



NOTICE OF REGULAR MEETING MEETING
Sacramento Housing and Redevelopment
Commission
Wednesday, January 21, 2015 – 6:00 pm
801 12th Street
2nd Floor Commission Room
Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

1. APPROVAL OF MINUTES – December 10, 2014

CITIZENS COMMENTS

2. While the Commission welcomes and encourages participation in the Commission meetings, it would be appreciated if you would limit your comments to three minutes so that everyone may be heard. Please fill out a speaker card and present it to the Agency Clerk if you wish to speak under Citizen Comments or on a posted agenda item. Matters under the jurisdiction of the Commission, and not on the posted agenda, may be addressed by the general public at this time. Commission attendees are requested to silence any electronic devices that they have in their possession.

CONSENT

3. Authorization to Return the Rental Assistance Administration of Two Continuum of Care Programs to Transitional Living and Community Support Inc. (TLCS Inc.) – City
4. Authorization to Return the Rental Assistance Administration of Two Continuum of Care Programs to Transitional Living and Community Support Inc. (TLCS Inc.) – County

BUSINESS

5. Authorize Application For A Choice Neighborhood Grant For The Twin Rivers/River District-Railyards Initiative - CITY
6. Authorize Application For A Choice Neighborhood Grant For The Twin Rivers/River District-Railyards Initiative - COUNTY
7. Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of A Loan Commitment For The Anton Arcade Apartments Project
8. Approval of Contract and Budget Amendment for Installation of new Vehicle Gate at Riverview Plaza
9. Election of SHRC Chair/Vice-Chair for 2015

PRESENTATION

10. Certificate of appreciation for outgoing Commissioner Bill Chan

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

Staff reports are available for public review on the Agency's website www.shra.org and include all attachments and exhibits. Hard copies are available at the Agency Clerk's office (801 12th Street) for 10 cents per page. A copy of materials for this agenda will be available at the meeting for public review. **Assistance for the Disabled:** Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



MINUTES

Sacramento Housing and Redevelopment Commission (SHRC) Special Meeting December 10, 2014

Meeting noticed on December 5, 2014

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Alcalay. A quorum of members was present.

MEMBERS PRESENT: Alcalay, Chan, Creswell, Griffin, Macedo, Morgan, Morton, Raab, Stivers

MEMBERS ABSENT: Johnson (one vacancy)

STAFF PRESENT: Vickie Smith, LaShelle Dozier, David Levin, Christine Weichert, Jim Shields, MaryLiz Paulson, Sarah Hansen, Don Cavier, Tyrone Williams, Kyle Flood, Karen Wallace, Greg Potts, Angela Hall, Celia Yniguez, Tashica McIntyre, Lira Goff

APPROVAL OF AGENDA

1. APPROVAL_OF MINUTES - November 19, 2014 minutes were approved.
2. CITIZENS COMMENTS - none

PRESENTATIONS

3. Family Self Sufficiency Participant presentations

MaryLiz Paulson and Ibra Henley gave presentations about the Family Self Sufficiency Program.

EXECUTIVE DIRECTOR REPORT

LaShelle Dozier reviewed the following:

- Next meeting is January 21, 2015
- Thanked Mark Stivers for his service
- Follow up from last meeting related to 600 I Street issues

COMMISSION CHAIR REPORT

Chair Alcalay reviewed the following:

- Thanked Mark Stivers for his service
- Encouraged everyone to participate in the MLK Celebration march on January 19th.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioners wished Mark Stivers well.

ADJOURNMENT

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

AGENCY CLERK



January 16, 2015

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Authorization to Return the Rental Assistance Administration of Two
Continuum of Care Programs to Transitional Living and Community Support Inc.
(TLCS Inc.)

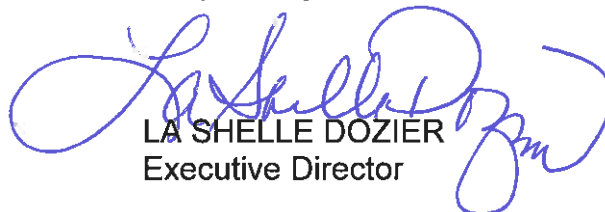
SUMMARY

The attached report is submitted to you for review prior to consideration by the City of
Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

Attachment



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

**Consent
February 10, 2015**

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

**Title: Authorization to Return the Rental Assistance Administration of Two
Continuum of Care Programs to Transitional Living and Community Support Inc.
(TLCS Inc.)**

Location/Council District: Citywide

Recommendation: Adopt 1) a **Housing Authority Resolution** a) authorizing staff to amend the budget to reflect the transfer and transition the administration of rental assistance payments and annual inspections for the Pact Permanent Housing Program (PPHP) and Widening Opportunities for Rehabilitation and Knowledge (WORK) Programs back to TLCS, Inc.; b) authorizing the Executive Director or her designee to execute all necessary agreements and contracts to carry out the recommended activities described in this report and 2) a **City Council Resolution** a) authorizing staff to transition the administration of rental assistance payments and annual inspections for the Pact Permanent Housing Program (PPHP) and WORK Programs back to TLCS, Inc; b) authorizing the City Manager to execute all necessary agreements and contracts to carry out the recommended activities described in this report.

Contact: Sarah Thomas, Assistant Director, 440-1397

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidated three separate homeless assistance programs administered by U.S. Department of Housing and Urban Development (HUD) under the McKinney-Vento Homeless Assistance Act into a single grant program.

The HEARTH Act also established the Continuum of Care planning process and provided guidance to implement regulatory changes to align all homeless

Authorization to Return the Rental Assistance Administration of Two Continuum of Care Programs to TLCS, Inc.

programs into one continuum thereby streamlining homeless programs nationwide. As part of this streamlining process, the HEARTH Act, following HUD's 2012 Interim Rule, specified that administration of all rental assistance programs must be performed by a state, unit of general local government, or a public housing agency thereby precluding non-profits from this function.

In 2012, Transitional Living and Community Support, Inc (TLCS, Inc.) a non-profit Agency specializing in offering transitional and permanent housing to individuals with psychiatric disabilities, approached the Sacramento Housing Authority to provide rental assistance payments and conduct annual inspections on their behalf for two HUD funded programs; the Pact Permanent Housing Program (PPHP), and the WORK Program. Both programs provide permanent housing and supportive services to up to 32 homeless disabled families. TLCS Inc. proposed to be the primary recipient of the grant funds, provide supportive services, conduct move in inspections and meet all annual reporting requirements to HUD while the Sacramento Housing Authority provided the rental assistance payments and conducted the annual inspections on their behalf. Authorization to transition the rental assistance payments to the Sacramento Housing Authority was obtained in early 2013. As a result, on October 1, 2013, the Sacramento Housing Authority transitioned the rental assistance/annual inspection portion of the two grant programs while the non-profit continued to administer all other aspects of the grant.

On January 15, 2014, the Consolidated Appropriations Act of 2014 reversed the prior regulation from the 2012 Interim Rule and included language permitting non-profit organizations to administer rental assistance for permanent housing. TLCS, Inc. approached the Sacramento Housing Authority requesting all administrative functions be returned to their organization.

Given that TLCS, Inc. is the primary recipient of the grant funds, staff recommends returning the rental administration of the programs back to TLCS, Inc. a) to provide the clients with a seamless level of service from only one agency (instead of two) and b) to create overall efficiencies with the administration of the two grants.

Policy Considerations: The actions recommended in this report are consistent with the 2014 Consolidated Appropriations Act and federal requirements.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed activity is not a project as defined in CEQA Guidelines Section 15378.

Sustainability Considerations: not applicable

Authorization to Return the Rental Assistance Administration of Two Continuum of Care Programs to TLCS, Inc.

Other: (NEPA Findings): The proposed activity is categorically excluded pursuant to 24 CFR 58.35(b)(1) and (2).

Commission Action: *Sacramento Housing and Redevelopment Commission:* At its meeting of January 21, 2015, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

Rationale for Recommendation: Staff recommends returning the administration of the two homeless programs to TLCS, Inc. in order to provide efficient and seamless services to the clients. Services include rental assistance, supportive services and inspection related services.

Financial Considerations: As part of the rental administration of the two programs, the Sacramento Housing Authority paid approximately \$18,500 per month in housing assistance payments to the landlords which were subsequently reimbursed to the Sacramento Housing Authority by TLCS, Inc. As a fee for this rental administration service, the Sacramento Housing Authority received approximately \$2,514 per month in revenue.

Upon approval of the staff recommendation to return these two programs to TLCS, Inc. the Sacramento Housing Authority will no longer receive the monthly revenue of \$2,514. However, as a result, 32 disabled homeless tenants will receive seamless services from TLCS, Inc. and the consolidation of services will create greater efficiencies for their programs.

February 10, 2015

Authorization to Return the Rental Assistance Administration of Two Continuum of Care Programs to TLCS, Inc.

M/WBE and 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 and First Source Program requirements will be applied to the greatest extent possible.

Respectfully Submitted by:



LA SHELLE DOZIER
Executive Director

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Attachments

1 City Council Resolution pg. 5

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RESOLUTION NO. 2015 –

Adopted by the Sacramento City Council

on date of

APPROVAL TO RETURN THE RENTAL ASSISTANCE ADMINISTRATION OF TWO CONTINUUM OF CARE GRANTS BACK TO TRANSITIONAL LIVING AND COMMUNITY SUPPORT, INC. (TLCS, INC.) AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidated three of the separate homeless assistance programs administered by U.S. Department of Housing and Urban Development (HUD) under the McKinney-Vento Homeless Assistance Act into a single grant program.
- B. The HEARTH Act also established the Continuum of Care planning process and provided guidance to implement regulatory changes to align all homeless programs into one continuum thereby streamlining homeless programs nationwide.
- C. As part of this streamlining process, the HEARTH Act, subsequently followed by HUD's Interim Rule of 2012, specified that administration of all rental assistance programs must be performed by a state, unit of general local government, or a public housing agency.
- D. In 2012, the non-profit Transitional Living and Community Support Inc. (TLCS Inc.) approached the Sacramento Housing Authority to administer rental assistance and annual inspections on behalf of their Agency for the Pact Permanent Housing Program (PPHP) and WORK Programs while the non-profit would still be the recipient of the HUD grant funds.
- E. On January 8, 2013, per Resolution Number 2013-0010 the City Council authorized the Sacramento Housing Authority, administered by SHRA staff to administer rental assistance for homeless families in accordance

with the Homeless Emergency and Rapid Transition to Housing (HEARTH) regulations on behalf of the City of Sacramento and SHRA's Executive Director, or designee, and provided further authorization to amend its budget and execute associated agreements, contracts and documents with the appropriate entities to carry out these activities in compliance with applicable adopted policies, guidelines and federal law as approved to form by SHRA Counsel.

- F. On October 1, 2013, the Sacramento Housing Authority began administering the rental assistance/annual inspection portion of the Pact Permanent Housing Program (PPHP), and the WORK Program grant programs while TLCS, Inc., continued to administer all other aspects of the grant.
- G. On January 15, 2014, the Consolidated Appropriations Act of 2014 reversed the prior regulation from the Interim Rule of 2012 and included language permitting non-profit organizations to administer rental assistance for permanent housing.
- H. TLCS, Inc., approached the Sacramento Housing Authority to return the administration of the rental assistance of their programs back to their Agency.
- I. The proposed activity is not a project as defined in California Environmental Quality Act Guidelines Section 15378. The proposed activity is categorically excluded under the National Environmental Policy Act pursuant to 24 CFR 58.35(b)(1) and (2).

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

- Section 1. All evidence presented having been duly considered, the above background facts, including but not limited to the environmental facts, are found to be true and accurate.
- Section 2. The Housing Authority of the City of Sacramento Housing is authorized to transfer the administration of the rental assistance of the Pact Permanent Housing Program (PPHP), and the WORK Program back to TLCS, Inc.
- Section 3. The City Manager is authorized to amend the budget and execute all necessary agreements and contracts to carry out the recommended activities.

RESOLUTION NO. 2015-

Adopted by the Housing Authority of the City of Sacramento

on date of

APPROVAL TO RETURN THE RENTAL ASSISTANCE ADMINISTRATION OF TWO CONTINUUM OF CARE GRANTS BACK TO TRANSITIONAL LIVING AND COMMUNITY SUPPORT, INC. (TLCS, INC.) AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidated three of the separate homeless assistance programs administered by U.S. Department of Housing and Urban Development (HUD) under the McKinney-Vento Homeless Assistance Act into a single grant program.
- B. The HEARTH Act also established the Continuum of Care planning process and provided guidance to implement regulatory changes to align all homeless programs into one continuum thereby streamlining homeless programs nationwide.
- C. As part of this streamlining process, the HEARTH Act, subsequently followed by HUD's Interim Rule of 2012, specified that administration of all rental assistance programs must be performed by a state, unit of general local government, or a public housing agency.
- D. In 2013, the non-profit Transitional Living and Community Support Inc. (TLCS Inc.) approached the Sacramento Housing Authority to administer rental assistance and annual inspections on behalf of their Agency for the Permanent Housing Program (PPHP) and WORK Programs while the non-profit would still be the recipient of the HUD grant funds.
- E. On January 8, 2013 per Resolution 2013-0010 the Housing Authority of the City of Sacramento authorized the Sacramento Housing Authority, administered by SHRA staff to administer rental assistance for homeless families in accordance with the Homeless Emergency and Rapid Transition to Housing (HEARTH) regulations on behalf of the City of

Sacramento and SHRA's Executive Director, or designee, and provided further authorization to amend its budget and execute associated agreements, contracts and documents with the appropriate entities to carry out these activities in compliance with applicable adopted policies, guidelines and federal law as approved to form by SHRA Counsel.

- F. On October 1, 2013, the Sacramento Housing Authority started administering the rental assistance/annual inspection portion of the Pact Permanent Housing Program (PPHP), and the WORK Program grant programs while TLCS, Inc., continued to administer all other aspects of the grant.
- G. On January 15, 2014, the Consolidated Appropriations Act of 2014 reversed the prior regulation from the Interim Rule of 2012 and included language permitting non-profit organizations to administer rental assistance for permanent housing.
- H. TLCS, Inc., approached the Sacramento Housing Authority to return the administration of the rental assistance of their programs back to their Agency.
- I. The proposed activity is not a project as defined in California Environmental Quality Act Guidelines Section 15378. The proposed activity is categorically excluded under the National Environmental Policy Act pursuant to 24 CFR 58.35(b)(1) and (2).

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

- Section 1. All evidence presented having been duly considered, the above Background Facts, including but not limited to the environmental facts, are found to be true and accurate.
- Section 2. The Executive Director is authorized to transfer the administration of the rental assistance of the Pact Permanent Housing Program (PPHP), and the WORK Program back to TLCS, Inc.
- Section 3. The Executive Director is authorized to amend the budget to reflect the transfer and execute all necessary agreements and contracts to carry out the recommended activities.



January 16, 2015

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Authorization to Return the Rental Assistance Administration of Two
Continuum of Care Programs to Transitional Living and Community Support Inc.
(TLCS Inc.)

