



NOTICE OF REGULAR MEETING
**Sacramento Housing and
Redevelopment Commission**
Wednesday, November 15, 2017 – 6:00 pm
801 12th Street, 2nd Floor Commission Room
Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

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

APPROVAL OF MINUTES – November 1, 2017

DISCUSSION/BUSINESS ITEMS

1. Approval of Application for Grant Funds for the Transformative Climate Communities Program and Execution of All Necessary Agreements
2. Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of Tax-Exempt Bonds And Loan Commitment For The Southwind Court Apartments
3. Approval of Amended Loan Commitment for the St. Francis Terrace Project
4. Mid-Year Action Plan Amendment for the Housing Opportunities for Persons with AIDS (HOPWA) Program
5. Approval Of Inter-Agency Project Agreement, Acquisition Loan Agreement And Loan Commitment For The Courtyard Inn Transit Oriented Development

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

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

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



INVESTING IN COMMUNITIES

MINUTES

Sacramento Housing and Redevelopment Commission (SHRC)

Meeting of November 1, 2017

Meeting noticed on October 28, 2017

ROLL CALL

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

MEMBERS PRESENT: Alcalay, Creswell, Griffin, Johnson, Macedo, Morgan, Staajabu

MEMBERS ABSENT: Painter, Raab, Simas (one vacancy)

STAFF PRESENT: La Shelle Dozier, David Levin, James Shields, Geoff Ross, MaryLiz Paulson, Mike Taylor, Christine Weichert, Celia Yniguez, Jackie Martinez, Mark Hamilton, Karen Wallace, Vickie Smith

APPROVAL OF AGENDA – approved as submitted

CITIZENS COMMENTS – Karen Wallace introduced Family Self Sufficiency Program graduates Latrice Baker and Lisa Amezcuita.

APPROVAL OF MINUTES – October 25, 2017 minutes were approved unanimously.

DISCUSSION/BUSINESS ITEMS

1. 2018 and Subsequent Years Authorization for Solicitation, Award and Approval Of Annual Expenditure Caps and Per Contract Caps for Routine Services

Wayne Whitley presented the item.

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

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

NOES: None

ABSENT: Painter, Raab, Simas (one vacancy)

ABSTAIN: None

2. Approval of Commercial Property Lease with Downtown Hair for Riverview Plaza

Mike Taylor presented the item.

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

AYES: Alcalay, Griffin, Johnson, Morgan, Simas, Staajabu, Painter

NOES: None

ABSENT: Creswell, Macedo, Raab (one vacancy)

ABSTAIN: None

EXECUTIVE DIRECTOR REPORT

La Shelle Dozier reviewed the following:

- Next Meeting is on November 15.
- Welcome Home Celebration to take place on November 2nd.

COMMISSION CHAIR REPORT

Chair Creswell thanked Geoff Ross and Susan Veazey for their attendance at the Affordable Housing Summit and also requested a presentation on the TCC Grant.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

None.

ADJOURNMENT

As there was no further business to be conducted, Chair Creswell adjourned the meeting at 6:20 pm.

Clerk



November 9, 2017

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Application for Grant Funds for the Transformative Climate Communities
Program and Execution of All Necessary Agreements

SUMMARY

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

RECOMMENDATION

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

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



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

Consent
November 28, 2017

Honorable Mayor and Members of the City Council

Title: Approval of Application for Grant Funds for the Transformative Climate Communities Program and Execution of All Necessary Agreements

Location/Council District: Council District 3

Recommendation: Pass a resolution approving Sacramento Housing and Redevelopment Agency's (SHRA) submission of an application for \$35,000,000 of grant funds through the Strategic Growth Council and the California Department of Conservation for the Transformative Climate Communities Program, and authorize the City Manager and SHRA Executive Director to work together to execute any documents or agreements, such as memorandums of understanding, necessary to complete the application and implement the program.

Contact: Tyrone Roderick Williams, Director of Development, Sacramento Housing and Redevelopment Agency, 916-440-1319; Jo Anna Davis, Management Analyst, Sacramento Housing and Redevelopment Agency, (916) 440-1309

Presenters: Not applicable

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: Through the Strategic Growth Council's (SGC) Transformative Climate Communities (TCC) Program authorized through AB 2722, approximately \$35 million dollars for three-year funding is available to implement place-based, local neighborhood strategies to accelerate the reduction of local Greenhouse Gas emissions (GHG) that disproportionately impact the health, socioeconomic and environmental vulnerabilities of low-income residents.

Recently, the SGC invited SHRA and co-applicants including the City of Sacramento, Sacramento Regional Transit, Sacramento Municipal Utilities District, Sierra Health Foundation: The Center for Health Program Management, and public housing developer McCormack, Baron and Salazar to submit a full application for the River District Transformation Project impacting more than 10,000 residents currently

living in the identified project area with transformational goals that would exponentially impact even more residents and visitors to the Sacramento Region.

SHRA, along with collaborative stakeholders including other local government agencies, community based organizations, and residents have identified several projects to better serve individuals and families residing in the project area including: increasing affordable housing and associated infrastructure, increasing access to public transit, facilitating weatherization efforts for low-income residents, expanding active transportation and low-carbon transportation, and enhancing urban forestry.

If the grant is received, stakeholders will conduct an extensive community engagement process where residents will have the opportunity to participate in the decision-making during various phases of the program including the concept, development and implementation of the River District Transformation Plan. Additionally, extensive outreach will be conducted to inform residents about how to access health and economic opportunities. The Twin Rivers Public Housing Resident Advisory Board will have representation as part of the collaboration's leadership team. Community partners will maximize outreach efforts to improve health outcomes and include organizations such as Breathe California Sacramento Region, SacramentoWalk, Sacramento Area Bicycle Advocates, Elica, Urban Strategies, Inc. and WellSpace.

In collaboration with the UC Davis Center for Regional Change and the Sacramento Unified School District, educational opportunities will connect students and parents to environmental conservation and environmental justice efforts. The program aims to increase environmental stewardship among residents by building leadership skills focused on environmental issues to foster long-term interest and investment in the community's revitalization.

Cross sector partnerships with SETA, Samuel Merritt University, Sacramento County Health and Human Services, GRID Alternatives, and the Greater Sacramento Urban League have focused on increasing employment and business development in healthcare and green businesses through training programs and access to high quality jobs through the identification of existing community agreements and expansion of new Community Benefits Agreements. Sierra Health Foundation will provide oversight of transparent and equitable inclusion of community nonprofit partners.

Sacramento Area Council of Governments and Sacramento Metropolitan Air Quality Management District are also providing additional support and partnership with establishing GHG reduction goals for the proposal and ongoing limited assistance.

The full application must demonstrate "readiness" requirements established by the state, several plans for implementation including Community Engagement, Displacement Avoidance and Workforce Development plans.

Policy Considerations: This grant funding will help the City of Sacramento to achieve a goal in the 2035 General Plan of being an environmental leader. Additionally, SB 1000 requires that communities begin including Environmental Justice outreach and education into General Plans. Through the TCC funding, there will be a focus on building environmental justice leadership among youth and low-income residents that are specifically linked to the 2035 General Plan Appendix B: Climate Action Plan.

The TCC Program requires applicants to include policies and programs to avoid the displacement of existing residents and local businesses, to help ensure these key stakeholders benefit from the investment. This is specific to the project development and does not require the City to approve such a plan. However, through the proposed Downtown Specific Plan, Displacement Avoidance is being assessed and recommendations will be made. These findings can help advance TCC goals of displacement avoidance. Furthermore, through the collaborative partners, small business owners will have assistance on how to access business development resources such as marketing plans and other support.

Economic Impacts: The TCC grant is focused on investing in communities that are the most overburdened by environmental, socioeconomic and health inequities. The project area has been identified as one with a majority of Census Tracts that fall within the top 5 percent of disadvantaged communities, as defined by the California Environmental Protection Agency. Nearly a quarter of the residents in the project area live in poverty (24 percent), twice that of the County (12.7 percent). Unemployment rates in the project area are remarkably high at 25.72 percent compared to the County at 11.8 percent.

Through this grant funding, programs will:

- focus on investments in low-income communities and households;
- utilize leverage funds to effectively catalyze and support innovative community and climate transformation in disadvantaged communities; and
- identify additional public and private sources of funding to sustain and expand the program.

Environmental Considerations: California Environmental Quality Act (CEQA): The application for and administration of grant funds are not considered a project under 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.

The Sacramento City Council adopted a resolution certifying the Environmental Impact Report (EIR) and adopting the Mitigation Monitoring Program (MMP) for the River District Specific Plan Project on February 15, 2011. No further review under CEQA is required for activities in furtherance of the River District Specific Plan Project.

The City of Sacramento prepared a combined Initial Study/Environmental Assessment (IS/EA) for the Twin Rivers Transit-Oriented Development Project. Along with site entitlements, the Planning and Design Commission for the City of Sacramento adopted a resolution approving the project, certifying the Mitigated Negative Declaration (MND), and adopting the MMP for the project on July 27, 2017. No further review under CEQA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development Project.

For any projects identified for TCC Program grant funding that fall outside of the scope of the River District Specific Plan Project EIR or Twin Rivers Transit-Oriented Development Project IS/MND, CEQA review will be required prior to funding commitment or any other choice-limiting action.

National Environmental Policy Act (NEPA): The application for and administration of grant funds and related actions is considered an administrative activity and is exempt pursuant to NEPA at 24 CFR 58.34(a)(3).

At the time of approval of the River District Specific Plan project, there were no federal funding sources allocated to the project and no federal action was taken, therefore, NEPA review was not required. The TCC Program grant is a State grant and any grant funds allocated to the project will not require NEPA review for activities in furtherance of this project. If federal funds are later identified that will be allocated to the activities in furtherance of the River District Specific Plan Project, NEPA review will be conducted prior to commitment of funds or any other choice limiting action.

The City of Sacramento prepared a combined Initial Study/Environmental Assessment (IS/EA) for the Twin Rivers Transit-Oriented Development Project. The City issued a notice of Finding of No Significant Impact (FONSI) pursuant to NEPA on June 12, 2017. No further review under NEPA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development Project.

If any federal funding sources or federal actions are required to match TCC 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.

Sustainability Considerations: The California Global Warming Solutions Act of 2006 established a Scoping Plan through the California Air Resource Board and establishes the framework for actions implementing GHG reduction. The project will receive ongoing technical assistance prior to submitting the grant application and throughout the duration of the program implementation to assist with the methodology and quantification of GHG emissions. Through the initial technical assistance, the project will identify a level of GHG reduction for goal setting purposes. Additionally, indicators will be used to measure various aspects of climate investment project types and community participation that impacts social determinants.

The funding provides an opportunity to transform the project area through climate investments that reduce GHG emissions, protect natural resources and increase public awareness of the benefits and values of environmental conservation through environmental stewardship among residents.

The Project has been reviewed for consistency with the goals, policies, and targets of the 2035 General Plan. The Project will advance the following goals, policies, and targets that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions, in part, from 2035 General Plan (Appendix B: Climate Action Plan):

Land Use

- 2.6.1 promotion of compact development to reduce pollution and automobile dependence and facilitate walking, bicycling, and transit use
- 2.6.9 - Expanding existing partnerships with educational institutions, neighborhood groups, and community organizations to maintain the City's status as an environmental leader

- 2.8.4 - Fair and equitable access for all citizens for employment, housing, education, recreation, transportation, healthcare, and participation in public planning
- 4.2.2 - Enhanced urban forests
- 4.5.3 - New development that is designed for green neighborhood standards
- 7.1.2 – Integration of energy efficient housing in employment centers and reduce vehicle trips

Economic Development

- 1.1.7 – Advancement of sustainable business programs

Mobility Element

- 3.1.12 – Alignment for transit route extensions, new station locations, patron waiting amenities
- 4.2.2 – Pedestrian and bicycle friendly streets
- 4.3.1 – Maintain parking availability within residential neighborhoods
- 4.3.2 – Increase traffic calming measures to reduce vehicle speeds and volume while encouraging walking and bicycling
- 5.1.1 – Consistency with the Bicycle Master Plan
- 5.1.13 – Public Information and Education for bicycle safety and health benefits

Utilities Element

- 1.1.9 – Joint-use water, drainage, and other utility facilities in conjunction with a new park
- 4.1.5 – Green storm water design and infrastructure for new development

Solid Waste Diversion

- 5.1.25 – Educational Programs to encourage residents and businesses to recycle
- 6.1.9 - Recruit business development to promote energy efficiency, conservation and advanced renewable technologies
- 6.1.17 – Sustainable Development and Resource Conservation Education

Public Health and Safety

- 4.1.7 – Address social equity issues related to climate change effects on low-income communities
- 5.1.8 – Public emergency preparedness education programs for climate change effects
- 5.1.9 – Encourage healthier living environments including walkable neighborhoods, access to recreation and open space, healthy foods, medical services, and public transit.

Environmental Resources Element

2.1.16 – Public Education unique value of natural resources

3.1.2 – Manage and care for the planting of new trees

3.1.8 – Public education of the benefits and importance of tree canopies and educate residents on tree care

6.1.7 – Greenhouse Gas Reduction in new development

6.1.8 – Climate change assessment and monitoring

6.1.14 – Air quality education

Commission Action: At its meeting of November 15, 2017, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

Rationale for Recommendation: The CalEnviroScreen 3.0. CalEnviroScreen is a screening tool developed by the Office of Environmental Health Hazard Assessment to help identify communities with high levels of social vulnerability that are disproportionately burdened by multiple sources of pollution. Residents in the project area experience higher rates of negative health impacts attributed to pollution, environmental hazards and climate change effects including:

- *Long-term exposure to air pollution can contribute to the development and exacerbation of Chronic Obstructive Pulmonary Disease (COPD).* Residents in the 95811 zip code are exposed to air pollution and reported higher rates of Emergency Department (ED) room visits due to COPD compared to the County. The highest rate of ED visits due to COPD was found in 95814 at 847.82, more than three times the state rate.
- *Diabetes: Patients diagnosed with diabetes have an enhanced susceptibility to COPD which is further exacerbated by poor air quality.* ZIP code 95814 had the highest rate for both ED visits and hospitalizations due to diabetes. Residents in the 95811 zip code area reported higher hospitalization rates for diabetes compared to the County.
- **Low Birth Weight:** Both zip codes reported high rates of low birth weight births as compared to the county. The project area has a disproportionate amount of infants born with low birth weight, which disproportionately affects African-Americans. The Sacramento County Blue Ribbon Commission Report on Disproportionate African American Child Deaths states African American children comprised 25 percent of all the perinatal condition deaths. Deaths resulting from perinatal conditions include prematurity, low birth weight, placental abruption and congenital infections. Perinatal conditions are often related to maternal health

during pregnancy and preconception. Social determinants, economic and environmental factors including low-income, low educational levels, stress, and domestic violence increase the risk of low birth weight.


