NOTICE OF REGULAR MEETING
Sacramento Housing and Redevelopment Commission
Wednesday, April 18, 2018 – 6:00 pm
801 12th Street, 2nd Floor Commission Room
Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES – April 4, 2018

DISCUSSION/BUSINESS ITEMS

1. Release Of Existing Affordable Housing Agreement, Affordable Housing Plan And Affordable Housing Regulatory Agreement, And Approval Of An Affordable Housing Strategy And Affordable Housing Regulatory Agreement For The Victoria Park Residential Project

2. Approve The Assignment Of The Exclusive Right To Negotiate Agreement For Property Located At 510 N. 12th Street Between Carson/Craig Partnership and Sacramento Housing And Redevelopment Agency To Sacramento Housing Authority Repositioning Program, Inc.

SPECIAL PRESENTATION

3. Twin Rivers Development - Infrastructure Financing Overview

DISCUSSION/BUSINESS ITEMS

4. Approval to change procedures and/or amend Sacramento Housing and Redevelopment Commission By-Laws to use Rosenberg’s Rules of Order to conduct meetings

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

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

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

Sacramento Housing and Redevelopment Commission (SHRC)
Meeting of April 4, 2018
Meeting noticed on March 30, 2018

ROLL CALL
The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:02 p.m. by Chair Macedo

MEMBERS PRESENT:  Alcalay, Creswell, Griffin, Macedo, Morgan, Staajabu, Starks, Wedding

MEMBERS ABSENT:  Johnson, Painter, Simas,

STAFF PRESENT:  La Shelle Dozier, David Levin, James Shields, Tyrone R. Williams, Sarah O 'Daniel, Mark Hamilton, Lira Goff, LaTanna Jones, Sarah O 'Daniel, MaryLiz Paulson, Michael Taylor, Susan Veezey

APPROVAL OF AGENDA – Approved as submitted.

CITIZENS COMMENTS
None

APPROVAL OF MINUTES – March 7, 2018 minutes were approved as submitted.

INFORMATIONAL PRESENTATIONS

1. Twin Rivers Update

LaTanna Jones, Housing Authority Assistant Director, presented the item. The following individuals also provided information and comments:

- Sean Kerr from Overland Pacific and Cutler, LLC provided information regarding the relocation process.
- Isaac Dozier from Urban Strategies provided information on services being provided to participants.
- Michael Taylor, SHRA Program Manager, provided information on the demolition process.
- Three residents from Twin Rivers, Aliana McKnight, Lam Yuen and Decoe Gilmore, provided comments regarding the project.
Commissioner Griffin requested that information regarding the presentation be provided in advance of the meeting. He also asked that the Agency be aware of resident's dust abatement needs during the project.

Commissioner Creswell asked that the Agency be aware of the impact of noise and construction on residents.

Commissioner Starks recommended that the Agency take advantage of community partnerships.

Chair Macedo requested a document giving facts and statistics regarding the demolition.

2. Small Area Fair Market Rents for the Housing Choice Voucher (HCV) Program
   MaryLiz Paulson presented the item.

3. Overview of Rosenberg's Rules of Order
   The item was tabled and will be agenized at the next meeting.

EXECUTIVE DIRECTOR'S REPORT

La Shelle Dozier reviewed the following:
- Next meeting is on April 18, 2018
- Bellview Ribbon Cutting will be on Thursday, April 26, 2018. At 11:00 am.
- SHRA will be featured on KVIE Studio Sacramento on Friday, April 6, 2018 at 7:30 pm.

COMMISSION CHAIR REPORT

Chair Macedo announced that an Executive Committee Meeting would be held on Monday, April 9, 2018.

Commissioner Creswell reported out on the last Executive Committee Meeting. The committee:
1. Made a recommendation to adopt Rosenberg's Rules
2. Discussed amending the By-Laws to effect current conditions
3. Discussed Commissioner Training Interests
ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Stajaabu requested that the KVIE Studio Sacramento video be posted on the website so that those without television could watch it.