SUMMARY

The attached report is submitted to you for review prior to consideration by the County
of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
February 10, 2015

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

From: Sacramento Housing and Redevelopment Agency

Subject: Authorization To Return The Rental Assistance Administration Of Two
Continuum Of Care Programs To Transitional Living and Community Support
Inc. (TLCS Inc.)

Supervisory
District: All

Contact: Sarah Thomas, Assistant Director, 916-440-1397

Overview

The 2009 Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) consolidated three separate homeless assistance programs into a single grant program. It was subsequently followed by HUD's Interim Rule of 2012, which specified that administration of all rental assistance programs must be performed by a state, unit of general local government, or a public housing agency (thereby precluding non-profits from this function).

In 2012, Transitional Living and Community Support, Inc (TLCS, Inc) a non-profit entity, approached the Sacramento County Housing Authority (Sacramento Housing Authority) to provide rental assistance payments on their behalf for two programs; the Pact Permanent Housing Program (PPHP), and the Widening Opportunities for Rehabilitation and Knowledge (WORK) Program. On October 1, 2013, the Sacramento Housing Authority transitioned the rental assistance/annual inspection portion of the grants. On January 15, 2014, the Consolidated Appropriations Act of 2014 reversed the prior regulation and included language permitting non-profit organizations to administer rental assistance.

In 2014, TLCS, Inc. approached the Sacramento Housing Authority requesting all administrative functions be returned to them. Given that TLCS, Inc. is the primary recipient of grant funds, staff recommends returning the rental administration of the programs back to TLCS, Inc.

Recommendations:

Approve a Housing Authority Resolution that:

1. Authorizes Sacramento Housing Authority staff to transition the administration of rental assistance for the Pact Permanent Housing Program (PPHP) and WORK Programs back to TLCS, Inc.
2. Authorizes the Executive Director to amend the budget to reflect the transfer and execute all necessary agreements and contracts with TLCS, Inc. to carry out the recommended activities described in this report.

Approve a Board of Supervisors Resolution that:

1. Authorizes the staff to transition the administration of rental assistance for the Pact

Permanent Housing Program (PPHP) and WORK Programs back to TLCS, Inc.

2. Authorizes the County Executive to amend the budget and execute all necessary agreements and contracts to carry out the recommended activities described in this report.

Measures/Evaluation

The proposed recommendation to return the administration of these two programs back to TLCS, Inc. are consistent with the rules set forth in the Consolidated Appropriations Act of 2014 passed by Congress on January 15, 2014 enabling non-profit organizations to once again administer rental assistance programs for permanent housing.

Fiscal Impact

Since October, 2013, the Sacramento Housing Authority paid approximately \$18,500 per month of Housing Assistance Payments (HAP) to the landlords of 32 tenants and was reimbursed for these costs by TLCS, Inc. from the grant proceeds. In addition, the Sacramento Housing Authority received an administrative fee of approximately \$2,514 per month for providing the rental assistance and annual inspection services. While this is a fee that the Housing Authority would forgo by returning the programs back to TLCS, Inc., staff believes that it is important to keep these programs cohesive and provide seamless services to the tenants who are homeless individuals facing severe disabilities.

BACKGROUND

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, sought to streamline all homeless programs nationwide. On July 31, 2012, the U.S. Department of Housing and Urban Development (HUD) published an interim rule in the Federal Register for the new consolidated Continuum of Care (CoC) program. The interim rule implemented changes proposed in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The goal of these interim rules were to: a) promote community-wide goals to end homelessness, b) provide funding to quickly re-house homeless people while minimizing trauma and dislocation, c) promote access to and effective utilization of mainstream programs, and d) optimize self-sufficiency among people experiencing homelessness. As part of the streamlining process, non-profits were no longer able to provide rental assistance which could now only be administered by a state, unit of general local government, or a public housing agency.

In 2012, Transitional Living and Community Support, Inc (TLCS, Inc.) a non-profit Agency specializing in offering transitional and permanent housing to individuals with psychiatric disabilities, approached the Sacramento Housing Authority to provide rental assistance payments (and conduct annual inspections) on their behalf for two HUD funded programs; the PACT Permanent Housing Program (PPHP), and the WORK Program. Both programs provide permanent housing and supportive services to up to 32 homeless disabled families. TLCS Inc. proposed to be the primary recipient of the grant funds, provide supportive services, conduct move in inspections and meet all annual reporting requirements to HUD while the Sacramento Housing Authority provided the rental assistance payments and conducted the annual inspections on their behalf.

On October 1, 2013, the Sacramento Housing Authority transitioned the rental assistance/annual inspection portion of the two grant programs while the non-profit continued to administer all other aspects of the grant. On January 15, 2014, the Consolidated Appropriations Act of 2014 reversed the prior regulation from the Interim Rule of 2012 and included language permitting non-profit organizations to administer rental assistance for permanent housing. TLCS, Inc. approached the Sacramento Housing Authority requesting all administrative functions be returned to them.

Given that TLCS, Inc. is the primary recipient of grant funds, staff recommends returning the rental administration of the programs back to TLCS, Inc. to: a) to assist the clients with a seamless level of service from only one Agency (instead of two) and b) to create overall efficiencies with the administration of the two grants.

COMMISSION ACTION

At its meeting of January 21, 2015 the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

The recommendation to return the administration of these two programs back to TLCS, Inc. are consistent with the rules set forth in the Consolidated Appropriations Act of 2014 passed by Congress on January 15, 2014.

FINANCIAL ANALYSIS

Returning the two programs will reduce program administrative funds of \$2,514 per month. While this is a fee that the Housing Authority would forgo as revenue, by returning the programs back to TLCS, Inc., these two homeless programs will provide cohesive and seamless services to homeless families facing severe disabilities in their lives.

POLICY CONSIDERATIONS

The actions recommended in this report are consistent with policies of the 2014 Consolidated Appropriations Act and federal requirements.

POLICY CONSIDERATIONS

The actions recommended in this report are consistent with policies of the 2014 Consolidated Appropriations Act and federal requirements.

ENVIRONMENTAL REVIEW

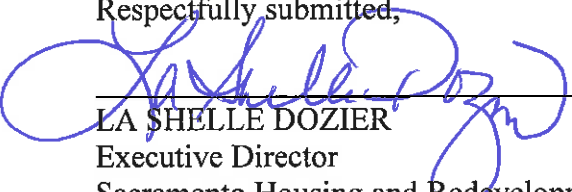
The proposed activity is not a project as defined in California Environmental Quality Act Guidelines Section 15378. The proposed activity is categorically excluded under the National Environmental Policy Act pursuant to 24 CFR 58.35(b)(1) and (2).

M/WBE AND SECTION 3 CONSIDERATIONS

Minority and Women's Business Enterprise requirements will be applied to the extent required by federal funding to maintain that federal funding. Section 3 and First Choice requirements will be applied to the greatest extent possible.

Respectfully submitted,

APPROVED



LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

BRADLEY J. HUDSON
County Executive

Attachments:

RES – Housing Authority of the County Resolution
RES – Board of Supervisors Resolution

RESOLUTION NO. _____

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

ON DATE OF

**AUTHORIZATION TO RETURN THE RENTAL ASSISTANCE ADMINISTRATION
OF TWO CONTINUUM OF CARE PROGRAMS TO TLCS, INC., AND
ENVIRONMENTAL FINDINGS**

WHEREAS, the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidated three of the separate homeless assistance programs administered by U.S. Department of Housing and Urban Development (HUD) under the McKinney-Vento Homeless Assistance Act into a single grant program;

WHEREAS, the HEARTH Act also established the Continuum of Care planning process and provided guidance to implement regulatory changes to align all homeless programs into one continuum thereby streamlining homeless programs nationwide;

WHEREAS, As part of this streamlining process, the HEARTH Act, subsequently followed by HUD's Interim Rule of 2012, specified that administration of all rental assistance programs must be performed by a state, unit of general local government, or a public housing agency (thereby precluding non-profits from this function);

WHEREAS, in 2012 the non-profit Transitional Living and Community Support Inc. (TLCS Inc.) approached the Sacramento Housing Authority to administer rental assistance and annual inspections on behalf of their Agency for the PACT Permanent Housing Program (PPHP) and WORK Programs while the non-profit would still be the recipient of the HUD grant funds;

WHEREAS, on January 8, 2013 per Resolution 2013-0018 the Sacramento Housing Authority, administered by SHRA staff was authorized to administer rental assistance for homeless families in accordance with the Homeless Emergency and Rapid Transition to Housing (HEARTH) regulations on behalf of the County of Sacramento and SHRA's Executive Director, or designee, and further authorized to amend its budget and execute associated agreements, contracts and documents with the appropriate entities to carry out these activities in compliance with applicable adopted policies, guidelines and federal law as approved to form by SHRA Counsel.

WHEREAS, on October 1, 2013, the Sacramento Housing Authority started administering the rental assistance/annual inspection portion of the Pact Permanent Housing Program (PPHP), and the WORK Program grant programs while TLCS, Inc. continued to administer all other aspects of the grant;

WHEREAS, on January 15, 2014, the Consolidated Appropriations Act of 2014 reversed the prior regulation from the Interim Rule of 2012 and included language permitting non-profit organizations to administer rental assistance for permanent housing;

WHEREAS, in 2014, TLCS, Inc., approached the Sacramento Housing Authority to return the administration of the rental assistance of their programs back to their Agency;

WHEREAS, the proposed activity is not a project as defined in California Environmental Quality Act Guidelines Section 15378; and

WHEREAS, the proposed activity is categorically excluded under the National Environmental Policy Act pursuant to 24 CFR 58.35(b)(1) and (2).

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

Section 1: All evidence presented having been duly considered, and as stated in the above recitals, including the environmental recitals, are found to be true and accurate.

Section 2: The Executive Director is authorized to transfer the administration of rental assistance for homeless families back to TLCS, Inc. for the PPHP and WORK Programs.

Section 3: The Executive Director is authorized to amend the Agency budget to reflect this transfer and execute all necessary agreements and contracts to carry out the recommended activities described in this report.

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 10th day of February, 2015, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSENT: Members,

ABSTAIN: Members,

Chair of the Housing Authority
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk

RESOLUTION NO. _____

ON DATE OF

AUTHORIZATION TO RETURN THE RENTAL ASSISTANCE ADMINISTRATION OF TWO CONTINUUM OF CARE PROGRAMS TO TLCS, INC. AND ENVIRONMENTAL FINDINGS

WHEREAS, The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidated three of the separate homeless assistance programs administered by U.S. Department of Housing and Urban Development (HUD) under the McKinney-Vento Homeless Assistance Act into a single grant program;

WHEREAS, the HEARTH Act also established the Continuum of Care planning process and provided guidance to implement regulatory changes to align all homeless programs into one continuum thereby streamlining homeless programs nationwide;

WHEREAS, As part of this streamlining process, the HEARTH Act, subsequently followed by HUD's Interim Rule of 2012, specified that administration of all rental assistance programs must be performed by a state, unit of general local government, or a public housing agency (thereby precluding non-profits from this function);

WHEREAS, in 2012, the non-profit Transitional Living and Community Support Inc. (TLCS Inc.) approached the Sacramento Housing Authority to administer rental assistance and annual inspections on behalf of their Agency for the PACT Permanent Housing Program (PPHP) and WORK Programs while the non-profit would still be the recipient of the HUD grant funds;

WHEREAS, on January 8, 2013 per Resolution 2013 – 0018 the Board of Supervisors authorized the Sacramento Housing Authority, administered by SHRA staff to administer rental assistance for homeless families in accordance with the Homeless Emergency and Rapid Transition to Housing (HEARTH) regulations on behalf of the County of Sacramento and SHRA's Executive Director, or designee, and provided further authorization to amend its budget and execute associated agreements, contracts and documents with the appropriate entities to carry out these activities in compliance with applicable adopted policies, guidelines and federal law as approved to form by SHRA Counsel.

WHEREAS, on October 1, 2013, the Sacramento Housing Authority started administering the rental assistance/annual inspection portion of the Pact Permanent Housing Program (PPHP), and the WORK Program grant programs while TLCS, Inc., continued to administer all other aspects of the grant;

WHEREAS, on January 15, 2014, the Consolidated Appropriations Act of 2014 reversed the prior regulation from the Interim Rule of 2012 and included language permitting non-profit organizations to administer rental assistance for permanent housing;

WHEREAS, in 2014 TLCS, Inc., approached the Sacramento Housing Authority to return the administration of the rental assistance of their programs back to their Agency;

WHEREAS, the proposed activity is not a project as defined in California Environmental Quality Act Guidelines Section 15378; and

WHEREAS, the proposed activity is categorically excluded under the National Environmental Policy Act pursuant to 24 CFR 58.35(b)(1) and (2).

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

Section 1: All evidence presented having been duly considered, the facts, including but not limited to the environmental facts, as stated in the staff report that accompanies this resolution and in the recitals above, are found to be true and accurate and approved.

Section 2: Authorizes the Sacramento Housing Authority staff to transition the administration of rental assistance for homeless families back to TLCS, Inc. for the PPHP and WORK Programs.

Section 3: Authorizes the County Executive to amend the budget and execute all necessary agreements and contracts to carry out the recommended activities described in this report.

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 10th day of February, 2015, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors



January 16, 2015

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Application for Choice Neighborhoods Initiative (CNI) Implementation Grant

SUMMARY

The attached report is submitted to you for review prior to consideration by the City of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



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

**Consent
January 27, 2015**

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

Title: Application for Choice Neighborhoods Initiative (CNI) Implementation Grant

Location/Council District: Twin Rivers Public Housing Development; Council District 3

Issue: The Housing Authority of the County of Sacramento is positioned to respond to the Federal Department of Housing and Urban Development's Choice Neighborhoods Initiative Notice of Funding Availability for Implementation Grants. The application would include the River District/Railyards Neighborhood Transformation Plan which focuses on revitalizing Twin Rivers Public Housing site and the surrounding neighborhood.

Recommendation: Adopt 1) a **Council Resolution:** authorizing the City Manager or designee to: a) submit as the local municipality and co-applicant, to the United States Department of Housing and Urban Development for up to \$30,000,000 in 2014 CNI Implementation Grant funds to assist in River District/Railyards Neighborhood Transformation Plan for the Twin Rivers public housing community; b) sign documents and forms required by the CNI Implementation Grant application; c) execute all necessary contracts; d) if awarded a CNI grant, agreements and project approvals will require subsequent approvals; and e) making related environmental findings; and Adopt 2) a **Housing Authority Resolution** authorizing the Executive Director or her designee to a) amend the Agency budget to allocate \$2,340,000 of 2002 Tax Exempt Housing Funds to the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Initiative; b) amended the Agency budget to allocate \$1,292,000 in proceeds from the sale of 320 Commerce Circle to the 2014 Twin Rivers (Dos Rios) Transit Oriented Development (TOD) and Light Rail Station Initiative; c) if awarded a CNI grant, project approvals will require subsequent approvals; and d) making related environmental findings.

