a) SHRA's approved Multifamily Lending and Mortgage Revenue Bond Policies, adopted on December 3, 2019; b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282); e) the 2007 Asset Repositioning Strategy of the City and County Housing Authorities; f) the 2013-2019 Consolidated Plan; and g) the River District Specific Plan adopted February 15, 2011.

Economic Impacts: The construction of new multifamily housing in Twin Rivers Block D is expected to create approximately 205 total jobs (approximately 115 direct jobs and 90 indirect jobs through indirect and induced activities) and create \$28,446,102 in total economic output (\$14,481,780 of direct output and another \$10,964,322 of economic output through indirect and induced activities). *The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.*

Environmental Considerations: California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA): A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Mirasol Village (formerly Twin Rivers) Transit Oriented Development and Light Rail Station Project pursuant to CEQA requirements under 14 California Code of Regulations (CCR) §15070, and NEPA requirements under

will replace 218 Mirasol Village public housing units within a mixed-income development that will include at least 487 new housing units, common area and community gathering spaces, and other amenities. A new light rail station will be constructed along 12th Street as part of the Project. The total Project area includes six residential blocks and approximately 26 acres. A vicinity map and block plan and a site plan for the Project are shown in Attachment 3 and Attachment 4.

The Project is being developed in five phases. The first phase includes 123 units within Blocks B and E and construction began in June 2020. The second phase includes 104 units on Block A. This phase began construction in January 2021. The third phase includes 84 units on Block C. An application for bonds and tax-credits was submitted in February 2021, and if successful, Block C will start construction in late 2021. The Developer is now working to secure the funds needed to construct 116 units within Block D (Phase 4). The fifth phase will be constructed adjacent to the light rail station after the station is complete.

Mirasol Village Block D will be a new construction, mixed-income housing development with a mixture of multifamily apartment, townhome, and garden-style walk-up buildings. There will be seven residential buildings that will include 116 rental housing units that range from one to four bedrooms in size and 79 on-grade parking spaces. A mixed-use building at the north end of the site will include offices, common area and space for an early childhood education center. Block D residents will also have access to all outdoor community amenities including the park, garden, barbeque areas, and electric car share. If funded by the end of 2021, construction will begin in 2022 and be completed in 2023.

This report requests approval for SHRA and the Developer to apply to the State of California Strategic Growth Council and Department of Housing and Community Development (HCD) in funding Round 6 for an Affordable Housing and Sustainable Communities (AHSC) grant for Block D of the Project. The City and Sacramento Regional Transit will lead the transportation projects that are identified within the application and will perform as sub-grantees of SHRA if the funds are awarded.

The purpose of the AHSC program is to promote projects that will achieve greenhouse gas emissions reductions, particularly through increasing accessibility to affordable housing and key destinations via low-carbon transportation, resulting in fewer vehicle miles traveled through shortened or reduced trip length or mode shift from Single Occupancy Vehicle use to transit, bicycling or walking. The goals and design of the Mirasol Village project are compatible with the goals and purpose of the AHSC program.

The Round 6 Notice of Funding Availability will be published in April 2021, and applications will be due approximately 6 weeks later. Up to \$30,000,000 in grant funds will be requested to be used to support Block D of the Project for Affordable Housing

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 requested 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 subsection 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: The Sacramento Housing and Redevelopment Commission (Commission) will hear this item during its meeting on March 3, 2021. At this meeting the Commission will be asked to adopt a motion recommending approval of the attached resolution. In the event the action is not approved by the Commission, staff will notify the Council.

Rationale for Recommendation: The actions recommended in this report enable SHRA to continue to fulfill its mission to provide a range of affordable housing opportunities in the City. In addition, the recommended actions support the City of Sacramento's 2013-2021 Housing Element, Promise Zone plans and goals, and the Downtown Housing Initiative and Initiation of the Downtown Specific Plan. Receipt of an award of AHSC funds will provide additional funds needed to complete Twin Rivers (Mirasol Village) Phase 4 of new mixed-income housing in the Project. The AHSC award will also assist with completion of City-supported projects consistent with the River District Specific Plan and the Twin Rivers Neighborhood Transformation Plan.

Financial Considerations: The proposed financing structure for Twin Rivers Block D includes tax-exempt bond financing, competitive (state) and noncompetitive (federal) four- percent tax credits, CNI funds, local funds, project-based Section 8 vouchers and a below-market ground lease from HACOS. If the AHSC funds are awarded, staff will return to the Council with detailed financial projections and a request to approve the closing documents.

LBE - M/WBE and Section 3 requirements: LBE considerations do not apply to this report. Minority and Women's Business Enterprise requirements will be applied to all

activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable. The developer collaborates with SHRA, the Sacramento Employment and Training Agency and the Greater Sacramento Urban League and similar programs to promote employment opportunities throughout the Mirasol Village project.

Respectfully Submitted by:



LA SHELLÉ DOZIER
Executive Director

Attachments

- 1- Description/Analysis
- 2- Resolution – AHSC 6 Application
- 3- Mirasol Village Block Plan
- 4- Mirasol Village Site Plan

RESOLUTION NO. 2021 -

Adopted by the Sacramento City Council

on date of

MIRASOL VILLAGE BLOCK D: AUTHORIZING THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY TO APPLY FOR THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM GRANT (ROUND 6) FOR BLOCK D OF THE MIRASOL VILLAGE PROJECT AND RELATED TRANSIT PROJECTS AND TO EXECUTE RELATED DOCUMENTS; AUTHORIZING THE CITY MANAGER TO EXECUTE RELATED DOCUMENTS; ENVIRONMENTAL FINDINGS

BACKGROUND

- A. The State of California Strategic Growth Council (SGC) and the Department of Housing and Community Development (Department) have announced the intent to issue Notice of Funding Availability (NOFA), for the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200.
- B. The SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, application package, and Standard Agreement. The Department is authorized to administer the approved funding allocations of the AHSC Program.
- C. The City Council supports the Sacramento Housing and Redevelopment Agency's (Agency/Applicant) application for AHSC Program funds for Block D of the Twin Rivers Transit Oriented Development and Light Rail Station Project/Mirasol Village (Project).

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

- Section 1. The application for and administration of grant funds are not considered a project under the California Environmental Quality Act (CEQA) per CEQA Guidelines §15378, as this is a government administrative and fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.
- Section 2. As the Lead Agency for the Project, the City of Sacramento prepared a combined Initial Study (IS)/Environmental Assessment (EA) for the Project and subsequently adopted a Mitigated Negative Declaration (MND) pursuant to CEQA requirements. No further review under CEQA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development and Light Rail Station Project.
- Section 3. For any projects identified for AHSC Program grant funding that require an action or commitment from the City that fall outside of the scope of the

Twin Rivers Transit-Oriented Development Project Initial Study (IS), CEQA review will be required prior to funding commitment or any other choice-limiting action.

