



INVESTING IN COMMUNITIES

NOTICE OF MEETING
**Sacramento Housing and Redevelopment
Commission**

Wednesday, June 6, 2012 - 6:00 p.m.
801 12th Street, Sacramento, Commission Room

ROLL CALL

APPROVAL OF AGENDA

APPROVAL OF ACTION SUMMARY SYNOPSIS

1. Synopsis – May 2, 2012

CITIZENS COMMENTS

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

PRESENTATION/DISCUSSION

3. City of Sacramento Rental Housing Inspection Program

BUSINESS ITEM

4. Housing Trust Fund Annual Report - city
5. Housing Trust Fund Annual Report -county
6. Arbor Creek Senior Apartments – Loan Commitment to Amend Bridge Loan
7. Las Victorianas Modernization Project
8. Approval of a De Minimis Demolition Submission to the United States Department of Housing and Urban Housing for 4137 Rio Linda Boulevard, 716 Acacia Street, and 7045-7047 24th Street, Sacramento, CA *
9. Update On The Sacramento County Redevelopment Successor Agency And Approval Of An Administrative Services Agreement

EXECUTIVE DIRECTORS REPORT

Activities Calendar

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

* - Final Commission Action

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



SYNOPSIS

Sacramento Housing and Redevelopment Commission (SHRC) May 2, 2012

ROLL CALL

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

PRESENT: Alcalay, Chan, Gore, Johnson, Le Duc, Morton, Morgan, Rosa, Shah, Stivers

ABSENT: Fowler

STAFF PRESENT: Vickie Smith, Tia Patterson, LaShelle Dozier, Nick Chhotu, Christine Weichert, Geoffrey Ross, MaryLiz Paulson, Mark Ledet, Tanya Tran, Leilani Barnett, James Brock

APPROVAL OF AGENDA

The Chair announced that items 3 and 4 would be presented together.

1. APPROVAL OF ACTION SUMMARY SYNOPSIS

Action Summary Synopsis for April 18, 2012 was approved.

2. CITIZEN COMMENTS

none

PUBLIC HEARING

3. 2012 One-Year Action Plan and Prior Year Action Plan Amendments and Amendment to the Sacramento Housing and Redevelopment Agency (Agency) Budget-City Report

4. 2012 One-Year Action Plan And Prior Year Amendments And Amendment To The Sacramento Housing And Redevelopment Agency (Agency) Budget- County Report

Geoffrey Ross, CDBG Program Manager, presented the item.

Commissioners LeDuc and Shah had questions related to the ESG program which staff responded to.

The Commission recommended approval of the staff recommendation for the items listed above. The votes were as follows:

AYES: Alcalay, Chan, Gore, Johnson, Le Duc, Morgan, Morton, Rosa, Shah,
Stivers

NOES: none

ABSENT: Fowler

5. Disposition of Housing Authority Property at 8380 Kastanis Way

Chris Pahule, Assistant Director, presented the item.

Commissioner Alcalay requested a report back on other surplus property owned by the Agency

The Commission recommended approval of the staff recommendation for the items listed above. The votes were as follows:

AYES: Alcalay, Chan, Gore, Johnson, Le Duc, Morgan, Morton, Rosa, Shah,
Stivers

NOES: none

ABSENT: Fowler

BUSINESS ITEM

6. Appointment of Sacramento Housing and Redevelopment Agency Commissioner to the Sacramento Heritage Board

Chair Rosa recommended the appointment of Commissioner Morton to the Sacramento Heritage Board. This recommendation was approved unanimously.

PRESENTATIONS

7. Section Eight Management Assessment Program (SEMAP) Overview

MaryLiz Paulson, Tanya Tran and Leilani Barnett from the Housing Choice Voucher program presented the item.

8. Housing Authority Sacramento Municipal Utility District (SMUD) grant

Nick Chotu, Housing Authority Assistant Director, and Misha Sarcovik from SMUD presented the item.

EXECUTIVE DIRECTORS REPORT

La Shelle Dozier reviewed the following items:

- Activities Calendar
- SHRA Staffing update
- Next meeting will be May 2nd
- Commissioner Fowler is out due to illness

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Shah sent his best wishes to Commissioner Fowler.

ADJOURNMENT

As there was no further business to be conducted, Chair Rosa adjourned the meeting at 6:45 p.m.

AGENCY CLERK



#3

**COMMUNITY DEVELOPMENT
DEPARTMENT**

Code Compliance Division

**CITY OF SACRAMENTO
CALIFORNIA**915 I STREET, MC 20000
SACRAMENTO, CA
95814PH 916-808-5948
FAX 916-808-7722

Date: October 27, 2011

To: Mayor and City Council Members

From: Max Fernandez, Director
Community Development Department

Subject: City Residential Rental Housing Inspection Program (RHIP) Update

The City of Sacramento adopted Chapter 8.120 of the Sacramento City Code, establishing a Rental Housing Inspection Program (RHIP) to address the issue of substandard rental properties, promote greater compliance with health and safety standards, and to preserve the quality of Sacramento's neighborhoods and available housing.

Following is an update on RHIP which has completed its third year of implementation. The following provides updated information for this program:

- 5,494 inspections were conducted in fiscal year 2010-2011. The pace is consistent with the projection of 5,500 to 6,000 inspections annually to meet the goal of inspecting all 30,000 rental housing units over a five year cycle.
- Over 15,000 violations were found. The most common findings for corrections needed are: electrical violations such as missing circuit breakers, electrical panels and faulty wiring; missing or inoperable smoke detectors and plumbing violations including water heaters and water or sewer leaks.

Attached is a report on number of inspections and types of properties inspected; the number and type of violations found; and the number and types of properties that were self-certified as a result of the inspection process. Properties eligible for Self-Certification are those where no violations were found at the time of the initial inspection, or if violations are found but corrected within 30 days.

A significant trend is that the percentage of parcels qualified for Self-Certification has increased from 82% to 95% since the program's inception. Additionally, there has been a downturn in the number of new Housing and Dangerous Buildings cases where there has been a decrease by 17% from FY 2009/2010 to FY 2010/2011 indicating that the proactive inspections of rental properties is resulting in fewer complaint-based cases

We hope that you will find this information useful. If you have any questions or concerns or need any additional information, please feel free to contact me at 808-6497.

Attachment

cc: John Dangberg, Assistant City Manager

RHIP Statistics By Year

	<u>FY 2008-2009</u> *(Sep 08 to Jun 09)	<u>FY 2009-2010</u>	<u>FY 2010-2011</u>	<u>FY 2011-2012</u> (to date)	<u>Program to Date</u>
Parcels Inspected	2,932	4,223	5,213	4,876	17,244
Units Inspected	2,943	6,951	5,909	6,847	22,650
Violations	9,892	17,249	15,551	9,223	51,915
% Parcels Where Violations Found	69%	43%	42%	30%	46%
Self Certified Parcels	2,401	3,872	4,960	4,600	15,833

Ten most common violations:

Lack of smoke detectors, faulty electrical service panels, lack of ground fault circuit interrupter, faulty weather protection, lack of door viewer, faulty water heaters, improper venting, unapproved plumbing, faulty electrical wiring, inadequate or lack of heating

Housing and Dangerous Buildings Cases

FY 2007-2008 (Prior to RHIP Launch)	1,721
FY 2008-2009	1,391
FY 2009-2010	1,714
FY 2010-2011	1,400
FY 2011-2012 (projected)	1,338

Reduction in Valid HDB Cases Since Program Launch

22%

*Inspections Commenced September 2008



June 6, 2012

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Housing Trust Fund Annual Report

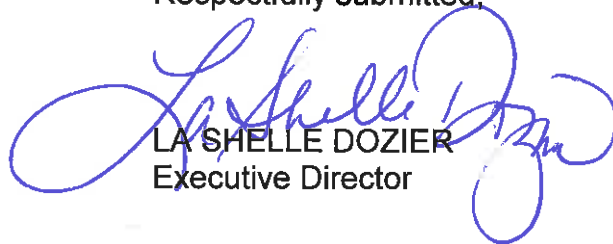
SUMMARY

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

RECOMMENDATION

The staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

Attachment



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

Consent
June 19, 2012

Honorable Mayor and Members of the City Council

Title: Housing Trust Fund Annual Report

Location/Council District: Citywide

Recommendation: Receive and file

Contact: Christine Weichert, Assistant Director, Development Finance, 440-1353;
Jeree Glasser Hedrick, Program Manager, Development Finance, 440-1302

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The City Housing Trust Fund ordinance (#89-013) was adopted by the City Council on March 7, 1989. The ordinance included a method to calculate local financing fees for affordable housing near employment centers. The City Housing Trust Fund is administered by the Sacramento Housing and Redevelopment Agency (SHRA).

Pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), the Agency is required to provide an annual report to City Council on revenue and production generated by the City Housing Trust Fund (HTF). Attachment 1 provides background information on the City Housing Trust Fund. Attachment 2 charts financial information for the funds for 2011, including:

- Beginning and ending balance
- Revenue, including the amount of fees collected, interest earned, and income from loan repayments
- Amount of expenditures for projects and operations
- Amount budgeted, but not expended, for projects
- Balance available for new projects

Attachment 3 identifies current HTF projects, expenditures, and balance available. For each project the chart also identifies the HTF restricted and total number of housing units, and the loan maturity date. In 2011, expenditures totaling \$4,914,370 were made for four projects with 221 HTF units and 344 total units.

Parties interested in receiving notices of meetings at which this report is heard may request to be placed on a notification list. Notice of the time and place of the meeting will be mailed 15 days prior to the meeting. Written requests should be made to SHRA and are valid one year from the date on which it is filed. Renewal requests for mailed notices should be made on or before April 1st of each year.