Chair Macedo requested that a soft copy of all presentations be distributed to the Commission, to review minutes in advance of the meeting, and that Commissioners be provided a handout with any presentation that included numbers or robust content.

ADJOURNMENT

As there was no further business to be conducted, Chair Macedo adjourned the meeting at 8:07 pm.

__________________________________________
Clerk
Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Release Of Existing Affordable Housing Agreement, Affordable Housing Plan And Affordable Housing Regulatory Agreement, And Approval Of An Affordable Housing Strategy And Affordable Housing Regulatory Agreement For The Victoria Park Residential Project

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the actions outlined in the attached resolutions.

Respectfully submitted,

LA SHELLE DOZIER
Executive Director

Attachment
COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
May 8, 2018

To: Board of Supervisors for the County of Sacramento
From: Sacramento Housing and Redevelopment Agency
Office of Planning and Environmental Review
Subject: Release Of Existing Affordable Housing Agreement, Affordable Housing Plan
And Affordable Housing Regulatory Agreement, And Approval Of An
Affordable Housing Strategy And Affordable Housing Regulatory Agreement For
The Victoria Park Residential Project

Supervisioral District: Kennedy
Contact: Christine Weichert, Assistant Director, 916-440-1353
Leighann Moffitt, Planning Director, 916-874-5584

Overview
In 2007, the Board of Supervisors (Board) approved an Affordable Housing Plan (Plan) for the
Victoria Station project (Control Number PLNP2004-0161) residential development with New Faze Development, LLC (Developer), which consisted of 113 single-family for-sale units and 30
multifamily rental units. The project site is located on the south side of 47th Avenue, near the
intersection of 47th Street and 47th Avenue. A vicinity map is included as Attachment 1. The
approved Plan included the onsite construction of 21 multifamily rental housing units. An Affordable Housing Regulatory Agreement was recorded against the property in 2007 and remains in effect. In 2014, the Board approved the revised Affordable Housing Ordinance (Ordinance), which provides developers with several options to fulfill their affordable housing obligation, including complying with the development project’s approved affordable housing plan, paying an affordability fee, or entering into a development agreement.

In 2016, the Victoria Station project’s Tentative Subdivision Map and entitlements expired, and
in 2017 the Developer submitted a new request for a Tentative Subdivision Map and related
entitlements, and renamed the project “Victoria Park” (Control Number PLNP2017-00217) that
is consistent with the previous project. The Developer has also submitted an Affordable Housing Strategy (Strategy) to construct 12 multifamily affordable units pursuant to the revised Ordinance. Upon Board approval, the Plan and Affordable Housing Regulatory Agreement for
the former project will be released. Should the Victoria Park Tentative Subdivision Map and
entitlements be approved by the Planning Commission, a Condition of Approval will be
compliance with the new Strategy and a requirement to record an Affordable Housing
Regulatory Agreement prior to, or with, final map recordation.

Recommendations
Adopt the attached Board Resolutions:
   1. Authorizing the Director of the Office of Planning and Environmental Review to rescind
an existing Affordable Housing Agreement and Plan and execute a new Agreement relative to an Affordable Housing Strategy.  

2. Authorizing the Sacramento Housing and Redevelopment Agency to enter into and execute a release of the existing Affordable Housing Regulatory Agreement; enter into and execute the new Affordable Housing Regulatory Agreement with Victoria 47, LLC (Developer) for the Victoria Park Residential Project; and to receive a regulatory monitoring fee and amend the Agency budget.

Measures/Evaluation
The recommend actions comply with the Ordinance adopted by the Board of Supervisors on February 25, 2014, and will result in the construction of 12 multifamily affordable housing units.