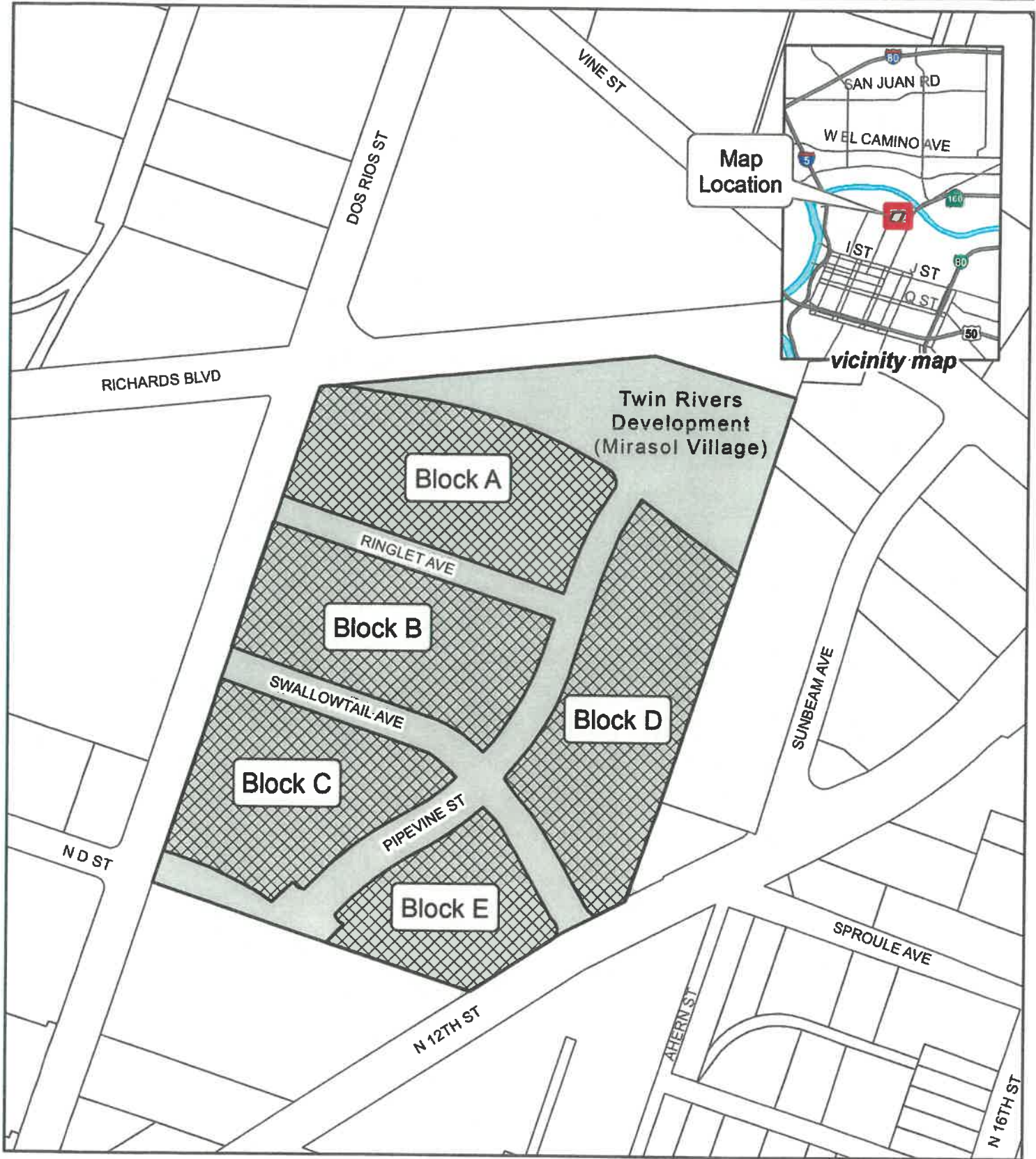
- Section 4. The application for and administration of grant funds and related actions is considered an administrative activity and is exempt pursuant to the National Environmental Policy Act (NEPA) at 24 CFR 58.34(a)(3).
- Section 5. As the Certifying Officer for the Project, the City of Sacramento prepared a combined Initial Study (IS)/Environmental Assessment (EA) for the Project and subsequently issued a notice of Finding of No Significant Impact (FONSI) pursuant to NEPA on June 12, 2017.
- Section 6. No further review under NEPA is required for activities in furtherance of the Project.
- Section 7. If any federal funding sources or federal actions are required to match AHSC Program grant funding for projects that fall outside of the scope of the Twin Rivers Transit-Oriented Development Project IS/EA, NEPA review will be required prior to funding commitment or any other choice-limiting action.
- Section 8. The Agency is hereby authorized and directed to apply for and submit to the Department the AHSC Program Application for Round 6 in a total amount up to \$30,000,000 including up to \$20,000,000 for Affordable Housing Development, and up to \$10,000,000 for Housing-Related Infrastructure, Sustainable Transportation Infrastructure, Transit-Related Amenities or Program activities as defined in the AHSC Program guidelines adopted for Round 6 applications. If the application is approved, the Agency is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Loan) and Standard Agreement (Grant) in a total amount not to exceed \$20,000,000 and \$10,000,000 respectively and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department, and all amendments thereto (collectively, the AHSC Documents).
- Section 9. The Agency shall be subject to the terms and conditions as specified in the Standard Agreement(s). Funds are to be used for allowable capital asset project expenditures to be identified in the Standard Agreement(s). The application in full will be incorporated as part of the Standard Agreement(s). Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement(s).
- Section 10. The Agency hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the NOFA, Program Guidelines and application package.

Section 11. The Agency is authorized to execute the AHSC Program application package and any AHSC Documents as required by the Department for participation in the AHSC Program.

Section 12. The City Manager or the City Manager's designee is authorized to execute AHSC Program application documents and any AHSC Documents as required by the Department for participation in the AHSC Program.