Contact: Tyrone Roderick Williams, Director of Development, (916) 440-1316, SHRA, Kyle Flood, Program Manager-Development (916) 440-1311, SHRA, Melissa Anguiano, Manager, (916) 808-5864, Economic Development Department

Presenters: N/A

CNI Implementation Grant Application

Department: Sacramento Housing and Redevelopment Agency, and Economic Development

Description/Analysis

Issue: The Federal Department of Housing and Urban Development (HUD) recently issued the Choice Neighborhoods Initiative Notice of Funding Availability (NOFA) for Implementation Grants for Fiscal Year 2014 and 2015. Grant funds are intended to support those communities which have completed a comprehensive local planning process and are positioned to implement a Neighborhood Transformation Plan (NTP) to redevelop the public housing, provide well functioning services, and revitalize the surrounding neighborhood. This report recommends the submission of an Implementation Grant application for the River District – Railyards NTP which will focus revitalization efforts on the Twin Rivers public housing community and surrounding neighborhood, drawing on the redevelopment and urban planning efforts currently taking place within the surrounding River District.

The Twin Rivers public housing development is the oldest development in the Housing Authority of the County of Sacramento's public housing inventory. The 218-unit public housing community has existed as an isolated and disconnected community, cut off from the surrounding area by railroad tracks, levees and rivers, and limited connections via rail, road, or transit to other parts of the City.

In 2012, the HUD awarded the Housing Authority of the County of Sacramento (Housing Authority) Choice Neighborhoods Initiative (CNI) Planning grant to develop a NTP for the Twin Rivers - River District/Railyards neighborhood.

The Choice Neighborhoods Initiative focuses on improving severely distressed public housing and resident self-sufficiency and to assist local jurisdictions transformation of distressed neighborhoods into revitalized mixed-income neighborhoods. Choice Neighborhoods is comprised of three core goals:

1. Transforming distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term.
2. Supporting positive outcomes for families who live in the target development(s) and the surrounding neighborhood, particularly outcomes related to residents' health, safety, employment, mobility, and education.
3. Transforming distressed, high-poverty neighborhoods into viable, mixed-income neighborhoods with access to well-functioning services, high quality public school and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs.

As a result of a 24 month planning process in which staff worked with organizations, community groups and residents, the River District/Railyards NTP was developed. The vision for the River District-Railyards is the creation of a dynamic and vibrant community that plugs the area and its people back into the network of the City – physically, economically, and socially:

CNI Implementation Grant Application

- Physically by creating higher quality and safe access points into and out of the area, whether through roadways, public transportation or visual connections.
- Economically by attracting businesses to the area, providing potential employment opportunities and amenities and services for local residents.
- Socially by building energy efficient, mixed-income housing that serves and attracts households across a range of family types, abilities and income, and establishing a cohesive system to connect residents to services and programs that address their individual needs.

On November 6, 2014, HUD issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for Fiscal Year 2014 and 2015. It is anticipated HUD will award three grants up to \$30,000,000, with grant terms of seven (7) years. Applicants must demonstrate how the grant and other leverage funds will transform a neighborhood of extreme poverty into a sustainable mixed-income neighborhood with well-functioning services, schools, public assets, transportation and access to jobs over the seven year grant period.

Applicant Eligibility: The Housing Authority of the County of Sacramento (HACOS) will be lead applicant, and the City of Sacramento (City) will be co-applicant due to a new applicant eligibility threshold. This threshold requires that either the lead applicant or a co-applicant be a unit of local government. By having local government participation, implementation is more integrated with implementation of City goals, policies and capital improvement projects. In its role as the Project Manager, SHRA acting on behalf of the Housing Authority of the County of Sacramento will be the primary entity responsible for implementing the activities identified in the NTP. SHRA will be responsible for overseeing and coordinating all elements of the NTP, including managing partner entities and grant administration.

The application requires an entity be responsible for each of the three core areas: Neighborhood, Housing and People. The City of Sacramento will implement the Neighborhood Plan which is focused on short- and mid-term community improvements that both address the immediate concerns of current residents and lays the ground work for future planned and anticipated development. McCormack Baron Salazar (MBS), the private developer and manager of the proposed new housing, is a leading developer in urban transformation projects as exemplified by its numerous mixed-income communities across the country. The 843 units of new housing are estimated to cost over \$206 million. MBS will be the Housing entity for the application. Urban Strategies will oversee the implementation of the People Plan and provide comprehensive case management services. They are responsible for securing the partnerships necessary to carry out the identified strategies and obtaining funding to support both implementation as well as the long-term sustainability of the service model.

CNI Implementation Grant Application

Policy Considerations: The recommended strategies in the Neighborhood Transformation Plan are consistent with the City and County Housing Authority 2007 Asset Repositioning Strategy.

The strategies also further the commitment of the City through the 2013-2021 Housing Element to preserve and rehabilitate existing affordable housing and to provide housing for extremely low income households. The HUD-approved 5-year Public Housing Authority Plan affirms Twin Rivers as a public housing development designated for demolition and/or disposition. Specifically, the recommendations support policies H-3.1.1 related to extremely low income housing needs, policy H-4.4 regarding the preservation of affordable housing, and Program 74 which confirms the City's commitment to the Housing Authority Asset Repositioning Strategy.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): Activities covered in the grant application and in furtherance of preparing the Neighborhood Transformation Plan are considered planning and feasibility studies which are statutorily exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15262.

National Environmental Policy Act (NEPA): Activities covered in the grant application and in furtherance of preparing the Neighborhood Transformation Plan are considered studies, resource identification and the development of plans and strategies, and are exempt under NEPA per 24 CFR 58.34 (a)(1).

SHRA will not proceed with any project, contract or agreement that is not defined within the scope of this report and resolution without proper environmental review.

Sustainability Considerations: The activities included in this report have been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the following goals, policies and targets: rehabilitating units following green building standards aligns with goal number one – Energy Independence, item 3 – Improve energy efficiency and the overall NSP-2 activities support goal number five – Public Health and Nutrition, item 3 – Create Healthy Urban Environments through Restorative Redevelopment.

Commission Action: *Sacramento Housing and Redevelopment Commission:* At its meeting of January 21, 2015, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

CNI Implementation Grant Application

AYES:

NOES:

ABSTAIN:

Rationale for Recommendation: The Plan for the River District-Railyards sets forth a comprehensive blueprint of the neighborhood, housing, and people strategies essential to realize the collective vision for this pivotal community. Due to limited resources, all eligible funding opportunities should be pursued.

Financial Considerations: This report recommends submitting an application for federal funding of up to \$30,000,000 under the FY2014 and FY2015 Choice Neighborhoods Initiative Implementation Grant. The application requires local matching funds of five percent (\$1.5 million) which has been satisfied by the prior allocation of Community Development Block Grant (CDBG) funds by both the City of Sacramento (\$2 million) and County of Sacramento (\$950,000) in the Fall of 2014. Additional leverage commitments over and above the required match earn points for the application on a sliding scale. Two funding sources have been identified for this leverage: 1) Tax Exempt Housing Funds which must be used for or to support affordable housing and cannot be repaid; and 2) sale proceeds from a Housing Authority property which must be expended for public housing activities. In order to obtain additional points, his report recommends the Housing Authority of the City allocate a) \$2,340,000 in 2002 Tax Exempt Housing Funds; and b) \$1,292,000 in proceeds from the sale of 320 Commerce Circle to the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Initiative.

M/WBE/Section 3 and First Source Program 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 as may be applicable. Developers and contractors involved in this program will be encouraged to use the First Source Program for employment opportunities.

Respectfully Submitted by:


 LA SHELLE DOZIER
 Executive Director
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BACKGROUND

The Twin Rivers public housing development is the oldest development in the Housing Authority of the County of Sacramento's public housing inventory. Twin Rivers has existed as an isolated and disconnected community, cut off from the surrounding area by railroad tracks, levees and rivers, and limited connections via rail, road, or transit to other parts of the City.

On January 31, 2012, the U.S. Department of Housing and Urban Development (HUD) awarded the Housing Authority of the County of Sacramento (Housing Authority) a \$300,000 Choice Neighborhoods Initiative (CNI) Planning grant to develop a Neighborhood Transformation Plan (NTP) for the Twin Rivers - River District/Railyards neighborhood.

The Choice Neighborhoods Initiative focuses on improving severely distressed public housing and resident self-sufficiency and to assist local jurisdictions transformation of distressed neighborhoods into revitalized mixed-income neighborhoods. Choice Neighborhoods is comprised of three core goals:

1. Transforming distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term.
2. Supporting positive outcomes for families who live in the target development(s) and the surrounding neighborhood, particularly outcomes related to residents' health, safety, employment, mobility, and education.
3. Transforming distressed, high-poverty neighborhoods into viable, mixed-income neighborhoods with access to well-functioning services, high quality public school and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs.

Over a 24 month period, from January 2012 through December 2013, Housing Authority staff worked with a multitude of organizations, community groups, and Twin Rivers' public housing residents to craft the NTP. It is a comprehensive neighborhood revitalization plan which focuses on recommending strategies to address the three core goals. The NTP serves as the guide to revitalization of the 218-unit Twin Rivers public housing site while simultaneously encouraging the transformation of the surrounding neighborhood with positive outcomes for families. Since January 2014, staff has begun implementation of core components of the NTP.

On November 6, 2014, HUD issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for Fiscal Year 2014 and 2015. It is anticipated HUD will award three grants up to \$30,000,000, with grant terms of seven (7) years. Applicants must demonstrate how the grant and other leverage

funds will transform a neighborhood of extreme poverty into a sustainable mixed-income neighborhood with well-functioning services, schools, public assets, transportation and access to jobs over the seven year grant period.

The NTP focuses revitalization of the site in a manner that capitalizes upon the planned investments in the neighborhood and expands options for residents to live and work and learn in a revitalized mixed-income and mixed-use environment rich with opportunities. Now, in conjunction with the River District and the Railyards Specific Plans, there is a plan for how Twin Rivers public housing and other neighborhood residents, including the homeless, can improve their employment, educational, and health outcomes through case management and supportive services such as job training, connection to jobs, improved health care, and access to excellent educational opportunities from early childhood to college and beyond. As part of the NTP, each of the three core areas: Housing, People and Neighborhood have an entity responsible for implementation with the community and the other partnership organizations.

The Plan for the River District-Railyards sets forth a comprehensive blueprint of the neighborhood, housing, and people strategies essential to realize the collective vision for this pivotal community the highlights of the goals and strategies for each component are described below. For each core goal, projects which have progressed in the last year are identified.

Neighborhood Strategy

The City of Sacramento will implement the Neighborhood Plan which is focused on short- and mid-term community improvements that both address the immediate concerns of current residents and lays the ground work for future planned and anticipated development. Activities address public safety from a built-environment perspective; identify place-based strategies to mitigate the issues surrounding the concentration of homeless service providers in the area; and increase the number and quality of amenities available to neighborhood users from open space to retail to transportation. Anchoring the Neighborhood Plan are the existing assets of the community including its proximity to downtown, the rivers, and local and regional employment centers. The City is working on ongoing collaborations with other local, regional, and state organizations to guide investment in the River District and Railyards areas. This includes the 12th Street corridor Safety Improvement Project; North 12th Street Complete Street Project; I Street Bridge Replacement Project; Sacramento Intermodal Transportation Facility – historic depot renovation; and A Street Property owners committee. Additionally, the Sacramento Housing and Redevelopment Agency (SHRA) and the Sacramento Regional Transit District (RT) are jointly working on the design and environmental review of the planned Dos Rios Light Rail station. SHRA initiated property acquisition for the station site and adjacent transit oriented development.

Housing Strategy

Constructed primarily between 1942 and 1946, many of the systems and infrastructure at Twin Rivers have reached the end of their useful life, existing buildings do not conform to current seismic standards, the site plan that lacks defensible space, and the units do not meet the space and amenity requirements of today's families.

The Housing Plan for the River District-Railyards recommends the replacement of all 218 public housing units at Twin Rivers with an approximately 840-unit mixed-income; mixed-use community that will result in vastly improved living conditions for current residents. This includes development on privately owned parcels adjacent to the existing public housing site. The units proposed will offer a diverse range of housing types to be constructed both on- and off-site, with public housing, affordable, and market-rate units being indistinguishable from one another. Featuring energy-efficient design and accessibility for people of all abilities, the new housing will give residents an unprecedented opportunity to re-engage not only with the local neighborhood but with other parts of the City and region. Phase 1 of the housing development will include approximately 100 units adjacent to the proposed light rail station. Together with the construction of the light rail station, it will be a key catalyst for change in the area as well as provide an inventory new of units to allow the redevelopment of Twin Rivers to proceed with minimal resident displacement.

McCormack Baron Salazar (MBS), the private developer and manager of the proposed new housing, is the developer of the housing plan and was procured through a national competition. MBS is a leading developer in urban transformation projects as exemplified by its numerous mixed-income communities across the country. The 843 units of new housing are estimated to cost over \$206 million. MBS will implement the Housing for the application.

People Strategy

The People Strategy focuses on facilitating connections with Twin Rivers' residents, including youth, adults, the disabled and the elderly, to the appropriate services and programs that address their individually-identified barriers to success, whether defined as higher educational achievement, gainful employment, physical well-being, independent living, and/or homeownership. Grounded in a case management approach, each Twin Rivers' resident is recommended to have a family development plan that identifies specific goals along with the action steps and supports needed to achieve those goals.

Through a comprehensive Service Provider Network, residents would be proposed to be linked to existing programs. For services not delivered on-site, Twin Rivers' residents will receive transportation support to assist with access issues. For adults, a "Work First" approach that focuses on transitional employment and job skills training with wrap-around support targeting health, mobility, and family support services will be adopted. For youth, the program will

be based on a dual generation model that focuses on school readiness for younger children and college/career preparation for older youth, all of which is supported by involvement from the child's immediate family network including parents, grandparents, and caregivers. SHRA is preparing to start a resident leadership academy in the spring of 2015. Additionally, the Housing Authority submitted an application for a Promise Zone designation in November 2014. This partnership with the City, County and multiple service providers is consistent and supports the strategies in the NTP.

Urban Strategies was procured to oversee the implementation of the People Plan and provide comprehensive case management services. They are responsible for securing the partnerships necessary to carry out the identified strategies and obtaining funding to support both implementation as well as the long-term sustainability of the service model.