Policy Considerations: There are no policy implications as a result of this informational report.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report is not a project as defined by the California Environmental Quality Act (CEQA) Guidelines Section 15378 (b)(5).

Sustainability Considerations: Not applicable

Other: The National Environmental Policy Act (NEPA) does not apply.

Committee/Commission Action: At its meeting of June 6, 2012, the Sacramento Housing and Redevelopment Commission received the information presented in this report.

Rationale for Recommendation: This item is for information only and no action is required.

Financial Considerations: The City has collected a total of \$30,619,189 in fees, interest, and loan income since the inception of the fund in 1989. A total of \$27,530,550 has been expended for projects and \$2,479,549 for administration, (approximately eight percent of total fees). The balance remaining at the end of 2011 was \$5,124,590. After subtracting for projects with budgeted expenditures, (projects in process and approved), the balance available for new projects is \$924,218 as of December 31, 2011.

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:

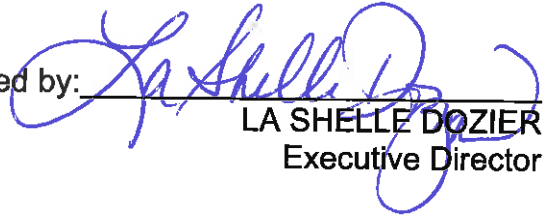

LA SHELLE DOZIER
Executive Director

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4 2011 HTF Expenditures	pg. 7

Housing Trust Fund Annual Report

Attachment 1

Housing Trust Fund Annual Report Background

The City Housing Trust Fund ordinance, which includes a North Natomas Housing Trust Fund, was adopted in 1989 to provide local financing for affordable housing near employment centers. Fees on non-residential development generate the funds' revenue based on an economic nexus analysis which determined that the construction of commercial projects such as offices, business parks, hotels, warehouses, and shopping centers played a major role in attracting new very low and low income workers to Sacramento.

Due to the jobs/housing linkage, trust funds assist housing likely to be occupied by persons in the labor force. Overall, projects must be located within a seven-mile radius of the employment-generating uses that pay housing trust fund fees. The City's HTF benefits both very low and low income households earning up to 80 percent of the area median income.

In 2001, the City Council amended the City Housing Trust Fund ordinance to allow the use of commercial development impact fees paid into the North Natomas housing trust fund to be used for the same purposes as the citywide fund. Although the amendment integrated the purposes of the funds, it did not change their different fee schedules. The North Natomas fees are based on land use, while the City fees are based on building types.

On October 12, 2004, the City Council approved Ordinance 2004-057 instituting an automatic annual increase for the Housing Trust Fund fee based on changes in the construction cost index. The automatic increase ensures that the Fund keeps pace with housing construction costs. Attachment 2 identifies current and future HTF fee levels for the City and North Natomas.

HOUSING TRUST FUND FEE SCHEDULE**CITYWIDE PROJECTS (Excluding North Natomas)**

BUILDING TYPE/ HTF FEE LEVEL (FEE/SQ FT)	Current Fee Level (FY 2011)	Fee Schedule (FY 2012)
Office	\$2.21	\$2.25
Hotel	\$2.09	\$2.14
Research and Development	\$1.87	\$1.91
Commercial	\$1.76	\$1.80
Manufacturing	\$1.38	\$1.41
Warehouse/Office*	\$0.80	\$0.82
Warehouse	\$0.60	\$0.61
* Warehouse buildings with a minor portion (25% maximum) of the space improved for incidental office use.		

NORTH NATOMAS PROJECTS ONLY

Use*/ HTF Fee Level (fee/sq ft)	Current Fee Level (FY 2011)	Fee Schedule (FY 2012)
Highway Commercial	\$2.42	\$2.47
Community/Neighborhood Commercial	\$1.82	\$1.86
Office/Business	\$1.82	\$1.86
M-50	\$1.54	\$1.57
M-20	\$1.27	\$1.30
Light Industrial	\$0.99	\$1.01
* Each nonresidential development project will be subject to a fee which is based on the applicable North Natomas community plan land use category.		

2011 City Housing Trust Fund Financial Information**2011**

Beginning Balance		\$8,342,844
Fees Collected	\$255,282	
Interest	\$118,144	
Loan Repayment	\$242,628	
Total Income		\$616,054
Projects	\$4,914,370	
Operations	\$61,584	
Total Expense		<u>\$4,975,954</u>
End Balance		\$3,982,944

Remaining Project Budgets

Del Paso Nuevo	\$472
La Valentina	\$200,000

Future Projects

Kelsey Village Apartments	\$500,000
Greenfair	\$2,358,254
TOTAL	<u>\$3,058,726</u>
Balance Available for Projects	\$924,218

2011 City Housing Trust Fund Expenditures

Project Name	Address	HTF* Units	Total Units	Total HTF Budgeted	2011 HTF Expenditure	Remaining Balance	Loan Maturity Date
Del Paso Nuevo	Various APN's	35	68	\$1,639,945	\$462	\$472	N/A
La Valentina	12 th Street and D Street	18	81	\$3,535,000	\$2,734,780	\$200,000	11/18/2065
7 th & H	7 th Street and H Street	150	150	\$3,200,000	\$1,870,000	\$0	3/1/2068
Greenfair*	5505 Broadway	18	45	\$3,645,641	\$309,128	\$2,358,254	N/A - Grant
	TOTAL	221	344	\$12,020,586	\$4,914,370	\$2,558,726	

*Units proposed to be restricted based on assisted resources expended.

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June 6, 2012

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Housing Trust Fund Annual Report

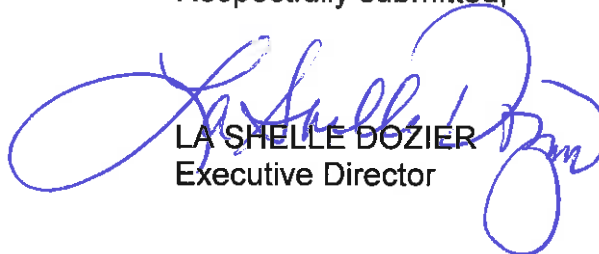
SUMMARY

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

RECOMMENDATION

The 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:
June 19, 2012

To: Board of Supervisors of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Housing Trust Fund Annual Report

Supervisory
District: All

Contact: Christine Weichert, Assistant Director, Development Finance, 440-1353;
Jeree Glasser-Hedrick, Program Manager, Development Finance, 440-1302

Overview

This report provides information on the status of the County Housing Trust Fund for calendar year 2011. No action is required.

Recommendations

This item is for information only and no action is required.

Measures/Evaluation

Sacramento Housing and Redevelopment Agency (SHRA) develops and finances a continuum of affordable housing projects. This report provides the status of the County's Housing Trust Fund for 2011 and the expenditures made toward this goal.

Fiscal Impact

None

BACKGROUND

Pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), this report provides the public with information on revenue and production generated by the County Housing Trust Fund for calendar year 2011.

The County Housing Trust Fund (HTF) ordinance was adopted in 1990 to raise local financing for affordable housing near employment centers. Fees on non-residential developments generate revenue based on an economic nexus analysis. The analysis determined that the construction of commercial projects such as offices, business parks, hotels, warehouses, and shopping centers played a major role in attracting new very low- and low-income workers to Sacramento. The fee-generated revenue is used to develop affordable housing units with the goal of increasing the supply available for lower income workers. SHRA administers these funds on behalf of the County of Sacramento.

DISCUSSION

The County's Housing Trust Fund benefits very low-income households who earn up to 50 percent of the County median income. The jobs/housing linkage requires that housing projects funded with HTF be occupied by persons in the labor force. Additionally, projects must be located within a seven-mile radius of the employment-generating uses that pay Housing Trust Fund fees.

The current fee schedule is as follows:

Building Use	Fee Per Square Foot
Office	\$.97
Hotel	\$.92
Research & Development	\$.82
Commercial	\$.77
Manufacturing	\$.61
Warehouse	\$.26

Attachment I provides financial information for the fund in 2011, including:

- beginning and ending balance
- revenue, including the amount of fees collected, interest earned, and income from loan repayments
- amount of expenditures for projects and operations
- amount budgeted, but not expended, for projects
- balance available for new projects

Attachment II identifies current HTF projects, expenditures, and balance available. For each project the chart also identifies the HTF restricted units, the total number of housing units, and the loan maturity date. In 2011, expenditures totaling \$35,692 were made for one project with 16 HTF units and 40 total units.

Parties interested in receiving notices of meetings at which this report is heard may request to be placed on a notification list. Notice of the time and place of the meeting will be mailed 15 days prior to the meeting. Written requests should be made to the Agency and are valid one year from the date on which it is filed. Renewal requests for mailed notices should be made on or before April 1st of each year.

COMMISSION ACTION

At its meeting of June 6, 2012, the Sacramento Housing and Redevelopment Commission received the information presented in this report.

MEASURES/EVALUATIONS

This report gives the status of the County's Housing Trust Fund for 2011 and the expenditures made toward this goal.

FINANCIAL ANALYSIS

The County has collected a total of \$34,144,175 in fees, interest, and loan repayments since the inception of the fund in 1990. A total of \$28,666,366 has been expended on projects, and \$3,570,727 on administration which is approximately ten percent of total fees collected. The 2011 ending balance was \$1,696,385. After subtracting for projects with budgeted expenditures, the balance available for new projects is \$574,015 as of December 31, 2011.

POLICY CONSIDERATIONS

No action is required and no policy changes are being recommended.

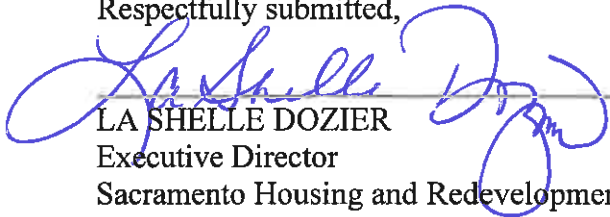
ENVIRONMENTAL REVIEW

This report is for information only and does not constitute a project under the California Environmental Quality Act (CEQA) Guidelines Section 15378 (b)(5). The National Environmental Policy Act (NEPA) does not apply.