- **Injuries:** North 12th Street and Richards Boulevard, in the project area, are designated as part of the High Injury Network meaning that there are higher incidences of traffic related injuries and fatalities in the RDTP area.
- **Energy Burden:** Sacramento had the second highest energy burden in the state based on median household income as compared to other metropolitan cities in California.
- **Air Pollution:** The American Lung Association identifies Sacramento as one of the top 10 cities with the worst air pollution. Portions of the 95811 zip code had census tracts with scores in the second highest quintiles for air pollution. The effect of exposure to pollution may contribute to the high rates of respiratory illness experienced by residents in the RDTP area.
- **Homeless Population:** This population is significant in the project area and racial and health disparities are exemplified by the disproportionate number of African-American deaths which accounted for 50 percent of homeless accidental deaths. People of color accounted for 80 percent of homeless homicides.

Financial Considerations: If awarded, approximately \$35 million dollars of funding will be available for California Climate Investment fundable projects, community engagement, and workforce development initiatives. SHRA will administer funding through invoice-reimbursement with the state for distribution to co-applicants and community partners. The application requires a commitment of at least 50 percent matching funds, which will come from sources including Community Development Block Grant, Choice Neighborhoods Implementation funds, state active transportation funding, and in-kind contributions from partner agencies. To date, more than \$42 million of leverage funding has been identified as leverage.

SHRA, plans to leverage \$32,370,000 from Choice Neighborhoods Initiative Implementation and Community Development Block Grant funds. Furthermore, City staff identified \$3,926,149 matching funds available from Community Development Block Grant, California Active Transportation Program and local city funds. In addition to potential fiscal impacts to the City include staff time for oversight for active transportation projects, participation in stakeholder meetings and community engagement activities. Fiscal impacts to SHRA will include staff time for administering the grant, oversight of stakeholder meetings and community engagement, which should be reimbursed through the grant.

LBE - M/WBE and Section 3 requirements: Not applicable to this report.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

- 1-Resolution
- 2-Project Area Map
- 3-Memorandum of Understanding

2017 Transformative Climate Communities Program Map

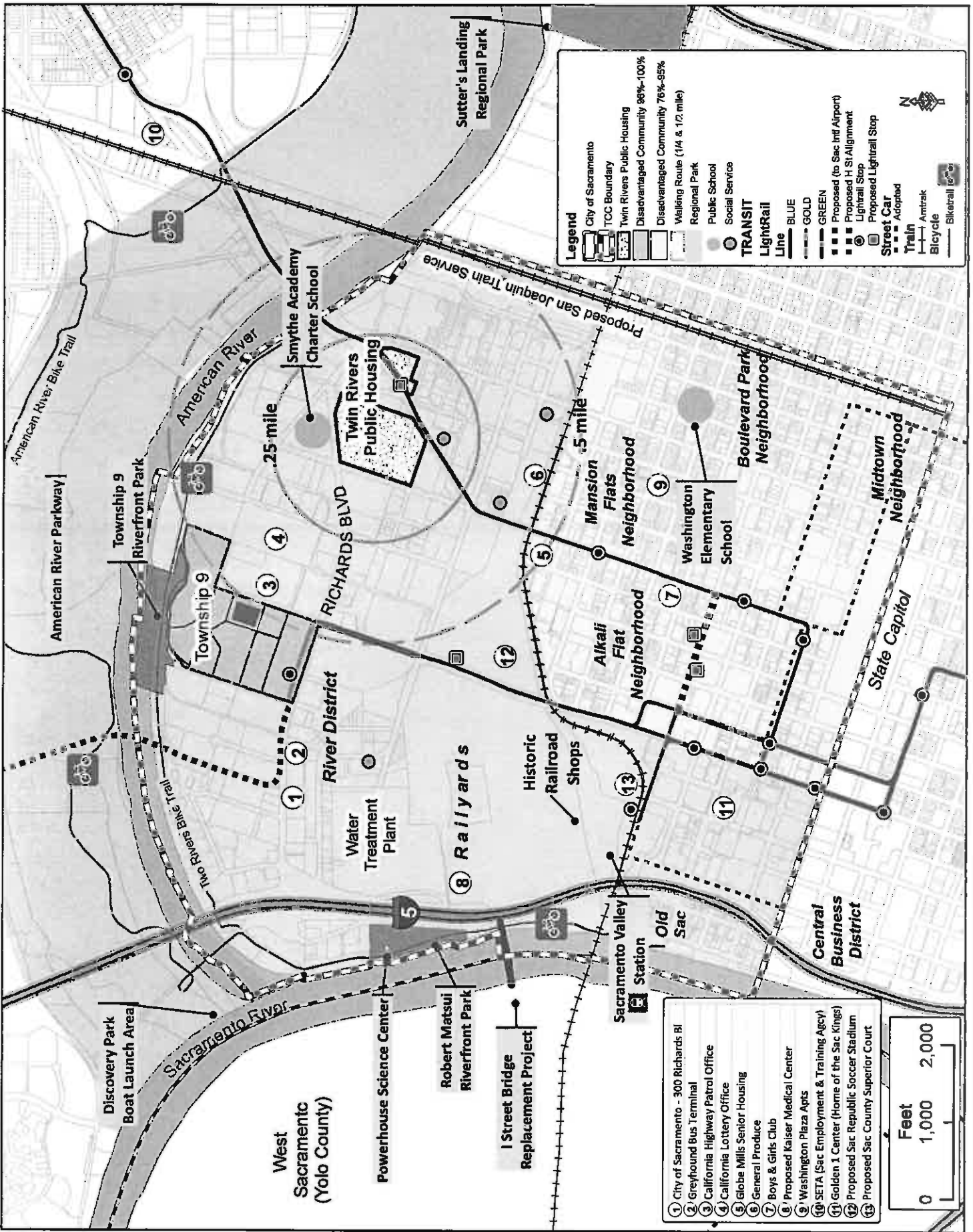


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RIVER DISTRICT TRANSFORMATION PROJECT
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is hereby entered into for the purpose of implementing the River District Transformation Project for comprehensive climate mitigation readiness and revitalization efforts in the City and County of Sacramento to address climate hazards that have dire consequences on the health and well-being of vulnerable, disadvantaged residents.

The River District Transformation Project (“RDTP”) collaborating agencies, non-profits, and community members share the **common vision** that *the River District will be the healthiest and most equitable, transit-oriented, sustainably designed, constructed, and environmentally adaptable neighborhood in Sacramento*. Through a shared commitment to principles of equitable development and planning (See Exhibit A), the River District Transformation Project will utilize goals and strategies that includes wide community input and decision-making for creating solutions (See Exhibit A) to reduce Green House Gas (GHG) emissions, improve the physical and mental health and well-being, and economic opportunities to significantly improve the quality of life for this community. Through this local neighborhood transformation, all families will have equitable access to the resources they need to thrive; so, all residents can be successful, empowered, and healthy for generations to come.

The RDTP is an opportunity to align and leverage the momentum of existing organizations and community coalitions who are well-positioned to further the transformative impact within the River District. Through implementation of the RDTP, the Sacramento Housing and Redevelopment Agency (“SHRA”), on behalf of the Housing Authority of the City of Sacramento (“HACS”), and its Co-Applicant or Implementation Partner Organizations (“Co-Applicants”) will collaborate to break down silos; align priorities across agencies, departments and organizations; and implement equitable solutions to reducing Green House Gas Emissions to

create healthier and more sustainable communities.

The critical components of the River District Transformation Project are:

- RDTP will build upon the neighborhood’s abundant assets and strengths, including its rich cultural diversity and sense of community.
- RDTP will transform the lives of residents by significantly improving access to low-carbon transit to increase greater inclusion and participation to opportunities in Sacramento.
- RDTP will deepen community revitalization efforts through affordable housing and sustainable community programs so all residents can continue to afford to live in their neighborhood.
- RDTP will ensure opportunities for active transportation that are safe to promote physical activity and better connect residents to resources and opportunities.
- RDTP will support family stabilization through job readiness supports and services.
- RDTP will increase residents’ access to high-quality job opportunities.
- RDTP will employ a comprehensive and thoroughly integrated set of goals and strategies to improve children’s healthy development and success.
- The RDTP projects will be subjected to California Air Resource Board’s quantification, methodology and reporting measures that will inform future programming and practices.
- RDTP will democratize its planning, development and implementation information, which will be transparent to providers, the community, and other stakeholders.
- River District residents, youth, parents, and community members will play an integral leadership role in the success of RDTP, which relies on their active involvement and engagement.

PURPOSE OF MOU

The purpose of this MOU is to set forth the Implementing Partner's understanding of its roles and responsibilities in implementing the RDTP. This MOU recognizes that the RDTP provides funding from the State of California's Strategic Growth Council to SHRA, as the Lead Organization, to distribute to its Implementing Partners. The Implementing Partner affirms that the RDTP goals align with their mission. The RDTP Partners consist of: SHRA on behalf of HACS, and Implementing Partners which will consist of other public-sector partners, non-profit sector partners, and healthcare institutions.

The Implementing Partner signing below agrees to support the RDTP goals and vision by fully participating in implementation of projects and services and in the management of all projects or services as needed to promote the collective RDTP goal and vision. The Implementing Partner signing this MOU agrees to share information and data gathered in relation to the RDTP in accordance with pertinent public data sharing requirements. The partner signing this MOU agrees to attend or delegate to another representative to attend and participate in meetings of the Technical Working Group, Project Leadership meetings, Community Engagement meetings, and/or other councils or committees as illustrated in the River District Transformation Project Partnership Structure diagram (Exhibit A), which may be revised periodically as needed to further the goal and vision of the RDTP.

COLLABORATIVE STAKEHOLDER STRUCTURE

The Collaborative Stakeholder Structure (See Exhibit A) provides information on the following:

- Principles of Equitable Development and Planning
- Governance Structure
- Governance and Accountability Overview
- Decision-making Process
- Plan for Accountability

- Engagement of Project Area Residents
- Engagement Principles
- Engagement Process Model
- Current Identification of Stakeholder Groups
- Declaration of Support

Lead Applicant

SHRA, the lead applicant and lead agency for the Sacramento Promise Zone funding, is a Joint Power Authority (JPA) with two governing boards comprised of the Sacramento City Council and Sacramento County Board of Supervisors. The governing boards of SHRA have legal, fiscal, and fiduciary responsibilities for managing federal, state and local funds in accordance with federal and state regulations, policies, and guidelines.

Co-Applicants

Co-Applicants are committed to improving the lives of Sacramento’s most vulnerable residents and are identified as either “Project Lead” or “Partner”.

City of Sacramento – Project Lead

County of Sacramento – Partner

McCormack, Baron & Salazar – Project Lead

Sacramento Regional Transit – Project Lead

Sacramento Municipal Utility District (SMUD) – Project Lead

Sierra Health Foundation: Center for Health Program Management (The Center) – Partner and Equitable Community Partner Oversight

ROLES AND RESPONSIBILITIES OF LEAD APPLICANT AND CO-APPLICANTS

Role and Responsibilities of Lead Organization

SHRA, on behalf of HACS, is the Lead Organization for the River District Transformation Project. As Lead Organization, SHRA will administer and manage the overall plan. In accordance with the requirements set forth in the River District Transformation Project agreement, SHRA will be responsible for the following functions:

1. The local administrative duties include, but are not limited to, organizing and coordinating activities pursuant to the plan proposed in the application;
2. Administering any funding or other benefits for the River District Transformation Project;
3. Submitting quarterly and annual tracking and reporting progress to the Strategic Growth Council (SGC) on California Air Resources Board (CARB) reporting requirements and leverage funds expended;
4. Participating in Steering Committee meetings and other identified meetings for program management and implementation;
5. Participating in evaluation activities as requested by the SGC.
6. Delegating activities to an Implementing Partner that SHRA, as Lead Organization, may be unable to directly perform;

SHRA will be the grantee and fiscal agent for the RDTP and will be accountable for the initiative's results and responsible for managing the grant budget and required reporting to the SGC. SHRA will continue to deliver housing assistance and community revitalization programming for children and families in the River District. It will help the RDTP partners to align and coordinate solutions, data collection, and shared measurement of services and outcomes; and coordinate funding efforts with partners to support and sustain our collective efforts.

Role and Responsibilities of Co-Applicants

Each of the signatories to this MOU hereby agrees to work collaboratively with SHRA during the three-year Transformative Climate Community grant implementation period that will begin on the effective date of this agreement.

The Co-Applicant, by its signature below, agrees to fulfill the specific responsibilities necessary to perform the daily operations of the River District Project. As a Co-Applicant, the organization below commits to the following:

1. To participate in community engagement activities as outlined in the RDTP Public Involvement Plan and meetings of the Technical Working Group, Project Leads, Steering Committee, Community Engagement team, and/or other councils as assigned;
2. To participate in their respective policy-area committees, as established based upon their core competencies;
3. To provide local data and evaluation efforts to ensure that the impact of the River District Transformation Project initiative is being tracked and documented quarterly and annually;
4. To provide quarterly reports on leveraged(?) funds expended;
5. To share relevant, evidence-based, and place-based data that promotes the goals and objectives of the RDTP;
6. To work for coordination, research, advocacy, resource development, data collection, and resident engagement in the proposed activities and solutions;
7. Participating in Steering Committee meetings and other identified meetings for program management and implementation;
8. To commit staff and leadership time as needed for implementation of the RDTP.