Twin Rivers Blocks (Mirasol Village)




Map Location




vicinity map

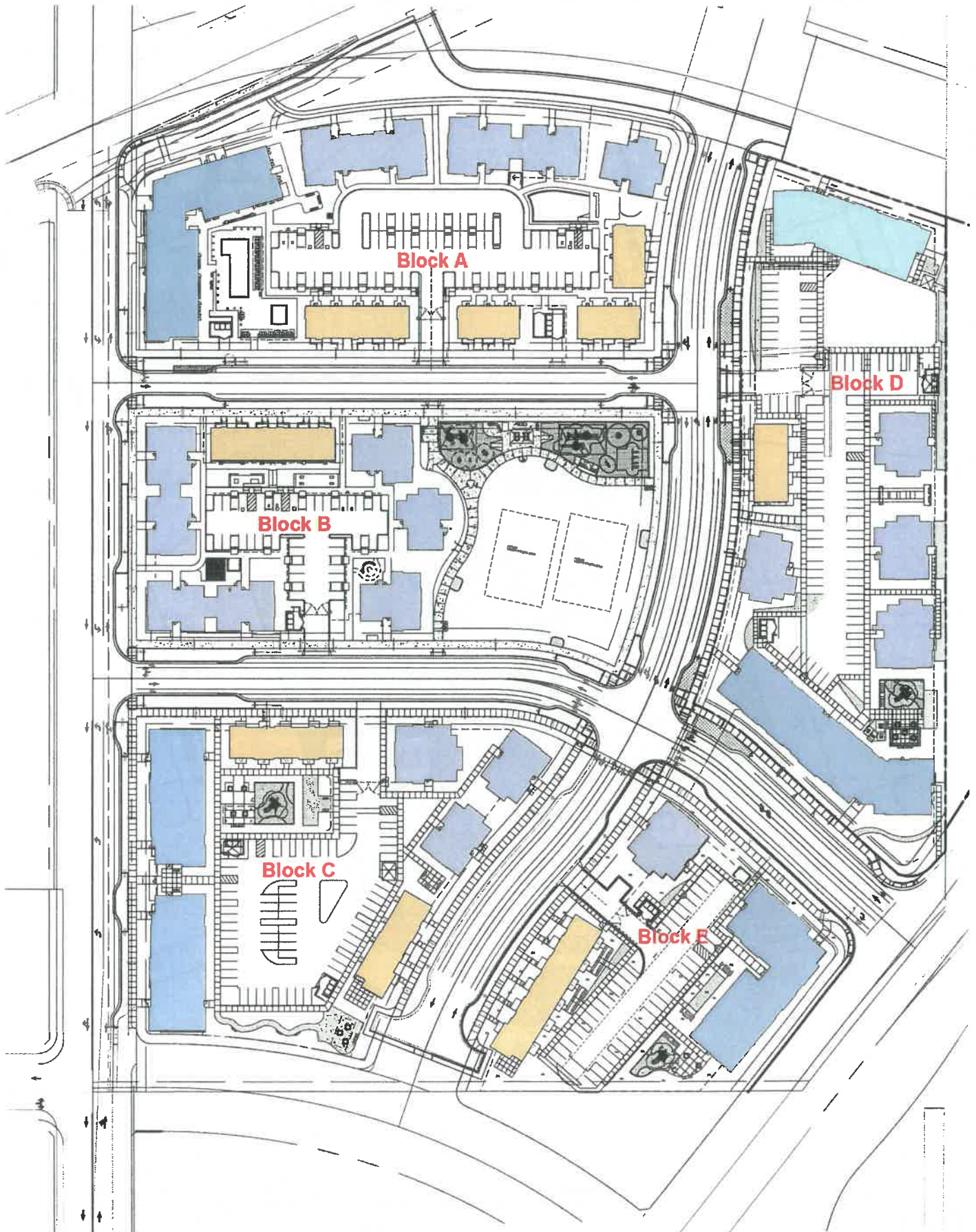
 Block

 Twin Rivers Development (Mirasol Village)

0 Feet 400
200



SHRA GIS
December 16, 2019



Item # 2

Is to be Delivered



March 3, 2021

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

Honorable Members in Session:

SUBJECT:

**(BOS/Housing Authority) Approval of Loan Commitment for Sage at Folsom
Senior Development**

RECOMMENDATION:

Staff is presenting this information to the Commission for review, prior to final review by the Board of Supervisors and Housing Authority of the County of Sacramento.

Respectfully Submitted


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
March 23, 2021

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

Through: Ann Edwards, Acting County Executive
Bruce Wagstaff, Deputy County Executive, Social Services

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

Subject: Approval of Loan Commitment for Sage at Folsom Senior Development

District(s): Frost

RECOMMENDED ACTION

The report recommends approval of the attached Board of Supervisors Resolution:

1. Approving \$800,000 Loan Commitment comprised of Home Investment Partnerships Program (HOME) funds
2. Approving related documents associated with this transaction with USA Properties, or related entity, and make related findings
3. Authorizing the Sacramento Housing and Redevelopment Agency (SHRA) budget amendment

BACKGROUND

Sage at Folsom is a proposed senior development to be located at Scholar Way at E. Bidwell Street in Folsom. The site is currently a 4.2-acre vacant lot and is surrounded by residential and commercial offices. The proposed project consists of 110 one-bedroom units. A vicinity map, site plan and building rendering are included as Attachments 1, 2 and 3.

HOME Funding

The City of Folsom is a member of the Sacramento County HOME Investment Partnerships Consortium (HOME Consortium). The County HOME Consortium consists of the unincorporated County, and the Cities of Citrus Heights, Rancho Cordova, Folsom, Isleton, and Galt and receives a total of approximately \$3.28 million annually. The City of Folsom's approximate annual share of the HOME

Consortium is \$90,000. The proposed commitment of \$800,000 will utilize existing funds in the Folsom (Sacramento County) HOME allocation through fiscal year 2024. The City of Folsom is not eligible for HOME funds until fiscal year 2025.

Project Description

USA Properties Fund, Inc. acquired the land in April of 2020. The proposed project is a 110-unit, senior affordable apartment community with one-bedroom residential units, including one manager's unit. Each unit will have a full kitchen, living space, storage closet, and one bathroom.

The Development will include two three-story elevator buildings. Community amenities include a 2,601 square foot community center on the first floor with a great room containing large screen televisions, game and lounge areas, a business center, a convenience kitchen, an outdoor dining patio with seating areas, seat walls, patio tables with umbrellas, and barbecue area. Outdoor amenities include a patio adjacent to the community center, bocce court with bench seating, community garden, and dog park.

Developer: USA Properties Fund, Inc. is developing the project. The developer is a for profit corporation dedicated to developing market rate and affordable senior and multifamily housing. The developer has more than 12,000 units of family and senior apartment in 90 communities throughout California and Nevada.

Property Management: USA Multifamily Management, Inc. will manage the property. SHRA staff has reviewed USA Multifamily Management Inc.'s qualifications and management plan, and has found that the proposed property management agent and management plan meet SHRA requirements.

Resident Services: LifeSteps will provide 15 hours per week of supportive service for residents in the development.