M/WBE CONSIDERATIONS

The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED

BRADLEY J. HUDSON
County Executive

Attachments:

ATT I – 2011 HTF Financial Information

ATT II – 2011 HTF Expenditures

2011 County Housing Trust Fund Financial Information

		<u>2011</u>
Beginning Balance		\$1,157,913
Fees Collected	\$118,195	
Interest	\$287,400	
Loan Repayment	\$206,869	
Total Income		\$612,464
Projects	\$35,692	
Operations	\$38,300	
Total Expense		<u>\$73,992</u>
End Balance		\$1,696,385
Remaining Project Budgets		
Colonia San Martin		\$1,122,370
TOTAL		<u>\$1,122,370</u>
Balance Available for Projects		\$574,015

2011 County Housing Trust Fund Expenditures

Project Name	Address	HTF Units	Total Units	Total HTF Budgeted	2011 HTF Expenditure	Remaining Balance	Loan Maturity Date
Colonia San Martin	7271 Florin Mall Drive	40	60	\$2,100,000	\$0	\$1,122,370*	11/19/2062
Lerwick Road	3351 Lerwick	16	40	\$1,510,000	\$35,692	\$0	01/06/2039
		56	100	\$3,610,000	\$35,692	\$1,122,370	

*Colonia San Martin has a remaining balance available for operating reserves. Construction of this project is complete.



June 6, 2012

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Arbor Creek Senior Apartments – Loan Commitment to Amend Bridge Loan

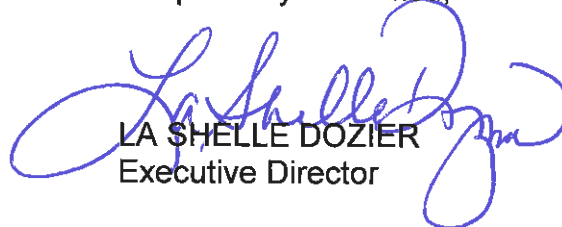
SUMMARY

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

RECOMMENDATION

The 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:
June 19, 2012

To: Board of Supervisors of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Arbor Creek Senior Apartments - Loan Commitment To Amend Bridge Loan

Supervisory
District: Yee

Contact: Christine Weichert, Assistant Director, 440-1353
Jeree Glasser Hedrick, Program Manager, Development Finance, 440-1302

Overview

This report recommends approval of a Loan Commitment to amend and convert an existing Bridge Loan for Arbor Creek Senior Apartments (Project) into permanent financing for the Project.

Recommendations

Staff recommends adoption of the attached resolution which approves and authorizes the Sacramento Housing and Redevelopment Agency (Agency) to execute a Loan Commitment which would amend and convert the current Bridge Loan of \$1.040 Million into permanent financing with Arbor Creek Senior Apartments, LP or related entity (Developer).

Measures/Evaluation

The development of Arbor Creek Senior Apartments will result in the construction of 60 additional units of senior affordable housing, contributing to the County of Sacramento's 2008-2013 Housing Element goals. Progress toward the housing element goals is reported annually to the State Department of Housing and Community Development.

Fiscal Impact

There is no County General Fund cost associated with approval of the recommendations in this report. The current Bridge Loan of \$1.040 million is already in place and no additional Agency funding is required. The Agency will receive an annual payment for monitoring the regulatory restrictions and administration of the loan in the amount of 0.15 percent of the loan amount for the term of the loan.

BACKGROUND

The Arbor Creek Apartment project is comprised of Arbor Creek Senior Apartments and Arbor Creek Family Apartments located along the west side of Elk Grove - Florin Road and approximately 600 feet north of Calvine Road within the Vineyard Community Plan Area. The development site is located on the western portion of a master development known as the Promenade at Arbor Creek. The County Board of Supervisors approved the Community Plan Amendment, Rezone, Design Review, Tentative Map and Affordable Housing Plan for Promenade at Arbor Creek on March 10, 2010. The Arbor Creek Family and Senior Apartments

represented the residential portion of the plan. BZB Roseville and USA Properties Fund worked with the County Planning Department, Design Review staff, and area residents to ensure the project is suited for the site and surrounding community. A vicinity map and project elevations are provided as Attachment I and II.

On March 18, 2010 the Agency presented the Board of Supervisors with a financing plan for the acquisition of the residential portion of the Promenade at Arbor Creek and specifically Arbor Creek Family site, the first phase of the residential project. In September of 2010, USA Properties Fund, Inc. (USA) purchased the multifamily portion of the site, both Arbor Creek Senior and Arbor Creek Family, from BZB Roseville.

The financing for the Arbor Creek Family Apartments was accomplished through the funding of an Extremely Low Income (ELI) Buy-down Agreement and a Unit Credit Purchase Agreement in accordance with the Affordable Housing Ordinance of the County of Sacramento. USA received 9 percent Low Income Housing Tax Credit (LIHTC) for the Arbor Creek Family Apartments earlier this year. Arbor Creek Family Apartments are scheduled to begin construction in June of this year with completion by the end of 2013.

The acquisition of Arbor Creek Senior Apartments was funded with a Bridge Loan of Home Investment Partnership Program (HOME) funds in the amount of \$1.040 Million for a term of five years which was anticipated to be extended once additional financing for the project was secured. The purpose of the current request is to provide a commitment to extend the existing Bridge Loan in order for the Arbor Creek Senior project to be eligible for 9 percent LIHTC funding.

The 60-unit Arbor Creek Senior Apartments, the second phase of the residential project, will consist of 49 one-bedroom and 11 two-bedroom units in two and three-story elevator-assisted residential structures. There will be a 1,700 square foot community building with leasing offices, lodge/activity room, full kitchen, restrooms, fitness center, and mail room. Laundry facilities will be provided on each of the three floors. All structures will be wood framed, finished with painted stucco and will have concrete tile roofs. Each apartment unit will have central heat and air with energy efficient appliances.

The Agency is requesting authority to execute a Conditional Loan Commitment which will amend and extend the term of the current Bridge Loan into permanent financing for a period of 40 years.

DISCUSSION

Developer: USA Properties Fund, Inc. (the “Developer”), a privately owned real estate and development organization based in Roseville, has been in operation since 1981 and will develop the Family and Senior phases of the Arbor Creek project. The Developer has constructed or rehabilitated 70 multi-family projects totaling over 10,000 units. Recent projects completed by the Developer in the Sacramento region include Copperstone Village 1 Apartments (103 units), Terracina Meadows Apartments (156 units), Terracina Park Meadows (144 units), Vintage Willow Creek Senior Apartments (184 units) and Silverado Creek Apartments (168 units). USA Properties has demonstrated knowledge and experience in the delivery of high quality projects.

Property Management: USA Properties Fund, Inc. retains ownership of its developments with the management undertaken by its subsidiary USA Multi-Family Management who will manage both phases of the development. USA Multi-Family Management currently manages all of the properties owned by USA Properties Fund, Inc. Agency staff has thoroughly reviewed the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures, and has found that the proposed management company meets all Agency requirements for property management.

Resident Services: USA Properties Fund will partner with the non-profit Riverside Charitable Corporation (RCC). Resident service-enriched programs are provided by the LifeSTEPS program and they will provide services for both phases of the development. LifeSTEPS is the social services arm of RCC and its mission is to strengthen families and communities through programs with a focus on life skills training, education and supportive services for children, families and seniors. LifeSTEPS is an experienced social service provider, and is already working at several affordable projects in Sacramento. As a condition of the Arbor Creek Senior Apartments financing, LifeSTEPS has submitted a complete resident services plan for Agency approval detailing the scope and schedule of services provided.

Construction and Permanent Financing: The construction of the Arbor Creek Senior Apartments will be financed with a combination of nine percent tax credits, a conventional construction loan and fee waivers. The Agency Bridge Loan, which was used for property acquisition, is proposed to be restructured for a term of 42 years in order to reduce the permanent mortgage payment to a level supportable by the affordable rent structure. The Agency recommends approval to amend the current Bridge Loan of \$1.040 Million and to extend the term to a period of 42 years as contained in the Conditional Loan Commitment Letter included as Attachment VI. A project summary, including a proposed sources and uses of funds, is included as Attachment III. A preliminary cash flow proforma is included as Attachments IV. A table of maximum rent and income limits is presented in Attachment V.

COMMISSION ACTION

It is anticipated that, at its meeting of June 6, 2012, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Board in the event this does not occur.

MEASURES/EVALUATIONS

The County's Housing Element has set affordable housing goals for the period of 2008-2013. An extremely low-income unit is defined as being affordable to a household with income up to 30 percent of area median income (AMI), a very low-income unit is defined as being affordable to a household with income of up to 50 percent of AMI and a low-income unit is being defined as being affordable up to 60 percent of AMI. The project when completed will allow the County to add 59 units (6 extremely low and 53 very low) to their affordable housing goals.

FINANCIAL ANALYSIS

This report recommends a Conditional Loan Commitment which would convert an existing \$1.040 million Bridge Loan comprised of HOME funds into permanent financing with Arbor Creek Senior Apartments, LP, or related entity. The Agency will receive an annual payment for administration of the loan in the amount of 0.15 percent of the loan amount for the term of the loan.

POLICY CONSIDERATIONS

The recommended conversion of the Bridge Loan for Arbor Creek Senior Apartments into permanent financing is consistent with the Agency's Multifamily Lending and Mortgage Revenue Bond Policies.