Fiscal Impact
County Code 22.35, which addresses Affordable Housing, requires that an affordability fee be paid on residential dwelling units. The Ordinance also provides for a fee credit for the construction of affordable units. This report authorizes a fee credit of $827,041 in exchange for the construction of 12 multifamily, affordable units in the Victoria Park project. There is no departmental budget impact.

BACKGROUND

The Victoria Station project including South Sacramento Community Plan Amendment, Rezone, Special Development Permit, Development Plan Review, Special Review of Parking, and Use Permit was approved by the Board on June 22, 2005. In 2007 the Board approved an Affordable Housing Plan for the Victoria Station project. To comply with the Affordable Housing Plan, the Developer was required to construct 21 multifamily affordable units, which was consistent with the County’s Affordable Housing Ordinance at that time. In 2016, the Victoria Station project’s Tentative Subdivision Map, Special Development Permit, Development Plan Review, Special Review of Parking, and Use Permit expired, and in 2017 the Developer submitted a new request for a Tentative Subdivision Map and related entitlements and renamed the project “Victoria Park” (Control Number PLNP2017-00217) that is consistent with the previous project.

In February 2014, the Board approved changes and updates to the Affordable Housing Ordinance (Ordinance). As a result of these changes, the Developer has different options to meet their affordable housing obligation for the Victoria Park project. County Code Section 22.35.030 requires that development projects either: 1) pay an affordability fee on all newly constructed market rate units, 2) comply with the development project’s approved affordable housing plan, if one exists, or 3) enter into a development agreement or other form of agreement with the County which provides for a fee credit for the production of affordable housing pursuant to County Code Section 22.35.030(A)(3).
Release Of Existing Affordable Housing Agreement, Affordable Housing Plan, And Affordable Housing Regulatory Agreement, And Approval Of An Affordable Housing Strategy And Affordable Housing Regulatory Agreement For The Victoria Park Residential Project Page 3

For this particular project, the three choices are:

1. Pay the affordability fee pursuant to the Ordinance on each building permit as they are issued. The total affordability fee for this project would be approximately $827,041 (note this amount may ultimately differ, as the fee is adjusted annually); or

2. Use the approved affordable housing plan based on the prior Ordinance, which requires the construction of 21 multifamily affordable units; or

3. Develop a new Affordable Housing Strategy (Strategy) to allow for a credit for the construction of multifamily affordable units rather than paying the affordability fee. The Board adopted Affordable Housing Guidelines on June 9, 2015 to provide guidance on how to calculate the number of units that must be constructed to offset the required affordability fee. Based on that calculation, 12 multifamily affordable units must be created to comply with the Ordinance.

The Developer has elected to pursue Option 3 and developed a new Strategy allowing for a credit for the construction of a reduced number of multifamily affordable units.

DISCUSSION

The Developer has submitted a revised Strategy to construct 12 multifamily affordable units in the Victoria Park project. Sacramento Housing and Redevelopment Agency (SHRA) staff has reviewed and approved the new Strategy and have determined that the required affordability fee for the 143 unit project is $827,041. Using an average public subsidy per unit of $70,182, the number of multifamily affordable units required in lieu of fee payment is 12 units.

The Strategy requires both an Affordable Housing Regulatory Agreement and Deed of Trust. The Regulatory Agreement will be recorded and monitored by SHRA for 55 years. The Strategy also includes the requirement for a monitoring fee of $28,757 to cover ongoing administrative expenses related to the monitoring during the 55-year period. This fee is required to be paid upon the recordation of the Affordable Housing Regulatory Agreement (Regulatory Agreement) and the Regulatory Agreement must be recorded prior to the issuance of any building permits for the project.

The Strategy also describes that the 12 affordable units are to be evenly distributed throughout the three multifamily buildings in the project. The Strategy outlines requirements for the design of the units and that the affordable units must be included in the mix of the overall units in the project. There is a concurrency requirement that requires 100 percent of the building permits for affordable units to be issued prior to the issuance of building permits for more than 75 percent of the market rate units.
COMMISSION ACTION

At its meeting of April 18, 2018, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

The recommended action complies with the updated Ordinance adopted by the Board of Supervisors on February 25, 2014 and the Affordable Housing Ordinance Guidelines approved on June 9, 2015.