Regular Steering Committee Meetings

Regular meetings will be held at a time and place determined the RDTP Steering Committee. An agenda will be available online at the RDTP website along with schedules of RDTP stakeholder

meetings and event information. Steering Committee Meetings should include information for planning and implementation that includes information from collaborative stakeholders (See Exhibit A).

ADHERE TO FEDERAL AND STATE REGULATIONS

Each party to this MOU agrees that it will be subject to and adhere to all applicable, federal and state laws and regulations related to its role as an Implementing Partner in fulfilling River District Transformation Project funding requirements.

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in Sacramento County, California.

TERM OF MOU

The term of this MOU will be the “*effective date of the agreement*” with the Strategic Growth Council and continue until the later of the termination of the River District Transformation Project. The end of the grant term will be determined by the State based on the availability of grant funds and the administrative requirements for liquidation. The contract term is three years from the date of proposal selection, unless extended in writing by the parties.

Amendment and Waiver

Amendments, changes, or modifications in the terms of this Agreement may be made at any time by mutual written agreement among the parties hereto and shall be signed by the persons authorized to bind the parties. Waiver by any party of any default, breach, or condition of the

Agreement shall not be construed as a waiver of any other default, breach, or condition, or any other right hereunder.

Termination

- A. Any Party with or without cause, upon thirty (30) calendar days' written notice (delivered by certified mail, return receipt requested) may withdraw from the agreement or may limit scope of their involvement.

- B. In the event of the agreement is terminated, the Lead Agency and co-applicants shall be compensated for work performed through the date of termination, subject to the terms set forth herein.

- C. Upon termination, each Party shall be entitled to all work, including but not limited to, reports, investigations, appraisals, inventories, studies, analyses, drawings and data estimates performed to that date, whether completed or not.

Mutual Indemnification

- A. Co-Applicants shall defend, indemnify, and hold harmless SHRA, as the Lead Agency, and its commissioners, constituent entities, officers, directors, agents, employees and volunteers from and against all demands, claims, actions, liabilities, losses, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the negligent or intentional

acts or omissions of Co-Applicant's respective councils, officers, directors, agents, employees, or volunteers.

B. SHRA shall defend, indemnify, and hold harmless Co-Applicants, their respective councils, officers, directors, agents, employees and volunteers from and against all demands, claims, actions, liabilities, losses, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the negligent or intentional acts or omissions of SHRA's Commissioners, , officers, directors, agents, employees, or volunteers, except such loss or damage that was caused by the sole negligence or willful misconduct of a Co-Applicant.

C. It is the intention of each party that the provisions of this paragraph be interpreted to impose on each Party responsibility to the other parties for the negligent or intentional acts and omissions of their respective officers, directors, agents, employees, volunteers, boards, commissions, or councils. If more than one Party of this agreement is determined to be at fault, principles of comparative fault will be followed and each Party shall bear the proportionate cost of any damage attributable to the fault of that Party, its officers, directors, agents, employees, volunteers, board or council, and consultant, except such loss or damage that was caused by the sole negligence or willful misconduct of SHRA.

Self Insurance

Each Party, at its sole cost and expense, shall carry insurance, or self-insure, that covers its activities in connection with this Agreement, and obtain, keep in force, and maintain insurance or equivalent programs of self-insurance, for general liability, workers compensation, and business automobile liability adequate to cover its potential liabilities hereunder. Each party agrees to

provide the other parties with thirty (30) calendar days' advance written notice of any cancellation, termination, or lapse of any of the insurance or self-insurance coverage.

Successors

This Agreement shall bind the successors and assigns of each party in the same manner as if they were expressly named.

Time

Time is of the essence in this Agreement.

Interpretation

This Agreement shall be deemed to have been prepared equally by all parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that another party prepared it.

Disputes

In the event of any dispute arising out of or relating to the Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute. If the dispute cannot be resolved by mutual agreement, nothing herein shall preclude any party's rights to pursue remedy or relief by civil litigation, pursuant to the laws of the State of California.

Prior Agreements

This Agreement constitutes the entire agreement between the parties regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between the parties regarding the subject matter of this Agreement are hereby terminated effective immediately upon full

execution of this Agreement.

Duplicate Counterparts

This Agreement may be executed in duplicate counterparts that shall each be deemed originals and, when taken together, shall constitute the Agreement. The Agreement shall be deemed executed when it has been signed by all parties.

**ENDORISING SIGNATURES OF
IMPLEMENTATION PARTNERS AND LEAD ORGANIZATION**

Co-Applicant:

Print Name: _____ Title: _____

Signature: _____ Date: _____

Organization: _____

Lead Organization:

Print Name: _____ Title: _____

Signature: _____ Date: _____

Financial Commitments

Agency/Role	Requested Funding	Leverage Amount	Leverage Source	Responsibilities
SHRA Lead	\$1,335,117	\$32,370,000	Community Development Block Grant - \$2.3 million of funds currently committed to Twin Rivers; Choice Neighborhoods Initiative Implementation funds - \$30 million awarded to Twin Rivers	<p>Grant Administration</p> <ul style="list-style-type: none"> The Lead Agency, Sacramento Housing and Redevelopment Agency will manage all of the grant administrative tasks and activities namely: coordinating and managing the project partners, reporting to Strategic Growth Council, managing all of the fiscal responsibilities, and overseeing the successful implementation of the project. Oversight of data management
City Project Lead/Co-Applicant	\$1,810,000	\$3,926,149	North 12th Street Complete Streets Project funding using federal Community Development Building Grant, California's Active Transportation Program, and local City of Sacramento	<ul style="list-style-type: none"> PROJECT LEAD - Project 6 Expand bikeways, expand sidewalks, add lighting, and add walkways in the project area.
County Project Lead/Co-Applicant	N/A	\$5,000	Sacramento County Department of Health and Human Services	<ul style="list-style-type: none"> Contribution - Installation of community garden to support nutrition and health goals
McCormack, Baron, and	\$10,592,000	N/A	N/A	<ul style="list-style-type: none"> PROJECT LEAD - Project 1 Creation of 173 new multi-family housing units in the project

<p>Salazar Project Lead/Co- Applicant</p>			<p>area. The development includes market rate and below market rate housing.</p> <ul style="list-style-type: none"> • PROJECT LEAD Project 2 New housing units infrastructure walkability and land use diversity to promote healthy and active living. • PROJECT LEAD Project 4 Transit Voucher project. 173 annual passes for Sacramento Regional Transit will be distributed to residents in the new housing development promoting mobility and connectivity among RDTP residents. • PROJECT LEAD Project 5 Adding bus shelters, benches, and walkways to nearby transit stations to ensure more comfortable and safe experiences for residents accessing public transportation. • PROJECT LEAD Project 7 New bike parking in the target area. The bike racks will increase mobility for residents in the project area and physical fitness and active living. • PROJECT LEAD Project 11 Electric car share program. The RDTP will purchase hybrid, plug-in hybrid, battery/electric, and fuel cell vehicles along with the necessary charging equipment and implement the car sharing program for RDTP residents. • PROJECT LEAD Project 12 Rivers Park design and development including landscaping, benches, play structures, and open space. • PROJECT LEAD Project 13 Urban greening activities to manage stormwater such as green streets, alleyways, permeable surfaces,
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				<ul style="list-style-type: none"> vegetative curb areas, and sidewalk trees. PROJECT LEAD Project 14 Creation of a tree canopy in the target area with a minimum of a 1:1 tree replacement in the project area. PROJECT LEAD Project 15 Create a new dual city park/community space and storm water retention basin. PROJECT LEAD Project 17 Installation of community gardens in the RDTP area.
Regional Transit Project Lead/Co-Applicant	\$14,363,000	\$5,350,000	Congestion Mitigation and Air Quality Program - \$1.3 million currently committed for station design and public outreach; potentially \$4 million in next round; \$50,000 bus benches and shelters	<ul style="list-style-type: none"> PROJECT LEAD Project 8 Development of a new light rail station in the project area. The new Dos Rios station will connect the inbound and outbound tracks of North 12th Street and allow trains to use the eastern track for travel in both directions between Richards Boulevard and Alkali Flat station.
SMUD Project Lead/Co-Applicant	N/A	\$1,021,250.00	SMUD Residential All-Electric Home Program - \$85,000 for 170 Phase 1 apartments (\$500 per unit), with additional marketing and design support of up to \$40,000; \$100,00 EV program; \$10,000 Financing Assistance; \$750,000 Low-Income weatherization; \$25,000 LED lights (park); \$11,250 shade tree program (250 trees) *Grant will match an additional 250 trees	<ul style="list-style-type: none"> PROJECT LEAD Project 3 creates more energy efficient homes in the project area through a series of bundle packages for RDTP residents. PROJECT LEAD Project 9 new rebate program for new and used electric vehicle purchases. Buyers will receive rebates of up to \$1,000 for new or used electric vehicles. PROJECT LEAD Project 10 rebate program for installation of EV charging stations. EV charging stations will be installed at a local park and/or housing development. RESPONSIBLE Project 11 Electric car share program installation of 2 charging equipment stations. PROJECT LEAD Project 16 (in coordination of

<p>community partners) planting of up to 500 high carbon reduction trees in the project area to reduce carbon emissions and offer reprieve from the heat.</p> <ul style="list-style-type: none"> PROJECT LEAD Project 18 (in coordination with community partners) creation of 12 new jobs, specifically those created by the tree planting initiative. 				
<p>Grant Administration</p> <ul style="list-style-type: none"> Develop the appropriate Requests for Proposals, conduct the appropriate and necessary outreach, manage an inclusive review and selection process, distribute the funds through contracts, and ensure appropriate and timely programmatic and financial reporting of all community partners 	N/A	N/A	\$774,883.00	Sierra Health Foundation (The Center) Co-Applicant

EXHIBIT A: COLLABORATIVE STAKEHOLDER STRUCTURE

Purpose of the Collaborative Stakeholder Framework

Engaged Stakeholders is a key strategic objective for RDTP. This objective is achieved by using an accountable and transparent process for engaging stakeholders. The RDTP Stakeholder Engagement Framework (the Framework) represents RDTP's commitment to accountable and transparent stakeholder engagement.

The Framework is based on an adaption of the International Association for Public Participation (IAP2) spectrum. The IAP2 spectrum is an internationally recognized framework, designed to help organizations select the appropriate level of participation required to achieve the objectives of different stakeholder activities.

The Framework sets out the principles guiding the RDTP's stakeholder engagement approaches, and recognizes different levels of engagement are required for different purposes. The Framework commits RDTP's engagement activities to be purposeful, relevant, open and honest, inclusive and responsive.

Collaborative Stakeholder Framework

The Framework has been developed to provide direction in stakeholder engagement and communication. It ensures stakeholder engagement activities are integrated and undertaken in a coordinated manner to improve the effectiveness of RDTP's engagement efforts.

Definitions

Stakeholder Any individual, group or organization who has a vested interest in the outcome of RDTP's planning and development activities.

Internal stakeholders People who are committed to working at/with RDTP and include staff, planning teams, project leads, co-applicants, technical work groups and committees.

Key stakeholders Any individuals, groups or organizations who are significantly affected by and/or have considerable influence on RDTP's planning and development activities.

Engagement activities

The Framework relates to the full spectrum of stakeholder engagement activities, which is further outlined in RDTP's Public Involvement Plan that includes:

- Digital communications – email correspondence, RDTP website, e-newsletter, social media.
- Education resources - guides, webinars, factsheets, website content.
- Public presentations - educational events and workshop presentations.
- Relationship management - meetings with stakeholders.
- Consultation processes – professional reference groups, policy consultation and review process.

RIVER DISTRICT TRANSFORMATION PROJECT

PRINCIPLES OF EQUITABLE DEVELOPMENT AND PLANNING

Social Equity means all people can attain the resources and opportunities that improve their quality of life and enable them to reach their full potential. Addressing the history of inequities in the systems we work in and their on-going impacts in our communities is a shared responsibility. Social equity also means that those affected by poverty, communities of color, and historically marginalized communities have leadership and influence in decision making processes, planning, and policy-making. Together we can leverage our collective resources to create communities of opportunity.

Principles of Equitable Development and Planning

- Advance economic opportunity. Promote local economic development and entrepreneur opportunities, enhance community-serving establishments, and increase quality living wage jobs for people in all neighborhoods.
- Prevent displacement. Develop policies and programs that allow anyone who wants to live in the community to do so, especially current residents, and discourage displacement of viable small businesses that serve community needs.
- Preserve and expand affordable housing options. Create healthy, safe and affordable housing for all family sizes and incomes in all neighborhoods.
- Understand and respond to local context. Respect local community character, cultural diversity, and values. Preserve and strengthen intact neighborhoods, building upon their local assets and resources.
- Promote broader mobility and connectivity. Prioritize an effective and affordable public transportation network that supports transit-dependent communities and provides equitable access to core services and amenities, including employment, education, and health and social services.
- Practice meaningful community engagement. Require local community participation and leadership in decision-making to reflect a diversity of voices, including targeted strategies to engage historically marginalized communities. Build cultural competence and responsiveness among all stakeholders, and structure planning processes to be clear, accessible and engaging.
- Develop healthy and safe communities. Create built environments that enhance community health through public amenities (schools, parks, open spaces, complete streets, health care and other services), access to affordable healthy food, improved air quality, and safe and inviting environments.
- Promote environmental justice. Eliminate disproportionate environmental burdens and ensure an equitable share of environmental benefits for existing communities. Secure resources to mitigate and reverse the effects of environmental hazards past and present.
- Achieve full accessibility. Ensure any development that results from investments in the built environment is accessible and welcoming to people regardless of age, physical condition, or language.

Adapted from Puget Sound Regional Equity Network: Principles of Equitable Development

GOVERNANCE STRUCTURE

Steering Committee

The RDTP Steering Committee is a committee established by the SHRA staff and the RDTP concept planning partners, which include representatives from the lead applicant, the city government and county government, Sacramento Regional Transit, community-based organizations, and the River District community. The Steering Committee members will include committee representation with one-quarter representing the River District community.