ENVIRONMENTAL REVIEW

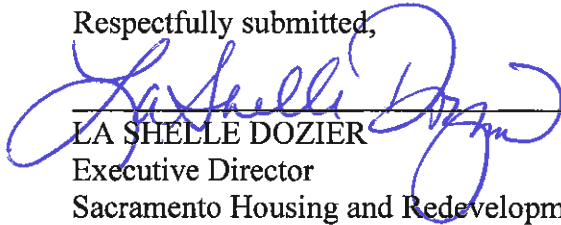
CEQA review for Arbor Creek Senior Apartments was completed and approved on June 1, 2010. The recommended actions herein do not constitute a new project or substantive changes or modifications to the project as previously analyzed. Because there is neither any new information of substantial importance nor any substantial changes to the circumstances under which the project will be undertaken that would require the preparation of supplemental environmental documentation. The recommended actions do not require further environmental review under CEQA Guidelines Sections 15162 or 15163.

A request for Release of Funds and Certification was submitted to the United States Department of Housing and Urban Development (HUD) on July 1, 2010 and the Authority to Use Grant Funds was signed by HUD on August 2, 2010. The actions herein fall within the scope of the project that was previously analyzed and therefore additional environmental review pursuant to NEPA is not required. In accordance with 24 CFR Part 58 Subpart E, environmental review for the Arbor Creek Project is complete.

M/WBE 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.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED

BRADLEY J. HUDSON
County Executive

Attachments:

RES – County BOS Resolution

ATT I- Vicinity Map

ATT II- Elevations

ATT III-Project Summary

ATT IV-Cashflow Proforma

ATT V –Maximum Rents and Income

ATT VI – Loan Commitment Letter

RESOLUTION NO. _____

**ADOPTED BY THE BOARD OF SUPERVISORS OF THE
COUNTY OF SACRAMENTO**

ON DATE OF

**ARBOR CREEK SENIOR APARTMENTS , APPROVAL OF LOAN COMMITMENT
TO AMEND BRIDGE LOAN, AND RELATED DOCUMENTS WITH ARBOR CREEK
SENIOR APARTMENTS, LP, OR RELATED ENTITY**

WHEREAS, Arbor Creek Senior Apartments, LP has requested to have the terms of its existing bridge loan amended subject to the award of Nine Percent Low Income Housing Tax Credits to finance the construction of the project; and

WHEREAS, the Arbor Creek Apartments Project was previously analyzed in accordance with the California Environmental Quality Act (CEQA) as a part of the larger “Promenade at Arbor Creek: Community Plan Amendment, Rezone, Tentative Subdivision Map, Special Development Permit, Affordable Housing Plan and Design Review,” (Promenade at Arbor Creek Project) and a Mitigated Negative Declaration (MND) was prepared. The project was approved and the MND was adopted by the County of Sacramento, as lead agency, on March 10, 2009.

WHEREAS, CEQA review was completed and approved on June 1, 2010, the recommended actions herein do not constitute a new project or substantive changes or modifications to the project as previously analyzed. Because there is neither any new information of substantial importance nor any substantial changes to the circumstances under which the project will be undertaken that would require the preparation of supplemental environmental documentation. The recommended actions do not require further environmental review under CEQA Guidelines Sections 15162 or 15163; and

WHEREAS, a request for Release of Funds and Certification was submitted to the United States Department of Housing and Urban Development (HUD) on July 1, 2010 and the Authority to Use Grant Funds was signed by HUD on August 2, 2010. The actions herein fall within the scope of the project that was previously analyzed and therefore additional environmental review pursuant to the National Environmental Policy Act (NEPA) is not required.

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

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

Section 2: The Conditional Loan Commitment to Arbor Creek Senior Apartments is approved in an amount of one million forty thousand dollars (\$1,040,000) in HOME funds to Arbor Creek Senior Apartments, LP or related entity; provided, however that:

- (a) The loan shall be for a term of 42 years from the effective date and will bear interest at the simple rate of four percent (4%); and
- (b) Agency Counsel shall prepare subsequent loan documents on standard agency loan document forms in accordance with the staff report accompanying this resolution, and in accordance with all applicable laws, regulations, and policies regarding the making of the Loan and the use of the allocated funds.

Section 3: Agency is authorized to execute the Loan Commitment as prepared by Agency legal counsel and to enter into other agreements, execute other documents, and perform other actions necessary fulfill the intent of the staff report that accompanies this resolution.

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 19 day of June, 2012, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

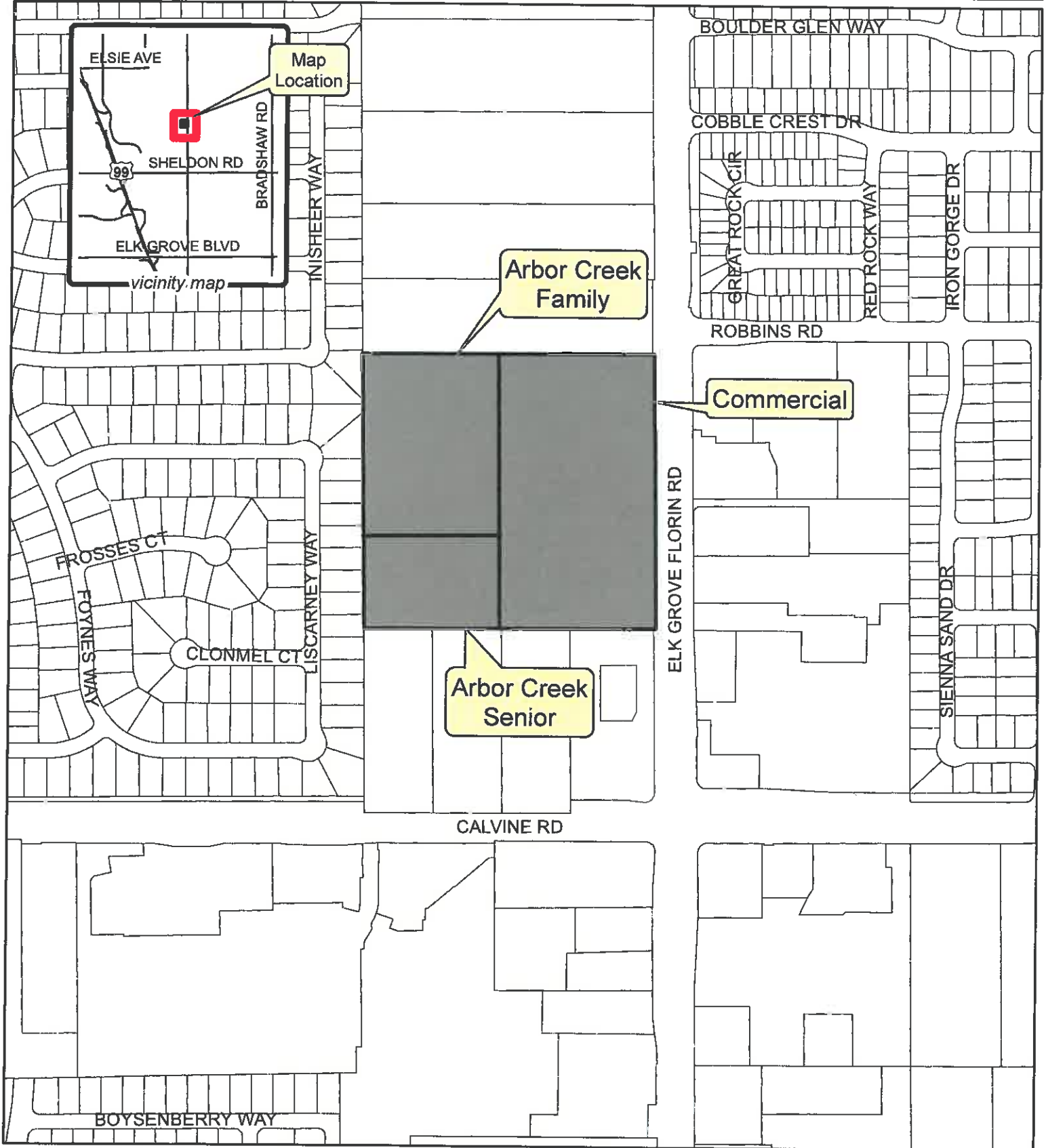
Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors



Arbor Creek Apartments



Arbor Creek Apartments Parcel

0 300 600 Feet



SHRA GIS
May 17, 2012



SOUTH ELEVATION



EAST ELEVATION



WEST ELEVATION



NORTH ELEVATION



Arbor Creek Apartments - Seniors

Sacramento County, California

ELEVATIONS

Arbor Creek Senior Apartments

<u>Address</u>	8350 Elk Grove Florin Road, Sacramento, CA			
<u>Number of Units</u>	60			
<u>Acreage</u>	4.04 acres			
<u>Affordability</u>	6 units at or below 30% of Area Median Income (AMI)			
	15 units at or below 45% of Area Median Income (AMI)			
	38 units at or below 50% of Area Median Income (AMI)			
<u>Unit Mix and Rents</u>	30% AMI	45% AMI	50% AMI	Manager
1 Bedroom	4	12	32	
2 Bedroom	2	3	6	1
Total	6	15	38	1
<u>Unit Square Footage</u>				
1 Bedroom	593 square feet			
2 Bedroom	750 square feet			
<u>Resident Facilities</u>	Community room with a full kitchen and laundry room.			
<u>Permanent Sources</u>	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>	
Permanent Loan	\$ 1,560,000	\$ 26,000	\$ 85.23	
Tax Credit Equity	\$ 10,725,028	\$ 178,750	\$ 585.94	
Agency Loan	\$ 1,040,000	\$ 17,333	\$ 56.82	
Fee Waivers	\$ 988,993	\$ 16,483	\$ 54.03	
TOTAL SOURCES	\$ 14,314,021	\$ 238,567	\$ 782.02	
<u>Permanent Uses</u>				
Acquisition Land	\$ 1,025,680	\$ 17,095	\$ 56.04	
Construction Costs	\$ 6,728,291	\$ 112,138	\$ 367.59	
Site Improvements	\$ 1,300,935	\$ 21,682	\$ 71.07	
Contingency	\$ 596,131	\$ 9,936	\$ 32.57	
Architect / Engineering	\$ 631,868	\$ 10,531	\$ 34.52	
Permits/Impact Fees	\$ 1,277,268	\$ 21,288	\$ 69.78	
Financing Costs	\$ 742,896	\$ 12,382	\$ 40.59	
Operating Reserves	\$ 106,224	\$ 1,770	\$ 5.80	
Legal Fees	\$ 85,000	\$ 1,417	\$ 4.64	
Developer Fee	\$ 1,400,000	\$ 23,333	\$ 76.49	
Third Party Reports, Insurance, and Other	\$ 419,728	\$ 6,995	\$ 22.93	
TOTAL USES	\$ 14,314,021	\$ 238,567	\$ 782.02	
<u>Management / Operations</u>				
Proposed Developer:	USA PropertiesFund, Inc.			
Property Management Company:	USA Multifamily Management, Inc.			
Operations Budget:	\$291,573	\$4,860 per unit		
Replacement Reserves:	\$15,000	\$250 per unit		

