



INVESTING IN COMMUNITIES

**NOTICE OF SPECIAL MEETING**  
**Sacramento Housing and  
Redevelopment Commission**  
**Wednesday, September 16, 2015 – 4:30 pm**  
**801 12<sup>th</sup> Street**  
**2<sup>nd</sup> Floor Commission Room**  
**Sacramento CA**

**ROLL CALL**

**CITIZENS COMMENTS**

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.

**SPECIAL PRESENTATIONS**

1. Public Housing Authority Annual Plan Overview (4:30-5pm)
2. Ethics Training (5-7pm)

**PUBLIC HEARING – 7pm**

3. 2016 Annual Plan for the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento; Submission of the 2016 Annual Plan to the Department of Housing and Urban Development

**BUSINESS ITEMS**

4. Approval of Minutes – September 2, 2015 meeting
5. Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of Tax-Exempt Bonds And A Loan Commitment For The Ethan Terrace Apartments
6. Approval of Housing Authority Participation in the Renewal of the Midtown Sacramento Property and Business Improvement District

**INFORMATIONAL PRESENTATION**

7. 2016 Budget Presentation – Public Housing Authority Department Overview

**EXECUTIVE DIRECTOR REPORT**

**COMMISSION CHAIR REPORT**

**ITEMS AND QUESTIONS OF COMMISSION MEMBERS**

**ADJOURNMENT**

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

September 16, 2015



Sacramento Housing and Redevelopment Commission  
Sacramento, California

Honorable Members in Session:

**SUBJECT** 2016 Annual Plan for the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento; Submission of the 2016 Annual Plan to the Department of Housing and Urban Development

### **RECOMMENDATION**

Staff will recommend at the October 7, 2015 meeting, adoption of the attached resolution which authorizes the Executive Director or her designee to: 1) certify that the required public hearing has been held and comments received, 2) approve the *2016 Public Housing Agency (PHA) Annual Plan*, 3) authorize submittal of the *2016 PHA Annual Plan* to the U.S. Department of Housing and Urban Development (HUD), 4) certify that the plan is consistent with the *Consolidated Plan* per 24 Code of Federal Regulations (CFR) § 903.15, and 5) execute all necessary documents for the submission and certification of compliance of the *2016 PHA Annual Plan* as required by HUD and to comply with the "Quality Housing and Work Responsibility Act of 1998."

### **CONTACT PERSONS**

Mark Stephenson, Management Analyst, Housing Choice Voucher, 916-440-1309  
MaryLiz Paulson, Assistant Director, Public Housing, 916-440-1334  
Sarah Thomas, Assistant Director, Housing Choice Voucher, 440-1397

### **SUMMARY**

This report recommends consideration of the *2016 PHA Annual Plan (Plan)* and its attachments for the Housing Authorities of the City and County of Sacramento (collectively "Housing Authority") that are consistent with the *Five-Year Consolidated Plan (2010-2015)*. The 2016 PHA Plan also includes the *Capital Fund Program Five-Year Action Plan (2016-2020)* and the 2016 Capital Fund Annual Plan which details the anticipated improvements that will happen next year at PHA properties.

The 2016 PHA Plan also consists of:

- the *Public Housing Admissions and Continued Occupancy Policy (ACOP)*; and
- The *Administrative Plan for the Housing Choice Voucher program (Administrative Plan)*.

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Together, these documents provide a comprehensive guide to the Housing Authority's policies, programs, operations, and strategies for meeting local housing needs and goals consistent with the Housing Authority's overall goal to improve operating efficiencies and services to residents. Both documents can be found on our website ([www.shra.org](http://www.shra.org)) and then click on 2016 PHA Plan.

### **BACKGROUND**

Applicable Federal Law and HUD regulations require that each Housing Authority develop and adopt a *Plan* and to update it on an annual basis. The 2016 PHA Plan is an annual update to the 5 Year PHA Plan. The Housing Authority submitted its last 5 year Plan to HUD in 2014 for 2015-2019. The next 5 Year Plan is due in 2019 to begin in 2020.

When preparing these documents, staff reviewed policies and procedures, available funding (or lack thereof) and any new HUD policies and updates to their guiding documents. The Resident Advisory Board (RAB) held meetings at each public housing site to obtain resident input about proposed changes they would like to have made at their sites. The RAB brought these requests to PHA management where each request was considered and, if applicable, incorporated into the Capital Fund Plan. Additionally, staff met with the RAB and community stakeholders to present proposed changes to program policies and consider their feedback. Meetings were held with Legal Services of Northern California throughout the year at which time policies, were reviewed and future changes proposed. These documents were then posted on our website and notices announcing the beginning of the 45 day public comment period were published.

The Annual Plan contains summaries of the significant changes proposed for 2016. Policy documents have been revised to incorporate these changes:

- The Conventional Public Housing program's policies are contained in a policy document called the *Admissions and Continued Occupancy Policy (ACOP)*.
- The Housing Choice Voucher (HCV) program's policies are contained in the *Administrative Plan*.

There are eight significant changes proposed for 2016. They are organized by:

1. Three significant changes proposed for the HCV and Public Housing programs;
2. Four significant changes proposed by the Public Housing program; and
3. One significant change proposed by the HCV program.

### **Significant changes proposed for the HCV and Public Housing programs (3)**

The first significant change revises the Administrative Plan and ACOP to incorporate a newly developed Language Access Plan (LAP) into these documents. The LAP contains language information on wait lists, participants, and the community. It also

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informs readers of the steps the housing authority will take to accommodate the needs of potential applicants and program participants who have limited English proficiency.

The second significant change that applies to both housing programs incorporates the development of a medical marijuana policy. Federal law that prohibits medical marijuana takes priority over California law that allows medical marijuana. Any participant who is found to be using, smoking, growing, cultivating, bartering, selling or buying marijuana in, or in the vicinity of their rental dwelling may have their residency or participation proposed for termination. Depending on the circumstances applicants can be denied assisted housing for up to five years for possession of an illegal drug under federal law. There are slight differences between the HCV and Public Housing medical marijuana policies because of the landlord's relationship with the tenant, which is not present in the HCV program. Due process protections will apply to anyone proposed for termination under this policy.

The third significant change is to add a new veterans' preference to the Public Housing ACOP and HCV Administrative Plan for all applicants on waiting lists for housing authority-administered programs. A veteran is defined as a person who has served in the active military, reserves or National Guard who was called to active duty by a federal order of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

### Significant changes to the Public Housing ACOP (4)

The first significant change to the ACOP revises the definition of the "involuntarily displaced" preference for its waitlists. Families displaced by a natural disaster recognized by the Federal government (i.e. flood, earthquake, and fire) will be granted this preference. Involuntarily displaced also includes families wishing to reside in Public Housing who were displaced (subsidy ended or otherwise insufficient) from the Housing Choice Voucher program due to lack of federal funding or sequestration.

The second significant change to the ACOP incorporates a four hour window for performance of routine work orders after 48 hours' notice.

The third significant change to the ACOP clarifies residents will be charged a late fee when their rent is more than five days overdue and that a fee may be charged to the resident if their check is returned by the bank.

The fourth significant change to the ACOP clarifies transfers of non-disabled residents because a public housing resident or applicant needs the unit to accommodate their disability. The non-disabled family's security deposit will be transferred to a new unit and the housing authority will pay for their moving expenses when the non-disabled

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family vacates their unit for a person/family who needs the features of their dwelling unit as a reasonable accommodation.

### **Significant Change to the HCV Administrative Plan (1)**

The only HCV significant change clarifies that any participant who abandons their subsidized unit without notifying HCV staff and their landlord will not be issued another voucher to move. The participant may be proposed for termination, but will have hearing rights to appeal this action. Mitigating circumstances will be taken into consideration.

### **FINANCIAL CONSIDERATIONS**

The *Capital Fund Program (CFP) 5-Year Action Plan* identifies the anticipated annual allocations from HUD and the proposed uses for those funds. The 2016 Annual Plan (CFP) updates the 5-Year Action Plan and makes annual adjustments for funding realities. The recommended action before the Commission requires no additional funding consideration.

### **POLICY CONSIDERATIONS**

This Public Housing Authority complies with applicable federal laws and regulations, including the Quality Housing and Work Responsibility Act of 1998 (QHWRA).

### **ENVIRONMENTAL REVIEW**

Activities authorized by the *Plan* and CFP have been analyzed in accordance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). The *Plan* and CFP also include projects such as modernization, rehabilitation, disposition, and demolition which are listed for budgeting and planning purposes only. To the extent that funding becomes available, making these projects possible, individual environmental review under CEQA and/or NEPA will be performed prior to any actual funding commitment or choice limiting action.

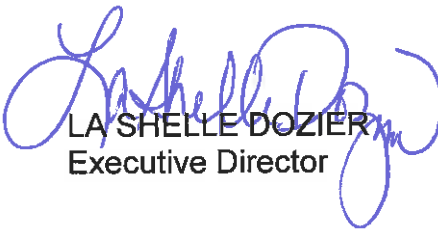
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### **M/WBE, SECTION 3 AND FIRST SOURCE CONSIDERATIONS**

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. The First Source Program is not applicable to the report.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

#### **Attachments:**

1. Significant Changes to the 2016 HCV Administrative Plan and ACOP.
2. Language Access Plan (LAP)
3. Public Housing Medical Marijuana Policy
4. Housing Choice Voucher Medical Marijuana Policy
5. *City of Sacramento 2016 Annual PHA Plan (www.shra.org)*
6. *County of Sacramento 2016 Annual PHA Plan (www.shra.org)*
7. *Public Housing Admissions and Continued Occupancy Policy (ACOP) (www.shra.org)*
8. *Housing Choice Voucher Program Administrative Plan (www.shra.org)*
9. *2016 City Capital Fund Annual Plan and 5 Year Capital Fund Plan (www.shra.org)*
10. *2016 County Capital Fund Annual Plan and 5 Year Capital Fund Plan (www.shra.org)*

**2016 Significant Changes  
in the  
Housing Choice Voucher (HCV) Administrative Plan  
And  
Public Housing Admissions and Occupancy Policy (ACOP)**

The Public Housing Authority (PHA) must define any significant changes to its policies or plans. The PHA defines a “substantial deviation” and “significant amendment/modification” as any change in policy which significantly and substantially alters the Authority’s stated mission and the persons the Authority serves. There are eight proposed changes to the 2016 Public Housing Authority (PHA) Plan which have been deemed “significant”. New language is indicated in red. Deleted language is shown in ~~strikeout~~.

Three significant changes apply to the Public Housing ACOP and HCV Administrative Plan;  
One significant change applies just to the HCV Administrative Plan; and  
Four significant changes apply just to the Public Housing Admissions and Occupancy Policy.

**THREE SIGNIFICANT CHANGES THAT APPLY TO PUBLIC HOUSING AND HCV**

1. Language Access Plan (LAP)

The LAP is a joint public housing and HCV document that explains the language demographics of the Housing Choice Voucher program, the Public Housing program, the combined programs, and all wait lists, and makes a comparison with Sacramento County’s populations.

ACOP – Addendum # 4 to the ACOP. Please see attached Attachment #2.

Administrative Plan - Addendum # 7 to the Administrative Plan. Please see Attachment #2.

2. Medical Marijuana Policy

The Medical Marijuana Policies of HCV and Public Housing differ slightly as the Housing Authority owns and manages public housing units while in the HCV program the voucher is used to rent units in Sacramento County with private landlords. This differing relationship results in different wording between the two plans.

ACOP – Addendum #3 to the ACOP. Please see attached Attachment #3.

Administrative Plan – Addendum #6 to the Administrative Plan. Please see attached Attachment # 4.



### 3. Veteran Preference on Wait Lists

A local preference for veterans is added to all the housing authority waitlists. And the definition of “veteran” has been redefined so that on each of the waitlists a preference is now defined as:

**... a person who has served in the active military or naval service of the United States at any time, reserves, or National Guard who was called to active duty by a federal order of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.**

ACOP – This language is added to the following sections:

Chapter 4 Resident Selection and Assignment Plan, page 4-5

The PHA uses the following local preferences:

...

**(2 Points) Veterans: A veteran is defined as a ... a person who has served in the active military, reserves, or National Guard who was called to active duty by a federal order of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.**

The Glossary of Housing Terms, page 20-18,

**Veteran: a person who has served in the active military, reserves, or National Guard who was called to active duty by a federal order of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.**

#### Administrative Plan

Chapter 4 - Establishing Preferences and Maintaining the Wait List

Page 4-3, listing all the preferences

(3 points) Veteran preference to a household with **a person who has served in the.** ...

Glossary, Page GL-10

Veteran: A veteran is defined as **a person who has served in the . . .**

Addendum #2 – Project-based Housing Choice Voucher Program

Chapter VII ESTABLISHING PREFERENCES AND MAINTAINING THE  
WAIT LIST/TENANT SELECTION, Page PB-16

A. Types of Wait Lists

2) Project-Based Vouchers

a) Non-Excepted Units (i.e. Phoenix park)

This list will be subject to the following weighted preferences:

**--Veteran (3 points)**

Non-Excepted Units (i.e. 7<sup>th</sup> and H)

This list will be subject to the following weighted preferences:

**--Veteran (1 point)**

b) Excepted Units with Supportive Services (i.e. Saybrook, Serna)

Families with family members who meet all of the following SHRA preferences will be assisted first:

--Veteran (1 point);

c) Excepted Units for Elderly and/or Disabled (i.e.

Washington Plaza, Sutterview, Sierra Vista)

This list will be subject to the following weighted preferences:

--Veteran (2 points)

B. Definition of Preferences, page PB-19

5. Veteran preference is given to a household with a person who has served in the ....

## ONE SIGNIFICANT CHANGE: HCV ADMINISTRATIVE PLAN ONLY

1. Chapter 13 – Moves with Continued Assistance /Portability

### A. Allowable Moves

Families will only be permitted to move once every 12 months with continued assistance with proper notice of lease termination and PHA approval.

If a participant abandons his/her unit without prior written notice to the PHA and the landlord, they will not be issued a voucher to lease up in another unit. However, they will be given their due process.