RESOLUTION NO. 200X -

Adopted by the Sacramento City Council

On date of

APPLICATION FOR CHICE NEIGHBOHROODS INITIATIVE IMPLEMENTATION GRANT FOR TWIN RIVERS - RIVER DISTRICT/RAILYARDS CHOICE NEIGHBORHOODS TRANSFORMATION PLAN

BACKGROUND

- A. The Housing Authority of the County of Sacramento (the "Authority") was awarded a U.S. Department of Housing and Urban Development (HUD) Choice neighborhoods Initiative (CNI) grant to develop a Neighborhood Transformation Plan (NTP) for the Twin Rivers – River District/Railyards Neighborhood.
- B. The NTP was submitted to the City Council and the Housing Authority of the County of Sacramento Board in December 2013 and HUD in January 2014
- C. The Authority issued a Request for Qualifications (RFQ) to determine the most qualified developer to assist in developing a housing program for the Twin Rivers – River District/Railyards neighborhood; on October 16, 2012 the Authority Board approved the selection of McCormack Baron Salazar (HA-2337) as the Housing Lead for the Twin Rivers – River District/Railyards neighborhood.
- D. On October 7, 2014, the City Council allocated \$2 million.
- E. On November 6, 2014, HUD issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for the Fiscal Year 2014 and 2015. Implementation Grants are intended to assist communities in a NTP and continue building the support necessary for the NTP to be successfully implemented.
- F. The NOFA identifies Public Housing Authorities as eligible co-applicants and requires a unit of local government must be either the Lead Applicant or the Co-Applicant.
- G. The application is due to HUD by February 9, 2015.
- H. If awarded, the CNI Implementation Grant will provide up to \$30 million per grant award toward implementation.
- I. The proposed actions are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34 (a)(1) and statutorily exempt under the California Environmental Quality Act (CEQA) Guidelines Section 15262. SHRA will not proceed with any project, contract or agreement that is not defined within the scope of this report and resolution without proper environmental review.

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

Section 1. All evidence presented have been duly considered, the findings, including environmental findings regarding this action, as stated above, are approved.

Section 2. The City Manager, or designee, is authorized to submit on behalf of the City of Sacramento as the local municipality as the Co-Applicant with the Housing Authority of the County of Sacramento to HUD for up to \$30 million in CNI Implementation funds to assist in the development of a River District/Railyards Neighborhood Transformation Plan for the Twin River public housing community.

Section 3. The City Manager, or designee, is authorized sign documents and forms required by the CNI Implementation Grant application.

Section 4: The City Manager, or designee, is authorized execute contracts required by the CNI Implementation Grant application.

Section 5: In the event a CNI Implementation Grant is awarded, necessary agreements and projects approvals will require subsequent approvals.

PARTNERSHIP CERTIFICATION

This Certification is made this ____ day of _____ 2015, by the City of Sacramento ("City"), 915 I Street, Sacramento, California 95814

I. PURPOSE AND SCOPE

The Housing Authority of the County of Sacramento ("HACOS"), the Lead Applicant, and the City of Sacramento, Co-Applicant (collectively "Applicants"), together with additional partners, are applying to the U.S. Department of Housing and Urban Development ("HUD") for the Choice Neighborhoods Initiative-Implementation Grant Program ("CNI Grant") to undertake a comprehensive revitalization, pursuant to a Transformation Plan, of the River District/Railyards neighborhood. If the CNI Grant is awarded to the Applicants, the Applicants will undertake and/or coordinate the revitalization of the River District/Railyards neighborhood in accordance with the Transformation Plan. This certification comports with HUD's requirement under the Fiscal Year 2014/2015 Notice of Funding Availability that there be a "Partnership Certification" from each Principal Team Member, committing to specific duties and responsibilities corresponding

II. ROLE AS CO-APPLICANT

The Co-Applicant shall be responsible, in coordination with the Lead Applicant, for the entire project including activities carried out by all the partners throughout the Grant term. The Co-Applicant shall, along with the Lead Applicant, sign the CNI Agreement and be responsible for implementing the activities identified in the Transformation Plan. The Co-Applicant shall be jointly and severally liable with the Lead Applicant for the performance of the grant. The Co-Applicant shall work with the Lead Applicant to ensure timely and correct reporting to HUD and to ensure that efficient administrative management and control systems are established within the project. The Co-Applicant shall work with the Lead Applicant to ensure proper communication with the partners including the residents of Twin Rivers, ensuring that proper financial management and control procedures are applied and that the HUD procedures concerning financial management and control as well as procurement, information, communication and visibility activities and rules are observed. The Co-Applicant, in coordination with the Lead Applicant, will be responsible for selecting and entering into agreements with one or more entities for the provision of all services required under the CNI Grant. The Co-Applicant shall also serve as the Neighborhood Implementation Entity for the CNI Grant as described below.

III. ROLE OF CITY OF SACRAMENTO AS NEIGHBORHOOD IMPLEMENTATION ENTITY

The City of Sacramento, through its Department of Economic Development, will serve as the Neighborhood Implementation Entity for the CNI Grant and shall be responsible for:

- a. Coordinating the implementation of all activities needed to achieve the core Neighborhood goals defined in the Transformation Plan over the entire CNI Grant period.
- b. Coordinating the planning and implementation of neighborhood activities with the Lead Applicant, other Principal Implementation Entities (Housing, People, Education), and other partners in order to ensure successful completion of all Choice Neighborhood goals.
- c. Coordinating Neighborhood-related activities, including all CNI Grant-funded neighborhood development programs, of other Neighborhood partners including conducting regular meetings, coordinating the flow of information, developing and updating work plans, and providing regular updates of activity to Neighborhood partners, community residents, and other stakeholders.
- d. Coordinating planning for other Neighborhood-related opportunities in support of the Transformation Plan goals over the seven-year CNI grant period including activities to transform the River District/Railyards neighborhood into a dynamic and interconnected community that is the premier in-town living and destination for residents and visitors across the Sacramento region.
- e. Tracking and reporting in a format proscribed by HUD on activities, metrics, and outcomes associated with Transformation Plan Neighborhood components including monitoring and tracking changes and activities related to other neighborhood housing, neighborhood services, public transportation, public safety, job access, and education.
- f. Assisting in securing leveraged funding for Neighborhood activities including leverage committed in support of the Transformation Plan Neighborhood Vision and, if feasible, additional leveraged resources during the CNI Grant period.
- g. Cooperating and collaborating with evaluation contractor(s) and participate in periodic HUD site visits and reviews.
- h. Serving on the Twin Rivers Revitalization Advisory Board that will meet regularly throughout the grant period to review the data collected to track progress for the Housing, People, Education and Neighborhood program outcomes and agreeing to work with CNI partners to adjust programming as needed to ensure CNI goals and outcomes are achieved.

For CITY OF SACRAMENTO, THROUGH ITS DEPARTMENT OF ECONOMIC DEVELOPMENT (CO-APPLICANT):

By: John F. Shirey, City Manager

Date:

RESOLUTION NO. 200X -

Adopted by the Housing Authority of the City of Sacramento

on date of

APPLICATION FOR CHICE NEIGHBOHROODS INITIATIVE IMPLEMENTATION GRANT FOR TWIN RIVERS - RIVER DISTRICT/RAILYARDS CHOICE NEIGHBORHOODS TRANSFORMATION PLAN

BACKGROUND

- A. The Housing Authority of the County of Sacramento (the "Authority") was awarded a U.S. Department of Housing and Urban Development (HUD) Choice neighborhoods Initiative (CNI) grant to develop a Neighborhood Transformation Plan (NTP) for the Twin Rivers – River District/Railyards Neighborhood, located in the City of Sacramento.
- B. The NTP was submitted to the City Council and the Housing Authority of the County of Sacramento Board in December 2013 and HUD in January 2014
- C. The Authority issued a Request for Qualifications (RFQ) to determine the most qualified developer to assist in developing a housing program for the Twin Rivers – River District/Railyards neighborhood; on October 16, 2012 the Authority Board approved the selection of McCormack Baron Salazar (HA-2337) as the Housing Lead for the Twin Rivers – River District/Railyards neighborhood.
- D. On October 7, 2014, the Sacramento City Council allocated Community Development Block Grant (CDBG) funds in the amount of \$2,000,000 and on November 4, 2014 the Sacramento County Board of Supervisors allocated CDBG funds in the amount of \$950,000 to the project.
- E. On November 6, 2014, the HUD issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for the Fiscal Year 2014 and 2015. Implementation Grants are intended to assist communities in a NTP and continue building the support necessary for the NTP to be successfully implemented.
- F. The NOFA identifies Public Housing Authorities as eligible co-applicants and requires a unit of local government must be either the Lead Applicant or the Co-Applicant.
- G. The application is due to HUD by February 9, 2015.
- H. If awarded, the CNI Implementation Grant will provide up to \$30 million per grant award toward implementation.
- I. The proposed actions are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34 (a)(1) and statutorily exempt under the California

Environmental Quality Act (CEQA) Guidelines Section 15262. SHRA will not proceed with any project, contract or agreement that is not defined within the scope of this report and resolution without proper environmental review.

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

Section 1. The proposed actions are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34 (a)(1) and statutorily exempt under the California Environmental Quality Act (CEQA) Guidelines Section 15262. SHRA will not proceed with any project, contract or agreement that is not defined within the scope of this report and resolution without proper environmental review.

Section 2. The Housing Authority Budget is amended to allocate \$2,340,000 in 2002 Tax Exempt Housing Funds to the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Initiative.

Section 3. The Housing Authority Budget is amended to allocating \$1,292,000 in proceeds from the sale of 320 Commerce Circle to the 2014 Twin Rivers (Dos Rios) TOD and Light Rail Station Initiative.

Section 4: In the event a CNI Implementation Grant is awarded projects approvals will require subsequent approvals.



January 16, 2015

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Application For Choice Neighborhoods Initiative (CNI) Implementation Grant

SUMMARY

The attached report is submitted to you for review prior to consideration by the County of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
January 27, 2015
Timed: 10:00 a.m.

To: Housing Authority of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Authorize Application For A Choice Neighborhood Grant For The Twin Rivers/River District-Railyards Initiative

Supervisory District: Serna

Contact: Tyrone Rodrick Williams, Development Director, 440-1316
Kyle Flood, Program Manager, 440-1311

Overview

The Federal Department of Housing and Urban Development (HUD) recently issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for Fiscal Years 2014 and 2015. Grant funds are intended to support those communities which have completed a comprehensive local planning process and are positioned to implement a Neighborhood Transformation Plan (NTP) to redevelop the public housing, provide well functioning services, and revitalize the surrounding neighborhood. This report recommends the submission of an Implementation Grant application for the River District – Railyards Neighborhood Transformation Plan which will focus revitalization efforts on the Twin Rivers public housing community and surrounding neighborhood, drawing on the redevelopment and urban planning efforts currently taking place within the surrounding River District.

Recommendations

Adopt a Housing Authority Resolution authorizing:

The Executive Director or her designee to:

1. Submit an application to the United States Department of Housing and Urban Development (HUD) for up to \$30,000,000 in 2014 Choice Neighborhood Initiative (CNI) Implementation Grant funds to support the implementation of the River District – Railyards NTP for the Twin Rivers public housing community;
2. Sign documents, forms and enter into and execute agreements required by the CNI Implementation Grant Application.
3. Make related findings, and

The Housing Authority Board Chair to:

1. Certify HUD documents and forms as required by the application Attachment 1 to the Resolution.

Measures/Evaluation

The Neighborhood Transformation Plan places significant emphasis on data collection, measurement and evaluation. As part of implementation, the Housing Authority of the County of Sacramento (HACOS) will secure partnership certifications from various partners to share data that will be used to create regular reports to evaluate progress.

Fiscal Impact

This report recommends submitting an application for federal funding of up to \$30,000,000 under the FY2014/2015 Choice Neighborhoods Initiative Implementation Grant. The application requires local matching funds of 5 percent (\$1.5 million) which has been satisfied by the prior allocation of Community Development Block Grant (CDBG) funds by both the City of Sacramento (\$2 million) and County of Sacramento (\$950,000) in the fall of 2014 (County Resolution No. 2014-0869). Additional leverage commitments over and above the required match earns additional points for the application on a sliding scale. No additional funds are requested.

BACKGROUND

The Twin Rivers public housing development is the oldest development in the Housing Authority of the County of Sacramento's (HACOS) public housing inventory. Twin Rivers has existed as an isolated and disconnected community, cut off from the surrounding area by railroad tracks, levees and rivers, and limited connections via rail, road, or transit to other parts of the City.

On January 31, 2012, the U.S. Department of Housing and Urban Development (HUD) awarded the Housing Authority of the County of Sacramento (Housing Authority) a \$300,000 Choice Neighborhoods Initiative (CNI) Planning grant to develop a Neighborhood Transformation Plan (NTP) for the Twin Rivers - River District/Railyards neighborhood.

The CNI focuses on improving severely distressed public housing and resident self-sufficiency and to assist local jurisdictions transformation of distressed neighborhoods into revitalized mixed-income neighborhoods. Choice Neighborhoods is comprised of three core goals:

1. Transforming distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term.
2. Supporting positive outcomes for families who live in the target development(s) and the surrounding neighborhood, particularly outcomes related to residents' health, safety, employment, mobility, and education.
3. Transforming distressed, high-poverty neighborhoods into viable, mixed-income neighborhoods with access to well-functioning services, high quality public school and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs.

Over a 24 month period, from January 2012 through December 2013, Housing Authority staff worked with a multitude of organizations, community groups, and Twin Rivers' public housing residents to craft the NTP. It is a comprehensive neighborhood revitalization plan which focuses on recommending strategies to address the three core goals. The NTP serves as the guide to revitalization of the 218-unit Twin Rivers public housing site while simultaneously encouraging

the transformation of the surrounding neighborhood with positive outcomes for families. Since January 2014, staff has begun implementation of core components of the NTP.

On November 6, 2014, HUD issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for Fiscal Year 2014 and 2015. It is anticipated HUD will award three grants up to \$30,000,000, with grant terms of seven (7) years. Applicants must demonstrate how the grant and other leverage funds will transform a neighborhood of extreme poverty into a sustainable mixed-income neighborhood with well-functioning services, schools, public assets, transportation and access to jobs over the seven year grant period.

DISCUSSION

Consistent with the goals and objectives of the CNL, the application includes the implementation of the River District – Railyards NTP. Grant funds are intended to support those communities which have completed a comprehensive local planning process and are positioned to implement the NTP to redevelop the public housing, provide well- functioning services, and improve/revitalize the surrounding neighborhood.

The NTP focuses revitalization of the site in a manner that capitalizes upon the planned investments in the neighborhood and expands options for residents to live and work and learn in a revitalized mixed-income and mixed-use environment rich with opportunities. Now, in conjunction with the River District and the Railyards Specific Plans, there is a plan for how Twin Rivers public housing and other neighborhood residents, including the homeless, can improve their employment, educational, and health outcomes through case management and supportive services such as job training, connection to jobs, improved health care, and access to excellent educational opportunities from early childhood to college and beyond. As part of the NTP, each of the three core areas: Housing, People and Neighborhood have a lead organization responsible for implementation with the community and the other partnership organizations.

Applicant Eligibility: HACOS will be lead applicant, and the City of Sacramento (City) will be co-applicant due to a new applicant eligibility threshold. This threshold requires that either the lead applicant or a co-applicant be a unit of local government. By having local government participation, implementation is more integrated with implementation of City goals, policies and capital improvement projects.

The Plan for the River District-Railyards sets forth a comprehensive blueprint of the neighborhood, housing, and people strategies essential to realize the collective vision for this pivotal community. The highlights of the goals and strategies for each component are described below. For each core goal, projects which have progressed in the last year are identified.