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

MAXIMUM RENT AND INCOME LEVELS 2012
(Rents @ 30%,45%, and 50% of AMI where applicable)

Maximum Income Limits:				
Family Size	Max Income 30% AMI	Max Income 45% AMI	Max Income 50% AMI	
1 person	\$15,990	\$23,985	\$26,650	
2 person	\$18,270	\$27,405	\$30,450	
3 person	\$20,550	\$30,825	\$34,250	
Maximum Rent Limits:				
Low Income Housing Tax Credit (LIHTC), HOME				
Unit Size	Gross Rent 30% AMI	Gross Rent 45% AMI	Gross Rent 50% AMI	
1 Bedroom	\$428.00	\$642.00	\$713.00	LIHTC
2 Bedroom	\$513.00	\$770.00	\$856.00	LIHTC

Attachment VI
Conditional Funding Commitment

Date: June 19, 2012

Geoff Brown and Kenneth Robertson
Arbor Creek Senior Apartments, L.P.
2440 Professional Drive
Roseville, CA 95661

RE: Conditional Funding Commitment, Arbor Creek Senior Apartments

Dear Mr. Brown and Mr. Robertson:

On behalf of the Sacramento Housing and Redevelopment Agency ("Agency"), we are pleased to advise you of its commitment to amend and extend the terms of its existing Bridge Loan ("Loan") for Arbor Creek Senior Apartments located in Sacramento, California ("Property"). This commitment to amend the loan for permanent financing of the Arbor Creek Senior Apartments is conditional and subject to the successful awarding of nine percent tax credits from the California Tax Credit Allocation Committee in the second round of 2012. The funding source of the Loan is and will remain comprised of County HOME funds. The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of Agency, this commitment is void. Agency's obligation to make the Loan is subject to satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

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

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

This commitment will expire on April, 2013.

1. PROJECT DESCRIPTION: The project is new construction of a 60 unit senior affordable multifamily housing project proposed to be financed with nine percent low income housing tax credits (LIHTC's).
2. BORROWER: The name of the Borrower for the Loan is Arbor Creek Senior Apartments, L.P., or related entity.
3. PURPOSE OF LOAN: Of the \$1,040,000 principal balance, \$988,000 has already been disbursed to purchase the property. The remaining Loan proceeds will be held as retention until completion and used by Borrower solely to pay the costs of residential construction and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. PRINCIPAL AMOUNT: The principal amount of the Loan is One Million Forty Hundred Thousand Dollars (\$1,040,000) plus accrued interest from the currently existing Bridge Loan, or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency. However, the combined indebtedness of the Property must not exceed ninety percent of the appraised value as determined by the Agency.
5. TERM OF LOAN: The unpaid balance of the Loan will be all due and payable 504 months or 42 years from the effective date of the loan.
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 days elapsed. Please note that interest accrual will be calculated on the amount of disbursed funds from September 15, 2010, the origination date of the Bridge Loan.
7. AMORTIZATION: Loan shall amortize as permitted by monthly payments.
8. MONTHLY PAYMENT: Please refer to Exhibit 1 for the Payment schedule.
9. 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 Partnership Investment Program (HOME) funds. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

Borrower acknowledges that, as a condition of the Agency's making of the Loan, the Property will be subject to restrictions on future sales and rentals which may result

in less income to Borrower than could otherwise be realized, and that such restrictions run with the land, and during their operational term, will bind all successors in interest.

_____ (Borrower Initial)

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

_____ (Borrower Initial)

10. **ACCELERATION**: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
11. **SECURITY**: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a second lien upon the Property and Improvements subject only to the first mortgage and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency may subordinate said deeds of trust in order to accommodate completion of rehabilitation of the Property.
12. **LEASE AND RENTAL SCHEDULE**: All leases of the Property and Improvements shall be subject to Agency's approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval.
13. **PROOF OF EQUITY**: Borrower shall provide proof of equity for the Property and Improvements in the amount of \$ 10,706,000, to be evidenced by a fully executed firm commitment with a tax credit equity investor.

14. OTHER FINANCING: Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
- (a) 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. Commitments for permanent financing sufficient to remove all liens and for a term of not less than 15 years including an amortized payment for no less than 30 years.
 - (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 Agency Loan or other Agency agreements.
15. EVIDENCE OF FUNDS: Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.
16. SOILS AND TOXIC REPORTS: Borrower must submit to Agency a soils report prepared by a licensed soils engineer and a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-93) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on

the Property have been remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.

17. LOAN IN BALANCE: Borrower will be required to maintain the Loan "in balance". The Loan is "in balance" whenever the amount of the un-disbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders are sufficient, in the sole judgment of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance", the Agency may declare the Loan to be in default.
18. PLANS AND SPECIFICATION: Final plans and specifications for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursement of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project.
19. ARCHITECTURAL AGREEMENT: The architectural agreement ("Agreement") for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
20. CONSTRUCTION CONTRACT: The construction contract ("Contract"), and any change orders issued thereunder, and the contractor ("Contractor") to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency shall require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.
21. RETENTION AMOUNT: The Agency shall retain five percent (5%) as retention to be released at project cost certification.
22. ENVIRONMENTAL REVIEW: Environmental review pursuant to NEPA has been completed for the project and the U.S. Department of Housing and Urban Development has executed the Request for Release of Funds (RROF).
23. COST BREAKDOWN: Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Improvements, which breakdown conforms to the project plans and specification and the budget approved with this commitment. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required

by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.

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

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

24. PREVAILING WAGE: This funding commitment is being made pursuant to the Developer's payment of prevailing wages as determined by the California Department of Industrial Relations ("DIR").
25. COST SAVINGS: At completion of construction, borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency, which cost certification shall indicate the amounts actually spent for each item in the cost breakdown. If there is an aggregate savings in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.
26. 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 March 31, 2013.
27. SECURITY CAMERAS AND OUTSIDE LIGHTING. Project shall include installation of a web based security camera system at vehicular driveways, pedestrian entrances and community areas, all as approved by the Agency. In addition, project will include a security patrol if necessary.
28. HAZARD INSURANCE: Borrower shall procure and maintain fire and extended coverage 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).

29. 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.
30. 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 Deeds of Trust constitutes a first or second 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.
31. 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.

32. PURCHASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.
33. FINANCIAL INFORMATION: 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.
34. 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.
35. RESIDENT SERVICES PLAN: Borrower shall submit for approval a detailed resident services plan including but not limited to, the following information: 1) identification of all entities responsible for providing social services to Project tenants and each entity's role in the provision of those services; 2) the services will be provided for a minimum of 15 hours per week; 3) confirmation services will be provided according to the Agency's minimum requirements as specified in the Multifamily Lending and Mortgage Revenue Bond Policies; 4) a description of the programs to be offered, and; 5) a Proforma social services budget.
36. 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.
37. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
38. EXTENTION OF COMMITMENT TERM: If the Project is not successful in securing the funding within the timeframe of this commitment, Agency has sole discretion to modify and or extend the expiration of the commitment letter to a date no later December 31, 2013.

39. 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.
40. 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.
41. 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,

LaShelle Dozier
Executive Director

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

Dated:

BORROWER:

Arbor Creek Senior Apartments, L.P.
A California limited partnership

By: USA Arbor Creek Senior, Inc.,
A California Corporation
Its: Administrative General Partner

By: _____

Name: _____

Title: _____

By: Riverside Charitable Corporation

A California Corporation

Its: Managing General Partner

By: _____

Name: _____

Title: _____

EXHIBIT 1

Payment Schedule

	Months From Date of Loan	Monthly Repayment
1	Months 1-12	Deffered annual
2	Months 13-24	Deffered annual
3	Months 25-36	\$ Residual Receipts annual
4	Months 37-48	\$ Residual Receipts annual
5	Months 49-60	\$ Residual Receipts annual
6	Months 61-72	\$ Residual Receipts annual
7	Months 73-84	\$ Residual Receipts annual
8	Months 85-96	\$ Residual Receipts annual
9	Months 97-108	\$ Residual Receipts annual
10	Months 109-120	\$ Residual Receipts annual
11	Months 121-132	\$ Residual Receipts annual
12	Months 133-144	\$ Residual Receipts annual
13	Months 145-156	\$ Residual Receipts annual
14	Months 157-168	\$ Residual Receipts annual
15	Months 169-180	\$ Residual Receipts annual
16	Months 181-192	\$ Residual Receipts annual
17	Months 193-204	\$ Residual Receipts annual
18	Months 205-216	\$ 607.99 per month
19	Months 217-228	\$ 633.57 per month
20	Months 229-240	\$ 650.08 per month
21	Months 241-252	\$ 656.97 per month
22	Months 253-264	\$ 653.63 per month
23	Months 265-276	\$ 639.44 per month
24	Months 277-288	\$ 613.75 per month
25	Months 289-300	\$ 575.86 per month
26	Months 301-312	\$ 525.07 per month
27	Months 313-324	\$ 460.63 per month
28	Months 325-336	\$ 381.75 per month
29	Months 337-348	\$ 287.62 per month
30	Months 349-360	\$ 177.38 per month
31	Months 361-372	\$ 50.15 per month
32	Months 373-384	\$ - per month
33	Months 385-396	\$ 9,727.62 per month
34	Months 397-408	\$ 9,543.65 per month
35	Months 409-420	\$ 9,338.71 per month
36	Months 421-432	\$ 9,111.70 per month
37	Months 433-444	\$ 8,861.45 per month
38	Months 445-456	\$ 8,586.70 per month
39	Months 457-468	\$ 8,286.27 per month
40	Months 469-480	\$ 7,958.83 per month
41	Months 481-492	\$ 7,603.03 per month
42	Month 493-504	\$ 7,217.44 per month
	505	All unpaid principal and interest