Should the family not meet the deadlines to submit for an informal hearing request, they will be terminated from the HCV program.

Mitigating circumstances will be reviewed on a case by case basis.

## FOUR SIGNIFICANT CHANGES THAT APPLY JUST TO PUBLIC HOUSING ACOP

1. Chapter 4 - Involuntary Displacement – definition revised

(2 Points) Involuntary Displacement: Families **involuntarily** displaced by ~~government action through no fault of their own or families~~ **a natural disaster recognized by the federal government (i.e. flood, earthquake, and fire) and documented by the local building department** will be granted this preference

~~Displaced by government action~~ **Involuntarily displaced** also includes families wishing to reside in Public Housing who were displaced (~~subsidy ended or otherwise insufficient~~) from the Housing Choice Voucher program due to lack of federal funding or sequestration.

## 2. Inspection Scheduling (four hour window)

### Chapter 9 - Leasing

~~The PHA will give forty-eight (48) hours written notice for non-emergency inspections. Non-emergency entries to the unit will be made during reasonable and customary business hours of the day. Reasons the PHA will enter the unit are:~~

- ~~○ Inspections and maintenance~~
- ~~○ To make improvements and repairs~~
- ~~○ Pest control services~~

~~The PHA can enter the unit without notice if housing staff reasonably believes an emergency exists within the unit~~

The PHA may enter a resident's dwelling units to perform inspections and/or repairs as follows:

(1) The PHA will give resident forty-eight (48) hours written notice stating the purpose of entry to the dwelling unit. **The PHA will give a four window within which staff will arrive to perform the inspection and/or repair.**

(2) The PHA can enter the premises at any time without advance notification when there is a reasonable cause to believe that an emergency exists.

## 3. Late Rent Collection

### Chapter 9 – Leasing

#### I. Fees and Non-Payment Penalties

If the resident fails to pay monthly rent by the fifth (5<sup>th</sup>) day of each month (the allocated grace period) a *14-Day Notice to Pay Rent or Quit/3-Day Notice running concurrently* will be issued. **A late fee will be charged in accordance with the *Schedule of Fees and Charges*.**

**The resident will be charged for checks that are returned for non-sufficient funds (NSF), stop payments, or checks written on a closed account according to the *Schedule of Fees and Charges*. The PHA will consider the rent unpaid when a check is returned as NSF or a check is written on a closed account and personal checks will no longer be accepted.**

## 4. Family Moves for Reasonable Accommodations

### Chapter 5 – Occupancy Guidelines

C. The PHA has units designed for persons with mobility, sight and hearing impairments. These units were designed and constructed specifically to meet the needs of persons requiring the use of wheelchairs and persons requiring other modifications. Preference for occupancy of these units will be given to families with disabled family members who require the modifications or facilities provided in the units.

Before offering a vacant accessible unit to a non-disabled applicant the PHA will offer such units:

- First, to a current occupant of another public housing unit who has a disability that requires the special features of the vacant unit
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit

The PHA will require a non-disabled **applicant resident** to agree to move to an available non-accessible unit within thirty (30) days when either a current resident or an applicant needs the features of the unit and there is another unit available ~~for the applicant~~. **The resident's deposit will be transferred to the new unit and the PHA will pay for moving expenses. This requirement will be a provision of the lease agreement.**

# Language Access Plan

2015

## Introduction

The goal of the Sacramento Housing and Redevelopment Agency (SHRA) is to provide housing accessible to all residents of Sacramento County, regardless of the language they speak. Therefore, we will provide all families who want or are using our services a level of customer service that facilitates their meaningful access to SHRA programs, services, activities and benefits. Specifically, SHRA takes reasonable steps to ensure that Limited English Proficiency (LEP) persons are accorded equivalent access to participation at the same level as native English speakers. This policy is in accordance with Title VI of the Civil Rights Act of 1964 which protects individuals from discrimination on the basis of national origin and Executive Order (EO) 13166 which directs all federal agencies including the Housing and Urban Development (HUD) to ensure all programs receiving federal assistance provide meaningful access to LEP persons. In addition, this Plan is in accordance with HUD's Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, dated January 22, 2007.

An LEP person is an individual who does not speak English as his/her primary language and who has a limited ability to speak, read, write, or understand English at a level that permits him/her to communicate effectively in the course of applying for, or receiving, agency services or benefits.

SHRA is a Joint Powers Agency under California law. It encompasses both the Housing Choice Voucher program and the Public Housing program for both the City and the County of Sacramento. There are also various administrative functions within SHRA. The Agency's Language Access Plan (LAP) is primarily program-based; however, certain administrative functions may also need to serve LEP individuals, families, vendors, and the public. All SHRA departments and administrative functions will follow the standards set forth in SHRA's Language Access Plan.

The Agency has designated a staff member for each program to be Language Access Plan Coordinator. The LAP Coordinator(s) have primary responsibilities for monitoring LEP activities in the Housing Choice Voucher and the Public Housing Programs. Staff, residents, participants, and public suggestions to improve or revise efforts to accommodate LEP families' needs are made to these LAP Coordinator(s). The two LAP Coordinators report directly to the Assistant Director for each program, who has overall responsibility for making sure resources are available for program compliance and to assure coordination and cooperation between the programs. The Assistant Directors report directly to the Executive Director, who has overall responsibility for the operation of the Agency. The Executive Director is accountable to the Housing Authority Board of Commissioners, as well as the members of the Sacramento City Council and Sacramento County Board of Supervisors.

**Section I**  
**Sacramento County Language Demographics**

**Sacramento County: Languages at Home**

Languages spoken in Sacramento County can be viewed through the Languages Spoken at Home report prepared by the Centers of Disease Control and Prevention, Emergency Preparedness and Response. This 2012 evaluation of the top eight 8 spoken languages reveal that in Sacramento County, the following languages predominate:

<u>Language</u>	<u>Percentage</u>	<u>Households</u>
1. English	83%	859,305
2. Spanish	11%	113,650
3. Hmong	2%	16,535
4. Chinese	1%	15,345
5. Vietnamese	1%	15,075
6. Tagalog	<1%	13,895
7. Russian	<1%	13,820
8. Ukrainian	<1%	7,820
	99%	1,040,100

In Sacramento County, there are nearly twice as many Spanish-speakers than the number of Hmong, Chinese, and Vietnamese combined.

**Section Two**  
**Program Languages**

**HCV Program Languages**  
Based on 11,800 total HCV families

The section below shows the number of LEP families participating in the Housing Choice Voucher program in 2014 that live in City of Sacramento and Sacramento County. These families have certified that this is their most proficient language.

<b><u>Top 3 Languages</u></b>	<b><u># of HCV Families</u></b>	<b><u>% of Total Families</u></b>
1. Hmong	483 families	4.1%
2. Vietnamese	466 families	3.9%
3. Russian	455 families	3.9%

<b><u>Other Languages</u></b>	<b><u># of HCV Families</u></b>	<b><u>% of Total Families</u></b>
4. Spanish	139 families	1.2%
5. Chinese	135 families	1.1%
6. Ukrainian	114 families	1.0%

It is noted that there are four times as many HCV program participants who speak Hmong, or Vietnamese, or Russian than Spanish. Thus it appears outreach to Asian languages has been more successful than outreach to Spanish speakers compared with Sacramento County as a whole. Outreach to Spanish speakers should be enhanced to ensure SHRA is serving the local housing needs of Spanish speakers.

**Public Housing (PH) Program Languages**  
Based on 2,880 total Public Housing families

The section below shows the number of LEP families residing in the Public Housing program as of 2014 in the City of Sacramento and Sacramento County. These families have certified that this is their most proficient language.

<b><u>Top 3 Languages</u></b>	<b><u># of PH Families</u></b>	<b><u>% of Total PH Families</u></b>
1. Spanish	62 families	2.2%
2. Chinese	58 families	2.0%
3. Vietnamese	48 families	1.7%

<b><u>Other Languages</u></b>	<b><u># of PH Families</u></b>	<b><u>% of Total PH Families</u></b>
4. Russian	18 families	<.01%
5. Hmong	12 families	<.01%
6. Farsi	8 families	<.01%

Eight-hundred twenty (820, or roughly 30% of all Public Housing families) did not have any language (English or other) recorded in the database. Training is being provided for staff to

ensure accurate information is collected as part of the recertification/intake process in order to capture all LEP families living in Public Housing.

### Combined Programs

Based on a total of 14,680 participating and resident families in both programs

Taking the Public Housing program and the Housing Choice Voucher program together and comparing them with the community percentage of each language yields the following:

<u>Housing Authority Top 3 Languages</u>	<u>Housing Authority # of Total Families</u>	<u>Housing Authority % of Total Families</u>	<u>Sacramento Co. % in Community</u>
Vietnamese	514 families	3.5%	1%
Hmong	495 families	3.4%	2%
Russian	473 families	3.2%	<1%
<u>Other Languages</u>	<u># of Total Families</u>	<u>% of Total Families</u>	
<b>Spanish</b>	<b>201 families</b>	<b>1.4%</b>	<b>11%</b>
Chinese Cantonese	193 families	1.3%	1%
Ukrainian	114 families	0.8%	<1%
<hr/>			
	<b>1,990 families</b>	<b>13.6%</b>	<b>17.3%</b>

It is clear that SHRA has exceeded its percentage goals for Vietnamese, Hmong, Russian, and Cantonese. The exception has been for Spanish-speakers who make up 11% of the Sacramento County families but only 1.4% of Housing Authority families. Spanish is included in program outreach activities and the fact the combined Agency numbers are below their representation in the community is curious. Do more Spanish-speakers identify as English even if they understand just a small amount of English? Also, it's possible that a larger percentage of Spanish speakers may not qualify for the low income programs or there may be other cultural barriers to applying. This issue bears looking into more closely and a strategy developed to see if there is truly an unmet need that further outreach efforts may be able to help.

### Combined Programs with Wait Lists

As of August 12, 2015, there are 32,696 families remaining on all SHRA wait lists. When these families are added to the participating families in HCV and residing families in Public Housing, it yields the following numbers.

<u>Wait List Top Languages</u>	<u># of Families on Wait List</u>	<u>PHA Existing Families</u>	<u>47,376 W/L &amp; Existing Families</u> <small>(rounded to 2 decimals)</small>	
Russian	244	473	717	1.50%
Spanish	180	201	381	.08%
Vietnamese	180	514	694	1.50%
Hmong	102	495	597	1.50%
Ukrainian	57	114	171	.04%
Cantonese	28	193	221	.05%

No other language group had more than 100 families.



**Section Three****Outreach****Wait Lists****Housing Choice Voucher**

The Housing Choice Voucher tenant-based applicant pool is currently closed to new admissions. The last time the tenant-based electronic applicant pool for the Housing Choice Voucher Program was open was September 15, 2014 for two weeks, until September 26, 2014. More than 40,000 people applied. Using a computerized and randomized lottery system, 5,000 families were added to the HCV wait list. This wait list is expected to last two to three years.

**Public Housing**

The Public Housing program has site-based wait lists. Various lists open and close at different times as the need for more applicants to occupy rental housing units arises.

**Wait List on One Web-Site for Both Programs**

When the wait lists are open for Public Housing or Housing Choice Vouchers, applications are accepted electronically in several languages via a web portal at [www.sacwaitlist.com](http://www.sacwaitlist.com). This website has multiple language capability.

1. Spanish
2. Hmong
3. Vietnamese
4. Russian
5. English

Both programs have and continue to utilize SHRA's website to announce wait list openings.

**Agency Webpage Used for Both Programs**

Public Housing and the Housing Choice Voucher program disseminate information on waitlist opening and closing on the Sacramento Housing and Redevelopment webpage, [www.shra.org](http://www.shra.org), which also has multiple language capability.

1. Spanish
2. Russian
3. Vietnamese
4. Thai
5. Chinese (simplified)
6. Korean

**Additional Outreach for Housing Choice Voucher**

Publicizing the opening of the HCV wait list was done through news items in the following publications, which appeared in multiple languages in community-oriented newspapers prior to and during the wait list opening.

1. El Hispano Spanish
2. Hai Van News Vietnamese
3. Russian Observer Russian
4. Sacramento Bee English
5. KCRA 3 (NBC) English

Letters were mailed to waitlist families currently on Project-Based Voucher waitlists. Every letter contained information urging those with language needs to contact the Agency for professional, reliable, and confidential language assistance. Translations were provided for Spanish, Vietnamese, and Russian.

**Section Four**  
**Interpretive Services**  
**Oral Language**

While many applicants, Public Housing residents, and Housing Choice Voucher participants prefer to bring relatives and friends to interpret English for them in their native language, SHRA employees are advised to use the SHRA's professional language assistance contractor and ensure accurate translations are provided to the families on technical housing issues. Staff must advise LEP persons about the availability of free language services. Even if the applicant, resident, or participant brings a friend, relative, or caseworker, SHRA retains the right to have a housing authority-contracted professional interpreter assist to ensure that the friend, relative's interpretation is accurate.

There are some situations where family members or friends are not suitable translators, i.e., family members under 18 years old who many not have the ability to translate technical terms, victims and perpetrators of domestic violence, caretakers and elder abuse victims, or suspected perpetrators of program fraud, and should not be allowed in the same room with the applicant, resident, or participant. In these cases, SHRA staff must be sensitive to the feelings of the LEP person but everyone's personal safety must be a priority.

**Intake Appointments**

SHRA has combined Intake staff to process applications for Public Housing and Housing Choice Voucher programs. Intake staff has procedures to follow to help new LEP applicants. Intake staff members show the LEP applicant the Language Identification Flashcard so they may point to their preferred language of communication.

Once a client selects a language on the flashcard, Intake staff is to telephone the Housing Authority's professional, contracted language vendor and request telephonic interpretation in that language.

A conference call can be facilitated by Intake staff so that the interpretation can happen over the telephone whether applicant is at home or in the office. Intake staff facilitates the call with the professional interpreter, the resident or participant, and SHRA staff. This takes a high degree of coordination but the benefit is it helps to make language interpretation available at a time and place that is convenient for the family.