SHRA is responsible for ensuring that the implementation of this initiative is carried out as planned and according to the established timeline by: overseeing the project evaluation, communicating performance data in ways that make them accessible to and usable by providers, neighborhood residents and other stakeholders, reviewing data, and facilitating difficult conversations around results, solutions, partnerships and their modification and improvement; and making strategic decisions. Under the guidance of the Steering Committee, RDTP implementation partners will collaborate in: engaging leadership staff; convening meetings among the partners; facilitating shared decision making among the partners; providing expertise on service delivery, and program implementation; and ensuring that River District residents and have an ongoing role in shaping implementation.

1. Sacramento Housing and Redevelopment Agency (SHRA) will serve on the Steering Committee and will provide guidance on the coordination of and alignment of the River District with initiatives with the Sacramento Promise Zone. The Steering Committee will be responsible for replacing Implementing Partners and other partner organizations in the event that such partners are not able to fulfill their responsibilities.
2. Sierra Health Foundation: Center for Health Program Management (The Center) will act as the non-profit organization partner to ensure a mechanism for equitable financial support for the community partners. The Center will hold and distribute the TCC community partner funds (approximately \$6.5 million) using an inclusive, transparent and equitable process throughout the three years. Working closely with the Steering Committee, Project Lead Organization, Co-Applicant Organizations and community advisory board, The Center will develop the appropriate Requests for Proposals, conduct the appropriate and necessary outreach, manage an inclusive review and selection process, distribute the funds through contracts, and ensure appropriate and timely programmatic and financial reporting of all partners. The Center would provide oversight of the community organization partners' deliverables and reporting responsibilities. The Center is committed to fair and equitable practices that emphasize community engagement at multiple levels throughout the process. The Center's expertise is based on a history and experience providing these services to promote health equity in Sacramento and throughout California.

Management Team

Ultimately accountable to SGC for adhering to the TTC project schedule and for ensuring fiscal and programmatic compliance on all CCI and non-CCI activities

Project Team Leaders

Project Team Leaders are responsible for the coordination of project type delivery within their project area. Responsibilities of Project Leaders include providing information on project timelines, initiation, progress, and completion status. Project Leaders will work in coordination with the Grant Program Manager to ensure that all indicator data is reported in a timely manner and meets all reporting requirements.

Grant Program Manager

The Grant Program Manager, who will be appointed by SHRA, will be the liaison for technical and administrative support for the Steering Committee, Project Leaders, Technical Working Group Members, Community Engagement Team, and will provide a Third-Party evaluator as required by SGC with assistance as needed. The Grant Program Manager will ensure that all data has been reported in a timely manner and meets all reporting requirements.

Implementation Working Team

A collaborative forum for policy and resource development throughout program implementation.

Technical Working Groups

Technical Working Group members will be comprised of implementation partners, subject matter experts and a resident representative. Three working groups, including Health, Green House Gas Reduction, and Economic Opportunities, will convene separately to discuss, identify and monitor goals and strategies of the project objectives. These working bodies will provide recommendations to the Steering Committee.

Community Engagement Team

The Community Engagement team will ensure community participation is active at all levels of the program including the concept, development and implementation phases. This group will use the River District Transformation Project's Public Involvement Plan process, which provides specific methods to reach out and involve the public in RDTP actions. By using this tool for decision-making, the RDTP planning group can make decisions that balance economic vitality, equity among citizens, and environmental stewardship. By honestly and earnestly seeking to incorporate public aspirations, advice, concerns, and considerations, the RDTP planning group creates a great opportunity to move forward in the best interest of all community members.

Community Advisory Board

A Community Advisory Board, comprised of Twin River Resident Advisory Board (RAB) public housing resident leaders, parents, teachers, students, business and property owners, service providers, and other River District stakeholders, will advise the RDTP Steering Committee and partners on evolving neighborhood needs and priorities, as well as the appropriateness and effectiveness of solutions and programming, review program data and evaluation findings, and advise on partnerships, service coordination, and resource allocations. The Community Advisory Board will develop recommendations to the RDTP Steering Committee based on identified neighborhood needs and priorities and, findings from the program data and evaluation findings. Advisory Board members will serve as RDTP Ambassadors to the neighborhood and share RDTP programmatic information and updates with community members through community meetings and other outreach activities.

Service Coordination Network

The responsibility of the program delivery and collaboration on the ground during the course of the day to to-day implementation will be overseen by the Implementation Partners' Program Managers, Program Directors of non-California Climate Investment service providers and leverage partners.

Regular Steering Committee Meetings

Regular meetings will be held at a time and place determined the RDTP Steering Committee. An agenda will be available online at the RDTP website along with schedules of RDTP stakeholder meetings and event information. Steering Committee Meetings should include information for planning and implementation that includes information from collaborative stakeholders (See Exhibit B RDTP Collaborative Stakeholder Engagement Structure).

GOVERNANCE AND ACCOUNTABILITY OVERVIEW

Meeting frequency may change to better accommodate the staffing and resources of partners.



DECISION-MAKING PROCESS

No action of the Steering Committee shall be valid unless approved by a quorum of those members attending the meeting. There shall be no proxy. A quorum shall be one-third or more of the current Steering Committee members.

The RDTP aims to ensure responsive, inclusive, active, and representative decision-making at all levels. The RDTP recognizes that opportunities for people to impact their lives and futures, participate in decision-making, and voice their concerns are fundamental for sustainable development. The RDTP reaffirms the continued need for the full and effective participation of all community stakeholders, especially residents, to ensure equitable access and opportunities for participation and leadership in the decision-making process. The RDTP agrees to work closely with major groups and other stakeholders and encourage their active participation, as appropriate, in processes that contribute to decision-making, planning and implementation of policies and programs for development at all levels.

In addition to public participation, data collection and assessment will be included in decision-making processes for smart, evidence-based decisions that take into account multiple factors.

PLAN FOR ACCOUNTABILITY

Performance Standards

Each party shall perform their respective services under this Agreement in accordance with the industry and/or professional standards applicable to the services provided.

Data Reporting and Transparency

SHRA will maintain the RDTP data reporting and is responsible for the coordination and communication between the different sectors and staff of the RDTP – e.g., health, employment, housing, community-based organizations, community outreach, data management, and clerical duties.

SHRA will provide coordination between the RDTP and the Sacramento Promise Zone around system alignment and reporting, shared measurement of services and outcomes, integration of data collection and evaluation and alignment of federal, state and local policies. All quarterly and annual reports will be available online and shared with stakeholders and the public.

As the manager of the Sacramento Promise Zone, SHRA will provide liaison services for federal programs and initiatives.

ENGAGEMENT OF PROJECT AREA RESIDENTS

RDTP will use a robust strategy to build community participation to increase health and economic benefits for residents through climate investments. River District community stakeholders will be engaged throughout the implementation of the TCC Proposal, especially those residents who live in the target area. Stakeholders will be: 1) Informed about the progress of the River District Project progress and will be asked to provide input; 2) engaged in the development of the full TCC proposal; and, 3) actively participate and provide feedback during the implementation of the River District Project. A Public Involvement Plan has been created and will be utilized by all Implementing Partners to ensure that residents are informed about scheduled community meetings, engagement activities relating to various

phases of the program, displacement avoidance information, and transparent progress reports about program implementation.

Engagement Principles

RDTP has a principle based approach to stakeholder engagement activities. These principles articulate how RDTP will work with stakeholders by clarifying the purpose of engagement and guide how engagement occurs. Meeting the objectives of each of the principles will ensure RDTP and stakeholders find value participating in the engagement activity. The five principles are:

Purposeful

Engagement activities will be purposeful and communicated clearly with stakeholders.

RDTP will do this by:

- being aware of stakeholders' objectives, environment, expertise and level of influence.
- conducting focused and meaningful engagement.
- planning communication and managing expectations.

Relevant

A range of engagement techniques can be used to ensure the approach is appropriate and relevant to RDTP business.

RDTP will do this by:

- selecting the most suitable engagement methods.
- streamlining processes to define and lead cost-effective stakeholder engagement activities.
- evaluating each activity to ensure a process of continuous improvement.

Open and Honest

Information shared regarding the engagement process will be open and honest, including results from evaluation activities.

RDTP will do this by:

- timely provision of information to stakeholders to promote meaningful participation and foster a culture of information sharing. identifying and explaining the engagement process, the role of stakeholders and communicate how their participation will inform the project.
- providing access to clear, pertinent information about objectives, goals and strategies that are being proposed or impacted.
- establishing avenues to promote transparency and feedback processes.
- being honest and willing to acknowledge mistakes, misunderstandings and what is not known.

Inclusive

Engagement activities will be inclusive through acknowledging and respecting the expertise, perspective and needs of stakeholders.

RDTP will do this by:

- identifying and inviting stakeholders to participate in proactive engagement activities.
- being open to alternative views and to listen as well as contribute to conversations.
- respecting stakeholders' expertise and appreciating the benefits of mutual learning.
- endeavoring to meet the different communication needs and preferences of stakeholders wherever possible.

Responsive

Stakeholder participation will be acknowledged in a timely and responsive manner.

RDTP will do this by:

- Responding to stakeholders within a reasonable time.
- Proactively acknowledging and addressing stakeholders' needs and concerns.
- Keeping the promises made to stakeholders.

ENGAGEMENT PROCESS MODEL

RDTP's engagement principles are applied in a four-step engagement process model (Table 1). The process model adopted promotes the diversity of RDTP stakeholders and engagement activities. The process model is easily tailored to meet the needs of different engagement activities.

The engagement process model is strengthened by using the Stakeholder Engagement Spectrum, an adaptation of the International Association for Public Participation (IAP2) Spectrum. The spectrum is designed to assist RDTP in selecting the appropriate level of engagement required for different stakeholder groups by identifying the characteristics, stakeholder participation goals, promises to stakeholders and examples of engagement tools for each level of engagement (Table 1).

TABLE 1: RDTP STAKEHOLDER ENGAGEMENT PROCESS MODEL

	Partnership	Collaboration	Consultation	Information & Knowledge Sharing	Community Feedback	Advice
Definition	Shared investment & commitment to achieve shared outcomes with the formality of a signed agreement.	Alignment of work between RDTP and collaborating organizations for mutual benefit.	Two-way time-bound engagement on a specific initiative or issue.	Lead initiative encouraging participation from other organizations	Community members provide the RDTP team with focused feedback.	Independent expert/relevant advice.
Engagement Goals	To bring expertise and resources to the partnership for mutual benefit and to achieve common outcomes & objectives.	To collaborate with stakeholders on initiatives where each party benefits from the collaboration.	To consult stakeholders on changes to products and services	To provide opportunities to share information & actively engage in areas of shared professional interest.	To ensure that products and services continue to evolve to meet customer needs.	To meet with specialists in a range of relevant areas to discuss high level strategy, policy and areas where there is a high level of complexity.
Promise to Stakeholders	Will work with its partners to achieve common outcomes and objectives.	Will look to its collaborators for advice & innovation in formulating initiatives & incorporate advice & recommendations into the initiative to the maximum extent possible.	Will keep stakeholders informed, listen & acknowledge views expressed and provide feedback on how the stakeholder feedback has influenced the outcome.	Keep stakeholders informed about professional issues of mutual interest. RDTP is informed by the Strategic Growth Council, HUD, etc. about professional issues of mutual interest.	RDTP will listen & acknowledge views expressed and provide feedback on how the customer feedback influences service delivery.	Will seek and listen to various views and perspectives.
Methods of Engagement	Memorandum of understanding Face to Face meetings	Technical Work Groups Sector meetings Social media tools Facilitated consensus building forums for deliberation and decision-making. Workshops	Focus Groups Surveys Sector meetings Social media tools	Forums Social media Website Forum on a strategic issue (purposeful & Progress reports	Direct community interaction Factsheets Tours Surveys Workshops	Panel of Experts. May be virtual or face to face meetings. Individuals may be consulted depending on the issue at hand and their expertise.

Adapted from the Australian Nursing & Midwifery Accreditation Council

Currently Identified Stakeholder Groups

Community	Residents Twin Rivers Public Housing Residents Boys and Girls Club
Economic Opportunity	Downtown Sacramento Partnership Sacramento Employment and Training Agency (SETA) Greater Sacramento Urban League River District Association California State University Sacramento: Business Innovation United Way Alkali and Mansion Flats Historic Neighborhood Association Boulevard Park Neighborhood Association Capitol Area Development Authority Midtown Association The River District Capitol Area Organizing Project
Education	Sacramento City Unified School District Washington Elementary School Smythe Academy Charter School The Mustard Seed – School for Homeless Children
Energy	Grid Alternatives SMUD
Environmental Justice	Center for regional Change Environmental Council of Sacramento Environmental Justice Coalition for Water Legal Services of Northern California
Food	Sacramento Food Bank Alchemist CDC Sacramento Food Policy California Food Literacy Center Sacramento's Farm to Fork Ysreal Family Farms
Faith Based	Sacramento ACT St. John's
Government	City of Sacramento (Community Development; Sustainable Development; Mayor's Office; Transportation; Parks and Recreation) County of Sacramento (Health and Human Services; Sustainable Development) Sacramento Area Council of Governments
Health	California Black Health Network Kaiser Permanente William Merritt University Nurse Corps Elica Wellspace Sierra Health Foundation Breathe California Sacramento Region
Housing	Sacramento Housing and Redevelopment Sacramento Housing Alliance Urban Strategies

	<p>Mercy Housing McCormack, Baron and Salazar</p>
Social Services	<p>AARP (Age-Friendly Communities) Loaves and Fishes Salvation Army Roberts Family Development Centers WEAVE Women's Empowerment</p>
Sustainable Development	<p>Capital Region Climate Readiness Collaborative Valley Vision Sacramento Tree Foundation Sacramento Metropolitan Air Quality Management District Sacramento Conservation Corps</p>
Transportation	<p>Design for Active Sacramento Sacramento Regional Transit Sacramento Area Bicycle Advocates WalkSacramento</p>

COLLABORATIVE STAKEHOLDER STRUCTURE

DECLARATION OF SUPPORT

We, the undersigned, declare support to significantly improve the equitable access to health and economic outcomes of all children and families living in the River District community by implementing a River District Transformative Project focused on sustainable development of affordable housing, community programming, low-carbon transit and transportation, and urban greening/forestry strategies.