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

ARBOR CREEK SENIOR APARTMENTS, APPROVAL OF LOAN COMMITMENT TO AMEND BRIDGE LOAN, WITH ARBOR CREEK SENIOR APARTMENTS L. P., OR RELATED ENTITY; EXECUTION OF LOAN AND RELATED DOCUMENTS WITH ARBOR CREEK SENIOR APARTMENTS, L. P., OR RELATED ENTITY,

WHEREAS, Arbor Creek Senior Apartments, LP has requested to have the terms of its existing bridge loan amended subject to the award of Nine Percent Low Income Housing Tax Credits to finance the construction of the project; and

WHEREAS, the Arbor Creek Apartments Project was previously analyzed in accordance with the California Environmental Quality Act (CEQA) as a part of the larger "Promenade at Arbor Creek: Community Plan Amendment, Rezone, Tentative Subdivision Map, Special Development Permit, Affordable Housing Plan and Design Review," (Promenade at Arbor Creek Project) and a Mitigated Negative Declaration (MND) was prepared. The project was approved and the MND was adopted by the County of Sacramento, as lead agency, on March 10, 2009.

WHEREAS, CEQA review was completed and approved on June 1, 2010, the recommended actions herein do not constitute a new project or substantive changes or modifications to the project as previously analyzed. Because there is neither any new information of substantial importance nor any substantial changes to the circumstances under which the project will be undertaken that would require the preparation of supplemental environmental documentation. The recommended actions do not require further environmental review under CEQA Guidelines Sections 15162 or 15163; and

WHEREAS, a request for Release of Funds and Certification was submitted to the United States Department of Housing and Urban Development (HUD) on July 1, 2010 and the Authority to Use Grant Funds was signed by HUD on August 2, 2010. The actions herein fall within the scope of the project that was previously analyzed and therefore additional environmental review pursuant to National Environmental Policy Act (NEPA) is not required.

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

Section 2: All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 3. Subject to the approval of the Board of Supervisors, the Executive Director, or her designee, is authorized to execute and transmit the Conditional Loan Commitment with Arbor Creek Senior Apartments, LP, or related entity in accordance with the staff report accompanying this resolution, and in accordance with all applicable laws, regulations, and policies regarding the making of the Loan and the use of the allocated funds.

Section 4: The Loan for the permanent financing of Arbor Creek Senior Apartments is approved in an amount of up to one million forty thousand dollars (\$1,040,000) in HOME funds to Arbor Creek Senior Apartments, LP or related entity; provided, however that:

- (a) The loan shall be for a term of 42 years from the effective date and will bear interest at the simple rate of four percent (4%); and
- (b) Agency Counsel shall prepare subsequent loan documents on standard agency loan document forms in accordance with the staff report accompanying this resolution, and in accordance with all applicable laws, regulations, and policies regarding the making of the Loan and the use of the allocated funds.

Section 5: The Executive Director, or her designee is authorized to execute the Loan Documents as prepared by Agency legal counsel and approved by the Board of supervisors and to enter into other agreements, execute other documents, and perform other actions necessary fulfill the intent of the staff report that accompanies this resolution and to ensure proper repayment of Agency funds, including without limitation, subordination, extensions and restructuring of payments, all as approved by Agency legal counsel.

ATTEST:

CHAIR

CLERK



June 6, 2012

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Las Victorianas Modernization Project

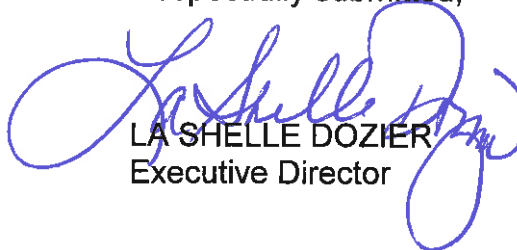
SUMMARY

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

RECOMMENDATION

The staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

Attachment



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

Consent
June 12, 2012

Honorable Chair and Members of the Housing Authority Board

Title: Las Victorianas Modernization Project

Location/Council District: 505 10th Street, Council District 4

Recommendation: Adopt a **Housing Authority Resolution** authorizing the Executive Director or her designee to a) execute a contract for the Las Victorianas modernization project per procurement policies and procedures; b) amend the Housing Authority's budget to accept and expend up to \$776,480 in 2011 City Community Development Block Grant (CDBG) and \$250,000 in 2012 City CDBG funds for the project; and c) amend the Housing Authority's budget to accept and expend up to \$400,000 in Sacramento Municipal Utility District (SMUD) rebate funds for the project.

Contact: Nick Chhotu, Assistant Director of Public Housing, 916-440-1334

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency (SHRA)

Description/Analysis

Issue: Las Victorianas, built in 1980, is a non-public housing development located at 505 10th Street in the Alkali Flat neighborhood. The development is in need of modernization and rehabilitation as the site infrastructure and building envelopes have reached their initial useful life. The goal is to modernize the site, improve energy efficiency, and improve the health and safety of the residents. The proposed improvements will improve consistency with the historical character of the neighborhood.

The Housing Authority intends to solicit and enter into a contract with one or more firms to perform the modernization and rehabilitation of the property utilizing established SHRA procurement policies.

Modernization of the community is expected to cost approximately \$1.4 million. Since the property is not public housing, federal public housing funds can not be utilized for the project. CDBG funds, SHRA funds received from the SMUD rebate program, and weatherization grants are available to cover the costs of

rehabilitation. CDBG funds for this project were previously approved by City Council in the 2011 Action Plan (Resolution 0915-01) and 2012 Action Plan (Resolution 1019-02). SMUD rebate funds will be utilized only after all CDBG funds have been expended.

The California Department of Community Services and Development awarded funds to Community Resource Project, Inc. (CRP), a non-profit organization that provides self-sufficiency and weatherization programs to low-income residents, and provides services to residents in the Sacramento, Yuba, and Sutter counties. CRP has committed to replacing the windows and providing labor for the installation of new Heating Ventilation and Air Conditioning (HVAC) units on this project. CRP's contribution to this project is estimated at \$270,000 and would be considered a cost savings to the Housing Authority.

PROJECT FUNDING	
Funding Source	Amount
2011 City CDBG	\$ 776,480
2012 City CDBG	\$ 250,000
Housing Authority SMUD Rebate Funds*	\$ 400,000
Community Resource Project^	\$ 270,000

* Funds reinvested from SMUD rebate funds.

^ Estimated labor and material contribution from CRP.

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

Environmental Considerations:

California Environmental Quality Act (CEQA): All actions proposed, with negligible or no change in use, are considered minor alterations in land use limitations, and are Categorically Exempt under California Environmental Quality Act (CEQA) Guidelines Section 15305.

National Environmental Policy Act (NEPA): The rehabilitation activity proposed does not increase unit density, or change in use of the land, and is less than 75% of cost of replacement (24CFR 58.35(a)(3)(ii)). This project converts to EXEMPT, per Section 58.34(a)(12), because it does not require any mitigation for compliance.

Sustainability Considerations: The recommended activities advance the goals of the City of Sacramento's Sustainability Master Plan by:

Energy Independence: Replacing or renovating obsolete energy or resource inefficient infrastructure and building materials.

Public Health and Nutrition: Improving quality of life for residents with building envelope and system upgrades and ADA compliance measurements.

Other: None

Commission Action: *Sacramento Housing and Redevelopment Commission:* It is anticipated that, at its meeting on June 6 2012, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Council in the event this does not occur.

Rationale for Recommendation: Completion of the Las Victorianas project will enable the Housing Authority to modernize and rehabilitate the residential community, improve energy efficiency, and improve the health and safety of the residents.

Financial Considerations: This report recommends an amendment to the Housing Authority budget. The recommendation includes amending the budget to accept and expend up to \$776,480 in 2011 City CDBG funds, \$250,000 in 2012 City CDBG funds, and \$400,000 in SMUD rebate funds. CDBG funds for this project were previously approved by City Council in the 2011 One Year Action Plan in November of 2010, and in the 2012 One Year Action Plan in November of 2011. SMUD rebate funds will be utilized only after all CDBG funds have been expended.

M/WBE 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.