Generally, to fill out a full application and sign other necessary paperwork, the telephonic interpreter will interact with the staff interviewer who will explain to the interpreter what is being asked for, and then the interpreter will communicate that to the LEP family in their preferred language in a three-way call facilitated by Intake staff. When the LEP family responds in their preferred language, the interpreter then communicates the information to the Intake staff, who can transcribe information from the interpreter onto the English data form. The English data form is the official form.

Intake staff will, with the family's permission, have the family's language input into the housing software system, which has a searchable field for "language." This helps the Housing Authority determine how many families or individuals speak specific languages and better prepares for future communication with the family in the language they feel most comfortable.

#### Briefing Appointments

Any family that wishes to be provided with interpretation services for a briefing appointment will be asked to provide the Housing Authority with 24-48 hours' notice so that contracted and qualified interpreters who speak the family's language can be scheduled. Sometimes, in-house staff interpreters are available to provide immediate assistance to the families. Limited-English speaking families can be at home and ask questions of the staff person in real time over the phone with the help of the interpreter.

#### Recertification Appointments

Annual Recertification packets are mailed to each participant in the HCV program and are provided at property offices in Public Housing.

However, if LEP families need help filling out the packet they can phone the Agency call center or their property office. Staff from either the call center or property office can call the Agency's contract interpreter and they will place the family on a three-way phone call to explain the questions to LEP families in their native language. HCV call center staff or Public Housing property office staff can take the answers from the interpreter in English and complete the forms

Quite often, families use English speaking third party contacts to complete their paperwork. All tenants or participants who indicate that they would like their third party contact to receive written correspondence from SHRA will receive notice that it is time to recertify for continued eligibility to the program. This enables the third party to work with the family to complete the paperwork accurately and (hopefully) on time.

#### Staff Training

Staff training regarding how to use "Language Identification Flashcards," and the telephone number and the required code to access housing authority's language contractor has been provided to all staff that interact with clients. This training has been documented so that new staff is exposed to it as part of their orientation to their department and existing staff are periodically refreshed with training on the procedures. Staff training topics include how to:

1. Respond to an LEP person who has in-person contact with SHRA staff;
2. Handle LEP callers to the Agency;
3. Relate to LEP persons in a courteous and culturally sensitive manner;
4. Respond to an LEP family's written communication.
5. Contact the language contractor for interpretation assistance.

**Section Five**  
**The Four Factor Analyses**

With this Language Access Plan (LAP) SHRA is conducting an individualized assessment related to balancing the four factors.

1. The number or proportion of LEP Persons served or encountered in the eligible service population;
2. The frequency with which LEP persons come into contact with the programs;
3. The nature and importance of the program, activity, or service provided by the Agency;
4. The resources available and cost.

Recipients of federal funds are required to take reasonable steps to ensure meaningful access to LEP persons to receive critical services while not imposing an undue financial burden on local government.

**1. The number or proportion of LEP persons served or encountered in the eligible service population**

Analysis of the demographics from the most recent opening of the HCV wait list, where over 40,000 families applied, are illustrative. Even though only 5,000 families were selected by lottery, it should be noted with the data that the families soliciting housing assistance (more than 40,000 families) is also reflective of the families selected for the lottery in terms of English and non-English speaking families.

The language data for the 5,000 family HCV random lottery is below.

<u>Rank/ Language</u>	<u>Number of Families</u>	<u>Lottery Percent</u>
1. Russian	81	1.62%
2. Vietnamese	36	0.72%
3. Ukrainian	32	0.64%
4. Spanish	31	0.62%
5. Hmong	19	0.38%

The language data for the 40,000 family entire applicant pool is below.

<u>Rank</u>	<u>Language</u>	<u>Number</u>	<u>Percent</u>
1.	Russian	519	1.16%
2.	Vietnamese	233	0.52%
3.	Spanish	189	0.42%
4.	Ukrainian	161	0.36%
5.	Farsi	87	0.20%

From the data for both the larger applicant pool and lottery pool, we can see that similar ethnic groups of families with limited English capabilities were selected. We also see that even in the most recent wait list pull, there were half as many Spanish speakers applying as LEP Russian families. It appears that additional outreach should be attempted for Spanish LEP families.

## **2. The frequency with which LEP persons come into contact with the programs**

Initial applications for Public Housing and Housing Choice Vouchers are accepted on-line. Once selected for housing, the lease up process may take two or three visits or interaction with staff. After that, there is the annual recertification process, the annual inspection process, plus any required updates to income or family composition that may be required. Therefore, an average family in an average year may contact Housing Authority staff three times a year for various reasons.

## **3. The nature and importance of the program, activity, or service provided by the Agency**

The provision of affordable housing and housing assistance meets a critical need in any community. In Sacramento County, there are almost 3,000 families living in Public Housing and more than 12,000 Housing Choice Voucher recipient families. Based on its impact on thousands of families in Sacramento County, the importance of the Housing Choice Voucher and Public Housing program is high. SHRA strives to ensure the housing program opportunities are available and accessible to all people.

In addition, Sacramento Steps Forward sponsors the bi-annual “point in time” homeless count. In the most recent report for 2013, 2,538 total homeless persons including a total of 1,846 households were identified as homeless.

## **4. The resources available and cost**

Generally, the average cost for each telephonic interpretation is \$100 with an average monthly cost of \$1,200 (equating to nearly \$15,000 annually). With a 79% proration for HCV 2014 administrative fees, the budget is tight to provide both administrative and interpretative support to LEP families and reduces the amount available for staffing and services, including interpretive services. The Housing Authority is committed to spending the resources needed

within reason, to ensure LEP families are accommodated. Telephonic interpretation is seen as the most appropriate, cost-efficient, and accurate service to our LEP families.

In accordance with Executive Order 13166, SHRA commits to providing translation of vital documents whenever a single non-English language reaches 5% of the total or 1,000 persons, whichever is less. In SHRA's case, the 5% criteria shall be used since this is lower than 1,000 families in both the HCV and Public Housing programs.

The cost to provide documents in several different languages is often out of reach unless the documents are provided by HUD (several are listed below). This naturally restricts the ability of the Housing Authority to provide documents that are translated into other languages, although the Housing Authority is committed to do so when it is necessary for the family to have equal access to housing services. We will begin to phase-in translated documents so as to be in compliance with the federal standard when required.

With almost 2,000 documented LEP families coming into contact with Housing Authority staff an average of three times a year, it comes to about 6,000 annual LEP contacts, mostly during inspections and annual recertifications. At \$100 average per telephonic contact, that would amount to \$600,000 a year to provide telephonic interpretation to all members of the top 6 LEP families (if no family utilized friends, family, or caseworkers).

Providing translation of the top 6 non-English languages for 20 vital non-HUD provided documents at roughly \$1,000 per document (including quality control) would cost an additional \$120,000. The shelf life for a document averages about 3 years so it would cost at least another \$40,000 annually thereafter.

Therefore, to serve the all top 6 LEP families for each contact during the first year for interpretation and translation of all vital documents has the potential to be \$720,000. Even the ongoing annual cost is significant at \$640,000.

In 2013, the Housing Choice Voucher program expended \$5,500 and budgeted \$7,000 for just requested interpretation services. Clearly, most LEP families utilize their family, friends, sponsors, or case workers to provide language assistance. SHRA will continue to expand its efforts to serve more LEP families with the development of essential written translated materials and forms and by paying bi-lingual staff extra money for their skill set.

Since none of the non-English language groups occur in more than 5% of the HCV populations (14,580 participating and residing families' times 5% yields a 734 threshold figure). No translation costs have been incurred yet, although SHRA may begin phasing in some translation of the most important documents to the top three LEP languages of Hmong, Vietnamese, and Russian, and even Spanish. Spanish translation should be considered because word of mouth can be a powerful outreach strategy for increasing Spanish speaking families among housing applicants.

**Section Six**  
**Translation Services**  
**Written Language**

The list of Vital Documents may be revised to meet the needs of LEP families. Requests may come from staff, residents, participants, managers or executives and will be routed through the LEP Coordinators for each program. Documents in specific languages will be placed in a designated language folder in the appropriate Agency electronic library so that both programs may utilize documents originated by the other, as appropriate. Documents specific to each program may be kept in electronic folders in those department drives, filed by form or function.

**Vital LEP Documents**

SHRA does not have any specific LEP population that reaches five percent of the Public Housing residents or Housing Choice Voucher participants (client population). When any LEP language group reaches 5% of the client population, SHRA will have vital documents transcribed into that language. SHRA hereby declares the following documents are considered vital to program participation in the:

**Public Housing Program and Housing Choice Voucher Program:**

1. Pre-application (Available online in several languages)
2. Full Application Packet (including all enclosures)
3. Interim Reporting form
4. Annual Recertification Packet (including all enclosures)
5. Zero Income form
6. Report Change Notice (person, income)
7. Fair Housing Notice
8. Reasonable Accommodation form
9. Notice Advising of Free Language Assistance
10. Notice of Ineligibility
11. Notice of Public Hearing
12. Authorization for the Release of Information/Privacy Act Notice
13. Certification of Domestic Violence, Dating Violence, or Stalking

**HCV only**

14. Portability Notice
15. Hearing Request form
16. Termination letters for HCV

**Public Housing only**

17. Leases
18. 30 day Notice to Vacate
19. Hearing Form
20. Grievance Procedure
21. Termination of Tenancy Procedures
22. Termination letter for PH



The following HUD documents are also vital and available in the following languages (alphabetically ordered):

- a. Arabic
  - b. Cambodia
  - c. Chinese
  - d. Creole
  - e. French
  - f. Hmong
  - g. Korean
  - h. Russian
  - i. Spanish
  - j. Vietnamese
1. HUD 9886 Authorization for Release of Information
  2. Brochure: A Good Place to Live (simplified Housing Quality Standards)
    - a. English
    - b. Spanish
    - c. Cambodian
    - d. Chinese
    - e. Hmong
    - f. Vietnamese
  3. Brochure: Are You A Victim of Housing Discrimination
    - a. English
    - b. Spanish
    - c. Chinese
    - d. Vietnamese
    - e. Russian
    - f. Korean
  4. Brochure: Equal Opportunity for All
    - a. English
    - b. Spanish
    - c. Chinese
    - d. Vietnamese
    - e. Russian
    - f. Hindi
    - g. French
    - h. Russian
  5. Brochure: Domestic Violence Guide
    - a. English
    - b. Spanish
    - c. Chinese
    - d. Vietnamese

- e. Korean

Public Housing Only (Available in 5 languages)

Factsheet: How Your Rent is Determined for Public Housing

- a. English
- b. Spanish
- c. Chinese
- d. Vietnamese
- e. Korean

Housing Choice Voucher Only (available in 10 Languages)

1. HUD 52517 Request for Tenancy Approval (RFTA)
2. HUD-52646 Voucher, Housing Choice Voucher Program (07/2000)
3. Housing Choice Vouchers Fact Sheet
  - a. English
  - b. Spanish
4. HUD 52649 Statement of Homeownership Rights and Responsibilities
5. HUD- 52650 Family Self-Sufficiency (FSS) Program Contract of Participation
  1. Instructions
  2. Attachment
  - 3.
6. HUD 52652 Family Self Sufficiency Program Escrow Account
7. HUD 52641 Housing Assistance Payments Contract
8. HUD 62641-A Tenancy Addendum (8/2009)

**Section Seven****Monitoring and Updating the Language Access Plan (LAP)**

SHRA will monitor the impact of its LAP by seeking the feedback of those who use LAP services. This should provide us with valuable insight into whether the level and quality of LEP services is meeting their needs. Staff will also be trained to make sure the telephone interpreter is interacting compassionately and accurately with the client by making sure answers make sense. SHRA will also interact with local ethnic and language groups to make sure clients are satisfied with the language services provided by SHRA and note any areas for improvement.

SHRA will also keep abreast of technological advancements that may arise to more efficiently and cost-effectively communicate with LEP individuals and families and consider implementing such improvements. SHRA will search for more funding opportunities to supplement its budget for interpretation and translation services. SHRA staff will be trained on the LAP and how to most effectively serve our clients. Finally, we will keep abreast of developments in the legal and regulatory environments as they impact LAP requirements.

SHRA employees, program applicants, HCV program participants, or Public Housing residents who receive a report, or become aware, that a LEP person believes he/she has not been provided with language assistance services, in accordance with this LAP, should report that information to the LAP Coordinator(s). Incidents shall be documented for response.

Each program department at SHRA shall participate in an annual review of the Language Access Plan to make sure Agency actions are consistent with the Plan. Demographics and the need for LEP services shall be updated at least every two years. Changes in procedures shall be incorporated on an ongoing basis to make sure SHRA maintains consistency with the LAP Plan and daily service efforts adequately service LEP clients. In addition, strategies will be considered to serve more Spanish families in an effort to serve a comparable percentage of people that exist in Sacramento County.

**Section Eight**  
**Conclusion**

SHRA takes seriously our responsibility to serve families with limited English proficiency so that no one is excluded from participating, accessing, or receiving essential housing services solely due to a language barrier.

SHRA will make additional efforts to increase outreach to populations that appear to be underserved. Currently, it appears that LEP Spanish-speakers are underserved compared with their numbers in the community. SHRA will continue efforts to reach out to this population to ensure more people may receive the full benefit of our services. For example, consideration shall be given to purchasing time on locally-provided Spanish television stations instead of relying on off-hours public service announcements. Additional strategies (perhaps more translated documents) will be developed and more resources will be invested to serve more Spanish-speakers as Public Housing residents and Housing Choice Voucher participants.



INVESTING IN COMMUNITIES

## **Public Housing MEDICAL MARIJUANA POLICY**

While possession of medical marijuana is no longer a crime under California law, its possession is still illegal under federal law. When a state law is in conflict with a federal law, the federal law prevails. Thus, under federal law, possession of marijuana for medical and/or non-medical purposes constitutes a crime.<sup>1</sup>

The Sacramento Housing and Redevelopment Agency (SHRA) utilize leases that prohibit any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants. Furthermore, any drug-related criminal activity on or off such premises, engaged in by a public housing resident, any member of the resident's household, or any guest or other person under the resident's control, may be cause for termination of tenancy. This includes the use, cultivation, growing, and the sale, barter, purchase or exchange of marijuana is a serious violation of the lease.