Neighborhood Strategy

The City of Sacramento will lead the implementation of the Neighborhood Plan which is focused on short- and mid-term community improvements that both address the immediate concerns of current residents and lays the ground work for future planned and anticipated development.

Activities address public safety from a built-environment perspective; identify place-based strategies to mitigate the issues surrounding the concentration of homeless service providers in the area; and increase the number and quality of amenities available to neighborhood users from open space to retail to transportation. Anchoring the Neighborhood Plan are the existing assets of the community including its proximity to downtown, the rivers, and local and regional employment centers. The City is working on ongoing collaborations with other local, regional, and state organizations to guide investment in the River District and Railyards areas. This includes the 12th Street corridor Safety Improvement Project; North 12th Street Complete Street Project; I Street Bridge Replacement Project; Sacramento Intermodal Transportation Facility – historic depot renovation; and A Street Property owners committee. Additionally, the Sacramento Housing and Redevelopment Agency (SHRA) and the Sacramento Regional Transit District (RT) are jointly working on the design and environmental review of the planned Dos Rios Light Rail station. SHRA initiated property acquisition for the station site and adjacent transit oriented development.

Housing Strategy

Constructed primarily between 1942 and 1946, many of the systems and infrastructure at Twin Rivers have reached the end of their useful life, existing buildings do not conform to current seismic standards, the site plan lacks defensible space, and the units do not meet the space and amenity requirements of today's families.

The Housing Plan for the River District-Railyards recommends the replacement of all 218 public housing units at Twin Rivers with an anticipated 843-unit mixed-income; mixed-use community that will result in vastly improved living conditions for current residents. This includes development on privately owned parcels adjacent to the existing public housing site, and is susceptible to change based on market demand and availability of the privately owned parcels. The units proposed will offer a diverse range of housing types to be constructed both on- and off-site, with public housing, affordable, and market-rate units being indistinguishable from one another. Featuring energy-efficient design and accessibility for people of all abilities, the new housing will give residents an unprecedented opportunity to re-engage not only with the local neighborhood but with other parts of the City and region. Phase 1 of the housing development will include approximately 100 units adjacent to the proposed light rail station. Together with the construction of the light rail station, it will be a key catalyst for change in the area as well as provide an inventory of new units to allow the redevelopment of Twin Rivers to proceed with minimal resident displacement.

McCormack Baron Salazar (MBS), the private developer and manager of the proposed new housing, is the developer of the housing plan and was procured through a national competition. MBS is a leading developer in urban transformation projects as exemplified by its numerous mixed-income communities across the country. The 843 units of new housing are estimated to cost over \$206 million. MBS will be the Housing Lead for the application.

People Strategy

The People Strategy focuses on facilitating connections with Twin Rivers' residents, including youth, adults, the disabled and the elderly, to the appropriate services and programs that address their individually-identified barriers to success, whether defined as higher educational achievement, gainful employment, physical well-being, independent living, and/or homeownership. Grounded in a case management approach, each Twin Rivers' resident is recommended to have a family development plan that identifies specific goals along with the action steps and supports needed to achieve those goals.

Through a comprehensive Service Provider Network, residents would be proposed to be linked to existing programs. For services not delivered on-site, Twin Rivers' residents will receive transportation support to assist with access issues. For adults, a "Work First" approach that focuses on transitional employment and job skills training with wrap-around support targeting health, mobility, and family support services will be adopted. For youth, the program will be based on a dual generation model that focuses on school readiness for younger children and college/career preparation for older youth, all of which is supported by involvement from the child's immediate family network including parents, grandparents, and caregivers. SHRA is preparing to start a resident leadership academy in the spring of 2015. Additionally, the Housing Authority submitted an application for a Promise Zone designation in November 2014. This partnership with the City, County and multiple service providers is consistent and supports the strategies in the NTP.

Urban Strategies was procured to oversee the implementation of the People Plan and provide comprehensive case management services. They are responsible for securing the partnerships necessary to carry out the identified strategies and obtaining funding to support both implementation as well as the long-term sustainability of the service model.

Implementation

The Revitalization Advisory Board (RAB) was established to provide advice to SHRA staff and consultants during the implementation of the NTP. It is anticipated the RAB will also assist in identifying resources. If awarded the Implementation Grant, future implementation recommendations will include a Master Development Agreement with MBS for housing activities, and a performance-based contract with Urban Strategies to implement the People Plan. Subject to Board approval, each of these agreements will clearly spell out the roles and responsibilities of each party.

COMMISSION ACTION

It is anticipated that, at its meeting of January 21, 2015, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Board in the event this does not occur.

MEASURES/EVALUATIONS

The Neighborhood Transformation Plan contains a significant emphasis on data collection, measurement and evaluation on an on-going basis. The University of California, Davis will serve as the data evaluator, working with staff and all partners to share data and provide regular reports to be used to evaluate progress of efforts.

FINANCIAL ANALYSIS

There is no fiscal impact associated with this report. On November 4, 2014, the County of Sacramento allocated \$950,000 in CDBG funding as part of the 2015 CDBG Action Plan (Resolution No. 2014-0869) in support of the Initiative. The City of Sacramento has also allocated \$2,000,000 in funding. The Plan will be funded through a variety of public, private and philanthropic sources over the course of many years.

POLICY CONSIDERATIONS

HUD has approved five-year Public Housing Authority Plan affirming Twin Rivers as a public housing development designated for demolition and/or disposition. The recommended action is also consistent with the County's commitment to the Housing Authority Asset Repositioning Guidelines.

ENVIRONMENTAL REVIEW

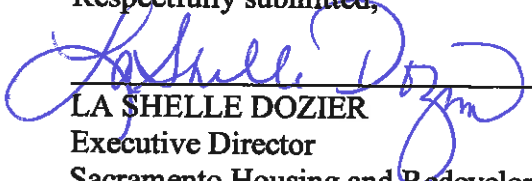
California Environmental Quality Act (CEQA): Activities covered in the grant application and in furtherance of preparing the Neighborhood Transformation Plan are considered planning and feasibility studies which are statutorily exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15262.

National Environmental Policy Act (NEPA): Activities covered in the grant application and in furtherance of preparing the Neighborhood Transformation Plan are considered studies, resource identification and the development of plans and strategies, and are exempt under NEPA per 24 CFR 58.34 (a)(1).

M/WBE AND SECTION 3 CONSIDERATIONS

As implementation of the Neighborhood Transformation Plan proceeds, Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable. Staff will encourage any contractors involved in this program to participate in the First Source Program.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED

BRADLEY J. HUDSON
County Executive

Attachments:
RES – HACOS Resolution
ATT I – Map

RESOLUTION NO. _____

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

ON DATE OF

**APPLICATION FOR CHOICE NEIGHBORHOODS INITIATIVE IMPLEMENTATION
GRANT FOR TWIN RIVERS - RIVER DISTRICT/RAILYARDS CHOICE
NEIGHBORHOODS TRANSFORMATION PLAN**

WHEREAS, the Housing Authority of the County of Sacramento (the “Authority”) was awarded a U.S. Department of Housing and Urban Development (HUD) Choice neighborhoods Initiative (CNI) grant to develop a Neighborhood Transformation Plan (NTP) for the Twin Rivers – River District/Railyards Neighborhood; and

WHEREAS, the NTP was submitted to the Housing Authority of the County of Sacramento Board in December 2013 and HUD in January 2014; and

WHEREAS, on October 7, 2014, the Sacramento City Council allocated Community Development Block Grant (CDBG) funds in the amount of \$2,000,000 and on November 4, 2014 the Sacramento County Board of Supervisors allocated CDBG funds in the amount of \$950,000 to the project; and

WHEREAS, the Authority issued a Request for Qualifications (RFQ) to determine the most qualified developer to assist in developing a housing program for the Twin Rivers – River District/Railyards neighborhood; on October 16, 2012 the Authority Board approved the selection of McCormack Baron Salazar (HA-2337) as the Housing Lead for the Twin Rivers – River District/Railyards neighborhood; and

WHEREAS, on November 6, 2014, HUD issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for the Fiscal Year 2014. Implementation Grants are intended to assist communities in a NTP and continue building the support necessary for the NTP to be successfully implemented; and

WHEREAS, the application is due to HUD by February 9, 2015; and

WHEREAS, if awarded, the CNI Implementation Grant will provide up to \$30 million per grant award toward implementation; and

WHEREAS, the proposed actions are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34 (a) (1) and statutorily exempt under the California Environmental Quality Act (CEQA) Guidelines Section 15262.

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

Section 1: All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as state above, are approved.

Section 2: The Executive Director, or designee, is authorized to submit to HUD a 2014 CNI Implementation Grant application to support the Twin Rivers – River District/Railyards Neighborhood Transformation Plan.

Section 3: The Executive Director, or designee, is authorized to sign documents and forms, and to enter into and execute other documents, as approved to form by Agency Counsel, and perform other actions necessary to fulfill the intent of this resolution and as required by the CNI Implementation Grant application.

Section 4: The Housing Authority of the County of Sacramento Board Chair is authorized to certify documents and forms required by the CNI Implementation Grant in Exhibit 1 attached hereto and incorporated by this reference.

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 27th day of January, 2015, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSENT: Members,

ABSTAIN: Members,

Chair of the Housing Authority
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk

CHOICE NEIGHBORHOODS APPLICATION CERTIFICATIONS – IMPLEMENTATION GRANTS

The following are certifications to and agreements with the Department of Housing and Urban Development (HUD) required in connection with the Choice Neighborhoods Implementation Grants application and implementation.

1. The public or assisted housing project targeted in this Choice Neighborhoods grant application meets the definition of severe distress in accordance with Section 24(j)(2) of the United States Housing Act of 1937 ("1937 Act").
2. The Lead Applicant and Co-Applicant (if any) have not received assistance from the Federal government, State, or unit of local government, or any agency or instrumentality, for the specific activities for which funding is requested in the Choice Neighborhoods application.
3. The Lead Applicant and Co-Applicant (if any) do not have any litigation pending which would preclude timely startup of activities.
4. The Lead Applicant and Co-Applicant (if any) are in full compliance with any desegregation or other court order related to Fair Housing (e.g., Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and Section 504 of the Rehabilitation Act of 1973) that affects the Lead Applicant's and Co-Applicant's (if any) public or assisted housing program and that is in effect on the date of application submission.
5. The Lead Applicant and Co-Applicant (if any) have returned any excess advances received during development or modernization, or amounts determined by HUD to constitute excess financing based on a HUD-approved Actual Development Cost Certificate (ADCC) or Actual Modernization Cost Certificate (AMCC), or other HUD contracts, or that HUD has approved a pay-back plan.
6. There are no environmental factors, such as sewer moratoriums, precluding development in the requested locality.
7. In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), the property targeted for acquisition or construction (including rehabilitation) is not located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - (a) The community in which the area is situated is participating in the National Flood Insurance program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and
 - (b) Where the community is participating in the National Flood Insurance Program, flood insurance is obtained as a condition of execution of a Grant Agreement and approval of any subsequent demolition or disposition application.
8. The application does not target properties in the Coastal Barrier Resources System, in accordance with the Coastal Barrier Resources Act (16 U.S.C. 3501).

If selected for Choice Neighborhoods funding:

9. The Lead Applicant and Co-Applicant (if any) will ensure compliance with all policies, procedures, and requirements, including the Program Requirements provided in the NOFA, Implementation Grants Section, Section III.C.3, prescribed by HUD for the Choice Neighborhoods Program.

10. The Lead Applicant and Co-Applicant (of any), will ensure that Choice Neighborhoods grant activities are implemented in a timely, efficient, and economical manner. The Lead Applicant and Co-Applicant (of any), will ensure that all FY 2013 Choice Neighborhoods grant funds are expended by the statutory deadline. In accordance with 31 U.S.C. § 1552, all FY 2014 Choice Neighborhoods funds expire on September 30, 2021. Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose.
11. The Lead Applicant and Co-Applicant (if any) will ensure assistance from the Federal government, State, or unit of local government, or any agency or instrumentality is not received for the specific activities funded by the Choice Neighborhoods grant. The Lead Applicant and Co-Applicant (if any) has established controls to ensure that any activity funded by the Choice Neighborhoods grant is not also funded by any other HUD program, thereby preventing duplicate funding of any activity.
12. The Lead Applicant and Co-Applicant (if any) will ensure that more assistance is not provided to any housing site or neighborhood under the Choice Neighborhoods grant than is necessary to provide affordable housing and neighborhood transformation after taking into account other governmental assistance provided.
13. The Lead Applicant and Co-Applicant (if any) will ensure that the aggregate amount of the Choice Neighborhoods grant is supplemented with funds from sources other than Choice Neighborhoods in an amount not less than 5 percent of the amount of the Choice Neighborhoods grant in accordance with Section III.B of the Implementation Grants NOFA.
14. In addition to supplemental amounts provided in accordance with Certification 13 above, if the Lead Applicant and Co-Applicant (if any) use more than 5 percent of the Choice Neighborhoods grant for the supportive services component, they will ensure that supplemental funds are provided from sources other than Choice Neighborhoods, dollar for dollar, for the amount over 5 percent of the grant used for the supportive services component. No more than 15 percent of grant funds may be used for supportive services, as defined in the NOFA.
15. The Lead Applicant and Co-Applicant (if any) will ensure that no more than 15 percent of funds will be used for Critical Community Improvements, as defined in section I.C of the NOFA.
16. The Lead Applicant and Co-Applicant (if any) will ensure compliance with:
 - (a) The Fair Housing Act (42 U.S.C. 3601-19) and regulations at 24 CFR part 100;
 - (b) The prohibitions against discrimination on the basis of disability under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and regulations at 24 CFR part 8);
 - (c) Title II of the Americans with Disabilities Act (42 U.S.C 12101 et seq.) and its implementing regulations at 28 CFR part 36;
 - (d) The Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151) and regulations at 24 CFR part 40).
17. The Lead Applicant and Co-Applicant (if any) will ensure compliance with all Choice Neighborhoods requirements for reporting, providing access to records, and evaluation.

Lead Applicant: _____

Co-Applicant (if any): _____

Name of Targeted Public and/or Assisted Housing Site(s):

I approve the submission of the Choice Neighborhoods application of which this document is a part and make the above certifications to and agreements with the Department of Housing and Urban Development (HUD) in connection with the application and implementation thereof:

Name of Lead Applicant's Executive Officer: _____

Title: _____

Signature: _____

Date: _____

Name of Co-Applicant's (if any) Executive Officer: _____

Title: _____

Signature: _____

Date: _____

The following signature is applicable if the Lead Applicant or Co-Applicant is a Public Housing Authority.