Respectfully Submitted by:


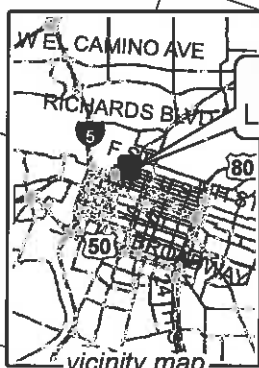
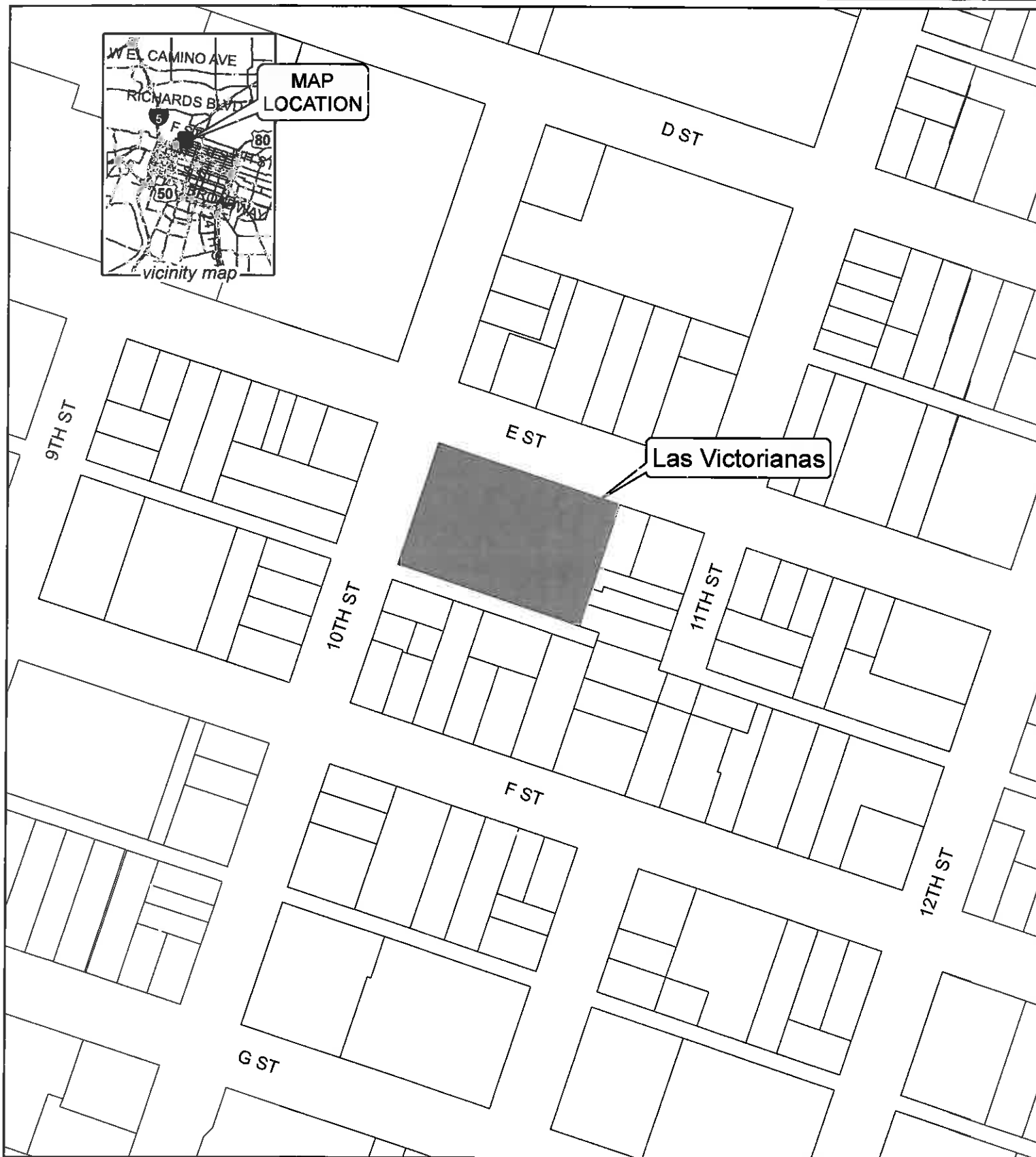

LA SHELLE DOZIER
Executive Director

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Las Victorianas



MAP
LOCATION

Las Victorianas

505 10th St

0 100 200 Feet



SHRA GIS
May 1, 2012

RESOLUTION NO. 2012 -

Adopted by the Housing Authority of the City of Sacramento

on date of

LAS VICTORIANAS MODERNIZATION PROJECT

BACKGROUND

- A. Las Victorianas, built in 1980, is a non-public housing authority community located at 505 10th Street. The development is in need of modernization and rehabilitation as the site infrastructure and building envelopes have reached their initial useful life.
- B. Federal public housing funds can not be expended on non-public housing properties. Community Development Block Grant (CDBG) funds as previously approved in the 2010 and 2011 Action Plans, Sacramento Municipal Utility District (SMUD) rebate funds, and weatherization grants are available to cover the costs of rehabilitation which is expected to cost approximately \$1.4 million.
- C. The goal is to modernize the site, improve energy efficiency, and improve the health and safety of the residents.
- D. The California Department of Community Services and Development awarded Community Resource Project, Inc. (CRP), a non-profit that provides self-sufficiency and weatherization programs to low-income residents, funds to provide home energy and weatherization assistance to units in Sacramento, Yuba, and Sutter counties.
- E. CRP has committed to replacing the windows and labor for installation of new Heating Ventilation and Air Conditioning (HVAC) units on this project. CRP's contribution to this project are estimated at \$270,000.
- F. The Housing Authority intends to solicit and enter to a contract with one or more firms to perform the modernization and rehabilitation of the property.
- G. All actions proposed, with negligible or no change in use, are considered minor alterations in land use limitations, and are Categorically Exempt under California Environmental Quality Act (CEQA) Guidelines Section 15305.
- H. All actions proposed are to rehabilitate and up grade a multifamily residential building with no proposed changes to unit density or current land use and the estimated cost of rehabilitation is less than 75 percent of the total estimate cost of replacement after rehabilitation (National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.35(a)(3)(ii)). This project is therefore an exempt activity.

pursuant to Section 58.34(a)(12), because it does not require any mitigation for compliance.

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

- Section 1. The above recitals, including the environmental findings, are determined to be true and correct and are hereby adopted.
- Section 2. The Executive Director, or her designee, is authorized to amend the Housing Authority's budget to accept and expend up to \$776,480 in 2011 City CDBG and \$250,000 in 2012 City CDBG funds on the Las Victorianas project.
- Section 3. The Executive Director, or her designee, is authorized to amend the Housing Authority's budget to accept and expend up to \$400,000 in SMUD rebate funds on the Las Victorianas project.
- Section 4. The Executive Director, or her designee, is authorized to execute a contract for the Las Victorianas project pursuant to procurement policies and procedures.

June 6, 2012



Sacramento Housing and Redevelopment Commission
Sacramento, California

Honorable Members in Session:

SUBJECT Approval of a De Minimis Demolition Submission to the United States Department of Housing and Urban Housing for 4137 Rio Linda Boulevard, 716 Acacia Street, and 7045-7047 24th Street, Sacramento, CA

RECOMMENDATION

Staff recommends adoption of the attached resolution which authorizes the Executive Director or her designee to: 1) submit an application to the U.S. Department of Housing and Urban Development (HUD) for the de minimis demolition of 4137 Rio Linda Boulevard, 716 Acacia Street, and 7045-7047 24th Street in Sacramento, CA, 2) execute documents to remove the units from the Public and Indian Housing Information Center database (PIC) so that the units are no longer subject to an Annual Contributions Contract, and 3) make related findings.

CONTACT PERSONS

Nick Chhotu, Assistant Director of Housing, 916-440-1334

SUMMARY

This report recommends that based on a report issued by Norman Scheel Structural Engineering, the property located at 4137 Rio Linda Boulevard is structurally unsafe and should be demolished. Work proposed at the site includes lead remediation, asbestos abatement, demolition, removal of trash and debris, abandonment and capping of utility lines, abandonment of a well, and site clearance.

The property located at 716 Acacia Street has been declared a total loss due to significant damage it sustained in a fire on October 28, 2011 and is also recommended for demolition.

The property located at 7045-7047 24th Street was a total loss due to significant damage it sustained in a fire on September 3, 2005. The property was demolished in 2007 because the City of Sacramento Code Enforcement Department documented

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission
June 6, 2012
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repeated issues of vandals breaking into the property. Although the property has been demolished, HUD requires a formal de minimis demolition application. Staff recommends that all three properties be removed from the PIC system. There are no plans to rebuild at this time since resources are limited.

BACKGROUND

A Public Housing Authority has several options available to them when preparing to demolish units. In addition to submitting an Inventory Removal Application, the Housing Authority can determine if any units are eligible for demolition utilizing the "de minimis exception" definition. According to Federal Regulation 24 CFR 970.27:

A PHA may demolish units without submitting an application if the PHA is proposing to demolish not more than the lesser of:

1. five dwelling units: or
2. five percent of the total dwelling units owned by the PHA over any 5-year period.

In order to qualify for this exemption, the units must be beyond repair. Although, prior HUD approval is not required for a "de minimis demolition", the regulation at 24 CFR 970.27(e) requires Housing Authorities to submit certain information for record keeping purposes.

FINANCIAL CONSIDERATIONS

Costs for demolition and other expenses related to these units is included in the current Agency budget and no new funding or budget amendment is currently recommended. The actions recommended in this report will require use of financial resources from 2005, 2010, and 2011 City Capital Funds for the demolition of these housing authority units.

POLICY CONSIDERATIONS

Public Housing Authorities are required to comply with applicable federal laws and regulations, including the Quality Housing and Work Responsibility Act of 1998 (QHWRA).

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The California Environmental Quality Act (CEQA) exempts this activity under section 15301(l)(1), which allows for the demolition of up to three single-family residence in urbanized area.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission
June 6, 2012
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National Environmental Policy Act (NEPA): The proposed actions are categorically excluded under the National Environmental Policy Act (NEPA) per 24 CFR Part 58.35(a)(5), which includes the disposition of property where no change in use is contemplated.