Security Plan: SHRA staff has reviewed and approved the security plan which includes installation of web-based security cameras and recording equipment; and installation of exterior lighting.

Project Financing:

The financing will be structured as a Low Income Housing Tax Credit project with tax-exempt bonds in the amount of \$13,371,000, City of Folsom subsidy loan in the amount of \$4,500,000 and a HOME loan from Sacramento Housing & Redevelopment Agency in the amount of \$800,000.

Funding sources and uses are provided in the Project Summary as Attachment 4. A Cash Flow Proforma is provided as Attachment 5.

LOW-INCOME SET-ASIDE REQUIREMENTS

As a condition of receiving tax credits, federal law requires that developments be set aside for targeted income groups. Income restrictions from Low Income Housing Tax Credit (LIHTC) financing require that household income is at or below 59 percent AMI.

The Agency further requires that at least 20 percent of the units be restricted to households with incomes at or below 50 percent AMI. The affordability restrictions will be specified in regulatory agreements between the developer and the respective monitoring agencies, which include the California Tax Credit Allocation Committee and the Agency. Proposed funding sources and their affordability requirements are summarized in the table below. See Attachment 6 for Maximum Income and Rent Levels.

Funding¹ Program	Affordability Level and AMI Regulated for 55 years²	Proposed No. of Units	Percentage of Units
LIHTC	Very Low Income 30% AMI	7	8%
HOME ³	Very Low Income 30% AMI	4	
LIHTC	Lower Income 50% AMI	55	50%
HOME ³	Lower Income 50% AMI	6	5%
LIHTC	Moderate Income 80% AMI	37	36%
Manager's unit	Unrestricted	1	1
	Total	110	100%

Legend:

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

²The LIHTC Regulatory Agreement will be enforced for 55 years.

³Agency Regulatory Agreement for the HOME assisted units will be enforced for 20 years.

COMMISSION ACTION

It is anticipated that the Sacramento Housing and Redevelopment Commission will approve the recommendation for this item at its meeting on March 3, 2021. Staff will notify the Board in the event the item is not approved.

POLICY CONSIDERATIONS

The recommended actions are consistent with the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies. The regulatory agreement will specify the regulatory restrictions on the property.

Compliance with the regulatory agreement will be monitored by the Agency annually in accordance with the HOME Funding Requirements.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The City of Folsom, as Lead Agency under the California Environmental Quality Act (CEQA) prepared an Initial Study (IS), adopted a Negative Declaration (ND) and Mitigation Monitoring and Reporting Program (MMRP), and filed a Notice of Determination (NOD) for the Project pursuant to CEQA requirements under Title 14, §15070 – 15075 of the California Code of Regulations (CCR). As a Responsible Agency for the Project, the Sacramento Housing and Redevelopment Agency (SHRA) has considered the environmental document prepared by the City and has determined that the environmental analysis is adequate and complete and that the project will have no significant effect on the environment with the adopted mitigation measures incorporated.

National Environmental Policy Act (NEPA): An Environmental Assessment (EA) is being completed pursuant to the National Environmental Policy Act (NEPA) requirements under Title 24, Code of Federal Regulations (CFR) Part 58.36 and will be completed prior to finalizing the loan commitment.

M/WBE/SECTION 3 CONSIDERATIONS

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.

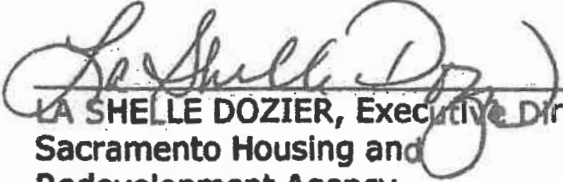
FINANCIAL ANALYSIS

The attached loan agreement relates to the \$800,000 HOME loan for construction and permanent financing. The construction and permanent loan will have a three percent interest rate. The Agency will collect an annual payment of 0.125 percent (12.5 basis points) of the total Agency funding amount and an additional \$100 per HOME regulated unit for monitoring of the regulatory restrictions and administration of the funds from the Project's owner.

Approval of \$800,000 Loan Commitment for Sage at Folsom
Page 5

Respectfully Submitted,

APPROVED
NAVDEEP S. GILL,
County Executive


LA SHELLE DOZIER, Executive Director
Sacramento Housing and
Redevelopment Agency

By: _____
BRUCE WAGSTAFF
Deputy County Executive

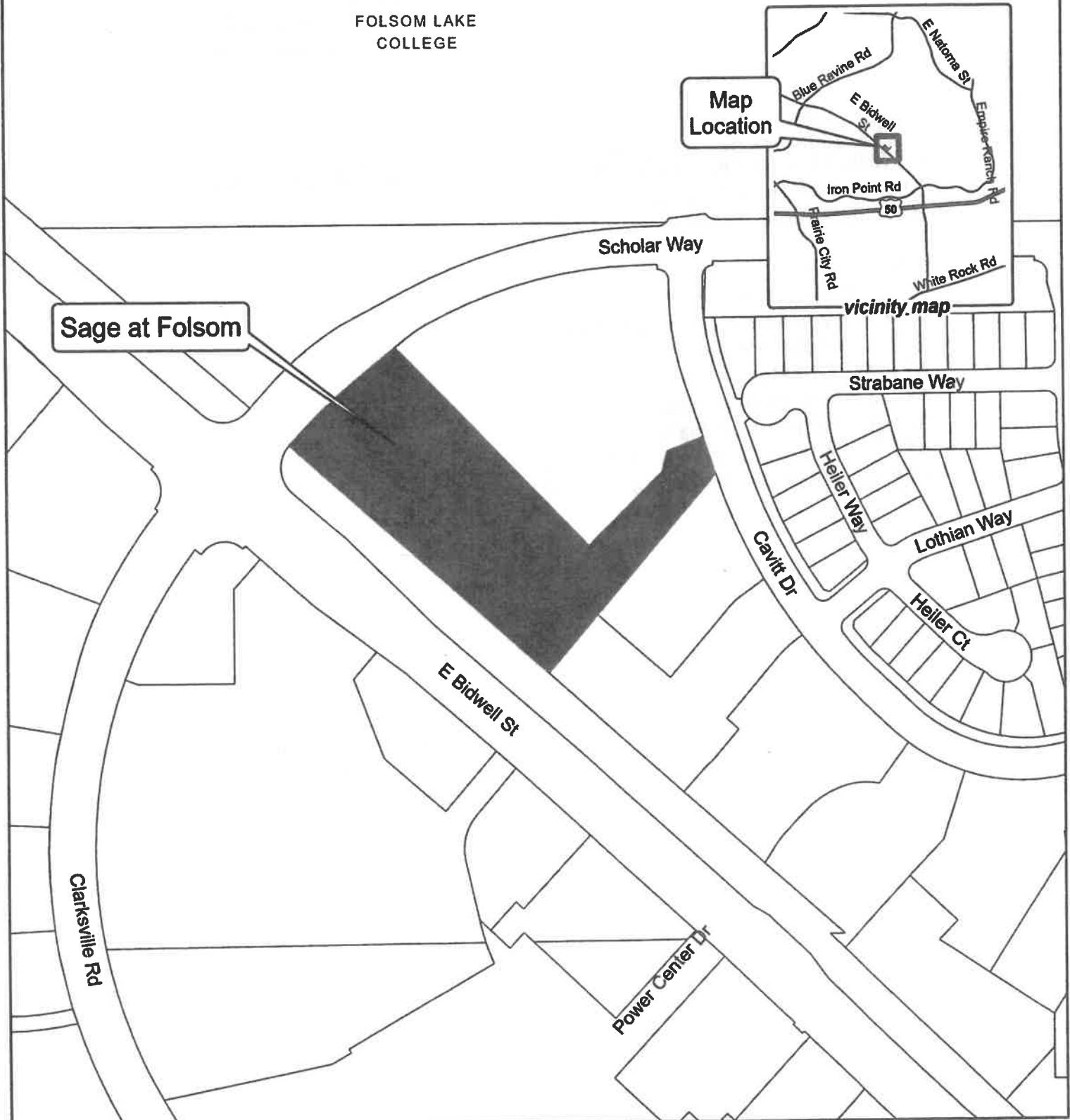
Attachments:

- RES - BOS Resolution
- EXH A: Conditional Loan Commitment
- ATT 1 - Vicinity Map
- ATT 2 - Site Map
- ATT 3 - Project Rendering
- ATT 4 - Project Summary
- ATT 5 - Project Cash Flow Proforma
- ATT 6 - Maximum Income and Rent Limits



Sage at Folsom

FOLSOM LAKE COLLEGE



Sage at Folsom

Map Location

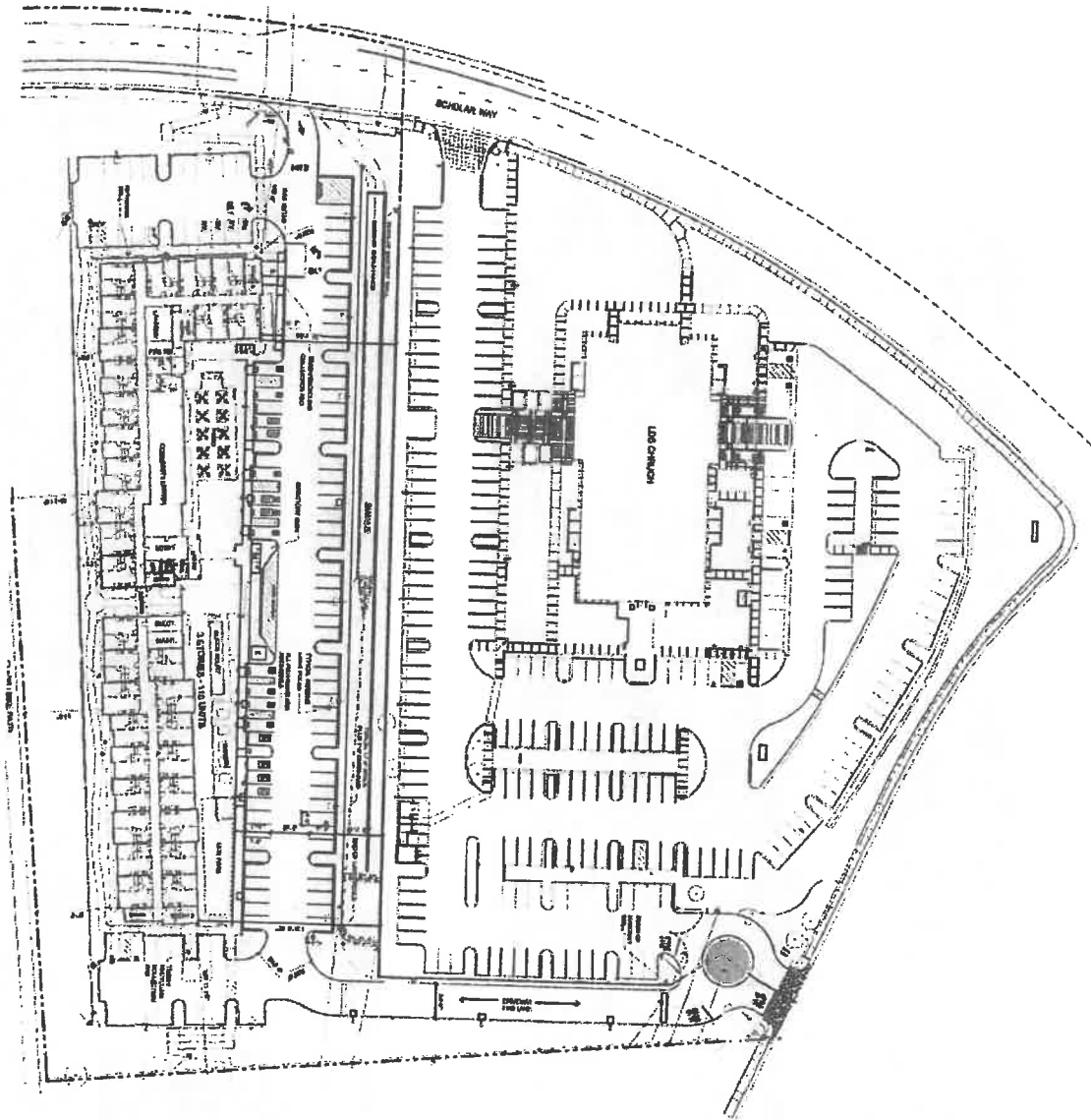
vicinity.map

 Sage at Folsom - APN: 072-0270-157-0000

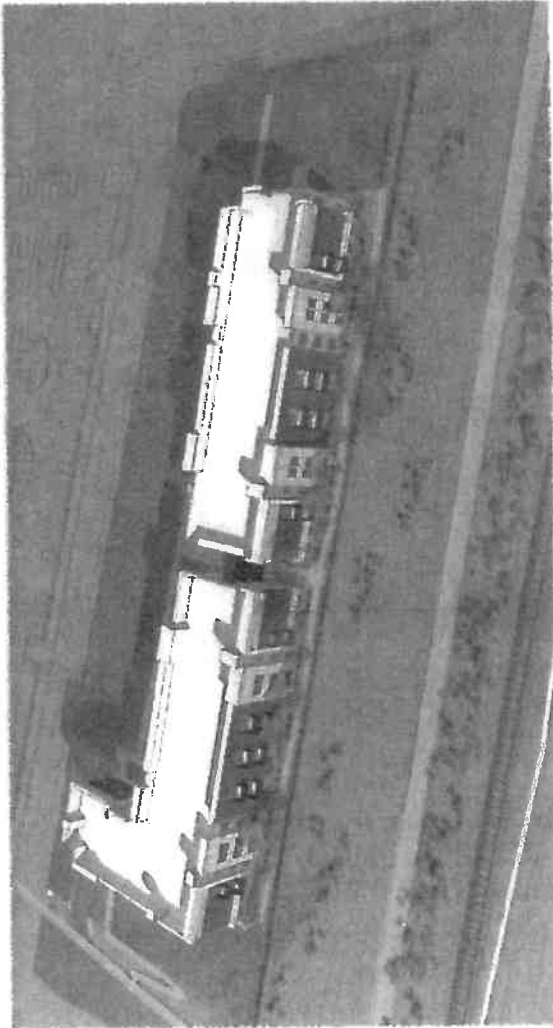


SHRA GIS
December 8, 2020

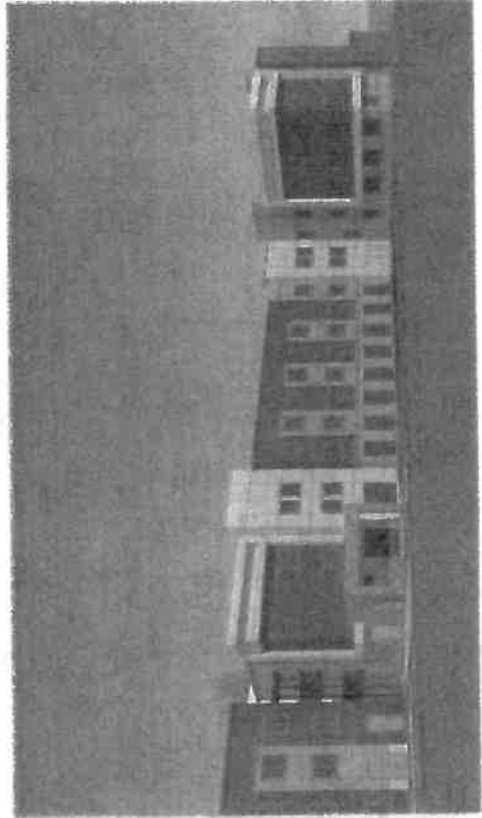
Sage at Folsom Senior Development
Site Plan



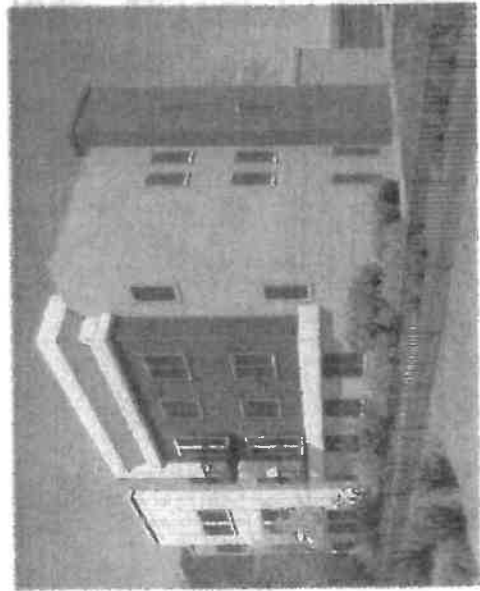
Sage at Folsom Senior Development
Project Rendering



AERIAL VIEW



COMMUNITY CENTER



SOUTHEAST CORNER

Sage at Folsom Residential Project Summary

Address	Scholar Way at E Bidwell Street			
Number of Units	110			
Year Built	New Construction			
Acreage	4.2 acres (182,952 sq. ft.)			
Unit Mix and Rents	<u>ELI 30% AMI</u>	<u>LI 50% AMI</u>	<u>LI 80% AMI</u>	<u>Total</u>
1 Bedroom/1 Bath	11	61	37	109
Management Unit (1 Bedroom exempt)	0	0	0	1
Total Units	11	61	37	110
Square Footage	<u>Unit Size (sq.ft.)</u>	<u>Total</u>		
1 Bedroom/1 Bath	530	57,770	sq.ft.	
Management Unit (1 Bedroom exempt)	530	530	sq.ft.	
Community Area		1,800	sq.ft.	
Total Gross		60,100	sq.ft.	
Resident Facilities	Community Center with large screen televisions, game and lounge areas, business center, kitchen, outdoor seating, and community garden			