FINANCIAL ANALYSIS

County Code Chapter 22.35 relating to Affordable Housing requires that an affordability fee be paid on residential dwelling units. The Ordinance also provides for a fee credit for the construction of affordable units. This report authorizes a fee credit of $827,041 in exchange for the construction of 12 multifamily affordable units in the Victoria Park project. There is no department budget impact.

POLICY CONSIDERATIONS

The recommended action is consistent with the adopted policy of the Ordinance and there are no changes being proposed.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The proposed actions are administrative and therefore not subject to CEQA pursuant to CEQA Guidelines at 14 California Code of Regulations (CCR) §15378.

National Environmental Policy Act (NEPA): The proposed actions are administrative and therefore exempt pursuant to 24 Code of Federal Regulations (CFR) §58.34(a)(3).

M/WBE/SECTION 3 CONSIDERATIONS

The activities recommended in this staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements.
Respectfully Submitted,

APPROVED
NAVDEEP S. GILL,
County Executive

By: ________________________
ROBERT B. LEONARD
Deputy County Executive

LA SHELLE DOZIER, Executive Director
Sacramento Housing and Redevelopment Agency

Attachments:
RES 1 – Authorize Rescission Of An Existing Affordable Housing Agreement And Plan And Execute A New Agreement Relative To An Affordable Housing Strategy
   EXH A to RES 1 – Agreement Relative to An Affordable Housing Strategy
RES 2 – Authorize SHRA To Release Existing Regulatory Agreement And Approving The Affordable Housing Regulatory Agreement For The Victoria Park Residential Project
   EXH A to RES 2 – Release Of Regulatory Agreement
   EXH B to RES 2 – Regulatory Agreement
ATT 1 – Tentative Subdivision Map
RESOLUTION NO. __________

VICTORIA PARK: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO AUTHORIZING THE DIRECTOR OF THE OFFICE OF PLANNING AND ENVIRONMENTAL REVIEW TO RESCIND AN EXISTING AFFORDABLE HOUSING AGREEMENT AND PLAN AND EXECUTE A NEW AGREEMENT BY AND BETWEEN THE COUNTY OF SACRAMENTO AND VICTORIA 47, LLC RELATIVE TO AN AFFORDABLE HOUSING STRATEGY FOR THE PROJECT (PLNP2017-00217) KNOWN AS VICTORIA PARK; AND ENVIRONMENTAL FINDINGS

WHEREAS, the proposed actions are administrative and therefore not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations §15378; and,

WHEREAS, the proposed actions are administrative and therefore exempt from the National Environmental Policy Act pursuant to 24 Code of Federal Regulations §58.34(a)(3); and,

WHEREAS, the conditions of approval for Victoria Park (Control Number PLNP2017-00217) require that Victoria 47, LLC (Developer) enter into an agreement to meet the obligations of the Affordable Housing Plan prior to recordation of final maps; and,

WHEREAS, on September 25, 2007 an Affordable Housing Regulatory Agreement was recorded for an approved project known as Victoria Station (Control Number PLNP2004-0161); and,

WHEREAS, on February 25, 2014, the Board of Supervisors adopted the revised Affordable Housing Ordinance; and,

WHEREAS, on June 9, 2015, the Affordable Housing Program Guidelines For Implementation of Chapter 22.35 of the Sacramento County Code were approved by the Board of Supervisors; and,

WHEREAS, the entitlements for the Victoria Station project (Control Number PLNP2004-0161) expired and the Developer submitted applications for a new project titled Victoria Park (Control Number PLNP2017-00217); and,