Acting on behalf of the Board of Commissioners of the Housing Authority listed below, as its Chairman, I approve the submission of the Choice Neighborhoods application of which this document is a part and make the above certifications to and agreements with the Department of Housing and Urban Development (HUD) in connection with the application and implementation thereof:

Certified By: Board Chairman's Name: _____

Board Chairman's Signature: _____

Date: _____

Warning: HUD will prosecute false claims and statements. Conviction may result in the imposition of criminal and civil penalties. (18 U.S.C. 1001, 1010, 1012, 32 U.S.C. 3729, 3802)

**CHOICE NEIGHBORHOODS INITIATIVE
RAD CERTIFICATION
HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO**

[date]

Jemine A. Byron, Acting Assistant Secretary
Office of Public Housing Investments
Department of Housing and Urban Development
451 Seventh Street, SW Room 4130
Washington, DC 20410-5000

Re: Joint RAD/Choice Neighborhoods Implementation Grant Application

Dear Ms. Byron:

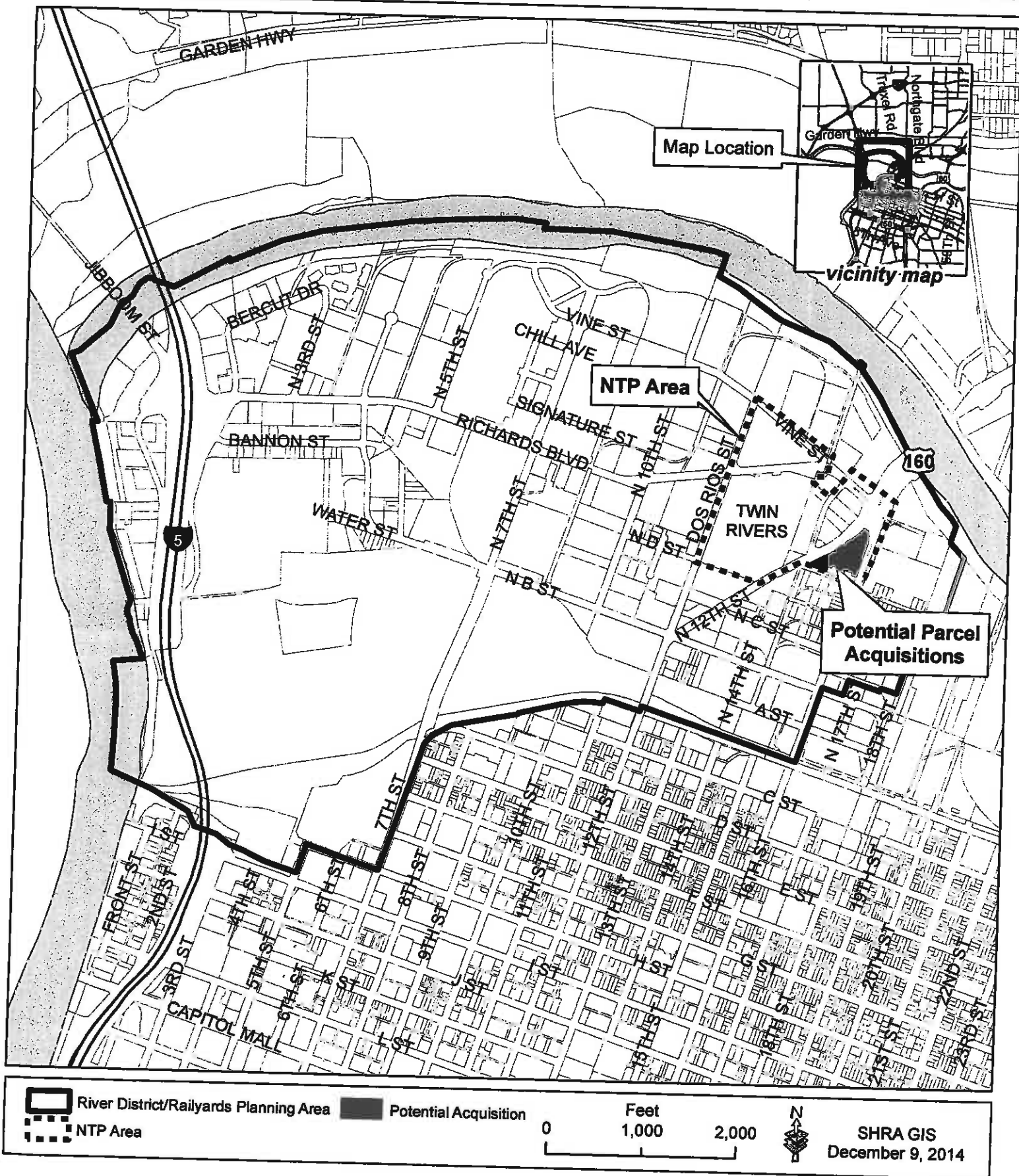
This letter certifies that the Housing Authority of the County of Sacramento ("HACOS") is designating the FY 2014/2015 Choice Neighborhoods Implementation Grant for the River District-Railyards Choice Neighborhoods Initiative ("River District-Railyards CNI") as a joint RAD/Choice Neighborhoods Implementation Grant application.

HACOS requests that the targeted housing project of the River District-Railyards CNI – Twin Rivers public housing development (PIC AMP #CA007000201) and the 218 public housing units contained therein – to be placed on the RAD waiting list until HUD has statutory authority to convert additional units under RAD.

Sincerely,

La Shelle Dozier
Executive Director

XXXXXXXXXXXX
HACOS Board Chair





January 16, 2015

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Tax Equity and Fiscal Responsibility Hearing (TEFRA) and Approval of a Loan
Commitment for the Anton Arcade Apartments Project

SUMMARY

The attached report is submitted to you for review prior to consideration by the County
of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
February 10, 2015
10:30AM

To: Board of Supervisors of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of A
Loan Commitment For The Anton Arcade Apartments Project

Supervisory
District: Peters

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 a loan commitment for gap financing in the amount of \$5.2 million for the 148 unit Anton Arcade Apartments Project (Project).

Recommendations

Staff recommends adoption of the attached Board of Supervisors Resolutions for the Anton Arcade Apartments which:

- 1) Authorizes the Sacramento Housing and Redevelopment Agency (Agency) to:
 - a) approve a loan commitment for \$1,990,000 in County Home Investment Partnership Program (HOME) Funds and \$3,210,000 in Housing Trust Funds (HTF) to the Project, b) execute a Loan Commitment Letter with Anton Development Company (Developer) c) execute all necessary documents associated with the transaction, and d) amend the Agency budget and e) make related findings, and
- 2) Conducts a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing related to the proposed construction and permanent financing.

The clerk is requested to certify six copies of the resolutions and forward them to staff.

Measures/Evaluation

The development of Anton Arcade Apartments will result in the construction of 148 additional units of affordable housing, contributing to the County of Sacramento's 2014-2021 Housing Element goals. Progress toward the housing element goals is reported annually to the State Department of Housing and Community Development.

Fiscal Impact

The Agency will receive a one-time issuance fee of 0.25 percent of the bond amount, 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 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, the Housing Authority, or the County of Sacramento.

BACKGROUND

The Anton Development Company (Developer) has applied to the Agency for the issuance of up to \$15,500,000 in tax-exempt mortgage revenue bonds and gap financing loan for a \$5.2 million loan consisting of Home Investment Partnership Program and Housing Trust Funds for the construction of Anton Butano Apartments (Project). On December 9, 2014, in order to take advantage of 2014 eligible Qualified Census Tracts, the Housing Authority approved the issuance of \$15,500,000 in tax-exempt mortgage revenue bonds to provide construction and permanent financing for the Project. After having received these approvals, the Developer submitted a competitive four percent Low Income Housing Tax Credit (LIHTC) application to the California Tax Credit Allocation Committee (CTCAC), and an application for an allocation of tax-exempt Mortgage Revenue bonds from the California Debt Limit Allocation Committee (CDLAC). In order for the Developer's CDLAC application to be complete, the Board of Supervisors must adopt a resolution indicating they have held the required Tax Equity Financial Responsibility Act (TEFRA) public hearing. The development site is located at 2134 Butano Drive, on approximately 5.93 acres. A vicinity map is provided as Attachment 1. A Project Rendering is provided as Attachment 2. The bond issuance will utilize a previous Carry-Forward Allocation that the Agency received from the California Debt Limit Allocation Committee (CDLAC).

DISCUSSION

Description of Development: The Project community includes five buildings, four three-story residential buildings and one community building. Residential space includes 148 units consisting of 40 one bedroom units, 96 two bedroom units and 12 three bedroom units. Each unit will include energy star rated appliances, pre-wired for high speed internet, in home laundry connections and will have either a private patio or balcony. The community building includes a 3,675 square foot clubhouse with a clubroom, fitness center, activity room as well as onsite management and leasing offices. There will also be a swimming pool, play equipment, and barbecue area onsite. In addition, there will be 242 parking spaces and 27 garages. Currently the property is a paved parking lot that has been fenced off with no access for several decades.

The Project landscaping plan is designed to maximize communal outdoor space using drought-tolerant, low-water usage plants. The Project is estimated to include approximately 250 new trees along Butano Drive.

On November 20, 2014 the Arden Arcade Community Planning Advisory Committee (CPAC) denied the project's Development Plan Review and Design Review based on the ^{following} finding ^{that} the community interest would be compromised by allowing more apartments in the area increasing traffic, increasing safety concerns for children walking in the community, three story

Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval of a Loan
Commitment For The Anton Arcade Apartments Project
Page 3

buildings are not compatible with the surrounding buildings, there is too much low income housing in the area, and there is a need for community wide planning.

On December 8, 2014 the Project was approved by the County Planning Commission. The Board of Supervisors is scheduled to hear an appeal on January 27, 2015. If the Board denies approval, the Agency will not be proceeding with the TEFRA hearing or gap financing approval.

Developer: The Anton Development Company (Anton), an affiliate of St. Anton Partners and one of California's leading multifamily developers, is the Project Developer. They own and manage over 7,000 rental apartments throughout California. Anton acquires, develops, constructs and manages multifamily rental apartments. They have extensive experience in financing projects with tax credits, tax exempt bonds and other public and private funding sources.

Resident Services: Services will be provided to residents by Pacific Housing, Inc. The service provider will be required to provide at least 20 hours of services per week. Programs will be tailored to the needs of the residents. Examples of services include After-school Programs, Teen Services, Family/Adult Programs and Social Events/Enrichment Activities for the residents.

Property Management: The project will be managed by St. Anton Management, Inc. Founded in 2005, they provide a full balance of property management services including initial and on-going leasing, marketing, compliance monitoring, coordination of resident services and property maintenance. St. Anton manages over 7,000 apartment units, 12,300 square feet of retail space, and 112,500 square feet of office space located throughout California, including 11 projects in Sacramento.

Project Financing: The Developer proposes to finance the Anton Butano Apartment Project with up to \$15,500,000 in tax-exempt mortgage revenue bonds issued by the Housing Authority and four percent Low Income Housing Tax Credits. A loan in the amount of \$5.2 million has also been requested.

Bond Financing: As a public entity, the Housing Authority can 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, so 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 Agency will report back to the Housing Authority Board on the placement and the actual bond amounts with the request for final approval of the bond documents. 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 the apartments be set-aside for targeted income groups. Income restrictions from the Low Income Housing Tax Credit (LIHTC) financing require that no households have an income higher than 60 percent Area Median Income (AMI). The Sacramento Housing and Redevelopment Agency further requires that 20 percent of the

units be restricted to households with incomes no greater than 50 percent AMI. The Project affordability restrictions will be specified in regulatory agreements with the Developer.

State and Local Approval Process: Typically, the Housing Authority must apply for and compete to receive authorization from CDLAC prior to issuing tax-exempt mortgage revenue bonds. In this instance the application process is noncompetitive because the Housing Authority received a Carry-Forward Allocation in December of 2013. The 2013 allocation was for \$50 million, of which we have used \$18.8 prior to this authorization. The Housing Authority is prohibited from using the Allocation for any other purpose or from transferring the Allocation to any governmental unit of the State other than CDLAC. The Housing Authority is recommending using this 2013 Allocation for the benefit of the State, the County of Sacramento, and the Butano Project.

Project Inducement: On December 9, 2014, in order for the Developer to submit the CDLAC application and take advantage of 2014 eligible Qualified Census Tracts, the Housing Authority Board adopted an inducement resolution authorizing the bond issuance.

COMMISSION ACTION

At its meeting on January 21, 2015, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

The County's Housing Element set affordable housing goals for the period of 2014-2021. A very low-income unit is defined as being affordable to a household with income up to 50 percent of Area Median Income (AMI), while a low-income unit is defined as being affordable to a household with income of 60 percent of AMI. The project when completed will allow the County to add a net of 117 low-income and 30 very low-income units to their affordable housing goals as represented in the following table:

Unit Type	% of Units	Affordability Restrictions	Units	Regulatory Requirements
Agency Loan, Tax-exempt Bonds, Low Income Housing Tax Credits	20%	Very Low (50% AMI)	30	55 years
Agency Loan and Low Income Housing Tax Credits	79%	Low (60% AMI)	117	55 years
Managers Unit	1%	Unrestricted	1	
Total	100%		148	

FINANCIAL ANALYSIS

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

The Loan Commitment of \$1,990,000 million in County HOME funds and \$3,210,000 million in County Housing Trust Funds for the financing of the Project will bear interest at 4 percent and carry a term of 55 years after completion of construction.

POLICY CONSIDERATIONS

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

ENVIRONMENTAL REVIEW

This project has been analyzed in accordance with the California Environmental Quality Act (CEQA) and it has been determined to be Exempt per Guidelines Section 21080(b)(1); 15268, by the County of Sacramento, Department of Community Development, Planning and Environmental Review Division.

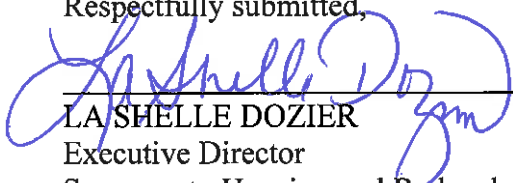
An Environmental Assessment has been prepared in accordance with the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.40. The Agency has determined that the project will have no significant impact on the environment and preparation of an Environmental Impact Statement (EIS) is not required. A combined Notice of Finding of No

Significant Impact (FONSI) and Notice of Intent to Request a Release of Funds (NOIRROF) was published on January 26, 2015, and no comments were received.

M/WBE AND 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. Developer will be encouraged to use the First Source Program for employment opportunities.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED

BRADLEY J. HUDSON
County Executive

Attachments:

- RES – County BOS Resolution
- RES – County BOS Resolution (TEFRA)
- Attachment 1 – Vicinity Map
- Attachment 2 – Project Rendering
- Attachment 3 - Project Summary
- Attachment 4 - Cashflow Proforma
- Attachment 5 – Maximum Rents and Income
- Attachment 6 – Loan Commitment Letter

RESOLUTION NO. _____

ON DATE OF

**ANTON ARCADE APARTMENTS APPROVING THE ISSUANCE OF
OBLIGATIONS BY THE HOUSING AUTHORITY OF THE COUNTY OF
SACRAMENTO ON BEHALF OF THE ANTON DEVELOPMENT
COMPANY**

WHEREAS, the Housing Authority of the County of Sacramento, a housing authority organized and existing under the laws of the State of California (the "Authority"), proposes to issue multifamily housing revenue obligations (the "Obligations") in an amount not to exceed \$15,500,000 and to lend the proceeds thereof to Arcade Sacramento L.P., a California limited partnership, or a limited partnership or a limited liability company related to or formed by the Anton Development Company (the "Developer"), to be used to provide funds for the acquisition, construction and development of a 148-unit multifamily housing residential facility to be located at 2134 Butano Drive, in the County of Sacramento, California, to be owned and operated by the Developer;

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 (the "Board"), as the elected representative of the County of Sacramento, the host jurisdiction of the subject multifamily housing residential facility, after a public hearing has been held following reasonable and proper notice;

WHEREAS, a public hearing was held by the Board on the 9th day of December, 2014, following duly published notice thereof, and all persons desiring to be heard have been heard;

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

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

Section 1. The Board of Supervisors of the County of Sacramento hereby finds,
determines and declares that issuance by the Authority of the Obligations in the maximum
principal amount of \$15,500,000 for the purposes described above is hereby approved.