Permanent Sources	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>	
Federal Tax Credit Equity	\$13,370,058	\$121,546	\$222	
Senior Loan	\$10,475,000	\$95,227	\$174.29	
NOI During Construction	\$606,020	\$5,509	\$10.08	
SHRA Loan	\$800,000	\$7,273	\$13.31	
Deferred Developer Fee	\$1,768,367	\$16,076	\$29.42	
City of Folsom	\$4,500,000	\$40,909	\$74.88	
Regional Sanitation Fee Waivers	\$155,592	\$1,414	\$2.59	
TOTAL SOURCES	\$31,675,037	\$287,955	\$527.04	
Permanent Uses				
Acquisition	\$1,205,000	\$10,955	\$20.05	
Construction Costs	\$17,966,492	\$163,332	\$298.94	
Architecture & Engineering	\$973,970	\$8,854	\$16.21	
Permits	\$3,033,475	\$27,577	\$50.47	
Hard Cost Contingency	\$1,576,008	\$14,327	\$26.22	
Soft Cost Contingency	\$134,576	\$1,223	\$2.24	
Financing Cost	\$1,843,563	\$16,760	\$30.67	
Operating Reserves	\$265,828	\$2,417	\$4.42	
Legal Fees	\$75,000	\$682	\$1.25	
Developer Fee	\$3,726,326	\$33,876	\$62.00	
Third Party Fees, Marketing, Other	\$874,799	\$7,953	\$14.56	
TOTAL USES	\$31,675,037	\$287,955	\$527.04	
Leverage	<u>SHRA \$ per Unit</u>	<u>Per Unit Cost</u>	<u>Leverage</u>	
	\$7,273	\$287,955	SHRA : Other	
			\$1.00 : \$39.59	
Management / Operations				
Proposed Developer	USA Properties Fund, Inc.			
Property Management Company	USA Multifamily Management, Inc.			
Operating Expenses	\$421,328	\$3,830		
Property Management Fee	\$48,642	\$552		
Resident Services	\$33,949	\$309		
Replacement Reserves	\$27,500	\$250		
Taxes and Insurance	\$44,945	\$409		