Our declaration of support includes:

- 1) agreement of the overall design and structure of RDTP;
- 2) breaking down agency silos in order to pool resources and work together on behalf of River District residents and families;
- 3) working together to foster an equitable, environmentally-centered, family-friendly, culturally-inclusive system of community supports;
- 4) authentically engaging residents and families as drivers of change and improvement in the community and within our systems;
- 5) building organizational and collective capacity to achieve the desired results;
- 6) sharing data on demographics, services, and outcomes for River District residents through the grant reporting requirements;
- 7) sharing accountability for outcomes for River District children and families;
- 8) delivering services and contributing resources as outlined in the grant application and letters of agreement including working with a third-party evaluator to provide project data if required; and
- 9) identifying and obtaining resources to help sustain the RDTP initiative in the years beyond the grant period.

Name: _____

Title: _____

Organization: _____

Date: _____

EXHIBIT B: GRANT REPORTING REQUIREMENTS

The Implementing Partners must adhere to the reporting requirements outlined by California Air Resources Board (CARB) in the Funding Guidelines to Agencies that Administer California Climate Investments. These requirements vary by Project Type and are outlined in Appendix D of the grant guidelines. Note: CARB is currently updating the Funding Guidelines and there may be changes to reporting requirements in the future.

Additionally, Implementing Partners must report the expenditure of leveraged funds on a quarterly basis.

Quarterly and Annual Progress Reports:

The Grantee must provide progress reports regarding the implementation of the approved work plan. Progress reports may vary based on Project Type

Quarterly Report Dates: On a quarterly basis, the River District Transformation Project Implementation Partner shall submit this spreadsheet to River District Transformation Project Lead Organization. The Implementation Partner is asked to submit materials for the following time periods by the following dates: Quarter 1 (October 1 to December 31) by January 5, Quarter 2 (January 1 to March 31) by April 5, Quarter 3 (April 1 to June 30) by July 5 and Quarter 4 (July 1 to September 30) by November 6. The quarterly report for the fourth quarter of the fiscal year, due November 6, will be submitted as part of Promise Zone's Annual Report.

EXHIBIT C: DEFINITIONS

“River District Transformation Project Lead Organization” (Lead Organization) – The organization identified in the original River District Transformation Project application or in supplemental materials as the entity responsible for taking the lead in coordinating River District Transformation Project activities at the local level. The River District Transformation Project Lead Organization shall execute the Transformative Climate Community grant agreement and be responsible to the Strategic Growth Council for fulfilling the responsibilities of the River District Transformation Project.

“Co-Applicant Organization” – An organization that commits to fulfilling specific responsibilities to carry out the day-to-day work, strategies and operations of the Promise Zone, as detailed in the community’s River District Transformation Project application and any amendments or documents referenced in this Memoranda of Understanding.

“Implementing Partner Organization” – An organization that commits to fulfilling specific responsibilities to carry out the day-to-day work, strategies and operations of the Promise Zone, as detailed in the community’s River District Transformation Project application and any amendments or documents referenced in this Memoranda of Understanding.

“Local Administrative Duties” – The activities related to coordinating and overseeing River District Transformation Project efforts at the local level. Such activities include convening River District Transformation Project partners on a regular basis, facilitating resident and community engagement, participating in communications and stakeholder engagement activities and completing all River District Transformation Project reporting requirements. The River District Transformation Project Lead Organization shall be responsible for overseeing all such activities.

“Memorandum of Understanding” (MOU) – An agreement which articulates the roles, responsibilities and commitments among the Lead Organization, Co-Applicants, Implementing Partner Organizations, and other local stakeholders.

“River District Transformation Project Application” – The original application materials and application materials for the specific federal program from which the assistance is sought.

“River District Transformation Project Goals” - The overarching goals the local River

EXHIBIT C: DEFINITIONS (continued)

District Transformation Project included in its original application. The initial goals include transformation for the following: health and environmental benefits, Green House Gas Reduction, and Economic Opportunity and Shared Prosperity.

“River District Transformation Project Types” – A specific funding eligible strategy identified by the SGC.

“River District Transformation Project Plan” – The set of coordinated actions set forth in the original River District Transformation Project application. It is expected that the River District Transformation Project Plan will be updated with new details from time to time, via the Annual Reports and other communications.

“River District Transformation Project Collaborative Stakeholder Structure”— A diagram of the River District Transformation Project partnership structure included in the original River District Transformation Project application, as updated over time. The structure chart shows partner roles which will facilitate implementing, coordinating, governing, and reporting on the different goals and activities of the program.

DR A E F

RESOLUTION NO. 2017 -

Adopted by the Sacramento City Council

On date of

APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE TRANSFORMATIVE CLIMATE COMMUNITIES PROGRAM AND EXECUTION OF ALL NECESSARY AGREEMENTS; ENVIRONMENTAL FINDINGS

BACKGROUND

- A. Cities across California and the U.S. are developing efforts addressing climate change that prioritize policies, resources, and tailor regulatory tools to specific areas experiencing high levels of cumulative pollution and negative health impacts to advance environmental justice and community revitalization, and that are each unique and crafted based on community-identified concerns and solutions.
- B. Low-income, disadvantaged communities experience significant economic and health disparities as well as face disproportionate impacts of pollution, urban blight, and the adverse effects of climate change.
- C. The Sacramento Housing and Redevelopment Agency (SHRA) is a nationally recognized, award-winning, joint powers authority helping to revitalize the Sacramento community, provide affordable housing opportunities for low-income residents, and serve as the Housing Authorities for the City and County of Sacramento
- D. On March 3, 2015, the City Council amended the Sacramento Climate Action Plan Policies and Programs, to include cross-cutting strategies such as Green Neighborhoods for smart growth and sustainability, and equitable access for all residents to employment, housing, recreation and housing through inclusion in a participatory public planning process.
- E. Public education to include health and environmental benefits of bicycling, water conservation, community gardens, waste diversion sustainable development, resource conservation, reuse and recycling, climate change, air quality, and preservation of natural resources such as urban forestry and wildlife habitat.
- F. Regional efforts to recruit and develop sustainable, green business initiatives that research, develop, manufacture, utilize, and promote energy efficiency, conservation, and advanced renewable technologies; and
- G. Research for grant funding to pilot initiatives that support smart and sustainable growth to conserve resources and promote health and well-being of all residents,

but especially those that are the most vulnerable.

- H. On August 3, 2017, the City Council adopted Resolution 2017-0311 entitled "Directives to Work with Electrify America for Expedited Implementation of Volkswagen's Zero-Emission Vehicle Investments In Sacramento;" to initiate Green City programs to leverage support comprehensive engagement and partnership programs to expand public awareness and increase public understanding of ZEV feasibility and benefits, with programs that involve local groups, community and business organizations, neighborhood associations, and other stakeholders.
- I. The legislature and the Governor of the State of California have provided funds for the Strategic Growth Council's Transformative Climate Community program to utilize climate investments to improve health and economic disparities through Green House Gas emissions.
- J. SHRA along with co-applicants including the City of Sacramento, County of Sacramento, Sacramento Regional Transit, Sacramento Municipal Utility District, Sierra Health Foundation, and McCormack, Baron, and Salazar, are jointly submitting a grant application for the River District Transformation Project.
- K. If selected SHRA will enter into agreement with the State of California Strategic Growth Council and the Department of Conservation and will be responsible for compiling and submitting all invoices and reporting requirements on behalf of co-applicants for the River District Transformation Project with goals, progress metrics, and environmentally conscious strategies that promote health and economic development.
- L. 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.
- M. The Sacramento City Council adopted a resolution certifying the Environmental Impact Report (EIR) and adopting the Mitigation Monitoring Program (MMP) for the River District Specific Plan Project on February 15, 2011.
- N. No further review under CEQA is required for activities in furtherance of the River District Specific Plan Project.
- O. The City of Sacramento prepared a combined Initial Study/Environmental Assessment (IS/EA) for the Twin Rivers Transit-Oriented Development Project and the City's Planning and Design Commission subsequently adopted a resolution approving the project, certifying the Mitigated Negative Declaration (MND), and adopting the MMP for the project on July 27, 2017.

- P. No further review under CEQA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development Project.
- Q. For any projects identified for TCC Program grant funding that fall outside of the scope of the River District Specific Plan Project EIR or Twin Rivers Transit-Oriented Development Project IS/MND, CEQA review will be required prior to funding commitment or any other choice-limiting action.
- R. The application for and administration of grant funds and related actions is considered an administrated activity and is exempt pursuant to the National Environmental Policy Act (NEPA) at 24 CFR 58.34(a)(3).
- S. At the time of approval of the River District Specific Plan Project, there were no federal funding sources allocated to the project and no federal action was taken, therefore, NEPA review was not required.
- T. The TCC Program grant is a State grant and any grant funds allocated to the project will not require NEPA review for activities in furtherance this project.
- U. If federal funds are later identified that will be allocated to the activities in furtherance of the River District Specific Plan Project, NEPA review will be conducted prior to commitment of funds or any other choice limiting action.
- V. The City of Sacramento prepared a combined Initial Study/Environmental Assessment (IS/EA) for the Twin Rivers Transit-Oriented Development Project and subsequently issued a notice of Finding of No Significant Impact (FONSI) pursuant to NEPA on June 12, 2017.
- W. No further review under NEPA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development Project.
- X. If any federal funding sources or federal actions are required to match TCC 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.

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

Section 1. The City Council declares its support for the River District Transformation Project to achieve equity, prevent displacement, support economic development, and strengthen the health of communities that face the cumulative impacts of environmental pollution as well as social, political, and economic vulnerability.

Section 2. The Sacramento Housing and Redevelopment Agency is authorized to submit an application for \$35,000,000 of grant funds from the Strategic Growth Council and the California Department of Conservation for the Transformative Climate Communities Program.

Section 3. The City Manager is authorized to execute the Memorandum of Understanding (a sample of which is attached hereto as Attachment 3).

Section 4. The work of the River District Transformation Project shall focus on the needs of those community members who are over-burdened and live in low-wealth areas, as well as people of color, youth, people with disabilities, low-income residents, and elders.

Section 5. Efforts will include community-led planning, prioritization of homegrown development, and community ownership of the climate investment initiatives that are innovative and coordinate with other local and regional plans.

Section 6. The goals of the River District Transformation Project are to:

- a) Provide equitable access for disadvantaged residents to healthcare, transportation and economic opportunities through climate investments.
- b) Improve air quality, livability, and health through urban forestry, clean energy, and energy efficiency.
- c) Improve air and environmental quality in business and transport.
- d) Increase “green” jobs and career opportunities.
- e) Increase the availability of affordable and environmentally high-quality housing.
- f) Increase access to healthy affordable food by supporting local systems of growing, production, and distribution.
- g) Advance public participation through increasing environmental awareness and education in the community and schools.

Section 7. The City Manager is directed to work with SHRA and staff to complete all necessary steps to complete and file the application.

Section 8. It is understood that financial assurances and certification may be required in the application, and hereby authorizes SHRA to certify that the agency will have sufficient funds to pay invoices to seeking reimbursement from the state.

Section 9. The City Manager is authorized to verify the commitment of any leverage funds that may be put toward the implementation of the projects in the grant application in the form of a letter including the amount of funding committed, a description of intended use of the funding, a start and end date for funding, and whether the funds are contingent on grant award.

Section 10. It is certified that the activities authorized herein will advance state planning priorities (Government Code Section 65041.1), which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, through appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.

Section 11. SHRA is directed to create an indicator tracking plan, a displacement avoidance plan, community engagement plan, and a workforce development plan specific to grant implementation

Section 12. SHRA is authorized to conduct all negotiations, and execute and submit all documents including but not limited to applications, agreements, memoranda of understanding, payment requests and so on, which may be necessary for the completion of the grant application and grant program implementation.

RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF
November 15, 2017

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

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. SHRC approved the Twin Rivers Transit-Oriented Development Project, certified the Mitigated Negative Declaration (MND) and adopted the Mitigation Monitoring Plan (MMP) for the project on July 19, 2017.

Section 3. No further review under CEQA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development Project.

Section 4. For any projects identified for TCC Program grant funding that require an action or commitment from the SHRC 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 5. The application for and administration of grant funds and related actions is considered an administrated activity and is exempt pursuant to the National Environmental Policy Act (NEPA) at 24 CFR 58.34(a)(3).

Section 6. As the Certifying Officer for the Twin Rivers Transit-Oriented Development Project, the City of Sacramento prepared a combined 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 7. No further review under NEPA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development Project.

Section 8. If any federal funding sources or federal actions are required to match TCC 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 9 After due consideration of the facts presented in the recitals above and the staff report, the findings, including the environmental findings, regarding this action, are found to be true and correct and are hereby approved and adopted.

Section 10. The Executive Director or her designee is authorized to submit an application for \$35,000,000 of grant funds from the Strategic Growth Council and the California Department of Conservation for the Transformative Climate Communities Program.

Section 11. The Executive Director or her designee is authorized to execute the Memorandum of Understanding for the grant included as Attachment 3.

Section 12. The Executive Director or her designee is authorized to conduct all negotiations, and execute and submit all documents including but not limited to applications, agreements, memoranda of understanding, payment requests and so on, which may be necessary for the completion of the grant application and grant program implementation.

CHAIR

ATTEST:

CLERK



November 9, 2017

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of Tax
Exempt Bonds And Loan Commitment For The Southwind Court Apartments

SUMMARY

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

RECOMMENDATION

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

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
December 5, 2017

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

From: Sacramento Housing and Redevelopment Agency

Subject: Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of Tax-Exempt Bonds And Loan Commitment For The Southwind Court Apartments

Supervisory District: Kennedy

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

Overview

This report will serve as the required public TEFRA hearing and recommends approval of up to \$15,000,000 in tax-exempt mortgage revenue bonds and a loan commitment for gap financing in the amount of \$4,000,000 for the 88 unit Southwind Court Apartments (Project).