WHEREAS, the existing recorded Affordable Housing Regulatory Agreement was prepared for a project that has expired (Victoria Station, Control Number PLNP2004-0161), the Developer requested the recorded Regulatory Agreement be released and a new Agreement relative to an Affordable Housing Strategy for the new project be entered into (Victoria Park, Control Number PLNP2017-00217) to construct twelve (12) affordable multifamily housing units; and,
WHEREAS, the County andDeveloper desire to rescind the existing Agreement and
enter into a new Agreement, consistent with the Affordable Housing Ordinance; and

WHEREAS, the revised Ordinance requires a new Affordable Housing Regulatory
Agreement be recorded and an associated monitoring fee of approximately $28,757 be collected.

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

Section 1: The above recitals, including the environmental determinations, are true and
correct.

Section 2: The Director of the Office of Planning and Environmental Review, or his or
her designee, is authorized to rescind the existing Agreement and execute a new Agreement
between the County of Sacramento and the Developer, in a form substantially consistent with
Exhibit A.

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 8th day of May, 2018, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT (§ 18702.5))
VICTORIA PARK: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO AUTHORIZING THE DIRECTOR OF THE OFFICE OF PLANNING AND ENVIRONMENTAL REVIEW TO RESCIND AN EXISTING AFFORDABLE HOUSING AGREEMENT AND PLAN AND EXECUTE A NEW AGREEMENT BY AND BETWEEN THE COUNTY OF SACRAMENTO AND VICTORIA 47, LLC RELATIVE TO AN AFFORDABLE HOUSING STRATEGY FOR THE PROJECT (PLNP2017-00217) KNOWN AS VICTORIA PARK; AND ENVIRONMENTAL FINDINGS
Page 3 of 3

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: __________________________
Clerk, Board of Supervisors
AGREEMENT BY AND BETWEEN THE COUNTY OF SACRAMENTO AND VICTORIA 47, LLC RELATIVE TO AN AFFORDABLE HOUSING STRATEGY FOR (PLNP2017-00217) VICTORIA PARK

THIS AGREEMENT is made and entered into as of this 8th day of May, 2018, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereinafter referred to as “COUNTY,” and VICTORIA 47, LLC hereinafter referred to as “DEVELOPER.”

RECITALS

WHEREAS, the conditions of approval for Victoria Park (Control Number PLNP2017-00217) require that DEVELOPER enter into an agreement to meet the obligations of the Affordable Housing Plan prior to recordation of final maps; and,

WHEREAS, on September 25, 2007 an Affordable Housing Regulatory Agreement was recorded for an approved project known as Victoria Station (Control Number PLNP2004-0161); and

WHEREAS, the entitlements for the Victoria Station project (Control Number PLNP2004-0161) expired and the DEVELOPER submitted applications for a new project titled Victoria Park (Control Number PLNP2017-00217); and

WHEREAS, the existing recorded Affordable Housing Regulatory Agreement was prepared for a project that has expired (Victoria Station Control Number PLNP2004-0161), the DEVELOPER requested the recorded Regulatory Agreement be released and an Agreement for the new project be entered into (Victoria Park Control Number PLNP2017-00217) to construct twelve (12) affordable multifamily housing units; and

WHEREAS, the COUNTY and DEVELOPER desire to enter into this Agreement based on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, COUNTY and DEVELOPER agree as follows:

I. AFFORDABILITY FEE PAYMENT

In conformance with the Affordable Housing Strategy in Exhibit “A”, DEVELOPER shall meet their affordable housing obligation by constructing twelve (12) affordable multifamily housing units.

II. RESCISSION OF RECORDED AFFORDABLE HOUSING REGULATORY AGREEMENT
With the adoption of this Agreement, the Affordable Housing Regulatory Agreement recorded on September 25, 2007 is hereby rescinded.

III. TIMING

This Agreement must be approved by the Board of Supervisors and the Affordable Housing Regulatory Agreement must be recorded prior to, or with the recordation of the final map for Victoria Park.