Sustainability Considerations: The recommended actions would position the Housing Authority to achieve the goal within the City's Sustainability Master Plan to replace or renovate obsolete energy or resource inefficient infrastructure (buildings, facilities, systems, etc).

M/WBE 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.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

Table Contents

Report

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Attachments:

1 Report for 716 Acacia

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2 Report for 4137 Rio Linda Boulevard

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TO ATTENTION	:	Vince Pearson	FROM	:	Cathrin Nevin
COMPANY	:	SHRA	OFFICE	:	Sacramento
INSURED	:	SHRA	DATE OF LOSS	:	10/28/2011
YOUR CLAIM NO	:		OUR FILE NO	:	1603563
ASSIGNMENT RECEIVED	:	12/13/2011	CONTACT	:	
FIELD INSPECTION	:		REPORT DATE	:	01/25/2012
RISK LOCATION	:	716 Acacia Street, Sacramento, CA			

PRELIMINARY REPORT

DESCRIPTION/CAUSE OF LOSS:

This will serve as our preliminary report concerning a fire loss to a duplex located at 716 Acacia Street in Sacramento, CA. The loss occurred on October 28, 2011. Per the site manager, the fire originated in the garage of the home. The garage had already been demolished at the time of our inspection.

INSPECTION:

The loss was inspected on Monday December 19, 2011. Upon inspection it was noted that there was extensive damage to the entire home. The fire destroyed the garage. There was significant damage to the framing of the kitchen and living room. The rest of the home sustained heavy fire damage as well however the framing was still in tact.

DAMAGES:

Due to the damage, this is an apparent total loss. Enercon Environmental tested the home and prepared a protocol. Their report noted asbestos was detected in the mastic in the used to lay the vinyl floor in the kitchen and bathroom, as well as in the Flue in the kitchen. It also noted lead based paint throughout the home

We contacted West Coast Environmental to prepare a bid for the abatement and demolition. They provided two bids, one for abatement and one for abatement plus demolition. The quote to complete the abatement and strip the unit down to framing is \$18,900.00. The bid to complete the abatement and demolition of the entire structure is \$32,400.00.

- We ran a Zillow search of the property to obtain a market value of the property. As of January 25, 2012, the value was \$58,000.

We will be completing an estimate for repairs to the home, with an expectation that it will be in the range of \$90,000.00. We will forward this estimate to you as soon as it is completed.

REMARKS:

If upon receipt of this report if you should have any questions, or if there is anything further that we can do to assist you, please do not hesitate to contact us at the number listed below.

Thank you very much for allowing us to be of service to you in regards to the handling of this file.

ENCLOSURES:

1. Photographs
2. Sketch

Norman
Scheel
Structural
Engineer

1989-2009
20 Years of
Excellence

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Phone# 916-536-9585
Fax# 916-536-0260

April 10, 2009

Kristina Gwinn
SHIMOTSU ARCHITECTURE, INC.
2705 K Street, Suite 6
Sacramento, CA 95816

Job # 29960

**Re: 4137 Rio Linda Boulevard, Sacramento, CA Site Observation and Report
for Sacramento County Housing Authority.**

To whom it may Concern,

This letter is to clarify that a representative from my office performed a site observation on Monday April 6th, 2009 at the above referenced location. Present at the observation were Kristina Gwinn from Shimotsu Architecture and Linda Adams from SHRA. The purpose of the site visit was to review the condition of the property and make recommendation as to the feasibility of rehabbing the existing house.

The home is approximately 69 years old. Access holes were cut in the floor for the purpose of observing the foundation and floor framing. The crawl space is inaccessible due to lack of the minimum 18" clear space between the earth and framing. Due to this only partial observations were made. This observation uncovered both water damage and dry rot in the floor framing. Some unsatisfactory attempts were made to repair these conditions but are inadequate. The water damage and dry rot are most likely due the elevation of the crawl space being below the grade of the yard around the home. The foundation also exhibits extensive damage such as cracks and settlement. Since the means of foundation construction at the time the home was built was to install shallow foundation only a few inches into the ground and the fact that little if any reinforcing was installed in the footing at that time, the foundation will need to be replaced and the house raised to eliminate the water from ponding below the house causing future water damage.

The exterior siding on the home is aluminum over wood framing. It appears that approximately 1 1/4" holes were drilled in the siding possibly to install insulation in the wall cavities. Most of the plugs put in these holes have dislodged and water intrusion has taken place. We believe that the building paper, wall framing, and insulation have all been compromised and will require repair and replacement. The roof rafters also appear to have extensive dry rot at the eaves and will most likely require the entire roof structure to be removed and replaced. Pictures were taken during the observation of the deficiencies noted above and are included on the following pages.

Norman Scheel Structural Engineer

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20 Years of
Excellence**

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*Picture #1 Crawl Space, Dry
Rot, and foundation crack rear
wall of home.*



*Picture #2 Crawl space
foundation crack side wall of
home.*



*Picture #3 Exterior foundation
crack and attempted repair*



*Picture #4 Exterior foundation
crack*



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*Picture #5 Exterior view
foundation crack*



*Picture #6 Exterior view
foundation crack*



*Picture #7 Dry rot at eave and
overhang*



Picture #8 Dry rot eave



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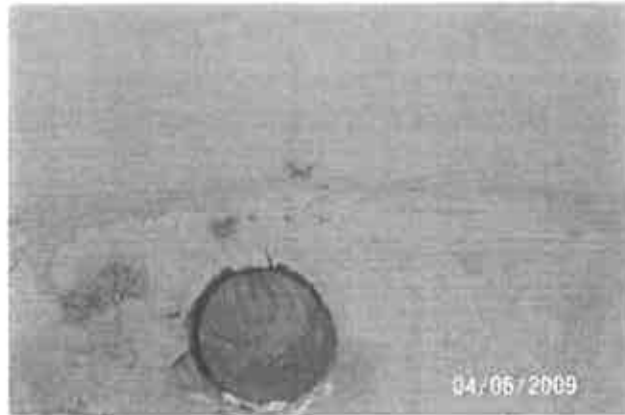
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*Picture #9 Holes drilled in
exterior siding of house.*



*Picture #10 Holes drilled in
exterior siding of house.*



In conclusion it is our opinion that the structures on this property should be demolished. We feel that efforts to repair the structure will be more costly than the new construction of a similar structure. This recommendation is based on the amount of damage visible during our observation. Once the interior and exterior finishes are removed more extensive damage will be found to the structural elements of this home that are not visible at this time. We also have concerns that the structure may not withstand the stresses imposed during the process of raising the house to resolve the foundation, drainage, and crawl space clearance problems under the home, furthermore the lack of essential code compliance for life safety in the wind and earthquake force resisting systems will require major structural retrofits.

If there are any questions or concerns please feel free to contact me.

Norman Scheel, S.E., F.SEAOC, F.ASCE
LEED AP, Green Point Rater



'APR 15 2009

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

JUNE 6, 2012

RESOLUTION AUTHORIZING AND APPROVING THE SUBMISSION OF A DE MINIMIS DEMOLITION APPLICATION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN HOUSING FOR 4137 RIO LINDA BOULEVARD, 716 ACACIA STREET, AND 7045-7047 24TH STREET, SACRAMENTO, CA

WHEREAS, the Housing Authority of the City of Sacramento (PHA) has determined, based on the structural report issued by Norman Scheel Structural Engineer (the "Report"), that the property located at 4137 Rio Linda Boulevard, Sacramento, CA is structurally unsafe and has been recommended for demolition; and

WHEREAS, the PHA has determined based on the preliminary report issued by the insurance company that the property located at 716 Acacia Street, Sacramento, CA is a total loss due to significant damage it sustained in a fire on October 28, 2011 and has been recommended for demolition; and

WHEREAS, the PHA has determined, based on property inspection of damage from two fires and continuing vandalism of the property resulting in health, safety and liability considerations, that the property located at 7045-7047 24th Street, Sacramento, CA was a total loss due to significant damage it sustained from the initial fire on September 3, 2005 and was demolished in 2007; and

WHEREAS, based upon the Report, the PHA has further determined that the properties are vacant and obsolete as to their physical condition and other factors, making them unsuitable for their intended purposes and no reasonable program of modification is cost-effective to return or restore the property to their useful life; and

WHEREAS, The PHA is required to submit a De Minimis Demolition Application to the United States Department of Housing and Urban Development (HUD) pursuant to Section 18 of the Housing Act for approval prior to undertaking the demolition of its public housing structures; and

WHEREAS, The PHA has determined that a De Minimis Demolition Application is required in order to demolish the Properties; and

WHEREAS, by submitting a Demolition Application to HUD and obtaining the necessary approvals, the PHA will comply with federal laws and regulations, and other applicable laws governing the demolition of real property by a public housing authority.

WHEREAS, The California Environmental Quality Act (CEQA) exempts this activity under section 15301(l)(1), which allows for the demolition of up to three single-family residence in urbanized area; and

WHEREAS, The proposed actions are categorically excluded under the National Environmental Policy Act (NEPA) per 24 CFR Part 58.35(a)(5), which includes the disposition of property where no change in use is contemplated.

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1. After due consideration of the facts presented, the findings, including the environmental findings regarding this action, as stated above are approved.

Section 2. The Executive Director or her designee is authorized to submit an application to U.S. Department of Housing and Urban Development (HUD) for all required documents for the submission of a de minimis demolition application to the United States Department of Housing and Urban Development and to comply with the Quality Housing and Work Responsibility Act of 1998.

Section 3. The Executive Director or her designee is authorized to execute documents to remove the units from the Public and Indian Housing Information Center database (PIC) so that the units are no longer subject to an Annual Contributions Contract.

CHAIR

ATTEST:

CLERK

Item #9 will be delivered next week. We apologize for any inconvenience.