Recommendations

1. Adopt the attached Board of Supervisors Resolution for the Southwind Court Apartments which indicates the Board of Supervisors has conducted a Tax Credit Equity and Fiscal Responsibility Act (TEFRA) public hearing related to the proposed construction and permanent financing of the Project.
2. Adopt the attached Board of Supervisors Resolution for the Southwind Court Apartments which authorizes the Sacramento Housing and Redevelopment Agency (Agency) to:
 - a. approve a \$4,000,000 loan commitment, comprised of \$1,600,000 in HOME Investment Partnerships Program (HOME) funds, \$1,300,000 in Affordable Housing Fund (AHF) and \$1,100,000 in Housing Trust Fund (HTF) to the Project,
 - b. execute a Loan Commitment Letter with Levy Affiliated Holdings, LLC (Developer), or related entity,
 - c. execute all necessary documents associated with the transaction,
 - d. amend the Agency budget, and
 - e. make related findings.
3. Adopt the attached Housing Authority of the County of Sacramento (Housing Authority) Resolution for the Southwind Court Apartments:
 - a. indicating the intention of the Housing Authority to issue up to \$15,000,000 in tax-exempt mortgage revenue bonds to provide acquisition, construction and permanent financing for the Project,
 - b. authorizing an application to the California Debt Limit Allocation Committee (CDLAC) for allocation authority to issue bonds, and
 - c. authorizing the Executive Director or her designee to execute all necessary documents associated with the transaction.

Measures/Evaluation

The proposed project will convert 17 market rate units into affordable units and preserve 70 affordable units, thereby contributing to the County of Sacramento's 2013-2021 Housing Element goals. Affordability restrictions placed on the Southwind Court Apartments will be monitored by the Agency for 55 years.

Fiscal Impact

The Agency will receive a one-time issuance fee of 0.25 percent of the bond amount (maximum of \$37,500), which is payable at bond closing, and an annual payment for monitoring the regulatory restrictions and administration of the bonds, in the amount of 0.15 percent of the bond amount (maximum of \$22,500) for the term of 55 years. The Developer will be responsible for payment of all costs, fees, and deposits relating to the bond application. Mortgage revenue bonds do not represent a financial obligation of the Agency, Housing Authority, or County of Sacramento.

BACKGROUND

Southwind Court Apartments is an existing 88-unit mixed-income multifamily development. Built in 1988, the Project consists of 12 one-bedroom units, 72 two-bedroom units and four three-bedroom units located within 18 two-story wood frame structures. Currently the 88 units are comprised of 70 affordable units, 17 market rate units and one manager's unit. The Project is divided into two main sections, one north of Judette Avenue, and the other south of Judette Ave. The Project currently includes a community room, two swimming pools, 171 uncovered parking spaces and 84 garage spaces.

In August 2000, the Project underwent a limited rehabilitation where less than one-third of the units were renovated. New paint and flooring was installed in all of the units. These improvements were funded with tax-exempt bonds. It should be noted that the Agency minimum construction standards in the Multifamily Lending and Mortgage Revenue Bond Policies were enhanced in 2009.

The Project is currently owned by Regit Southwind Limited. Due to the inability to sustain cash flow and the accumulation of debt, the Project is at risk of foreclosure which would result in the loss of the Project's affordability restrictions. The Developer plans to purchase the property on January 13, 2018 and pay off all the existing debt. With the proposed recapitalization, the affordability covenants will be preserved and the proposed substantial rehabilitation will improve the physical condition of the Project.

DISCUSSION

Levy Affiliated Holdings, LLC (Developer) has applied to the Agency for the issuance of up to \$15,000,000 in tax-exempt mortgage revenue bonds and a gap financing loan of \$4,000,000 comprised of HOME Investment Partnerships Program (HOME) funds, Affordable Housing Fund (AHF) and Housing Trust Fund (HTF) for the acquisition, rehabilitation and permanent financing of Southwind Court Apartments (Project). The five-acre property is located in the unincorporated County of Sacramento at 7371, 7399, and 7401 Power Inn Road. A vicinity map and photo are provided as Attachments 1 and 2. A Project rendering is provided as Attachment 3.

Following approval of the loan commitment as outlined above, an application for tax-exempt Mortgage Revenue bonds from the California Debt Limit Allocation Committee (CDLAC) and a four percent Low Income Housing Tax Credit (LIHTC) application to the California Tax Credit Allocation Committee (CTCAC) will both be submitted in January, 2018.

Proposed Improvements

The interiors of all units will be upgraded. All kitchens and bathrooms will include new cabinets, solid-surface counters, sinks and fixtures. Energy efficient kitchen appliances and bathroom humidistats will be installed. All units will receive new paint, windows, flooring, lighting, central heating, ventilation and air conditioning systems, water heaters, smoke and carbon monoxide detectors, and exterior and interior doors. All galvanized iron pipe will be replaced with copper piping. All acoustical ceiling plaster finish will be removed and replaced with new texture and all balcony and patio enclosures will be repaired. The substantial rehabilitation proposed will ensure a minimum 15-year useful life of the major systems and components.

As part of the improvements, thirteen units will be rehabilitated to comply with the Americans with Disabilities Act (ADA) requirements. Four of the units will be equipped with communication features for individuals with vision and hearing impairments.

The existing community area will be expanded by approximately 1,000 square feet to total 1,600 square feet by converting two adjacent garages. The office, community room and kitchen will have new windows, flooring, lighting, paint, and energy efficient appliances. Both laundry facilities will have new washers and dryers, counters, flooring, windows, doors, humidistats, lighting and paint. The laundry facilities restroom will be upgraded to meet ADA requirements.

Significant improvement will also be made to the exterior of the property. The swimming pool located near the office will be upgraded and will comply with ADA requirements. The swimming pool located on the South side of the property will be demolished and replaced with new playground equipment suitable for children up to age twelve. New mailbox units and property signage will be installed.

All buildings will have new siding and trim, paint, asphalt composition shingles roofing material, gutters, downspouts, vertical risers and cane rails on the stairways, and handrails at stairways and landings. All of the garages will have new vehicle doors, side doors, hardware, finishes, electrical and lighting installed. The driveways, parking lots, sidewalks and ramps will be repaired, replaced and upgraded to comply with ADA requirements.

Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of Tax-Exempt Bonds And Loan Commitment For The Southwind Court Apartments
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New trash enclosures to accommodate the addition of recycling dumpsters will be installed. All sewer lines will be flushed and the damaged lines will be repaired. Landscaping will be upgraded and will include a new energy efficient irrigation system.

The wooden fence will be replaced and new wrought iron fencing will be installed at the perimeter of the power line towers. The pedestrian and fire-access gates will be upgraded. New exterior lighting and security cameras will be installed throughout the property.

At a minimum, Agency construction staff will conduct monthly inspections during the construction phase and work closely with the Developer and the General Contractor to ensure construction quality and compliance with the Agency approved Scope of Work.

Developer: Levy Affiliated Holdings, LLC, is dedicated to providing quality affordable housing with supportive programs for low-income individuals in California and Hawaii. The Developer has over 25 years of experience in residential and commercial real estate, including nine affordable developments consisting of 1,022 units and a portfolio of over \$800 million across the Western United States. Southwind Court Apartments is the Developer's first project in Sacramento County.

Temporary Relocation Plan: Laurin Associates, a Division of Raney Planning and Management, Inc. (Laurin Associates), will provide temporary relocation services to the residents of the Southwind Court Apartments. Agency staff has reviewed Laurin Associates' qualifications and the temporary relocation plan, and has found that the proposed consultant and relocation plan meet Agency requirements.

Property Management: Southwind Court Apartments will be managed by Platinum Realty Management (PRM). Currently, PRM manages twelve affordable and market-rate developments in California and Hawaii, and 21 retail and industrial properties. This will be PRM's first management project in Sacramento County. Agency staff has reviewed PRM's qualifications and the management plan, and has found that the proposed management company meets Agency requirements.

Resident Services: Resident services will be provided by Embrace Foundation which is a non-profit entity with 14 California affordable housing developments in its portfolio. A minimum of 15 hours per week of on-site resident services will be provided by a resident services coordinator. Resident services programming will include after-school programs and additional activities may include employment skills, English classes for non-English speakers, and health and nutrition programs. This will be the first time that the Embrace Foundation has provided resident services for in Sacramento County.

Project Financing: Southwind Court Apartments will be financed using a combination of four percent Low Income Housing Tax Credits, tax-exempt bond financing, an Agency loan consisting of \$1,600,000 of HOME funds, \$1,300,000 of AHF and \$1,100,000 of HTF, deferred developer fee and net operating income during construction. Funding sources and uses are provided in the Project Summary as Attachment 4. A Cash Flow Proforma is provided as Attachment 5.

Bond Financing: The Housing Authority plans to issue tax-exempt bonds, the proceeds of which can provide acquisition, construction, and permanent financing for multifamily housing projects. Interest paid on the bonds is exempt from federal and state income tax; therefore, bondholders will accept a below-market yield from the bonds. These savings are, in turn, passed on to the Project owner in the form of a below-market rate loan, with interest rates approximately one to two percent below prevailing market rates. The bonds for the Project are intended to be privately-placed. 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 tax credits and the benefits of tax-exempt bond financing, federal law requires that apartments be set-aside for targeted income groups. Income restrictions from LIHTC financing require that no households have income higher than 60 percent of Area Median Income (AMI). See Attachment 6 for maximum income and rent levels. The Project affordability restrictions will be specified in regulatory agreements with the Developer.

COMMISSION ACTION

At its meeting of November 15, 2017, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

The Project contributes to the County’s 2013-2021 Housing Element goals by preserving and rehabilitating 70 existing regulated affordable housing units and adding 17 regulated affordable housing units. A very low income unit is defined as being affordable to a household with income up to 50 percent of AMI, while a low income unit is defined as being affordable to a household with income up to 60 percent of AMI. The Project will preserve 19 very low and 68 low income units to meet the County’s affordable housing goals as represented in the following table:

Unit Type	% of Units	Affordability Restrictions for 55 years	No. of Units
Agency Loan, Tax-exempt Bonds, and LIHTC	22%	Very Low (50% AMI)	19
Agency Loan, Tax-exempt Bonds, and LIHTC	77%	Low (60% AMI)	68
Management Unit	1%	Unrestricted	1
Total	100%		88

FINANCIAL ANALYSIS

The proposed bond issuance will not be an obligation of the County, the Housing Authority or the Agency. The bonds will be the obligation solely of the Project's owner, who will bear all costs associated with the issuance of the bonds. The Agency will receive a one-time issuance fee of 0.25 percent (25 basis points) of the bond amount (maximum of \$37,500), which is payable at bond closing. The Agency will collect an annual payment for monitoring the regulatory restrictions and administration of the bonds, in the amount of 0.15 percent (15 basis points) of the bond amount (maximum of \$22,500). The law firm of Orrick, Herrington and Sutcliffe, LLP, is acting as bond counsel for the Housing Authority.

The Loan Commitment of \$1,600,000 in HOME funds, \$1,300,000 in AHF and \$1,100,000 in HTF for the financing of the Project will bear a four percent interest and carry a term of 42 years from the date of closing. The Conditional Loan Commitment is included as Attachment 7.

POLICY CONSIDERATIONS

The recommended actions are consistent with approved Agency's Multifamily Lending and Mortgage Revenue Bond Policies. Regulatory restrictions on the property will be specified in the loan regulatory agreement between the Developer and the Agency for a period of 55 years. In addition, the HOME affordability period will be for a term of 15 years and the HTF affordability period will be for a term of 30 years. Compliance with the regulatory agreement will be monitored by the Agency on an annual basis. The loan term will be 42 years.

ENVIRONMENTAL REVIEW

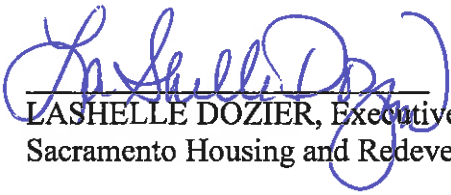
California Environmental Quality Act (CEQA): The project has been determined to be categorically exempt under CEQA pursuant to CEQA Guidelines Sections at 14 California Code of Regulations (CCR) §§ 15301 and 15302.

National Environmental Policy Act (NEPA): The project has been determined to be categorically excluded per 24 Code of Federal Regulations (CFR) §58.35(a)(3)(ii), and converts to exempt, per 24 CFR §58.34(a)(12) because there are no circumstances which require compliance with any of the federal laws and authorities cited at 24 CFR §58.5.

M/WBE/SECTION 3 CONSIDERATIONS

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

Respectfully submitted,



LASHELLE DOZIER, Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED
NAVDEEP S. GILL
County Executive

By: _____
ADMINISTRATOR
Deputy County Executive

Attachments:

- RES – Board of Supervisors TEFRA
- RES – Board of Supervisors Loan Commitment Authorization
- RES – Housing Authority Bond Inducement Authorization
- ATT 1 – Vicinity Map
- ATT 2 – Project Photo
- ATT 3 – Artist Rendering
- ATT 4 – Project Summary
- ATT 5 – Project Cashflow Proforma
- ATT 6 – Maximum Income and Rent Limits
- ATT 7 – Conditional Loan Commitment

RESOLUTION NO. ____

SOUTHWIND COURT APARTMENTS: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO APPROVING THE ISSUANCE OF OBLIGATIONS BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO OF MORTGAGE REVENUE BONDS ON BEHALF OF LEVY AFFILIATED HOLDINGS, LLC

WHEREAS, the Housing Authority of the County of Sacramento (Housing Authority), a housing authority organized and existing under the laws of the State of California, proposes a plan of financing for the issuance of multifamily housing revenue obligations (Obligations) in an amount not to exceed \$15,000,000 and to lend the proceeds thereof to LIH Southwind Court, LP, (Borrower) or a partnership created by Levy Affiliated Holdings, LLC (Sponsor), consisting at least of the Sponsor or a related person to the Sponsor and one or more limited partners, to be used to provide funds for the acquisition, rehabilitation and development of a 88-unit multifamily housing residential facility located at 7371, 7399 and 7401 Power Inn Road in the County of Sacramento, California, to be owned by the Borrower and operated by Platinum Realty Management; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986 requires the execution and delivery of the Obligations to be approved by the Board of Supervisors of the County (Board), as the elected representative of the County of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, after a properly noticed public hearing has been held; and

WHEREAS, a public hearing was held by the Board on December 5, 2017, following duly published notice thereof, and all persons desiring to be heard have been heard; and

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

WHEREAS, the project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations (CCR) §§ 15301 and 15302; and

WHEREAS, the project has been reviewed pursuant to the National Environmental Policy Act and has been determined to be categorically excluded per 24 Code of Federal Regulations (CFR) §58.35(a)(3)(ii), and converts to exempt per 24 CFR §58.34(a)(12) because

Tax Equity And Fiscal Responsibility Act Hearing, Inducement And Approval Of
Loan Commitment For Southwind Court Apartments
Page 2

there are no circumstances which require compliance with any of the federal laws and authorities cited at 24 CFR §58.5.