Section 2. 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 10th day of February, 2015, by the following vote, to wit:

AYES: Supervisors,
NOES: Supervisors,
ABSENT: Supervisors,
ABSTAIN: Supervisors,

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST:

Clerk, Board of Supervisors

RESOLUTION NO. _____

ON DATE OF

ANTON ARCADE APARTMENTS: APPROVAL OF \$5,200,000 LOAN COMMITMENT AND RELATED DOCUMENTS CONTAINING \$1,990,000 IN HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) AND \$3,210,000 IN HOUSING TRUST FUND (HTF) PROJECT; EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH THE ANTON DEVELOPMENT COMPANY OR RELATED ENTITY; AUTHORIZING THE AMENDMENT OF THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (AGENCY) BUDGET

WHEREAS, the Anton Development Company (Developer) has applied to the Agency for the issuance of up to \$15,500,000 in tax-exempt mortgage revenue bonds and gap financing loan commitment for a \$5.2 million loan consisting of Home Investment Partnership Program (HOME) and Housing Trust Funds (HTF) for the construction of Anton Arcade Apartments (Project).; and

WHEREAS, the Anton Arcade Apartments project qualifies for HOME and HTF funding under the Sacramento Housing and Redevelopment Agency guidelines; and;

WHEREAS, this project has been analyzed in accordance with the California Environmental Quality Act (CEQA) and it has been determined to be exempt per Guidelines Section 21080(b)(1); 15268, by the County of Sacramento, Department of Community Development, Planning and Environmental Review Division.

WHEREAS, an Environmental Assessment has been prepared in accordance with the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.40. SHRA has determined that the project will have no significant impact on the environment and preparation of an Environmental Impact Statement (EIS) is not required. A combined Notice of Finding of No Significant Impact (FONSI) and Notice of Intent to Request a Release of Funds (NOIRROF) was published on January 26, 2015, and no comments were received.

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

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

Section 2: The Loan Commitment attached to and incorporated in this resolution by this reference for the financing for the Anton Arcade Apartments is approved in the amount of One Million Nine Hundred Ninety Thousand Dollars (\$1,990,000) of HOME funds and Three Million Two Hundred Ten Thousand Dollars (\$3,210,000) of HTF is approved and the Sacramento

Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval of a Loan
Commitment For The Anton Arcade Apartments Project (Project)
Page 2

Housing and Redevelopment Agency ("SHRA") is authorized to execute the Loan Commitment and related documents and transmit to Anton Development Company or related entity. SHRA will return to the Board for approval of loan documents.

Section 3. The Agency is authorized to enter into and execute other documents, as approved to form by Agency Counsel, and perform other actions necessary to fulfill the intent of the Loan Commitment that accompanies this resolution, in accordance with its terms, and to ensure proper repayment of the Agency funds including without limitation, subordination, extensions, and restructuring of such a loan consistent with Agency adopted policy and with this resolution.

Section 4. The Agency is authorized to amend the Agency budget and allocate up to \$1,990,000 in County HOME funds and \$3,210,000 in County Housing Trust Funds to Anton Arcade Apartments Project.

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 10th day of February, 2015, by the following vote, to wit:

AYES: Supervisors,
NOES: Supervisors,
ABSENT: Supervisors,
ABSTAIN: Supervisors,

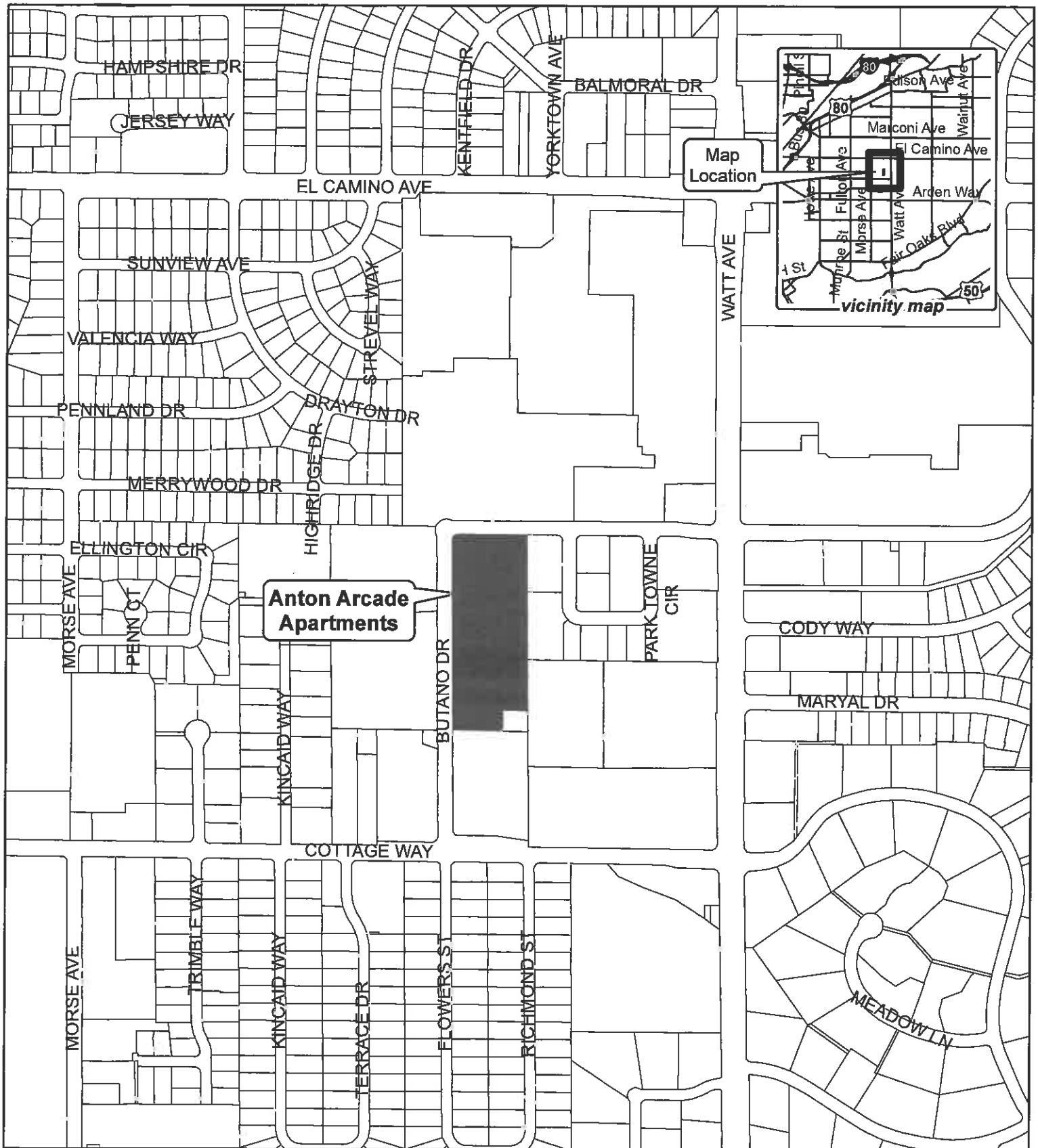
Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors



Anton Arcade Apartments



2134 Butano Dr

0

Feet
500

1,000



SHRA GIS
January 6, 2015



Anton Butano Apartments
Residential Project Financial Summary

<u>Address</u>	2134 Butano Drive, Sacramento, CA		
<u>Number of Units</u>	148		
<u>Year Built</u>	New Construction		
<u>Acreage</u>	5.93 acres 5.16 net		
<u>Affordability</u>	30 units at or below 50% of AMI 117 units at or below 60% of AMI 1 unregulated Manager's Unit		
<u>Unit Mix and Rents</u>	(50% AMI)	(60% AMI)	Manager
1 Bedroom / 1 Bath	9	31	
2 Bedroom / 2 Bath	19	76	1
3 Bedroom / 2.5 Bath	2	10	
Total	30	117	1
<u>Square Footage</u>	<u>Per Unit</u>	<u>Total</u>	
1 Bedroom / 1 Bath	704	28,160	
Manager's 2 Bedroom / 2 Bath	992	992	
2 Bedroom / 2 Bath	992	11,904	
3 Bedroom / 2.5 Bath	1248	183,456	
Total	3936	3,936	
<u>Resident Facilities</u>	228,448	square feet	
<u>Permanent Sources</u>			
	<u>Current Total</u>	<u>Per Unit</u>	<u>Per Sq Ft</u>
Federal Tax Credit Equity	\$ 11,395,663	\$ 76,998	\$ 49.88
Bonds	\$ 10,160,000	\$ 68,649	\$ 44.47
New Agency Loan	\$ 5,200,000	\$ 35,135	\$ 22.76
Net Operating Income	\$ 512,634	\$ 3,464	\$ 2.24
Deferred Developer Fee	\$ 1,460,412	\$ 9,868	\$ 6.39
TOTAL SOURCES	\$ 28,728,709	\$ 194,113	\$ 125.76
<u>Permanent Uses</u>			
Acquisition	\$ 3,000,000	\$ 20,270	\$ 13.13
Construction Costs	\$ 17,358,894	\$ 117,290	\$ 75.99
Permits	\$ 2,590,000	\$ 17,500	\$ 11.34
Architecture and Engineering	\$ 400,852	\$ 2,708	\$ 1.75
Hard Cost Contingency	\$ 867,945	\$ 5,864	\$ 3.80
Soft Cost Contingency	\$ 137,000	\$ 926	\$ 0.60
Financing Costs	\$ 979,389	\$ 6,617	\$ 4.29
Replacement Reserves	\$ 50,000	\$ 338	\$ 0.22
Legal Fees	\$ 215,500	\$ 1,456	\$ 0.94
Developer Fee	\$ 2,500,000	\$ 16,892	\$ 10.94
Third Party Fees, Marketing, Other	\$ 629,129	\$ 4,251	\$ 2.75
TOTAL USES	\$ 28,728,709	\$ 194,113	\$ 125.76
<u>Management / Operations</u>			
Proposed Developer:	Anton Development Company		
Property Management Company:	St. Anton Management, Inc.		
Operations Budget:	\$539,750	\$3,647	
Property Management	\$41,785	\$282	
Resident Services	\$26,000	\$176	
Replacement Reserves:	\$37,725	\$255	

Unit Type	Number	Square Feet	Total Sq Feet	Gross Rent	Utility Allowance	Maximum Net Rent	Rent per Sq Foot	Total Mo. Rent
1 BD / 1 BA @ 50% AMI	9	704	6,336	\$ 644	\$ 70	\$ 574	\$ 0.82	\$ 5,166
1 BD / 1 BA @ 60% AMI	31	704	21,824	\$ 773	\$ 70	\$ 703	\$ 1.00	\$ 21,793
2 BD / 2 BA @ 50% AMI	19	992	18,848	\$ 773	\$ 86	\$ 887	\$ 0.69	\$ 13,053
2 BD / 2 BA @ 60% AMI	76	992	75,392	\$ 928	\$ 86	\$ 942	\$ 0.85	\$ 63,992
3 BD / 2.5 BA @ 50% AMI	2	1248	2,496	\$ 893	\$ 106	\$ 787	\$ 0.63	\$ 1,574
3 BD / 2.5 BA @ 60% AMI	10	1248	12,480	\$ 1,071	\$ 106	\$ 965	\$ 0.77	\$ 9,650
Manager's Unit	1	982	982	\$ 928	\$ 86	\$ 842	\$ 0.85	\$ 842
Totals/Averages	148	935	138,368					\$ 116,070

Income	annual increase	rate	2017	2018	2019	2020	2021	2026	2031	2036	2041	2046
Potential Gross Income	2.50%		1,382,840	1,427,661	1,463,353	1,499,936	1,537,435	1,739,466	1,968,046	2,226,664	2,519,266	2,850,318
Garage Income	2.50%		29,241	29,972	30,721	31,489	32,277	36,518	41,317	46,746	52,889	59,839
Other Income	2.50%		40,408	41,418	42,454	43,515	44,603	50,464	57,085	64,598	73,087	82,891
Less Vacancy			73,124	74,953	76,826	78,747	80,716	91,322	103,323	116,900	132,262	149,642
Effective Gross Income	5.00%		\$1,389,365	\$1,424,069	\$1,459,701	\$1,496,194	\$1,533,599	\$1,735,126	\$1,963,136	\$2,221,108	\$2,512,980	\$2,843,206
Operating Expenses												
Assessments	3.50%		539,756	558,647	578,200	598,437	619,382	735,632	873,700	1,037,682	1,232,440	1,463,752
Property Management	2.00%		36,309	37,036	37,776	38,531	39,302	43,393	47,909	52,895	58,401	64,479
Replacement Reserves	3.50%		41,785	43,247	44,761	46,328	47,949	56,949	67,637	80,332	95,409	113,316
Resident Services			37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Total Expenses	3.50%		26,000	26,910	27,852	28,827	29,836	35,435	42,068	49,985	59,367	70,509
			\$680,850	\$702,840	\$725,589	\$749,123	\$773,469	\$908,409	\$1,068,332	\$1,257,894	\$1,482,616	\$1,749,056
Net Operating Income			\$708,515	\$721,259	\$734,112	\$747,071	\$760,129	\$826,717	\$954,803	\$1,093,214	\$1,030,363	\$1,094,150

Debt Service	amount	rate	amort
Senior Loan	\$10,160,000	5.00%	35
SHRA Monitoring Fee	\$15,000,000	0.15%	
Debt Service Subtotal	\$637,815		1.11
DCR on Senior Bonds			1.13
			1.15
			1.17
			1.19
			1.30
			1.40
			1.51
			1.52
			1.72

Other Operating Expenses	amount	rate	amort
Modified NOI for DCR Calculation	\$70,899	\$83,443	\$96,297
Priority Distributions			
Asset Management Fee (Investor)	7,500	7,725	7,957
Managing General Partner Fee	17,411	17,933	18,471
Priority Distributions Subtotal	24,911	25,658	26,428
Net Cash after Priority Distributions	\$45,788	\$57,785	\$69,869
Deferred Developer Fee	\$1,460,412	\$1,460,412	\$1,460,412
Principal Balance			
Interest for Period	43,812	43,753	43,332
Accumulated Interest	43,812	43,753	43,332
Payment	45,788	57,785	69,869
Balance	\$1,458,436	\$1,444,404	\$1,417,867
Net Cash after Deferred Developer Fee	\$0	\$0	\$0
SHRA HOME loan			
Principal Balance	\$5,200,000		
Interest for Period	208,000	208,000	208,000
Accumulated Interest	208,000	416,000	624,000
Payment	0	0	0
Balance	\$5,408,000	\$5,616,000	\$5,824,000
Net Cash After Loan Repayment	\$0	\$0	\$0