### **Admissions:**

All forms of marijuana use, including the use of "medical marijuana" are illegal under federal law even if it is permitted under state law.<sup>2</sup> SHRA will deny admission to any household with a member who is, at the time of application for admission, illegally using a controlled substance as that term is defined by the *Controlled Substance Act (CSA)*.

### **Reasonable Accommodation:**

SHRA will not accommodate a tenant's use and possession of medical marijuana. A person who uses or possesses marijuana for medicinal purposes is an illegal drug user under federal law. Reasonable Accommodations do not include requiring SHRA to tolerate illegal drug use or risk losing its HUD funding for doing so.

### **Medical Expense Deduction:**

HUD regulations require that when calculating a disabled tenant's adjusted income, a public housing authority must deduct from annual income the "un-reimbursed medical expenses of any elderly or disabled family" that exceed three percent (3%) of annual income.<sup>3</sup>

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<sup>1</sup> The Controlled Substances Act (CSA), 21 USC Section 801 et. seq. categorizes marijuana as a Schedule 1 substance and therefore the manufacture, distribution or possession of marijuana is a federal criminal offense.

<sup>2</sup> The Controlled Substances Act (CSA), 21 U.S.C. Section 801 et. seq.

<sup>3</sup> 24 CFR 5.611(a)(3)

However, the IRS<sup>4</sup> specifically states that a person “cannot include in medical expenses amounts [paid] for controlled substances (such as marijuana, laetrile, etc.), in violation of federal law.”

Because the use, possession, and sale of medical marijuana are violations of federal law, a disabled tenant cannot deduct from his/her annual income monies used to purchase medical marijuana.

### **Non-Smoking Facility Policy (ACOP)**

SHRA policy prohibits tenants, or other occupants, and their guests from smoking within their units. In addition, SHRA will not allow smoking in internal common areas within its Public and Affordable Housing properties. As a responsible landlord, SHRA has identified the internal common areas as smoke-free zones to take into consideration the rights of residents, visitors, staff, and vendors who enter private residential dwellings and enclosed common areas. Compliance with smoke free housing rules by all residents and their visitors, including staff and vendors, will benefit everyone who accesses these areas.

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<sup>4</sup> 2007 IRS Publication 502

## HCV Medical Marijuana Policy

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The possession of medical marijuana is no longer a crime under California law; however its possession is illegal under federal law. When a state law is in conflict with a federal law, the federal law prevails. Thus, under federal law, possession of marijuana for medical and/or non-medical purposes constitutes a crime.

Marijuana use or possession includes the growing, cultivating, selling, bartering, exchanging or other activity that furthers the proliferation and/or use of marijuana in, or in the immediate vicinity of, your subsidized unit.

### Admission:

All forms of marijuana possession, including the use of “medical marijuana” is illegal under federal law even if it is permitted under state law. HCV will deny admission to any household where there is, at the time of application or processing for admission, reasonable cause to believe they may have illegally used a controlled substance as that term is defined by the Controlled Substances Act (CSA).

HCV will also deny participation to applicants where there is reasonable cause to believe that any family member has illegally used or possessed marijuana or engaged in any drug-related or other criminal activity within the past five (5) years.

### Reasonable Accommodation:

A person who possesses marijuana for medicinal use is an illegal drug user under federal law. HCV will not approve any reasonable accommodation requests for the use of medical marijuana.

### Medical Expense Deduction:

When calculating a participant’s adjusted income, HCV must deduct from annual income the “un-reimbursed medical expenses of any elderly or disabled family” that exceed three percent (3%) of annual income. However, the IRS specifically states that an elderly or disabled person “cannot include in medical expenses amounts [paid] for controlled substances (such as marijuana, laetrile, etc.), in violation of federal law.” HCV will not include medical expenses used to pay for marijuana or its paraphernalia in the calculation of medical expense deductions.

### Ending Program Participation:

If HCV has reasonable cause to believe a participant is using marijuana in, or in the immediate vicinity of, their subsidized unit, their participation may be proposed for termination.

# **RESOLUTION NO. SHRC \_\_\_\_\_**

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

ON DATE OF

## **2016 PUBLIC HOUSING AGENCY ANNUAL PLAN FOR THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO AND HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO**

### **BACKGROUND:**

- A. The proposed 2016 Public Housing Agency (PHA) Plan is consistent with the 2013-2017 Consolidated Plan which was approved by the City and County of Sacramento. The Consolidated Plan is a planning document that identifies overall housing and community development needs in the City and County of Sacramento, and outlines a strategy to address those needs.
- B. Starting with the 2001 fiscal year and reauthorized each subsequent year in the resolutions approving the Housing Authority of the City and Housing Authority of the County of Sacramento (collectively "Housing Authority") budgets, the Sacramento Housing and Redevelopment Agency and its Executive Director are delegated authority by the governing boards of the Housing Authority to conduct a public hearing on behalf of the Housing Authority to discuss the Public Housing Agency Annual Plan (PHA Plan) as applicable and invite public comment on the plans.
- C. The proposed PHA Plan changes were presented to the Resident Committees and the Resident Advisory Board, and made available to the public on July 15, 2014.
- D. A public hearing, duly noticed for a 45 day period, was held on September 16, 2015 on the 2016 PHA Annual Plan on behalf of the Housing Authority and comments received were considered by the Commission.
- E. The Capital Fund Program Five-Year Action Plan (2015-2019) was previously analyzed in accordance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). All programs included in the Five-Year Action Plan were found to be Exempt under CEQA Guidelines and Exempt or Categorically Excluded under NEPA Guidelines (see Attachment 2 for the specific environmental determination made for each program). The actions proposed in this 2016 Annual Plan are in support of the Five-Year Action Plan and include a total of eleven administrative changes to programs which rise to the level of significant changes with respect to the circumstances under which these programs will be undertaken.



**2016 PUBLIC HOUSING AGENCY ANNUAL PLAN FOR THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO AND HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO**

Page 2 of 2

F. Activities authorized by the PHA Plan and CFP have been analyzed in accordance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). The PHA Plan and CFP also include projects such as modernization, rehabilitation, disposition, and demolition which are listed for budgeting and planning purposes only. To the extent that funding becomes available, making these projects possible, individual environmental review under CEQA and/or NEPA will be performed prior to any actual funding commitment or choice limiting action.

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

Section 1: After due consideration of the facts presented in the recitals above, the staff report and at the public hearing, the findings, including the environmental findings regarding this action, are found to be true and correct.

Section 2: The 2016 Five-Year and Public Housing Agency Annual Plan (PHA Plan) consisting of the Public Housing Admissions and Continued Occupancy Policy (ACOP) for both the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento and the Administrative Plan for the Housing Choice Voucher program (Administrative Plan), for the Housing Authority of the County of Sacramento only, is hereby approved.

Section 3: The Executive Director or her designee is authorized to make non-substantive changes to the Plan based on any additional public comments received.

Section 4: The Executive Director or her designee is authorized to make changes to the PHA Plan as directed by the Department of Housing and Urban Development or required to comply with the Quality Housing and Work Responsibility Act of 1998.

Section 5: The Executive Director or her designee is authorized to execute and submit all required documents for the submission and certification of compliance of the 2016 PHA Annual Plan to the Department of Housing and Urban Development or to comply with the Quality Housing and Work Responsibility Act of 1998.

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CHAIR

ATTEST:

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CLERK



**MINUTES**

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

**Regular Meeting**

**September 2, 2015**

Meeting noticed on August 28, 2015

**ROLL CALL**

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:02 p.m. by Chair Griffin. A quorum of members was present.

**MEMBERS PRESENT:** Alcalay, Creswell, Griffin, Johnson, Morgan, Raab, Rios, Macedo, Painter

**MEMBERS ABSENT:** None

**STAFF PRESENT:** La Shelle Dozier, David Levin, Tyrone R. Williams, Tina McKenney, James Shields, MaryLiz Paulson, Sarah Thomas, Christine Weichert, Lira Goff, Angela Jones, Monique Pierre, Karen Lukes, Tashica McIntyre.

**APPROVAL OF AGENDA** – The Agenda was approved as submitted.

1. **APPROVAL OF MINUTES** – Minutes from the August 5<sup>th</sup>, 2015 meeting were approved as submitted.

**CITIZENS COMMENTS**

2. Reina Florez spoke regarding reinstatement to the Housing Choice Voucher Program.

**BUSINESS ITEMS**

3. **Correction to Title Vesting for 1030 Del Paso Blvd**

David Levin of SHRA presented the item.

On a motion by Commissioner Creswell, seconded by Commissioner Morgan the Commission recommended approval of the staff recommendation for the item listed above. The votes were as follows

**AYES:** Alcalay, Creswell, Johnson, Griffin, Macedo, Morgan, Raab, Painter.

**NOES:** none

**ABSTAIN:** none

**ABSENT:** none

Not present to vote: Rios

4. Alder Grove Health and Wellness Clinic

Monique Pierre of SHRA presented the item.

On a motion by Commissioner Rios, seconded by Commissioner Painter, the Commission recommended approval of the staff recommendation for the item listed above. The votes were as follows

AYES: Alcalay, Creswell, Johnson, Griffin, Macedo, Morgan, Raab, Painter, Rios.

NOES: none

ABSTAIN: none

ABSENT: none

SPECIAL PRESENTATION

5. 2016 Sacramento Housing and Redevelopment Agency Budget Overview

Tina McKenney of SHRA presented the item.

EXECUTIVE DIRECTOR REPORT

The Executive Director reviewed the following:

- The Woodhaven Senior Residence Grand Re-opening will be Wednesday October 7<sup>th</sup> at 10:30 am.
- SHRA is co-sponsoring the second annual Walk4Literacy on Saturday, October 17<sup>th</sup>, at 9:00 am from McClatchy Park to Cesar Chavez Park.
- SHRA has launched a Facebook page.
- The Comprehensive Annual Financial Report was reviewed briefly. LaShelle noted that the CAFR can be found on SHRA's website.
- The relationship between the Redevelopment Agency Successor Agency (RASA) and Housing Development Department (HDD) will be part of the budget presentation on October 7<sup>th</sup>.
- An update on SHRA and the City's fair housing efforts will be discussed with the Consolidated Plan Item at October 7<sup>th</sup>'s meeting.
- The next meeting on will be held on September 16<sup>th</sup> and will feature a public workshop on the PHA Annual Plan from 4:30 pm to 5:00 pm, ethics training from 5:00 pm to 7:00 pm, then, at 7:00 pm the Regular Meeting will begin. Snacks will be provided.

COMMISSION CHAIR REPORT

None

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Rios is seeking opportunities to learn more about the Agency's work, e.g. what high quality housing looks like or how each of the programs work, as workshops for or presentations to the Commission.

Commissioner Alcalay suggested providing the Commission with the 'jargon sheet' and Agency facts sheet.

Commissioner Creswell requested that the Calendar of Events discussed at the meeting be sent to her.

Commissioner Alcalay would like the missing data point from Slide #8, during the Agency Budget Overview.

ADJOURNMENT

As there was no further business to be conducted, Chair Griffin adjourned the meeting at 7:15 p.m.

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AGENCY CLERK



September 10, 2015

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Tax Equity and Fiscal Responsibility Act (TEFRA) hearing and Approval of Tax Exempt Bonds and a Loan Commitment for the Ethan Terrace Apartments Project

SUMMARY

The attached report is submitted to you for review and recommendation 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:  
October 6, 2015  
10:15 am

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

From: Sacramento Housing and Redevelopment Agency

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

Supervisorial Peters  
District:

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

**Overview**

This report will serve as the required public TEFRA hearing and recommends approval of up to \$7,400,000 in tax-exempt mortgage revenue bonds and a loan commitment for gap financing in the amount of \$4,000,000 for the 92 unit Ethan Terrace Apartment project (Project).

**Recommendations**

1. Adopt the attached Board of Supervisors Resolution for the Ethan Terrace Apartments which indicates the Board of Supervisors has conducted a Tax Credit Equity and Fiscal Responsibility Act (TEFRA) public hearing related to the proposed construction and permanent financing of the Project.
2. Adopt the attached Board of Supervisors Resolution for the Ethan Terrace Apartments which authorizes the Sacramento Housing and Redevelopment Agency (Agency) to:
  - a. Approve a loan commitment of \$1,800,000 in County HOME Investment Partnership Program (HOME) Funds and \$2,200,000 in Housing Trust Funds (HTF) to the Project,
  - b. Approve repayment of the \$1,094,239 loan balance from the Affordable Housing Program to the County Housing Trust Fund,
  - c. Execute a Loan Commitment Letter with MRK Partners, Inc. (Developer),
  - d. Execute all necessary documents associated with the transaction,
  - e. Amend the Agency budget, and
  - f. Make related findings.
3. Adopt the attached Housing Authority Resolution for the Ethan Terrace Apartments:
  - a. Indicating the intention of the Housing Authority of the County to issue up to \$7,400,000 in tax-exempt mortgage revenue bonds to provide acquisition, construction and permanent financing for the Project,
  - b. Authorizing an application to the California Debt Limit Allocation Committee (CDLAC) for allocation authority to issue bonds, and
  - c. Authorizing the Executive Director or her designee to execute all necessary documents associated with the transaction.

The clerk is requested to certify six (6) copies of the resolutions and forward them to staff.

**Measures/Evaluation**

The proposed project will convert 92 market rate units to 91 affordable units and one management unit, thereby contributing to the County of Sacramento’s 2013-2021 Housing Element goals. Affordability restrictions placed on the Ethan Terrace Apartments Project will be monitored by the Sacramento Housing and Redevelopment Agency for 55 years.

**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, Housing Authority, or County of Sacramento. \$1,800,000 of HOME and \$2,200,000 of HTF will be used for the rehabilitation of the Project. In addition, the Affordable Housing Program is repaying a \$1,094,239 HTF loan balance. The Loan allowed for the purchase of Unit Credits at Arbor Creek Family Apartments.