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

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

Section 2. The Board of Supervisors of the County of Sacramento hereby finds, determines and declares that issuance by the Authority of the Obligations in the maximum principal amount of \$15,000,000 for the purposes described above is hereby approved.

Section 3. This resolution shall take effect immediately upon its adoption.

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California this __ day of ____, 2017, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

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

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

(SEAL)

Tax Equity And Fiscal Responsibility Act Hearing, Inducement And Approval Of
Loan Commitment For Southwind Court Apartments
Page 3

ATTEST: _____
Clerk, Board of Supervisors

RESOLUTION NO. _____

SOUTHWIND COURT APARTMENTS: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO APPROVING A \$4,000,000 LOAN COMMITMENT CONSISTING OF \$1,600,000 IN HOME INVESTMENT PARTNERSHIPS FUNDS, \$1,300,000 IN AFFORDABLE HOUSING FUND AND \$1,100,000 IN HOUSING TRUST FUND; EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH LEVY AFFILIATED HOLDINGS, LLC OR RELATED ENTITY; RELATED BUDGET AMENDMENT; RELATED FINDINGS; AND ENVIRONMENTAL FINDINGS

WHEREAS, Levy Affiliated Holdings, LLC (Developer) has applied to the Sacramento Housing and Redevelopment Agency (Agency) for the issuance of up to \$15,000,000 in tax-exempt mortgage revenue bonds and gap financing loan commitment of Four Million Dollars (\$4,000,000), which is comprised of One Million Six Hundred Thousand Dollars (\$1,600,000) of HOME Investment Partnerships (HOME) funds, One Million Three Hundred Thousand Dollars (\$1,300,000) of Affordable Housing Fund (AHF) and One Million One Hundred Thousand Dollars (\$1,100,000) of Housing Trust Fund (HTF), for the acquisition, rehabilitation and permanent financing of Southwind Court Apartments (Project); and

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

WHEREAS, the project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations sections 15301 and 15302; and

WHEREAS, the project has been reviewed pursuant to the National Environmental Policy Act and has been determined to be categorically excluded per 24 Code of Federal Regulations (CFR) §58.35(a)(3)(ii), and converts to exempt, per 24 CFR §58.34(a)(12) because there are no circumstances which require compliance with any of the federal laws and authorities cited at 24 CFR §58.5.

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

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

Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing, Inducement And Approval Of
Loan Commitment For Southwind Court Apartments
Page 2

Section 2. The Loan Commitment letter attached to and incorporated in this resolution by this reference for the financing of Southwind Court Apartments is approved in the amount of Four Million Dollars (\$4,000,000), which is comprised of One Million Six Hundred Thousand Dollars (\$1,600,000) of HOME funds, One Million Three Hundred Thousand Dollars (\$1,300,000) of AHF and One Million One Hundred Thousand Dollars (\$1,100,000) of HTF.

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

Section 4. The Agency is authorized to amend its budget and to transfer up to Four Million Dollars (\$4,000,000), which is comprised of One Million Six Hundred Thousand Dollars (\$1,600,000) of HOME, One Million Three Hundred Thousand Dollars (\$1,300,000) of AHF and One Million One Hundred Thousand Dollars (\$1,100,000) of HTF to Southwind Court Apartments.

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California this __ day of ____, 2017, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing, Inducement And Approval Of
Loan Commitment For Southwind Court Apartments
Page 3

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

RESOLUTION NO.

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

**SOUTHWIND COURT APARTMENTS: A RESOLUTION OF THE HOUSING
AUTHORITY OF THE COUNTY OF SACRAMENTO DECLARING INTENTION TO
REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT
OBLIGATIONS AND DIRECTING CERTAIN ACTIONS**

WHEREAS, the Housing Authority of the County of Sacramento (Housing Authority) intends to issue tax-exempt obligations (Obligations) for the purpose, among other things, of making a loan to LIH Southwind Court, LP, or a limited partnership or a limited liability company related to or formed by Levy Affiliated, LLC (Developer), the proceeds of which shall be used by the Developer to finance the acquisition, rehabilitation and development of a 88-unit multifamily housing residential facility located at 7371, 7399 and 7401 Power Inn Road in the County of Sacramento, California (Project); and

WHEREAS, United States Income Tax Regulations at 26 Code of Federal Regulations (CFR) 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; and

WHEREAS, it is in the public interest and for the public benefit that the Housing Authority declare its official intent to reimburse the expenditures referenced herein;

WHEREAS, the Project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations sections 15301 and 15302; and

WHEREAS, the Project has been reviewed pursuant to the National Environmental Policy Act (NEPA) and has been determined to be categorically excluded per 24 Code of CFR §58.35(a)(3)(ii), and converts to exempt, per 24 CFR §58.34(a)(12) because there are no circumstances which require compliance with any of the federal laws and authorities cited at 24 CFR §58.5.

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

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

Section 2. The Authority intends to issue the Obligations for the purpose of paying the costs of financing the acquisition, rehabilitation and development of the Project.

Section 3. 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, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations.

Section 4. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$15,000,000.

Section 5. The foregoing declaration is consistent with the budgetary and financial circumstances of the Housing 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 Housing Authority, or any public entity controlled by the Housing Authority, for the expenditures for the acquisition, rehabilitation and development of the Project that are expected to be reimbursed from the proceeds of the Obligations.

Section 6. 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 Housing Authority in anticipation of the issuance of the Obligations, 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 Housing Authority.

Section 7. The appropriate officers or staff members of the Housing Authority are hereby authorized, for and in the name of and on behalf of the Housing Authority, to make an application to the California Debt Limit Allocation Committee for an allocation of private activity bonds for the financing of the Project.

Section 8. The adoption of this Resolution shall not obligate (i) the Housing Authority to provide financing to the Developer for the acquisition, rehabilitation and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the Housing Authority, or any department of the Housing Authority or the County 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, rehabilitation, development or operation of the Project.

Section 9. This resolution shall take effect immediately upon its adoption.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Housing Authority of the County of Sacramento, State of California this __ day of _____, 2017, by the following vote, to wit:

AYES: Members,
NOES: Members,
ABSENT: Members,
ABSTAIN: Members,
RECUSAL: Members,
(PER POLITICAL REFORM ACT (§ 18702.5.))

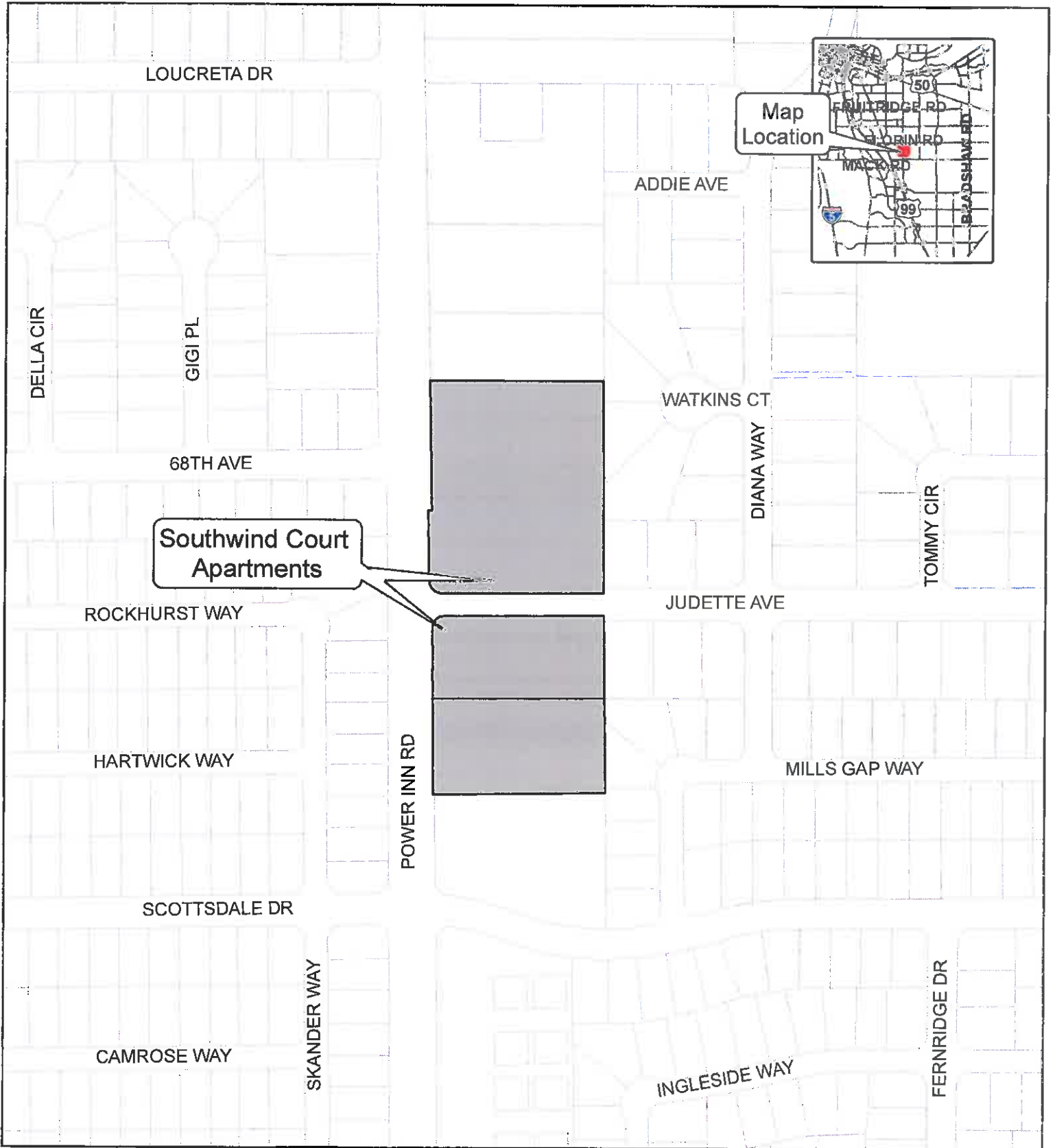
Chair of the Housing Authority
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk



Southwind Court Apartments

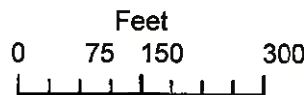


Map Location

Southwind Court Apartments



Southwind Court Apartments



SHRA GIS
May 8, 2017

Southwind Court Apartments



Southwind Court Apartments
Artist Rendering



**Southwind Court Apartments
Residential Project Summary**

Address	7371, 7399 and 7401 Power Inn Road, Sacramento 95828		
Number of Units	88		
Year Built	1988		
Acreage	5.16 (224,770 sq. ft.)		
Affordability	19 units at or below 50% AMI and 68 units at or below 60% AMI and 1 exempt Management Unit		
Unit Mix and Rents	<u>VLI (50% AMI)</u>	<u>LI (60% AMI)</u>	<u>Total</u>
1 Bedroom / 1 Bath	3	8	11
2 Bedroom / 1 Bath	15	57	72
3 Bedroom / 2 Bath	1	3	4
Management Unit (1 BD / 1 BA exempt)	0	0	1
Square Footage	<u>Unit Size (sq.ft.)</u>	<u>Total</u>	
1 Bedroom / 1 Bath	644	7,728 sq.ft.	
2 Bedroom / 1 Bath	840	60,480 sq.ft.	
3 Bedroom / 2 Bath	1,117	4,468 sq.ft.	
Community Area		28,700 sq.ft.	
Total		101,376 sq.ft.	
Resident Facilities	Community room with kitchen, management office, two laundry facilities, one playground and one swimming pool, on-site parking, security cameras, partial-perimeter fencing with open entry/exit driveways.		
Permanent Sources	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>
Permanent Loan	6,200,000	70,455	61.16
Tax Credit Equity	4,970,669	56,485	49.03
SHRA Loan	4,000,000	45,455	39.46
Deferred Developer Fee	608,000	6,909	6.00
NOI during Construction	580,503	6,597	5.73
TOTAL SOURCES	\$ 16,359,172	\$ 185,900	\$ 161.37
Permanent Uses			
Acquisition	4,065,066	46,194	40.10
Construction Costs	7,761,545	88,199	76.56
Architecture, Engineering & Survey	100,000	1,136	0.99
Permits	64,000	727	0.63
Hard Cost Contingency	776,154	8,820	7.66
Soft Cost Contingency	90,589	1,029	0.89
Financing Cost	696,678	7,917	6.87
Operating Reserves	228,234	2,594	2.25
Legal Fees	281,832	3,203	2.78
Relocation	272,347	3,095	2.69
Developer Fee	1,878,327	21,345	18.53
Third Party Fees, Marketing, Other	144,400	1,641	1.42
TOTAL USES	\$ 16,359,172	\$ 185,900	\$ 161.37
Management / Operations	Levy Affiliated, LLC Platinum Realty Management		
Proposed Developer	Levy Affiliated, LLC		
Property Management Company	Platinum Realty Management		
Operations Budget	376,099	4,274	
Property Management Company	48,094	547	
Resident Services	26,866	305	
Assessments	9,641	110	
Replacement Reserves	27,601	314	

Southwind Court Apartments Cashflow Proforma

Attachment 5

Unit Type	Square Feet	Total Sq Feet	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
			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	
1 BD /1 BA @ 50% AMI	3	644	1,932 \$	84 \$	612 \$	0.95 \$	1,838 \$	22,032 \$										
1 BD /1 BA @ 60% AMI	8	644	5,182 \$	84 \$	751 \$	1.17 \$	5,008 \$	72,096 \$										
2 BD /1 BA @ 50% AMI	15	840	12,800 \$	106 \$	729 \$	0.87 \$	10,335 \$	131,220 \$										
2 BD /1 BA @ 60% AMI	57	840	47,860 \$	106 \$	896 \$	1.07 \$	51,072 \$	612,864 \$										
3 BD /1 BA @ 50% AMI	3	1117	1,117 \$	865 \$	127 \$	0.75 \$	838 \$	10,058 \$										
3 BD /1 BA @ 60% AMI	3	1117	3,351 \$	127 \$	1,031 \$	0.92 \$	3,093 \$	37,116 \$										
1 BD /1 BA Exempt Manager Unit	1	644																
Totals	86																	