Age at Folsom Cashflow Proforma

Attachment 5

Age at Folsom	Unit Type	Number	Square Feet	Total Sq Feet	Max Gross Rent		Utility Allowance	Max Net Rent		Rent per Sq Foot		Total No. Rent	Current Annual Rent	2024		2025		2026		2027		2028		2029		2030		2031		2032		2033		2034		2035		2036		2037		2038		2039		2040		2041		2042		2043		2044		2045		2046		2047		2048		2049		2050		2051		2052		2053		2054		2055		2056		2057																			
					Year 1	Year 2		Year 3	Year 4	Year 5	Year 6			Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55	Year 56	Year 57	Year 58	Year 59	Year 60	Year 61	Year 62	Year 63	Year 64	Year 65	Year 66	Year 67	Year 68	Year 69	Year 70	Year 71	Year 72	Year 73	Year 74	Year 75	Year 76	Year 77	Year 78	Year 79	Year 80	Year 81	Year 82	Year 83	Year 84	Year 85	Year 86	Year 87	Year 88	Year 89	Year 90	Year 91	Year 92
<p>Income</p> <p>Potential Gross Income</p> <p>Other Income</p> <p>Less Vacancy</p> <p>Effective Gross Income</p> <p><i>Operating Expenses</i></p> <p>Property Management</p> <p>Residential Services</p> <p>Replacement Reserves</p> <p>Taxes and Insurance</p> <p>Total Expenses</p> <p>Net Operating Income</p>																																																																																																			
<p>Debt Service</p> <p>Senior Loan</p> <p>Housing Authority Monitoring Fee</p> <p>Issuer's Administration Fee</p> <p>Debt Service Subtotal</p> <p>Priority Distributions</p> <p>Asset Management Fee (GP)</p> <p>Managing General Partner Fee</p> <p>Subordinated Property Management Fee</p> <p>Priority Distributions Subtotal</p> <p>Net Cash after Priority Distributions</p> <p>Deferred Developer Fee</p> <p>Principal Balance</p> <p>Interest for Period</p> <p>Payment</p> <p>Balance</p> <p>Net Cash after Deferred Developer Fee</p> <p>SHIRA HOME Loan</p> <p>Principal Balance</p> <p>Interest for Period</p> <p>Accumulated Interest</p> <p>Payment</p> <p>Balance</p> <p>Net Cash after HOME Loan</p> <p>City of Folsom</p> <p>Principal Balance</p> <p>Interest for Period</p> <p>Payment</p> <p>Accumulated Interest</p> <p>Balance</p> <p>Net Cash after City of Folsom Loan Remains with Project</p>																																																																																																			

Sage at Folsom
MAXIMUM INCOME AND RENT LIMITS 2020
Rents at 30%, 50% and 80% of Area Median Income (AMI)
Low Income Housing Tax Credits and Mortgage Revenue Bonds

Maximum Gross Income Limits

Family Size	30% AMI	50% AMI	80% AMI
1 person	\$ 18,150	\$ 30,250	\$ 48,400
2 person	\$ 20,730	\$ 34,550	\$ 55,280
3 person	\$ 23,310	\$ 38,850	\$ 62,160

Maximum Gross Rent Limits

Unit Size	30% AMI	50% AMI	80% AMI
1 Bedroom	\$ 486	\$ 810	\$ 1,296



Effective Date: February 23, 2021

USA Properties Fund Inc.
c/o Darren Bobrowsky, Senior Vice President, Capital Markets Group
3200 Douglas Boulevard, Suite 200
Roseville, CA 95661

RE: Conditional Funding Commitment for Sage at Folsom Apartments

Dear Mr. Bobrowsky:

On behalf of the Housing Authorities of the County and City of Sacramento (collectively, Agency), we are pleased to advise you of this Conditional Funding Commitment (Commitment) of permanent loan funds (Loan) comprised of \$800,000 in County Home Investment Partnerships Program (HOME)) for the purpose of financing the acquisition, rehabilitation and development of that certain real property known as Sage at Folsom located at Scholar Way at E Bidwell St, Folsom, California 95630 (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 **August 31, 2022**, unless a mutually agreed upon extension is made.

1. **PROJECT DESCRIPTION:** Sage at Folsom is a senior affordable development located at Scholar Way at E Bidwell Street in Folsom. The Project consists of 110 one-bedroom units and amenities within two three-story buildings (78,384 square feet). The buildings will be oriented parallel to East Bidwell Street with parking fields located east, west, and

north. Community amenities include an approximately 2,601 square foot community center on the first floor with a great room with large screen television, game and lounge area, a business center, and a convenience kitchen. Outdoor amenities include a patio with seating areas with umbrellas adjacent to the community center with barbecues, bocce court with bench seating, community garden, and dog park.

2. **BORROWER:** The name of the Borrower for the Loan is USA Properties Fund, Inc. or related entity.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of construction and 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) Eight Hundred Thousand (\$800,000.00) 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 55 years or 660 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
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 combined debt service coverage ratio of 1.2:1 beginning in year sixteen (16) from the tax credit placed in service date. 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 Funds. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.
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 \$10,000,000 in Low Income Housing Tax Credit Equity and no less than \$2,300,000 in deferred developer fee. If LIHTC equity goes below \$10,000,000 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, provide 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 disbursement of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project.



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. USA Multifamily Management is approved by the Agency.
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 184 hours per year:
1. Adult Educational Classes: Eighty-four (84) hours per year
 2. Health and Wellness Services and Programs: One hundred (100) hours per year shall include, but are not limited to:
 - a. Crisis Intervention
 - b. Practical counseling, emotional support, cleanliness and hygiene assessment, eviction prevention, government and insurance entitlements
 - c. Physical and mental health assessments
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:
USA Properties Funds, Inc.

By: _____
Darren Bobrowsky, Senior Vice President, Capital Markets Group

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



Exhibit 1 - Scope of Development

Sage at Folsom is a new construction affordable senior housing development on approximately 4.2 acres at Scholar Way and East Bidwell Street in Folsom, California (project). The development consists of two physical buildings connected by an open air bridge between them, under a single ownership. The project will have a total of 110 units comprised of one-bedroom/one-bathroom units. Inclusive of this unit count one unit will be exempt for management staff.

Community amenities included a courtyard area, community garden with raised planter beds, pet area, bocce ball court, and a walking path. Community services spaces will include a leasing office with administrative support room, a community center with a kitchen and storage, and mail room located in the lobby area.

All work shall comply with Federal Americans with Disability Act (ADA) requirements as well as the California Building Code accessibility requirements and any other requirements as stipulated by the funding source. 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.