**BACKGROUND**

MRK Partners, Inc. (Developer) has applied to the Agency for the issuance of up to \$7,400,000 in tax-exempt mortgage revenue bonds and a gap financing loan of \$4 million for the rehabilitation of Ethan Terrace Apartments (Project). The 2.5 acre market rate property is located in the unincorporated County of Sacramento at 1820-1824 Ethan Way. A vicinity map and site map are provided as Attachment 1 and Attachment 2. A project rendering is provided as Attachment 3.

Following a commitment of funds by the Agency, both a 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) will be submitted on October 16, 2015.

**DISCUSSION**

**Project Description:** Ethan Terrace Apartments is an existing 92 unit market rate development located in the Arden Garden area of Sacramento County. Built in 1965, the project consists of 65 one-bedroom and 27 two-bedroom units located within two wood-framed rectangular clusters of two-story buildings arranged end to end in an east-west orientation. Each building cluster contains six small buildings with eight apartments each. Unit entries into the apartments face an inner open landscaped courtyard. The development includes 97 open parking spaces along the perimeter of the buildings and 6 covered parking spaces. The project underwent limited renovations in 2012 which included replacement of all windows with double-pane windows and removing the gravel surface roofing and replaced with a new reflective emulsion coating. Since

2012, a majority of the units had new carpet installed and seven of the eight existing water heaters were replaced.

The interiors of each unit will be upgraded. All of the kitchens will receive new cabinetry, countertops and finishes, as well as, new energy efficient refrigerator/freezers, ranges and dishwashers. Bathrooms will get new tubs and surrounds, fixtures, and cabinets. All plumbing fixtures will be low flow, high efficiency fixtures. All interior and exterior doors will be replaced.

Flooring materials will be modernized in the entryway, kitchen, dining areas and bathrooms. Installation of new carpets in units that were not recently upgraded will also be included. New paint will be used throughout to complete the look of the upgrade. Life safety and fire protection upgrades will be installed which will include new hard wired smoke detectors in all units.

With the proposed rehabilitation of the property, the Developer will reconfigure seven one-bedroom units and three two-bedroom units (a total of 10) to comply with the Americans with Disabilities Act (ADA) requirements. In addition, two of the units will be reconfigured to meet ADA requirements for visual and hearing impaired.

Upgrades to existing amenities include a 500 square foot addition to the existing community space, a new laundry room, replastering and re-tiling of the pool, replacement of the current pool system, and an outdoor sitting area for residents.

Improvements to the exterior of the property will be significant. The buildings are wood-framed structures with an exterior façade made of painted stucco and a stone veneer. The existing stone façade will be removed and replaced with new ledgerstone and a new finish coat of stucco will be applied. All stairs to the second-story units will be replaced along with stair railing, guardrails and a new landing at unit entry area. The existing roof will have a new coating and solar photovoltaic panels added. All of the through-wall air conditioning units will be replaced with packaged terminal air conditioning units (PTAC).

The entry gate into the property will be upgraded along with improved exterior lighting and the installation of security cameras. Additional exterior improvements will address perimeter and pool fencing, ADA parking and path of travel, trash enclosures, new mailboxes, and the driveway and parking spaces will be sealed and striped. New property signage and drought tolerant landscaping will complete the rehabilitation of Ethan Terrace Apartments.

Developer: MRK Partners, Inc. is a recently formed development company. This will be MRK's first LIHTC syndication; however, the company has already purchased two LIHTC transactions for future re-syndication. MRK Principal, Sydne Garchik, has been directly responsible for the syndication of seven LIHTC deals representing 1,600 units.

Resident Services: Resident services will be provided by a nonprofit organization approved by the Agency. An approved Resident Services Provider will be identified prior to loan documents being approved by the Board of Supervisors in December 2015. A minimum of 15 hours per week of on-site resident services will be provided. Resident services will include but are not



limited to an on-site service coordinator, after-school program with homework assistance and activities, and teen/adult education and enrichment programs. Specific classes will be determined after a tenant needs assessment survey has been completed.

Property Management: Ethan Terrace Apartments will be managed by Apartment Management Consultants, LLC (AMC). Formed in 2000, AMC is a full service property and asset management company with over 210 properties nationwide consisting of 53,000 apartment units. Within its current portfolio, AMC has experience in managing Low Income Housing Tax Credit (LIHTC) and bond financed projects. AMC currently manages Ridge McClellan, a 106 unit market rate development in North Highlands. The Agency has reviewed AMC's qualifications and the management plan, and has found that the proposed management company meets the Agency's requirements.

Project Financing: Ethan Terrace will be financed using a combination of four percent Low Income Housing Tax Credits, tax-exempt bond financing, Agency loan consisting of \$1,800,000 of Home Investment Partnership Program (HOME) and \$2,200,000 of Housing Trust Fund (HTF), net operating income during construction, and a deferred developer fee. Funding sources and uses are provided in the Project Summary as Attachment 4. A Cash Flow Proforma is provided as Attachment 5.

### **COMMISSION ACTION**

At its meeting of September 16, 2015, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

### **MEASURES/EVALUATIONS**

This Project contributes to the County's 2013-2021 Housing Element goals by adding 91 substantially rehabilitated and regulated affordable housing units.

### **FINANCIAL ANALYSIS**

The Loan Commitment of \$4,000,000 consists of \$1,800,000 in HOME funds and \$2,200,000 in Housing Trust Funds for the financing of the Project and will bear a four percent simple interest with a term of 55 years after completion of renovation. The Conditional Funding Commitment is included as Attachment 7.

The 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.

In 2010 the Agency transferred \$1,115,000 from the HTF to the Affordable Housing Program. This allowed for the purchase of Unit Credits at Arbor Creek Family Apartments. Funds were transferred on condition that it would be repaid pursuant to authority in Resolution 2010-0450, dated May 18, 2010. In order to fund Ethan Terrace, this report also authorizes the repayment of the remaining balance of the loan, \$1,094,239, from the Affordable Housing Program to HTF.

### **POLICY CONSIDERATIONS**

The actions are consistent with approved Agency's Multifamily Lending and Mortgage Revenue Bond Policies. The Developer has requested the loan term to be 55 years following the completion of renovation. Regulatory restrictions on the property will be specified in the loan regulatory agreement. The tax credit investor is requiring the deferred developer fee to be paid 12 years following the completion of renovation. Repayment of the Agency loan will begin once the developer fee is repaid. Compliance with the additional regulatory agreements will be monitored by the Agency on a regular basis in accordance with the HOME and HTF funding requirements.

### **ENVIRONMENTAL REVIEW**

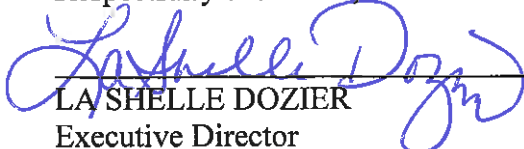
The proposed action has been analyzed in accordance with the California Environmental Quality Act (CEQA) and is categorically exempt under CEQA Guidelines Section 15301 which exempts actions on existing facilities, including rehabilitation and financing, where the use remains unchanged and there is no expansion of an existing use.

The proposed action has been analyzed in accordance with the National Environmental Policy Act (NEPA) and is categorically excluded pursuant to 24 CFR Section 58.35(a)(3)(ii) as it consists of the rehabilitation of a multifamily residential complex in which the unit density will not be changed by more than 20 percent, it does not involve changes in land use, and the estimated cost of rehabilitation is less than 75 percent of the cost of replacement after rehabilitation.

### **M/WBE/SECTION 3 AND FIRST SOURCE 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,



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LA SHELLE DOZIER  
Executive Director  
Sacramento Housing and Redevelopment Agency

APPROVED

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BRADLEY J. HUDSON  
County Executive

Attachments:

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

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

**ETHAN TERRACE APARTMENTS: APPROVING THE ISSUANCE OF OBLIGATIONS BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON BEHALF OF MRK PARTNERS INC.**

**WHEREAS**, the Housing Authority of the County of Sacramento, a housing authority organized and existing under the laws of the State of California (Authority), proposes to issue multifamily housing revenue obligations (Obligations) in an amount not to exceed \$7,400,000 and to lend the proceeds thereof to Ethan Terrace Venture LP, a California limited partnership, related to or formed by MRK Partners, Inc. (Developer), to be used to provide funds for the acquisition, construction and development of a 92-unit multifamily housing residential facility to be located at 1820-1824 Ethan Terrace Way, 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 6th day of October, 2015, 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 Housing Authority of the Obligations in the maximum principal amount of \$7,400,000 for the purposes described above is hereby approved.

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

Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of Tax-Exempt  
Bonds And A Loan Commitment For The Ethan Terrace Apartments  
Page 2

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor  
\_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of  
Supervisors of the County of Sacramento, State of California, this 6<sup>th</sup> day of October, 2015, by  
the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

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

---

Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

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

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

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

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

**WHEREAS**, the Housing Authority of the County of Sacramento (Authority) intends to issue tax-exempt obligations (Obligations) for the purpose, among other things, of making a loan to Ethan Terrace Venture, LP a California limited partnership, or a limited partnership or a limited liability company related to or formed by MRK Partners, Inc. (Developer), the proceeds of which shall be used by the Developer to finance the acquisition, rehabilitation and development of a 92 unit multifamily housing residential facility to be located on 1820-1824 Ethan Way in the County of Sacramento, California (Project); and

**WHEREAS**, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer must declare an intention to reimburse such expenditure; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Authority of the County of Sacramento:

**Section 1.** The Authority intends to issue the Obligations for the purpose of paying the costs of financing the acquisition, construction and development of the Project.

**Section 2.** The Authority hereby declares that it reasonably expects that a portion of the proceeds of the Obligations will be used for reimbursement of expenditures for the acquisition, construction and development of the Project that are paid before the date of initial execution and delivery of the Obligations.

**Section 3.** The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, construction and development of the Project

Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of Tax-Exempt Bonds And A Loan Commitment For The Ethan Terrace Apartments Project

that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$7,400,000.

Section 4. The foregoing declaration is consistent with the budgetary and financial circumstances of the Authority in that there are no funds (other than proceeds of the Obligations) that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the Authority, or any public entity controlled by the Authority, for the expenditures for the acquisition, rehabilitation and development of the Project that are expected to be reimbursed from the proceeds of the Obligations.

Section 5. The Developer shall be responsible for the payment of all present and future costs in connection with the issuance of the Obligations, including, but not limited to, any fees and expenses incurred by the Authority in anticipation of the issuance of the Obligations, the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Obligations. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Developer. The Obligations shall not constitute a debt or obligation of the Authority.

Section 6. The appropriate officers or the staff of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to make an application to the California Debt Limit Allocation Committee for an allocation of private activity bonds for the financing of the Project.

Section 7. The adoption of this Resolution shall not obligate (i) the Authority to provide financing to the Developer for the acquisition, rehabilitation and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the Authority, of or any department of the Authority or the County of Sacramento to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.

Section 8. This resolution shall take effect immediately upon its adoption.

Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of Tax-Exempt Bonds And A Loan Commitment For The Ethan Terrace Apartments Project

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 6th day of October, 2015, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSENT: Members,

ABSTAIN: Members,

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

---

Chair of the Housing Authority  
of Sacramento County, California

(SEAL)

ATTEST:

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Clerk



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

**ETHAN TERRACE APARTMENTS: APPROVAL OF \$4,000,000 LOAN COMMITMENT AND RELATED DOCUMENTS CONTAINING \$1,800,000 IN HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) AND \$2,200,000 IN HOUSING TRUST FUND (HTF) PROJECT; REPAYMENT OF \$1,094,239 TO THE HOUSING TRUST FUNDS LOAN FROM THE AFFORDABLE HOUSING PROGRAM; EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH MRK PARTNERS INC. OR RELATED ENTITY; AUTHORIZING THE AMENDMENT OF THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) BUDGET**

**WHEREAS**, on May 18, 2010, the County Board of Supervisors approved a Housing Trust Fund loan of \$1,115,000 (via Resolution No. 2010-0450) to be repaid to the Affordable Housing Program for the purchase of Unit Credits at Arbor Creek Family Apartments in 2011. The remaining balance is \$1,094,239;

**WHEREAS**, MRK Partners Inc. (Developer) has applied to the Sacramento Housing and Redevelopment Agency (SHRA) for the issuance of up to \$7,400,000 in tax-exempt mortgage revenue bonds and gap financing loan commitment for \$1,800,000 million loan in Home Investment Partnership Program (HOME) and \$2,200,000 in Housing Trust Fund (HTF) for the rehabilitation of Ethan Terrace Apartments (Project);

**WHEREAS**, Ethan Terrace Apartments project qualifies for HOME and HTF funding under the Sacramento Housing and Redevelopment Agency (SHRA) guidelines;

**WHEREAS**, the proposed action has been analyzed in accordance with the California Environmental Quality Act (CEQA) and is categorically exempt under CEQA Guidelines Section 15301 which exempts actions on existing facilities, including rehabilitation and financing, where the use remains unchanged, and there is no expansion of that use;

**WHEREAS**, the proposed action has been analyzed in accordance with the National Environmental Policy Act (NEPA) and is categorically excluded pursuant to 24 CFR Section 58.35(a)(3)(ii) as it consists of the rehabilitation of a multifamily residential complex in which the unit density will not be changed by more than 20 percent, there is no change in land use, and the estimated cost of rehabilitation is less than 75 percent of the cost of replacement after rehabilitation.

**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 true and correct.

Section 2: The Loan Commitment letter attached to and incorporated in this resolution by this reference for the financing of the Ethan Terrace Apartments is approved in the amount of One Million Eight Hundred Thousand Dollars (\$1,800,000) of HOME funds and Two Million Two Hundred Thousand Dollars (\$2,200,000) and the SHRA is authorized to execute the Loan Commitment and related documents and transmit to MRK Partners Inc. or related entity. SHRA will return to the Board for approval of loan documents.

Section 3: SHRA is authorized to repay the balance of the Housing Trust Fund loan, \$1,094,239, from the Affordable Housing Program.

Section 4: SHRA is authorized to enter into and execute other documents, as approved to form by SHRA 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 SHRA funds including without limitation, subordination, extension, and restructuring of such a loan consistent with SHRA adopted policy and with this resolution.