Income	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
	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			
Potential Gross Income	830,207	953,462	977,298	1,001,731	1,028,774	1,052,443	1,078,754	1,105,723	1,133,366	1,161,701	1,190,743	1,220,512	1,251,024	1,282,300	1,314,358			
Other Income	16,789	16,163	16,567	16,371	17,395	17,830	18,276	18,733	19,201	19,681	20,173	20,678	21,196	21,724	22,268			
Less Vacancy	45,510	47,873	48,865	50,067	51,339	52,672	53,938	55,256	56,668	58,085	59,537	61,028	62,551	64,115	65,718			
Effective Gross Income	\$699,456	\$921,842	\$944,991	\$988,615	\$992,831	\$1,017,621	\$1,043,093	\$1,069,170	\$1,095,699	\$1,123,297	\$1,151,378	\$1,180,164	\$1,209,668	\$1,239,909	\$1,270,907			
Operating Expenses																		
Operating Expenses	376,902	390,094	403,747	417,878	432,504	447,641	463,309	479,525	496,308	513,679	531,657	550,265	569,525	589,458	610,089			
Property Management	510	48,094	51,519	53,322	55,189	57,120	59,119	61,189	63,330	65,547	67,841	70,215	72,673	75,216	77,849			
Residential Services	285	28,866	29,807	29,787	30,830	31,900	33,026	34,181	35,378	36,616	37,898	39,224	40,597	42,018	43,488			
Real Estate Taxes	102	9,641	9,978	10,328	10,689	11,063	11,451	11,851	12,266	12,695	13,140	13,600	14,076	14,568	15,078			
Replacement Reserves	300	27,601	27,603	27,604	27,605	27,606	27,607	27,608	27,609	27,610	27,611	27,612	27,613	27,614	27,615			
Total Expenses	\$489,104	\$505,268	\$521,977	\$539,261	\$557,190	\$575,727	\$594,912	\$614,769	\$635,320	\$656,591	\$678,607	\$701,392	\$724,976	\$749,364	\$774,647			
Net Operating Income	\$410,352	\$416,684	\$423,014	\$429,335	\$435,640	\$441,925	\$448,181	\$454,401	\$460,578	\$466,706	\$472,773	\$478,771	\$484,692	\$490,525	\$496,260			
Debt Service																		
Senior Loan	\$6,200,000	amount	35	rate	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount	amount
Housing Authority Monitoring Fee	\$9,500,000																	
Debt Service Subtotal																		
DCR on Senior Bonds			1.10	1.11	1.13	1.15	1.17	1.18	1.20	1.22	1.23	1.25	1.26	1.28	1.30	1.31		
Priority Distributions																		
Asset Management Fee (GP)	8,800	9,064	9,336	9,616	9,904	10,202	10,508	10,823	11,148	11,482	11,826	12,181	12,547	12,923	13,311			
Partnership Management Fee (LP)	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344			
Priority Distributions Subtotal	16,300	16,789	17,293	17,811	18,348	18,896	19,463	20,047	20,648	21,268	21,906	22,563	23,240	23,937	24,655			
Net Cash after Priority Distributions	\$20,291	\$26,134	\$31,960	\$37,762	\$43,534	\$49,267	\$54,957	\$60,593	\$66,170	\$71,677	\$77,106	\$82,447	\$87,691	\$92,827	\$97,844			
Deferred Developer Fee																		
Principal Balance	\$608,000	593,789	573,593	547,369	515,080	476,688	432,197	381,562	324,795	261,863	192,805	117,627	0	0	0	0		
Interest for Period	6,080	5,938	5,736	5,474	5,151	4,767	4,322	3,816	3,248	2,619	1,928	1,176	0	0	0	0		
Accumulated Interest	6,080	5,938	5,736	5,474	5,151	4,767	4,322	3,816	3,248	2,619	1,928	1,176	0	0	0	0		
Payment	20,291	26,134	31,960	37,762	43,534	49,267	54,957	60,593	66,170	71,677	77,106	82,447	87,691	92,827	97,844			
Balance	\$653,789	\$573,593	\$547,369	\$515,080	\$476,688	\$432,197	\$381,562	\$324,795	\$261,863	\$192,805	\$117,627	\$0	\$0	\$0	\$0	\$0		
Net Cash after Deferred Developer Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
SIFRA New Issr																		
Principal Balance	\$4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000		
Interest for Period	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000		
Accumulated Interest	160,000	320,000	480,000	640,000	800,000	960,000	1,120,000	1,280,000	1,440,000	1,600,000	1,760,000	1,920,000	2,080,000	2,240,000	2,400,000	2,560,000		
Balance	\$4,160,000	\$4,320,000	\$4,480,000	\$4,640,000	\$4,800,000	\$4,960,000	\$5,120,000	\$5,280,000	\$5,440,000	\$5,600,000	\$5,760,000	\$5,920,000	\$6,080,000	\$6,240,000	\$6,400,000	\$6,560,000		
Combined Debt Coverage Ratio			1.13	1.15	1.17	1.18	1.20	1.22	1.23	1.25	1.26	1.28	1.30	1.31	1.33			
Net Cash After New Loan Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

MAXIMUM GROSS INCOME AND RENT LIMITS 2017
 Low Income Housing Tax Credits (LIHTC)

Southwind Court Apartments Income Limits:

<u>Family Size</u>	<u>50% AMI</u>	<u>60% AMI</u>
1 person	\$ 26,000	\$ 31,200
2 person	\$ 29,700	\$ 35,640
3 person	\$ 33,400	\$ 40,080
4 person	\$ 37,100	\$ 44,520
5 person	\$ 40,100	\$ 48,120
6 person	\$ 43,050	\$ 51,660
7 person	\$ 46,050	\$ 55,260
8 person	\$ 49,000	\$ 58,800

Southwind Court Apartments Rent Limits:

<u>Unit Size</u>	<u>50% AMI</u>	<u>60% AMI</u>
1 Bedroom	\$ 696	\$ 835
2 Bedroom	\$ 835	\$ 1,002
3 Bedroom	\$ 965	\$ 1,158



December 5, 2017

Jacob Levy, Principal
Levy Affiliated Holdings, LLC
201 Wilshire Boulevard, 2nd Floor
Santa Monica, CA 90401

RE: Conditional Funding Commitment for Southwind Court Apartments

Dear Mr. Levy:

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of the Agency's \$4,000,000 commitment of permanent loan funds (Loan) comprised of \$1,600,000 in County HOME Investment Partnership Program (HOME), \$1,100,000 Housing Trust Fund (HTF) and \$1,300,000 in County Affordable Housing Funds for the purpose of financing the acquisition, rehabilitation and development of that certain real property known as Southwind Court Apartments located at 7371, 7399, and 7401 Power Inn Road, Sacramento, California (Property).

The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this commitment is void. Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

The Loan shall be made on standard Agency loan documents. Loan terms not in this funding commitment and the attached loan document forms shall not be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this commitment and the loan documents, the terms stated in the loan commitment letter shall be deemed to be terms of this commitment.

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

This commitment will expire December 5, 2018



1. **PROJECT DESCRIPTION:** Southwind Court Apartments is located on a five acre site in the unincorporated County of Sacramento. The Property is an existing 88-unit affordable housing multifamily development. Built in 1988 and limited renovation completed in 2001, the project consists of twelve one-bedroom units, 72 two-bedroom units and four three-bedroom units located within 18 two-story wood frame structures. The development currently includes a community room, two swimming pools, 171 uncovered spaces and 84 garage spaces.
2. **BORROWER:** The name of the Borrower for the Loan is LIH Southwind Court, LP, a California limited partnership (Levy Affiliated Holdings, LLC, or related entity).
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of acquisition, rehabilitation, 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 sources for the Loan.
4. **PRINCIPAL AMOUNT:** The combined principal amount of the Loan will be the lesser of (a) Four Million Dollars (\$4,000,00), 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 42 years or 504 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. **INTEREST RATE:** The Loan will bear simple interest at four percent (4%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.
7. **ANNUAL REPAYMENT:** Annual principal and interest payments shall be deferred from the Loan's Effective Date through the first 204 months. Beginning in month 205, annual installments shall be made according to the payment schedule contained in the Loan Agreement, calculated to achieve an annual 1.2 debt coverage ratio. Annual payments shall be applied first to outstanding interest accrued and unpaid and then to principal.
8. **SOURCE OF LOAN FUNDS:**
Agency is making the Loan from the following sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: County HOME Investment Partnership Program funds, Affordable Housing Funds and Housing Trust Funds. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

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



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

_____ (Borrower Initial)

9. **ACCELERATION:** Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. **SECURITY:** The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to liens senior to the Agency's lien securing loans from CBRE Capital Markets, Inc. via a Freddie Mac Tax-Exempt Loan and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency shall subordinate its regulatory agreement and deed of trust in order to accommodate completion of rehabilitation of the Property.
11. **LEASE AND RENTAL SCHEDULE:** All leases of the Property and Improvements shall be subject to Agency's review and approval of form prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval; provided, however, that such approval shall not be required for annual adjustments to rental rates as permitted by the California Tax Credit Allocation Committee.
12. **PROOF OF EQUITY:** Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than \$4,970,669 in Low Income Housing Tax Credit Equity and no less than \$608,000 in deferred developer fee. If LIHTC equity goes below \$4,970,669 the equity must be offset by an increase in deferred developer fee.
13. **OTHER FINANCING:** Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
 - (a) As a condition precedent to disbursement of the Agency loan, construction financing from a private lender(s) in an amount(s) sufficient to complete the rehabilitation of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performances for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.
 - (b) Commitments for permanent financing sufficient to "take out" all liens senior to the Agency's lien.



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

approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.

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

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

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

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



of the Agency loan based upon this cost certification and the original approved budget for the project.

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



Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.

29. **TITLE INSURANCE**: Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116, 102.5/102.7 and 124.1 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.
30. **ORGANIZATIONAL AGREEMENTS**: Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.
31. **PURCHASE OF PROPERTY**: Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.
32. **FINANCIAL INFORMATION**: During the term of the Loan, Borrower shall deliver to Agency within 120 days of the end of each fiscal year an audited income and expense statement, a balance sheet, and a statement of all changes in financial position signed by authorized officers of Borrower. Prior to close of the Loan and during its term, Borrower must deliver to Agency such additional financial information as may be requested by Agency. Agency reserves the right to review and approve financial statements and other credit information and references prior to closing. During the term of the Loan, Borrower must deliver to Agency a monthly rent-roll including household composition information and operating statements with respect to the Property and Improvements, as Agency may request.
33. **MANAGEMENT AGREEMENT**: Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency approval.
34. **RESIDENT SERVICES AGREEMENT**: Prior to execution, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement is subject to Agency approval. The agreement must include a minimum of fifteen (15) hours of on-site resident services.



35. LOW INCOME HOUSING TAX CREDITS (LIHTC): Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and to meet all requirements to maintain the LIHTC allocation if granted.
36. NON-SMOKING ENVIRONMENT: At least 50% of the buildings, but no less than 50% of the units must be designated as non-smoking. All indoor common areas must be designated as non-smoking.
37. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
38. CONSISTENCY OF DOCUMENTS: As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply, in all respects, with this commitment letter.
39. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
40. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.



Sincerely,

La Shelle Dozier
Executive Director

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

Dated: December 5, 2017

BORROWER:

Levy Affiliated Holdings, a California limited liability company

By: _____
Jacob Levy, Principal



RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF
November 15, 2017

SOUTHWIND COURT APARTMENTS: AUTHORIZING A \$4,000,000 LOAN COMMITMENT CONSISTING OF \$1,600,000 IN COUNTY HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS, \$1,300,000 IN AFFORDABLE HOUSING FUND AND \$1,100,000 IN HOUSING TRUST FUND; EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH LEVY AFFILIATED HOLDINGS, LLC; RELATED BUDGET AMENDMENT; RELATED FINDINGS; AND ENVIRONMENTAL FINDINGS

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

- Section 1:** The project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations §§ 15301 and 15302.
- Section 2:** The project has been reviewed pursuant to the National Environmental Policy Act (NEPA) and has been determined to be categorically excluded per 24 Code of Federal Regulations (CFR) §58.35(a)(3)(ii), and converts to exempt per 24 CFR §58.34(a)(12) because there are no circumstances which require compliance with any of the federal laws and authorities cited at 24 CFR §58.5.
- Section 3:** Subject to approval by the Board of Supervisors, the Loan Commitment letter attached to and incorporated in this resolution by this reference for the financing of Southwind Court Apartments (Loan Commitment) is approved and the Sacramento Housing and Redevelopment Agency (Agency) Executive Director, or her designee, is authorized to execute the Loan Commitment and related documents and transmit to Levy Affiliated, LLC or related entity.
- Section 4:** The Executive Director, or her designee, is authorized to amend the Agency budget to transfer Four Million Dollars (\$4,000,000), which is comprised of One Million Six Hundred Thousand Dollars (\$1,600,000) of County Home Investment Partnership Program (HOME) funds, One Million Three Hundred Thousand Dollars (\$1,300,000) of Affordable Housing Fund and One Million One Hundred Thousand Dollars (\$1,100,000) of Housing Trust Fund to Southwind Court Apartments.
- Section 5:** Subject to the approval by the Board of Supervisors, the Executive Director, or her designee, is authorized to execute the Loan Agreement and related documents, and perform other actions necessary to fulfill the intent of repayment of funds,

Southwind Court Apartments: Authorizing A \$4,000,000 Loan Commitment Consisting Of \$1,600,000 In County HOME Investment Partnerships Program Funds, \$1,300,000 In Affordable Housing Fund And \$1,100,000 in Housing Trust Fund; Execution Of Loan Commitment And Related Documents With Levy Affiliated Holdings, LLC; Related Budget Amendment; Related Findings; And Environmental Findings

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

CHAIR

ATTEST:

CLERK