1. Building Exteriors

- A. **Asphalt Pavements:** The development will include approximately 115 uncovered parking spaces.
- B. **Site Lighting:** The site will be lit with Title 24 compliant wall packs, pole lights, and other luminaries for all parking and outside public spaces and will be of LED or similar energy efficient type.
- C. **Non-smoking:** The project is 100 percent non-smoking.
- D. **Landscaping and Courtyard:** Landscaping is designed with drought tolerant plants and trees. Trees will be planted throughout the parking lot to meet City of Folsom shading requirements. The courtyard area is open-air landscaped with picnic areas, community garden, pet area, and exercise walking paths.
- E. **Picnic Area:** Barbeque and outdoor seating area is provided in the front court of the building.
- F. **Community Garden:** The site includes raised planter community garden area.
- G. **Exercise Path:** An exercise path is included around the east, south, and west sides of the building and includes safety fence along the top of the embankment on the south side of the site.
- H. **Site Fencing and Screening:** A safety fence is included along the exercise path on the south side of the building to protect walkers from the embankment that flows down to Bidwell Drive. A concrete block screen wall is located on the north side of the site between the project and the adjacent church building and site.
- I. **Stormwater:** The development will meet storm water requirements through the use of on-site storm water planters and/or bio filtration swales along the project north perimeter.



- J. **Roof:** The building is designed with “flat” roofs and parapets in order to provide an area for potential solar PV panels and rooftop mounted HVAC and other equipment. The project includes a cool roof of white TPO.
- K. **Siding:** The building materials feature plaster and cement fiber board siding in a wood tone horizontal cement fiber board siding. Accent areas with a tile that has a stone aesthetic are used at building corners and the main entry.
- L. **Offsite Improvements:** Public offsite improvements will be minimal with typical repairs to curbs/gutters/sidewalks, new driveways, and the addition of a bus stop platform on Scholar Way.

2. Building Interiors

- A. **Americans with Disabilities Act (ADA) Units:** All units within the project will be adaptable as required by the CBC and a number of units will be fully accessible as required by the CBC or the funding source. In addition, some funding sources will require additional measures which will be communicated to the architect for inclusion in the project.
- B. **Non-Smoking:** All building interiors will be 100 percent non-smoking including the living units.
- C. **Smoke Detectors:** All units, office, and interior common areas will have a smoke/carbon monoxide detector installed in accordance with current code requirements.
- D. **Appliances:** All apartment kitchens will have brand new Energy Star rated appliances including refrigerator with freezer combination, electric range, and garbage disposal.
- E. **Bathtubs and Toilets:** All apartments will have a bathtub with a shower and water efficient toilets and fixtures. Restrooms will have water efficient toilet and fixtures with accessible bath accessories.
- F. **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 a single action hardware to release both the deadbolt and latch assembly. All doors and hardware will meet current egress standards.
- G. **Cabinets, Counters, and Sinks:** All apartment kitchens will have modular plywood or solid wood construction cabinets, granite or quartz 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 the microwave. All apartment bathrooms will have vanity and vanity top.
- H. **Ceilings and Walls:** Low or no VOC paint will be used in all building interiors.
- I. **Windows:** All apartments will have energy efficient vinyl dual pane windows. Windows designed to open will have screens. The Borrower is responsible for providing an Operating Procedure Outline Specification (OPOS) for window washing systems where applicable, per Cal-OSHA requirements. All windows will meet current egress standards.
- J. **Blinds:** Window blinds will be provided in all apartment windows and exterior doors.



- K. **Electrical and Lighting:** All apartments will have high-efficiency lighting, exhaust fans vented to the exterior, and bathroom humidifier 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 and ceiling cavities. Conduits are not allowed to be mounted on the exterior of the structure.
- L. **Flooring:** Apartment interiors will have luxury vinyl plank (LVP) flooring throughout, except in bathrooms where they will have vinyl sheet flooring and bedrooms which will have carpet.
- M. **Plumbing Fixtures:** All apartments will have new water efficient plumbing fixtures as required by code.

3. Community Amenities

- A. **Management Office and Lobby:** The furnished management office and lobby will have low maintenance and high-quality flooring, energy efficient lighting and HVAC systems.
- B. **Ceilings and Walls:** Low or not VOC paint will be used in all building interiors.
- C. **Community Restrooms:** The community restrooms on the first floor will be CBC compliant, have low-flow restroom fixtures, sink, and accessories. Bathroom walls will have washable surface up to 48 inches above the floor.
- D. **Community Center:** The Community Center Great Room and Kitchen will have quality flooring, energy efficient lighting, furnishings, and HVAC equipment. The Community Center is approximately 2,501 square feet including the Great Room, Kitchen, Manager Office, and Copy Room. These spaces will be CBC accessibility compliant. The Community Center kitchen will be CBC accessible compliant. New Energy Star compliant appliances (refrigerator, microwave, and garbage disposal), energy efficient lighting, HVAC system, and water efficient plumbing fixtures.
- E. **Elevator:** One hydraulic elevator will be installed in the first floor Lobby area. The elevator will be gurney accessible for emergency services.
- F. **Mail Room:** New mailboxes will be installed in a mail room off the first floor Lobby adjacent to the building entry.
- G. **Hallways and Stairs (enclosed corridor style):** Residential hallways and stairs will be of durable quality carpet. A set of stairs will be located near the elevator to encourage use for those that can forgo the elevator.
- H. **HVAC and Plumbing Systems:** Each apartment will have its own split system air conditioning and forced air heat with its own thermostat. Residential corridors will be ventilated. Stairwells will not have heating or air conditioning. A gas-fired central boiler will provide hot water for the development. Bathroom exhaust fans will be humidistat controlled.
- I. **Laundry Facility:** the building will have multiple laundry rooms accommodating in total eight (8) washers and eight (8) dryers of which one set in each laundry room will meet California Building Code accessibility requirements.
- J. **Signage:** A comprehensive signage package will be implemented throughout the development



including all common area signage, unit ID, wayfinding, code, fire, and life safety signage.

- K. **Trash Rooms:** Two trash rooms are included on opposite ends of the structure that contain one trash chute and one recycle chute on each floor. There are two trash and recycle rooms, one each located on the ground floor within the building envelope on each end of the building, with a concrete apron at the exterior of each trash room for pick-up.
- L. **Recycle:** One recycle chute will be located in each trash and recycle room on each floor, emptying into the ground floor trash and recycle room.
- M. **Bicycle Parking:** A total of 24 bicycle parking spaces are provided.
- N. **Vehicle Parking:** A total of 115 vehicle parking spaces are provided with 12 accessible spaces and 12 spaces for future EV parking.
- O. **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: 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.