Priority Distributions	amount	rate	amort
Modified NOI for DCR Calculation	\$70,899	\$83,443	\$96,297
Priority Distributions			
Asset Management Fee (Investor)	7,500	7,725	7,957
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Principal Balance	\$5,200,000		
Interest for Period	208,000	208,000	208,000
Accumulated Interest	208,000	416,000	624,000
Payment	0	0	0
Balance	\$5,408,000	\$5,616,000	\$5,824,000
Net Cash After Loan Repayment	\$0	\$0	\$0

MAXIMUM HOME RENT AND INCOME LEVELS 2014*Rents @ 50% and 60% of Area Median Income***Maximum Income Limits:**

Family Size	Max Income	
	<i>50% AMI</i>	<i>60% AMI</i>
1 person	\$24,050	\$28,860
2 person	\$27,500	\$33,000
3 person	\$30,950	\$37,140

Maximum Rent Limits:

HOME/Low Income Housing Tax Credits (LIHTC's)

Unit Size	Gross Rent	
	<i>50% AMI</i>	<i>60% AMI</i>
1 Bedroom	\$644.00	\$773.00
2 Bedroom	\$773.00	\$928.00
3 Bedroom	\$893.00	\$1,071.00

Date: February 10, 2015

Anton Development Company
C/O Steve Eggert, President
1415 L Street, Suite 450
Sacramento, CA 95814

RE: Conditional funding commitment, Anton Arcade Apartments

Dear Mr. Eggert:

On behalf of the Sacramento Housing and Redevelopment Agency ("Agency"), we are pleased to advise you of its commitment of Construction/Permanent Loan funds (Loan) from the HOME funds/Housing Trust Funds for the purpose of financing the acquisition and construction and development of that certain real property known as Anton Arcade Apartments located at 2134 Butano Drive, 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 Agency, this commitment is void. Agency's obligation to make the Loan is subject to satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

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

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

This commitment will expire April 1, 2016.

1. PROJECT DESCRIPTION: The project is the acquisition, construction and development of a 148-unit affordable apartment project known as Anton Arcade Apartments located at 2134 Butano Drive, Sacramento, California. At least 30 units will be affordable to individuals earning no more than 50 percent of the area median income (AMI), at least 117 units will be affordable to individuals earning no more than 60 percent of AMI, and one manager's unit will be unregulated.

Attachment 6

2. BORROWER: The name of the Borrower for the Loan is Anton Development Company, or related entity.
3. PURPOSE OF LOAN: The Loan is to be used by Borrower solely to pay the costs of acquisition, construction and development and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. PRINCIPAL AMOUNT: The combined principal amount of the Loan will be the lesser of (a) Five Million Two Hundred Thousand Dollars (\$5,200,000), or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency.
5. TERM OF LOAN: The Loan shall mature 57 years or 684 months from the date of the first disbursement, 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 interest at four percent (4%) per annum. Interest shall be calculated on the basis of a 365-day year and actual days elapsed.
7. MONTHLY PAYMENT: Monthly principal and interest payments shall be deferred from the Loan's Effective Date through the first 204 months. Beginning in month 205, monthly installments shall be made according to the payment schedule contained in the Loan Agreement, calculated to achieve an annual 1.2 debt coverage ratio. Monthly payments shall be applied first to outstanding interest accrued and unpaid and then to principal.
8. SOURCE OF LOAN FUNDS: Agency is making the Loan from the following sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: HOME Funds and Housing Trust Funds. County HOME funds shall assist 11 or fewer units, and therefore the provisions of the Davis-Bacon Act (40 U.S.C. 276a-5) requiring the payment of not less than the wages prevailing in the locality for projects including 12 or more units assisted with HOME funds shall not apply. The HOME units at the project shall float. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.
9. AMORTIZATION: Loan shall amortize as permitted by monthly payments.

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)

Borrower acknowledges that every contract for new construction or rehabilitation construction of housing that includes 12 or more units assisted with HOME funds will contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708); (24 C.F.R. 92.354). Borrower also acknowledges that any project containing a "subsidy" may be subject to state prevailing wages, which are the responsibility of the Borrower and Borrower's contractor.

_____ (Borrower Initial)

10. **ACCELERATION**: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
11. **SECURITY**: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to liens senior to the Agency's lien securing loans from Clearinghouse CDFI and California Department of Housing and Community Development (Rental Housing Construction Program) and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency may subordinate said deeds of trust in order to accommodate completion of rehabilitation of the Property.
12. **LEASE AND RENTAL SCHEDULE**: All leases of the Property and Improvements shall be subject to Agency's approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval.

13. **PROOF OF EQUITY:** Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than \$11,400,000 in Low Income Housing Tax Credit Equity and no less than \$1,460,412 in deferred developer fee. If LIHTC equity goes below \$11,400,000 it must be offset by an increase in deferred developer fee.
14. **OTHER FINANCING:** Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
 - (a) Construction financing from a private lender(s) in an amount(s) sufficient to complete construction of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performances for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.
 - (b) Commitments for permanent financing sufficient to "take out" all liens senior to the Agency's lien and for a term of not less than 15 years and fully amortized.
 - (c) Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.
 - (d) Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of the Agency loan documents or other agreements.
15. **EVIDENCE OF FUNDS:** Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.
16. **SOILS AND TOXIC REPORTS:** Borrower must submit to 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 E1527-93) 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 have been remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.

17. LOAN IN BALANCE: Borrower will be required to maintain the Loan "in balance". The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance", the Agency may declare the Loan to be in default.
18. PLANS AND SPECIFICATION: Final plans and specifications, if any, for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursement of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project.
19. ARCHITECTURAL AGREEMENT: The architectural agreement ("Agreement"), if any, for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
20. CONSTRUCTION CONTRACT: The construction contract ("Contract"), if any, and any change orders issued thereunder, and the contractor ("Contractor") to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency shall require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.
21. 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.
22. 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.

23. COST SAVINGS: At completion of construction, borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency, which cost certification shall indicate the amounts actually spent for each item in the cost breakdown. 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, 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.
24. 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 60 days following the close of construction financing.
25. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
26. 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.
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 \$2,000,000, per occurrence limit; \$5,000,000 general aggregate limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.
29. TITLE INSURANCE: Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116, and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.
30. ORGANIZATIONAL AGREEMENTS: Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is

a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.

31. PURCHASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.
32. FINANCIAL INFORMATION: During the term of the Loan, Borrower shall deliver to Agency within 120 days of the end of each fiscal year an audited income and expense statement, a balance sheet, and a statement of all changes in financial position signed by authorized officers of Borrower. Prior to close of the Loan and during its term, Borrower must deliver to Agency such additional financial information as may be requested by Agency. Agency reserves the right to review and approve financial statements and other credit information and references prior to closing. During the term of the Loan, Borrower must deliver to Agency a monthly rent-roll including household composition information and operating statements with respect to the Property and Improvements, as Agency may request.
33. MANAGEMENT AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.
34. 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.
35. FEDERAL HOME LOAN BANK AFFORDABLE HOUSING GRANT: Not applicable.
36. SMOKE-FREE ENVIRONMENT: At least 50% of the buildings but no less than 50% of the units must be smoke free. All indoor common areas must be smoke-free.
37. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.

Attachment 6

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.

Attachment 6

Yours truly,

LaShelle Dozier
Executive Director

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

Dated:

BORROWER:

Anton Development Company

By: _____
Steve Eggert, President



January 16, 2015

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Contract and Budget Amendment for Installation of new Vehicle Gate at
Riverview Plaza

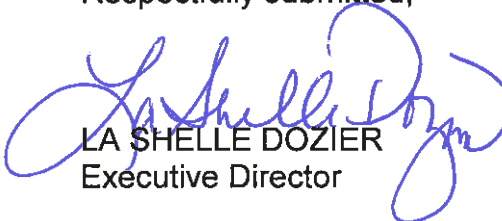
SUMMARY

The attached report is submitted to you for review prior to consideration by the City of
Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



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

Consent
January 27, 2015

Chair and Members of the Housing Authority Board

Title: Approval of Contract and Budget Amendment for Installation of new Vehicle Gate at Riverview Plaza

Location/Council District: Riverview Plaza (600 I Street), Council District 4

Recommendation: Adopt a **Housing Authority Resolution** a) authorizing the Executive Director, or designee, to amend the budget to expend up to \$92,000 of the Riverview Plaza 600 I Street commercial income to pay for costs associated with the replacement of the existing parking garage gate with a new sliding vehicle gate, b) authorizing the Executive Director, or designee, to award and execute the construction contract for this activity with Star Construction, who is the lowest responsive, responsible bidder for this project, c) authorizing the Executive Director, or designee, to execute such additional documents and to take such additional actions as are reasonably necessary to implement this resolution, and d) make related findings.

Contact: MaryLiz Paulson, Assistant Director, 916-440-1334

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency (SHRA)

Description/Analysis

Background: Riverview Plaza is a mixed-use development located at 600 I Street in downtown Sacramento. SHRA staff occupies an office of approximately 1,000 square feet while retail tenants occupy the balance of the approximately 16,718 square feet on the first two floors. Retail tenants include a day-care center, hair salon, deli market and vacant retail space. The residential portion of the building (floors 3-16) consists of 123 affordable one-bedroom senior apartments, a two-bedroom manager's apartment, and common areas including a large commercial kitchen, dining area, and swimming pool. The commercial and residential tenants share an underground garage with parking for 50 cars. The residential portion is owned by Riverview Plaza Associates, L.P., and is managed by the Housing Authority of the City. The Housing Authority owns and manages the building's commercial portion providing valuable and needed retail

stores and services to support and enhance the livability for residents in this mixed-use building.

Issue: The existing overhead vehicle gate has reached its useful life and is in need of replacement. After careful study, it was determined that a new sliding vehicle gate will be compliant with newer building codes and much safer than an overhead door. The Fire Department enforces the Underwriters Laboratories' UL325 guidelines, which were not in effect when the existing gate was installed. Overhead gates by design are typically not able to meet UL325. Also, in the case of a power outage, a gate of this size would be extremely difficult (if at all) to manually operate, whereas a sliding gate may be opened manually when required. The sliding gate design necessitates the creation of a wrought iron "pocket" to receive the gate as it opens (for safety purposes), and a pedestrian gate to provide access to some of the building's service panels located in the area cordoned off by the new gate assembly.

This report recommends authorizing the Housing Authority to award and execute a contract for the construction of this new gate assembly to Star Construction, who was the lowest responsive, responsible bidder on a solicitation completed in October 2014. The contract amount is \$79,108.

Currently, there is a balance of \$383,418 in the commercial account for 600 I Street, which is income received from commercial tenants. This amount is adjusted monthly based on rent incomes and costs. Of this amount, \$123,895 was previously authorized to be used for tenant improvements for the building's vacant commercial lease space, leaving \$259,523 to be allocated on other building maintenance needs. This staff report proposes that the Executive Director, or designee, have the authority to expend up to \$92,000 (base amount plus contingency) for this vehicle gate project.

Policy Considerations: Public Housing Authorities are required to comply with applicable federal laws and regulations, including the Quality Housing and Work Responsibility Act of 1998 (QHWRA). No new policies are recommended in this report.

Economic Impacts: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action to use commercial income for tenant improvements does not include any expansion of use and will continue a similar use in an existing facility. Therefore this action is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Section 15301.

National Environmental Policy Act (NEPA): There is no federal funding or other federal action associated with this project; therefore, the National Environmental Policy Act (NEPA) does not apply.

Sustainability Considerations: N/A

Other: None.

Commission Action: *Sacramento Housing and Redevelopment Commission:* At its meeting on January 21, 2015, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

Rationale for Recommendation: Amending the budget to expend up to \$92,000 will enable the Housing Authority to use commercial income to replace the existing overhead vehicle gate with a new sliding wrought iron gate and associated equipment and accessories.

Financial Considerations: This project will be financed using the commercial income from Riverview Apartments. These funds will be used to complete the vehicle gate removal and replacement.

M/WBE, Section 3, and First Source Program Considerations: The activities recommended in this staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements. Staff will require SHRA procured contractors to use the First Source Program for employment opportunities.

Respectfully Submitted by:

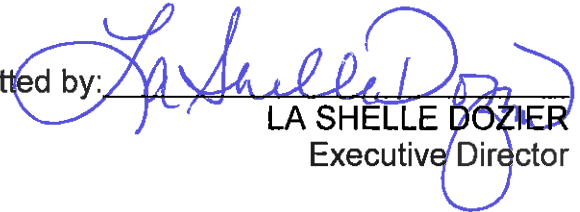

LA SHELLE DOZIER
Executive Director

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RESOLUTION NO. 2015 -

Adopted by the Housing Authority of the City of Sacramento

on date of

AUTHORIZATION FOR THE USE OF RIVERVIEW PLAZA COMMERCIAL INCOME FOR VEHICLE GATE REPLACEMENT

BACKGROUND

- A. Riverview Plaza is a 16-story is a mixed use, commercial and age-restricted residential development located at 600 I Street in downtown Sacramento. The residential portion is owned by a tax credit limited partnership, Riverview Plaza Associates, L.P., and is managed by the Housing Authority of the City. The commercial portion is owned and managed by the Housing Authority.
- B. Sacramento Housing and Redevelopment Agency (SHRA) offices and retail tenants comprise the commercial portion, which occupies the first two floors. Floors 3 through 14 comprise the residential portion, housing 123 residents. The basement garage serves both the commercial and residential occupants of the building.
- C. The existing overhead garage door for the basement has reached its useful life and is in need of replacement. After careful study, it was determined that a new sliding vehicle gate is code compliant and would be safer than an overhead door.
- D. The proposed action to use commercial income for the gate replacement does not include any expansion of use and will continue a similar use in an existing facility. Therefore this action is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Section 15301. There is no federal funding or other federal action associated with this project. Therefore, the National Environmental Policy Act (NEPA) does not apply.

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

- Section 1. After due consideration of the facts presented and the environmental findings regarding this action, as stated above, have been found to be true and correct and are approved.
- Section 2. The Executive Director, or designee, is authorized to amend the budget to expend up to \$92,000 of the 600 I Street commercial income to pay for all costs associated with removing the existing garage door and replacing it with a new automatic sliding vehicle gate.

- Section 3. The Executive Director, or designee, is authorized to award and execute a construction contract for this activity with Star Construction, who is the lowest responsive, responsible bidder.
- Section 4. The Executive Director, or designee, is authorized to execute such additional documents, as approved as to form by agency counsel, and to take such additional actions as are reasonably necessary to implement this Resolution.