Section 5: SHRA is authorized to amend its budget and to transfer up to \$1,800,000 in HOME funds and \$2,200,000 in Housing Trust Funds to the Ethan Terrace Apartments project.

Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing And Approval Of Tax-Exempt  
Bonds And A Loan Commitment For The Ethan Terrace Apartments  
Page 3

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_,  
the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of  
Sacramento, State of California this 6<sup>th</sup> day of October 2015, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

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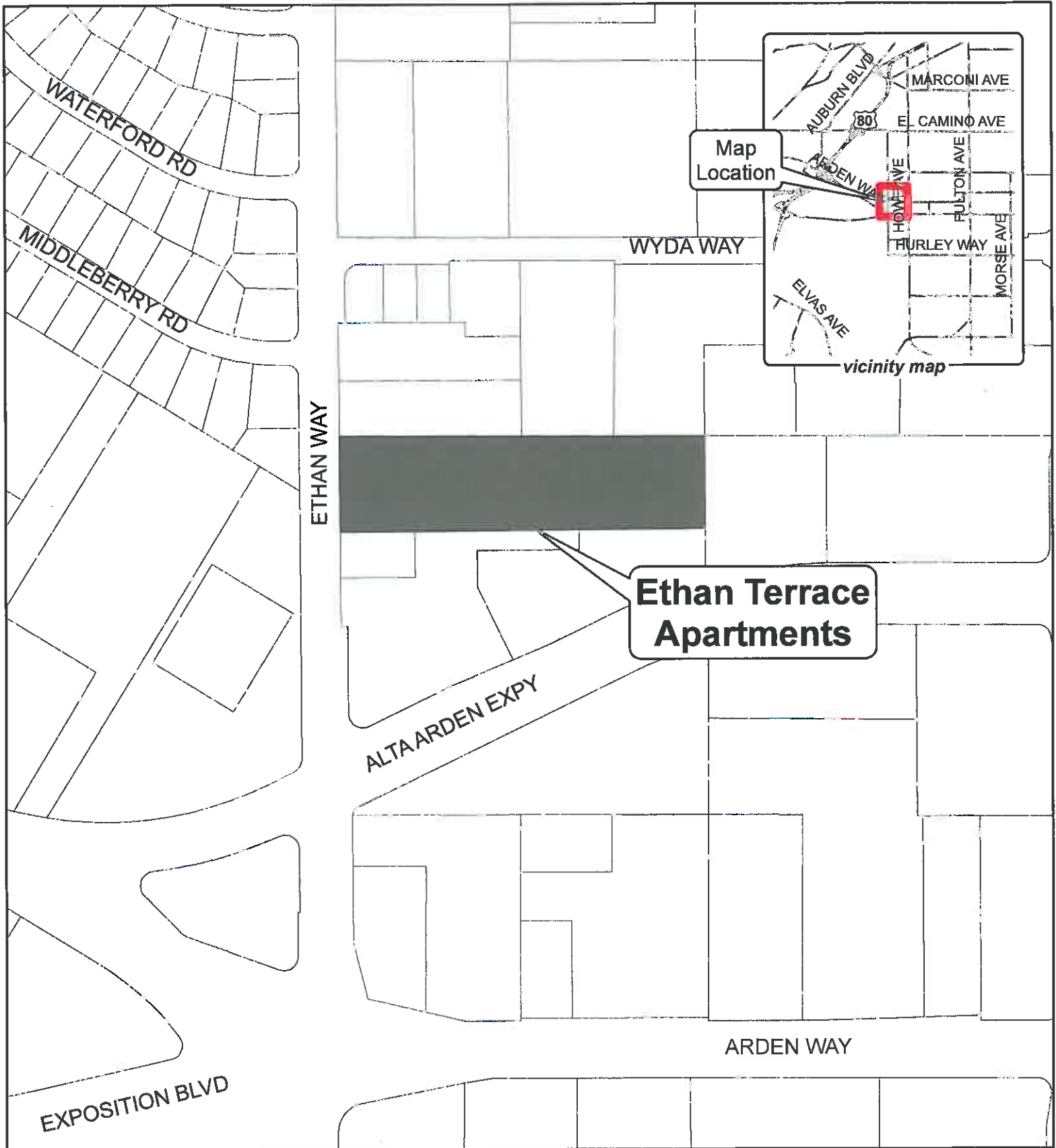
Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk, Board of Supervisors



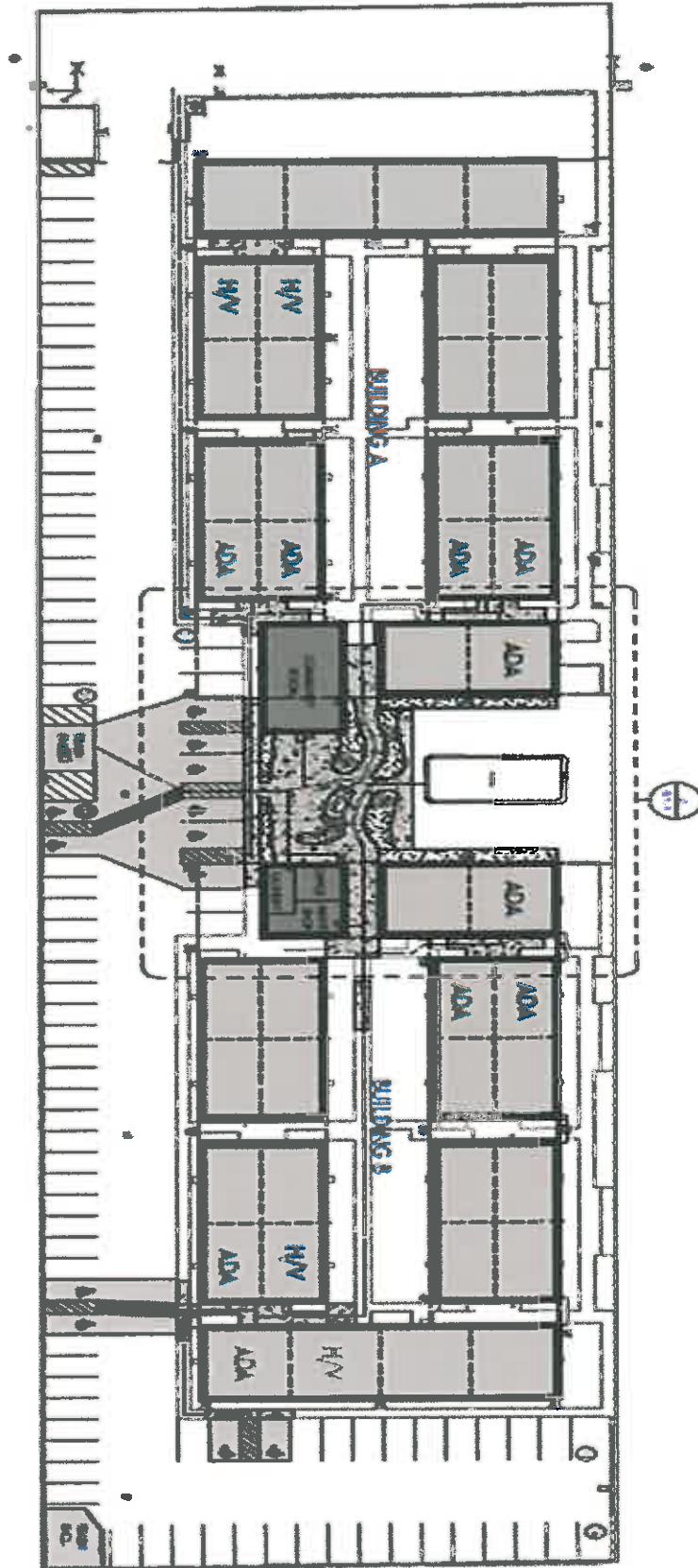
# Ethan Terrace Apartments



 Ethan Terrace Apartments



Site Map



Project Rendering



**Ethan Terrace Apartments  
Project Summary**

<b>Address</b>	1820-1824 Ethan Way Sacramento, CA 95825		
<b>Number of Units</b>	92		
<b>Year Built</b>	1965		
<b>Acreage</b>	2.5 (55,000 sq. ft.)		
<b>Affordability</b>	20 units at or below 50% and 71 units at or below 60% of Area Median Income (AMI) and 1 Manager's Unit		
<b>Unit Mix and Rents</b>	VLI (50% AMI)		LI (60% AMI)
Studio / 1 Bath			
1 Bedroom / 1 Bath	14		50
2 Bedroom / 1 Bath	6		21
Unrestricted			1
<b>Square Footage</b>	<u>Unit Size (sq.ft.)</u>	<u>Total</u>	
1 Bedroom / 1 Bath	725	47,125 sq.ft.	
2 Bedroom / 1 Bath	860	23,220	
Community Area	1,616	1,616 sq.ft.	
Total		71,961 sq.ft.	
<b>Resident Facilities</b>	Community room with kitchen, laundry, swimming pool, outdoor patio seating area, on site parking, and perimeter fencing.		
<b>Permanent Sources</b>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>
Tax Credit Equity	4,497,981	48,891	62.51
Permanent Loan	6,200,000	67,391	86.16
Agency Loan Commitment	4,000,000	43,478	55.59
Deferred Developer Fee	600,000	6,522	8.34
NOI During Construction	429,155	4,865	5.96
<b>TOTAL SOURCES</b>	\$ 15,727,136	\$ 170,947	\$ 218.55
<b>Permanent Uses</b>			
Acquisition	6,600,000	71,739	91.72
Construction Costs	5,027,444	54,646	69.86
Architecture, Engineering & Survey	108,500	1,179	1.51
Permits	10,000	109	0.14
Hard Cost Contingency	421,402	4,580	5.86
Soft Cost Contingency	173,460	1,885	2.41
Financing Cost	841,026	9,142	11.69
Reserves	193,211	2,100	2.68
Legal Fees	220,000	2,391	3.06
Relocation	165,000	1,793	2.29
Developer Fee	1,925,593	20,930	26.76
Third Party Fees, Marketing, Other	41,500	451	0.58
<b>TOTAL USES</b>	\$ 15,727,136	\$ 170,947	\$ 218.55
<b>Management / Operations</b>	MRK Partners Inc.		
Proposed Developer:	Apartment Management Consultants, LLC (AMC)		
Property Management Company:			
Operations Budget:	383,200	4,165	
Property Management	32,000	348	
Resident Services:	30,000	326	
Replacement Reserves:	27,600	300	

**Ethan Terrace Apartments**  
Project Cash Flow Proforma

Unit Type	Number	Square Feet	Total Sq Feet	Max Gross Rent	Utility Allowance	2019		2020		2021		2026		2030		2036		2046	
						Year 3	Year 4	Year 5	Year 10	Year 14	Year 15	Year 20	Year 30						
1 BD / 1 BA @ 50% AMI	14	725	10,150	\$ 670	71	\$ 599	\$ 836	\$ 836	\$ 100,632										
1 BD / 1 BA @ 60% AMI	50	725	36,250	\$ 804	71	\$ 733	\$ 1,011	\$ 36,650	\$ 439,800										
2 BD / 1 BA @ 50% AMI	6	860	5,160	\$ 805	88	\$ 717	\$ 4,302	\$ 51,624											
2 BD / 1 BA @ 60% AMI	21	860	18,060	\$ 966	88	\$ 860	\$ 216,720												
Manager's Units	1	725		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>92</b>		<b>70,345</b>						<b>\$ 808,776</b>										

Income	rate	annual increase	per unit	2017	2018	2019	2020	2021	2026	2030	2036	2046
Potential Gross Income		2.50%		\$ 849,720	\$ 870,963	\$ 892,737	\$ 915,056	\$ 937,932	\$ 1,061,184	\$ 1,171,349	\$ 1,358,405	\$ 1,738,874
Other Income		2.50%		35,721	36,614	37,530	38,468	39,430	44,611	48,041	57,106	73,100
Less Vacancy		5.00%		42,486	43,548	44,637	45,753	46,897	53,059	58,567	67,920	86,944
Effective Gross Income				\$ 842,956	\$ 864,029	\$ 885,630	\$ 907,771	\$ 930,465	\$ 1,052,736	\$ 1,162,023	\$ 1,347,591	\$ 1,725,030
<b>Operating Expenses</b>												
Operating Expenses		3.50%	3,794	\$ 349,078	\$ 361,296	\$ 373,941	\$ 387,029	\$ 400,575	\$ 475,757	\$ 545,943	\$ 671,103	\$ 946,657
Property Management		3.50%	348	\$ 32,000	\$ 33,120	\$ 34,279	\$ 35,479	\$ 36,721	\$ 43,613	\$ 50,047	\$ 61,520	\$ 86,760
Residential Services		3.50%	326	\$ 30,000	\$ 31,050	\$ 32,137	\$ 33,262	\$ 34,426	\$ 40,887	\$ 46,919	\$ 57,675	\$ 81,356
Real Estate Taxes		2.00%	33	\$ 3,000	\$ 3,105	\$ 3,167	\$ 3,230	\$ 3,295	\$ 3,638	\$ 3,938	\$ 4,435	\$ 5,406
Replacement Reserves				\$ 27,600	\$ 27,600	\$ 27,600	\$ 27,600	\$ 27,600	\$ 27,600	\$ 27,600	\$ 27,600	\$ 27,600
Total Expenses			4,801	\$ 441,678	\$ 456,171	\$ 471,124	\$ 486,600	\$ 502,617	\$ 591,495	\$ 662,446	\$ 822,333	\$ 1,147,799
<b>Net Operating Income</b>				<b>\$ 401,278</b>	<b>\$ 407,859</b>	<b>\$ 414,506</b>	<b>\$ 421,171</b>	<b>\$ 427,849</b>	<b>\$ 461,241</b>	<b>\$ 487,578</b>	<b>\$ 494,048</b>	<b>\$ 577,231</b>

Debt Service	amount	rate	amort	2017	2018	2019	2020	2021	2026	2030	2036	2046
Senior Loan	\$ 6,200,000	4.48%	35	\$ 351,182	\$ 351,182	\$ 351,182	\$ 351,182	\$ 351,182	\$ 351,182	\$ 351,182	\$ 351,182	\$ 351,182
Housing Authority Monitoring Fee	\$ 7,400,000	0.15%		\$ 11,100	\$ 11,100	\$ 11,100	\$ 11,100	\$ 11,100	\$ 11,100	\$ 11,100	\$ 11,100	\$ 11,100
Debt Service Subtotal				\$ 362,282	\$ 362,282	\$ 362,282	\$ 362,282	\$ 362,282	\$ 362,282	\$ 362,282	\$ 362,282	\$ 362,282
DCR on Senior Bonds				1.11	1.13	1.14	1.16	1.18	1.27	1.33	1.35	1.45

Priority Distributions	amount	rate	2017	2018	2019	2020	2021	2026	2030	2036	2046	
Asset Management Fee (GP)		3.00%	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,610	\$ 2,852	\$ 2,937	\$ 3,507	
Partnership Management Fee (LP)		3.00%	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 6,524	\$ 7,129	\$ 7,343	\$ 8,768	
Priority Distributions Subtotal			\$ 7,000	\$ 7,210	\$ 7,426	\$ 7,649	\$ 7,879	\$ 9,133	\$ 9,980	\$ 10,280	\$ 12,275	
<b>Net Cash after Priority Distributions</b>			<b>\$ 31,995</b>	<b>\$ 38,367</b>	<b>\$ 44,796</b>	<b>\$ 51,240</b>	<b>\$ 57,688</b>	<b>\$ 89,825</b>	<b>\$ 108,791</b>	<b>\$ 115,016</b>	<b>\$ 150,702</b>	<b>\$ 198,453</b>
<b>Deferred Developer Fee</b>												
Principal Balance	\$ 600,000	4.00%		\$ 592,005	\$ 577,318	\$ 555,613	\$ 526,598	\$ 261,185	\$ 0	\$ 0	\$ 0	\$ 0
Interest for Period				\$ 24,000	\$ 23,680	\$ 23,093	\$ 22,225	\$ 21,064	\$ 10,447	\$ 0	\$ 0	\$ 0
Accumulated Interest				\$ 24,000	\$ 23,680	\$ 23,093	\$ 22,225	\$ 21,064	\$ 10,447	\$ 0	\$ 0	\$ 0
Payment				\$ 31,995	\$ 38,367	\$ 44,798	\$ 51,240	\$ 57,688	\$ 89,825	\$ 0	\$ 0	\$ 0
Balance				\$ 592,005	\$ 577,318	\$ 555,613	\$ 526,598	\$ 489,974	\$ 181,808	\$ 0	\$ 0	\$ 0
<b>Net Cash after Deferred Developer Fee</b>				<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 108,791</b>	<b>\$ 115,016</b>	<b>\$ 150,702</b>	<b>\$ 198,453</b>
<b>SHRA New Loan</b>												
Principal Balance	\$ 4,000,000	4.00%		\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Interest for Period				\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000
Accumulated Interest				\$ 160,000	\$ 320,000	\$ 480,000	\$ 640,000	\$ 800,000	\$ 1,600,000	\$ 2,080,000	\$ 2,317,371	\$ 2,817,501
Payment				\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,596	\$ 44,033	\$ 49,424	\$ 75,433
Balance				\$ 4,160,000	\$ 4,320,000	\$ 4,480,000	\$ 4,640,000	\$ 4,800,000	\$ 5,600,000	\$ 6,041,404	\$ 6,267,947	\$ 6,742,068
<b>Combined Debt Coverage Ratio</b>					1.14	1.16	1.18	1.27	1.20	1.20	1.20	1.20
<b>Net Cash After New Loan Repayment</b>				<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 70,195</b>	<b>\$ 70,983</b>	<b>\$ 71,753</b>	<b>\$ 75,269</b>	<b>\$ 79,709</b>



**MAXIMUM LIHTC INCOME AND RENT LIMITS 2015***Rents at 50% AND 60% of Area Median Income***Maximum Income Levels:**

<b>Family Size</b>	<b>50% AMI</b>	<b>60% AMI</b>
1 person	\$ 25,050	\$ 30,060
2 person	\$ 28,600	\$ 34,320
3 person	\$ 32,200	\$ 38,640
4 person	\$ 35,750	\$ 42,900
5 person	\$ 38,650	\$ 46,380

**Maximum Rent Limits:**

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

<b>Unit Size</b>	<b>50% AMI</b>	<b>60% AMI</b>
1 Bedroom	\$ 670	\$ 804
2 Bedroom	\$ 805	\$ 966

Date: October 6, 2015

MRK Partners, Inc.  
C/O Sydne Garchik, Principal  
10100 Santa Monica Boulevard, Suite 300  
Los Angeles, CA 90067

RE: Conditional Funding Commitment for Ethan Terrace Apartments

Dear Ms. Garchik:

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of its commitment of permanent loan funds (Loan) comprised of \$4,000,000 in County HOME Investment Partnership Program (HOME) and Housing Trust Fund (HTF) for the purpose of financing the acquisition, rehabilitation and development of that certain real property known as Ethan Terrace Apartments located at 1820-1824 Ethan Way, Sacramento, California (Property). **The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this commitment is void.** Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

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

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

This commitment will expire April 6, 2015.

1. PROJECT DESCRIPTION: Ethan Terrace Apartments is an existing 92-unit market rate development located in the Arden Garden area of Sacramento County. Built in 1965, the project consists of 65 one-bedroom and 27 two-bedroom units located within two wood-framed rectangular clusters of two-story buildings arranged end to end in an east-west orientation. Each building cluster contains six small buildings with eight apartments each. Unit entries into the apartments face an inner open landscaped courtyard. The development includes 97 open parking spaces along the perimeter of the buildings and 6 covered parking space.
2. BORROWER: The name of the Borrower for the Loan is Ethan Terrace Venture L.P., a California limited partnership (MRK Partners, Inc., LLC, or related entity).
3. PURPOSE OF LOAN: The Loan is to be used by Borrower solely to pay the costs of acquisition, rehabilitation, 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) Four Million Dollars (\$4,000,000), 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 closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. INTEREST RATE: The Loan will bear simple interest at four percent (4%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.
7. MONTHLY REPAYMENT: Monthly principal and interest payments shall be deferred from the Loan's Effective Date through the first 168 months. Beginning in month 169, 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: County HOME Investment Partnership Program funds and Housing Trust Funds. This Loan is conditioned upon Borrower's acceptance of Agency's

requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

**Borrower acknowledges that, as a condition of the Agency's making of the Loan, the Property will be subject to restrictions on future sales and rentals which may result in less income to Borrower than could otherwise be realized, and that such restrictions run with the land, and during their operational term, will bind all successors in interest.**

\_\_\_\_\_ (Borrower Initial)

9. ACCELERATION: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. SECURITY: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to liens senior to the Agency's lien securing loans from Oak Grove Capital and Freddie Mac 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.
11. LEASE AND RENTAL SCHEDULE: All leases of the Property and Improvements shall be subject to Agency's review and approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval; provided, however, that such approval shall not be required for annual adjustments to rental rates as permitted by the California Tax Credit Allocation Committee.
12. PROOF OF EQUITY: Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than \$4,497,981 in Low Income Housing Tax Credit Equity and no less than \$600,000 in deferred developer fee. If LIHTC equity goes below \$4,497,981 it must be offset by an increase in deferred developer fee.
13. OTHER FINANCING: Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:

(a) As a condition precedent to disbursement of the remainder of the Agency loan, construction financing from a private lender(s) in an amount(s) sufficient to complete construction of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performances for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.

(b) Commitments for permanent financing sufficient to "take out" all liens senior to the Agency's lien.

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

(d) Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of the DDA, OPA or other agreements.

14. EVIDENCE OF FUNDS: Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.
15. SOILS AND TOXIC REPORTS: Borrower has submitted to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property will be remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.
16. LOAN IN BALANCE: Borrower will be required to maintain the Loan "in balance". The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance", the Agency may declare the Loan to be in default.

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

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

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

22. COST SAVINGS: At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency, which cost certification shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source including any loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.
23. START OF CONSTRUCTION: Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.
24. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
25. SECURITY CAMERAS AND OUTSIDE LIGHTING: Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, all as approved by the Agency.
26. 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).
27. PUBLIC LIABILITY AND OTHER INSURANCE: Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than \$1,000,000, per occurrence limit; \$5,000,000 general aggregate

limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.

28. 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.
29. 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.
30. PURCHASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.
31. 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.

32. 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.
33. RESIDENT SERVICES AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement is subject to Agency Approval. The agreement must include a minimum of fifteen (15) hours of on-site resident services.
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. 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.
36. 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.
37. 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.
38. 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.
39. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.

Sincerely,

La Shelle Dozier  
Executive Director

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

Dated: October 6, 2015

**BORROWER:**

MRK Partners, a California limited liability company, a member

By: \_\_\_\_\_  
Sydne Garchik, Principal

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

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

ON DATE OF

September 16, 2015

### **ETHAN TERRACE APARTMENTS: APPROVAL OF ALLOCATION OF \$1,800,000 IN COUNTY HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) AND \$2,200,000 IN COUNTY HOUSING TRUST FUND, REPAYMENT OF \$1,094,239 TO THE COUNTY HOUSING TRUST FUND FROM THE COUNTY AFFORDABLE HOUSING PROGRAM, EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH MRK PARTNERS INC. OR RELATED ENTITY; AND RELATED BUDGET AMENDMENT; ENVIRONMENTAL FINDINGS**

**WHEREAS**, on May 18, 2010, the County Board of Supervisors approved a County Housing Trust Fund loan of \$1,115,000 (via Resolution No. 2010-0450) to be repaid to the Affordable Housing Program for the purchase of Unit Credits at Arbor Creek Family Apartments in 2011. The remaining balance is \$1,094,239.

**WHEREAS**, MRK Partners, Inc. (Developer) has applied for an allocation of One Million, Eight Hundred Thousand Dollars (\$1,800,000) in County HOME Investment Partnership Program Funds (HOME) and Two Million Two Hundred Thousand Dollars (\$2,200,000) in County Housing Trust Funds (HTF) to assist in funding the rehabilitation of the Ethan Terrace Apartments project.

**WHEREAS**, the Ethan Terrace Apartments project qualifies for County HOME and County HTF funding under the Sacramento Housing and Redevelopment Agency (Agency) guidelines.

**WHEREAS**, the proposed action has been analyzed in accordance with the California Environmental Quality Act (CEQA) and is categorically exempt under CEQA Guidelines Section 15301 which exempts actions on existing facilities, including rehabilitation and financing, where the use remains unchanged and there is no expansion of an existing use.

**APPROVAL OF ALLOCATION OF \$1,800,000 IN COUNTY HOME INVESTMENT PARTNERSHIP PROGRAM AND \$2,200,000 IN COUNTY HOUSING TRUST FUND, REPAYMENT OF \$1,094,239 TO THE COUNTY HOUSING TRUST FUND FROM THE COUNTY AFFORDABLE HOUSING PROGRAM, EXECUTION OF LOAN COMMITMENT**

Page 2 of 3

**WHEREAS**, the proposed action has been analyzed in accordance with the National Environmental Policy Act (NEPA) and is categorically excluded pursuant to 24 CFR Section 58.35(a)(3)(ii) as it consists of the rehabilitation of a multifamily residential complex in which the unit density will not be changed by more than 20 percent, there is no change in land use, and the estimated cost of rehabilitation is less than 75 percent of the cost of replacement after rehabilitation.

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

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

**Section 2.** Subject to approval by the Board of Supervisors, the Loan Commitment letter for Four Million Dollars (\$4,000,000), which is attached to and incorporated in this resolution by this reference, for the financing of the Ethan Terrace Apartments project is approved.

**Section 3.** The Executive Director, or her designee, is authorized to execute the Loan Commitment and related documents and transmit to MRK Partners, Inc. or related entity.

**Section 4.** The Executive Director, or her designee, is authorized to amend the Agency budget to transfer One Million Eight Hundred Thousand Dollars (\$1,800,000) from County HOME Investment Partnership Program funds and Two Million Two Hundred Thousand Dollars (\$2,200,000) in County Housing Trust Funds to the Ethan Terrace Apartments project (Project).

**Section 5.** The Executive Director, or her designee, is authorized to repay the balance of One Million, Ninety-Four Thousand, Two Hundred Thirty-Nine Dollars (\$1,094,239) County Housing Trust Fund loan from the County Affordable Housing Program.

**Section 6.** The Executive Director, or her designee, is authorized to execute the Loan Agreement and related documents, and perform other actions necessary to fulfill the intent of repayment of funds, including without limitation, subordination, extensions and restricting of payments, all as approved by Agency Counsel.

**APPROVAL OF ALLOCATION OF \$1,800,000 IN COUNTY HOME INVESTMENT PARTNERSHIP PROGRAM AND \$2,200,000 IN COUNTY HOUSING TRUST FUND, REPAYMENT OF \$1,094,239 TO THE COUNTY HOUSING TRUST FUND FROM THE COUNTY AFFORDABLE HOUSING PROGRAM, EXECUTION OF LOAN COMMITMENT**

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CHAIR

ATTEST:

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CLERK



September 10, 2015

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

**SUBJECT:**

Approval of Housing Authority Participation in the Renewal of the Midtown Sacramento  
Property and Business Improvement District

**SUMMARY**

The attached report is submitted to you for review and recommendation 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](http://www.CityofSacramento.org)

Consent  
**September 29, 2015**

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

**Title: Approval of Housing Authority Participation in the Renewal of the Midtown Sacramento Property and Business Improvement District**

**Location/Council District:** Midtown Sacramento – Council District 4

**Recommendation:** Adopt a **Housing Authority Resolution** a) delegating signatory authority to the Executive Director, or her designee, for Housing Authority-owned properties included in the proposed Midtown Sacramento Property and Business Improvement District, b) allocating approximately \$6,200 in Conventional Housing Funds on an annual basis for the assessment, subject to annual increases not to exceed 3% per year, and c) authorizing the Executive Director, or her designee, to pay the annual assessment.

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

**Presenters:** None

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue:** The Midtown Sacramento Property and Business Improvement District (PBID) was originally approved in 1985 as a business association. The PBID was first formed in 2007 and has since been renewed two times with the last renewal approved by City Council for a five year term from 2012-2017.

The Housing Authority of the City of Sacramento owns two public housing rental properties consisting of three parcels located within the PBID boundary. The chart below lists the properties and the anticipated annual PBID assessment.

Housing Authority Participation in the PBID Renewals

1715 K Street and 1731 K Street	The Comstock Apartments (80 units for elderly/disabled)	\$3,775.09
1818 Capitol Avenue	Capitol Terrace Apartments (84 units for elderly/disabled)	<u>\$2,372.87</u>
	Total	\$6,147.96

This report recommends that the Housing Authority, as property owner of the three parcels, participate in renewing the Midtown PBID by signing petitions and voting during the formation process. Should the PBID be renewed, the report also recommends authorizing the Executive Director to allocate funds and pay the annual assessment.

**Policy Considerations:** The proposed renewal of the Midtown PBID is consistent with the Public Housing Authority’s Annual Plan as the PBID promotes an increased level of safety and security in the community through its efforts at graffiti abatement, litter removal, streetscape maintenance, and additional safety measures.

**Economic Impacts:** Not applicable.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The renewal of a PBID does not constitute a project under CEQA and is therefore exempt from review pursuant to Guidelines Section 15378(b).

**Sustainability Considerations:** There are no sustainability considerations applicable to the formation process and administration of a special district.

**Other:** As an administrative activity, this activity has been determined to be exempt under the National Environmental Policy Act (NEPA) Code of Federal Regulations sections 58.34(a)(1) and (a)(3).

**Commission Action:** *Sacramento Housing and Redevelopment Commission:* It is anticipated that, at its meeting of September 16, 2015, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Housing Authority Board in the event this does not occur.

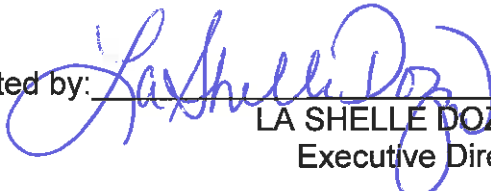


Housing Authority Participation in the PBID Renewals

**Rationale for Recommendation:** In 2007, it was determined that formation of a PBID could enhance the viability of Midtown Sacramento and efforts have been successful. The PBID services benefit approximately 1035 parcels with 493 parcel owners and numerous businesses. The approximate District boundaries are I street, Alhambra Blvd, 16<sup>th</sup> Street and S Street. The PBID's efforts are around graffiti abatement, litter removal, streetscape maintenance, and safety measures. These services and activities will improve district cleanliness and safety, increase building occupancy and lease rates, and encourage new business development and services for properties. Overall, they support a safer and more economically vital Midtown area which benefits Housing Authority residents

**Financial Considerations:** This report recommends authorizing the Housing Authority to allocate and utilize Conventional Housing funds to annually pay an assessment to the PBID. There are three tiers of assessments in the PBID, based on ownership and they are: Standard (\$0.154960 per square foot per year), Public (\$0.123806 per square foot per year) and Private Tax-Exempt, Healthcare Use (\$0.090041 per square foot per year). The amount of the assessment is based on the size of the lot and is charged at a rate based on its ownership. The Housing Authority's assessment is based on the public ownership of the parcels and is therefore charged at \$0.123806 per square foot and totals approximately \$6,147.96 in annual assessments. This assessment could increase up to 3% each year, upon Board approval. Upon approval of the attached resolution and renewal of the PBIDs, the Housing Authority will be participating as a property owner with respect to the public housing sites. Assessment rates may be subject to an increase of no more than five percent annually.

**M/WBE/Section 3 and First Source 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. The First Source Program is not applicable to this report.

Respectfully Submitted by:  LA SHELLE DOZIER  
Executive Director

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

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

ON DATE OF

**AUTHORIZATION AND APPROVAL OF PARTICIPATION IN THE RENEWAL OF  
THE MIDTOWN SACRAMENTO PROPERTY AND BUSINESS IMPROVEMENT  
DISTRICT (PBID)**

**BACKGROUND**

- A. The boundaries of the Midtown Sacramento Property and Business Improvement District (PBID) includes two public housing developments (Comstock Apartments and Capitol Terrace Apartments). In compliance with Property and Business Improvement District Law of 1994, owners of properties and businesses within the PBID boundaries have proposed the renew the Midtown Sacramento PBID for an additional ten (10) years, from 2017 to 2026, to provide funding for graffiti abatement, litter removal, streetscape maintenance and safety.
- B. The proposed renewal of the Midtown PBID is consistent with the goals of the Housing Authority of the City of Sacramento as it supports the following goals and objectives: increases the safety of public housing residents, and keeps the housing and the immediate neighborhood appealing and welcoming to prospective residents and businesses.
- C. Within the Midtown Sacramento PBID the Sacramento City Housing Authority owns the following properties:
  - 006 01250110000- 1715 K Street (Comstock Apartments),
  - 006 01250140000- 1715 K Street (Comstock Apartments), and
  - 00701420240000-1818 Capitol Avenue (Capitol Terrace Apartments)
- D. The assessment is based on the ownership of the property and the square footage of the parcel. The Housing Authority is charged at a rate of \$0.123806 per square foot per year as a "public owner".
- E. The renewal of a PBID does not constitute a project under California Environmental Quality Act (CEQA) and is therefore exempt from review pursuant to California Code of Regulations (CCR) Section 15378(b). As an administrative

activity, this activity has been determined to be exempt under the National Environmental Policy Act (NEPA) Code of Federal Regulations (CFR) sections 24 CFR 58.34(a)(3) and (a)(4).

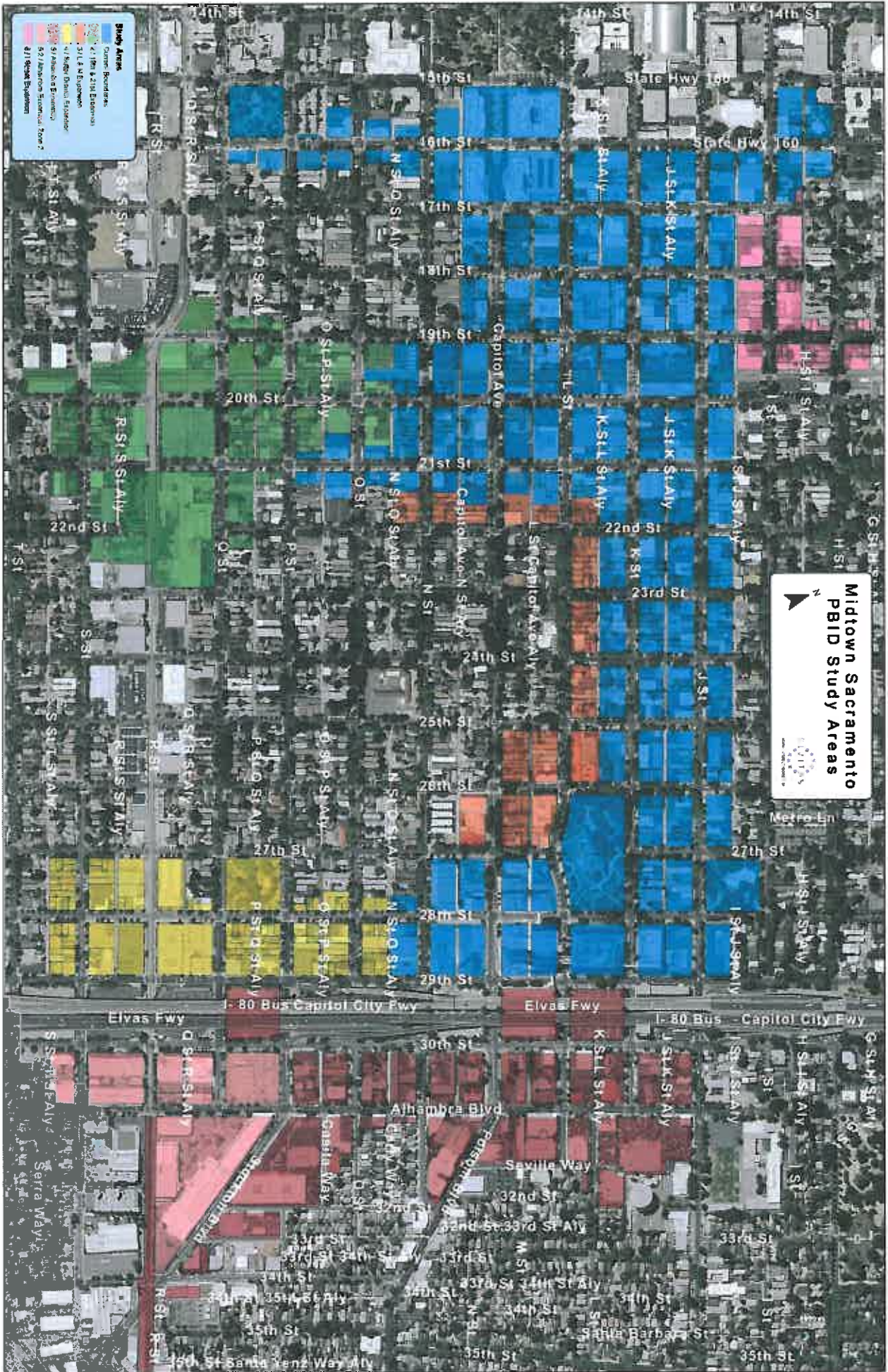
**NOW THEREFORE BE IT RESOLVED HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:**

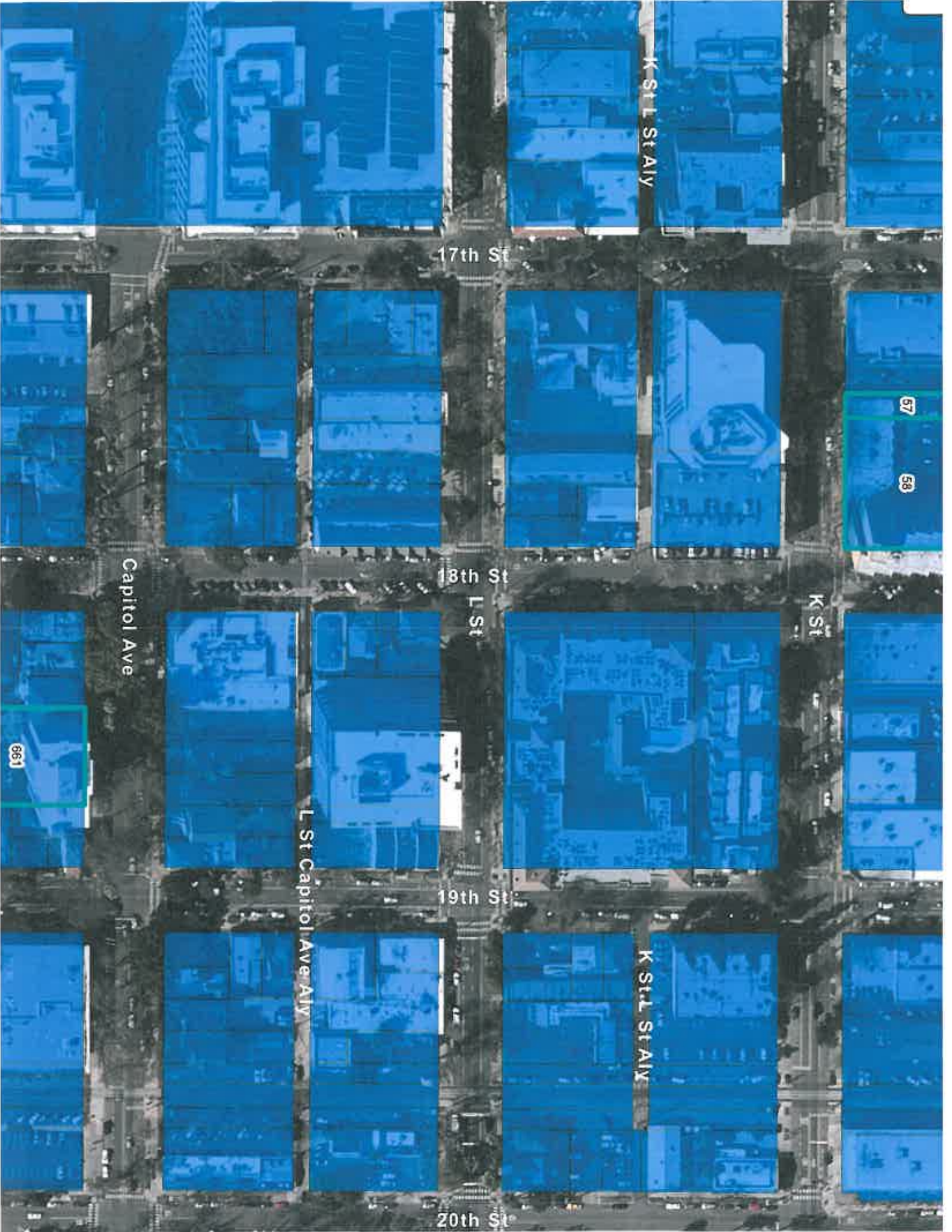
Section 1. All evidence presented having been duly considered, the background facts, as stated above, including the environmental facts, are found to true and correct.

Section 2. The Executive Director, or her designee, is authorized to sign petitions, cast a vote for an assessment ballot and execute other related documents to further the renewal of the Midtown Sacramento PBID on behalf of the public housing properties described above for a housing owned site.

Section 3. The Executive Director, or her designee, is authorized to pay the annual PBID assessment, initially totaling \$6,147.96, subject to annual increases not to exceed 3% per year from 2017-2026 utilizing public housing authority funds, for the following properties:

- 006 01250110000- 1715 K Street (Comstock Apartments),
- 006 01250140000- 1715 K Street (Comstock Apartments), and
- 00701420240000-1818 Capitol Avenue (Capitol Terrace Apartments)





K St L St Aly

17th St

57

58

18th St

Capitol Ave

L St

K St

661

L St Capitol Ave Aly

19th St

K St L St Aly

20th St