IV. MONITORING FEE

The Sacramento Housing and Redevelopment Agency (SHRA) requires payment of a “Regulatory Agreement Monitoring Fee” to cover SHRA’s administrative expenses related to the monitoring of the affordable housing units. The “Regulatory Agreement Monitoring Fee” shall be paid to SHRA at the time the Affordable Housing Regulatory Agreement is recorded.

V. NOTICE

Any notice, demand, request, consent, or approval that either party hereto may or is required to give the other pursuant to this Agreement shall be in writing and shall be either personally delivered or sent by mail, addressed as follows:

TO COUNTY

DIRECTOR, Office of Planning
and Environmental Review
827 7th Street, Room 225
Sacramento, CA 95814

TO DEVELOPER

Allen Warren, Manager
Victoria 47, LLC
1825 Del Paso Boulevard
Sacramento, CA 95815

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

VI. COMPLIANCE WITH LAWS

DEVELOPER shall observe and comply with all applicable Federal, State, and County laws, regulations and ordinances.

VII. GOVERNING LAWS AND JURISDICTION

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

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. Any request of County for interpretation of any term or provision of this Agreement shall be made to the DIRECTOR and counsel for County.

IX. **SUCCESSORS**

This Agreement shall bind the successors of COUNTY and DEVELOPER in the same manner as if they were expressly named.

X. **INTERPRETATION**

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

XI. **DIRECTOR**

As used in this Agreement, "DIRECTOR" shall mean the Director of the Office of Planning and Environmental Review, or his/her designee.

XII. **DUPLICATE COUNTERPARTS**

This Agreement may be executed in duplicate counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

XIII. **AUTHORITY TO EXECUTE**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

COUNTY OF SACRAMENTO, a political subdivision of the State of California

By __________________________ Date: __________________________
LEIGHANN MOFFITT, Director
Office of Planning and Environmental Review

Agreement Approved by the Board of Supervisors with Delegation of Authority to execute agreement:

Agenda Date, 2018
Item Number: ___
Resolution Number: _________

Victoria 47, LLC

By __________________________ Date: __________________________
Allen Warren, Manager

CONTRACT REVIEWED AND APPROVED BY COUNTY COUNSEL

By: __________________________ Date: __________________________
Affordable Housing Strategy (AHS)
Construction of Multifamily Affordable Housing Component
Victoria Park Residential Project

Proposed Project

Victoria 47, LLC is the developer ("Developer") of that certain real property in the County of Sacramento ("County") in which the Developer proposes to develop and construct, Victoria Park ("Development Project"). This proposed approximately 15.022 gross acre Development Project is located at the south side of 47th Avenue between Steiner Drive and 47th Street. The residential portion of the Development Project consists of the following unit mix:

<table>
<thead>
<tr>
<th>MAP DESIGNATION</th>
<th>GROSS ACRES</th>
<th>UNITS WITHIN ZONING DESIGNATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>RD-15 (Single Family)</td>
<td>11.845</td>
<td>113</td>
</tr>
<tr>
<td>RD-15 (Multifamily)</td>
<td>3.177</td>
<td>30</td>
</tr>
<tr>
<td>TOTAL UNITS IN RESIDENTIAL DEVELOPMENT</td>
<td>15.022</td>
<td>143 units</td>
</tr>
</tbody>
</table>

¹Note that Gross acres excludes public parks, public schools, open space areas, habitat mitigation or other similar public non-residential features as defined in County Code Section 22.35.020.

Affordable Housing Policy

On February 25, 2014, the Sacramento County Board of Supervisors (Board) repealed Chapter 22.35 of Title 22 of the Sacramento County Code known as the County’s Affordable Housing Ordinance ("Repealed Ordinance") and adopted a revised Ordinance ("Ordinance"). The Ordinance requires that new residential developments contain housing opportunities for low, very low and extremely low-income households through a standard affordable housing fee accessible to all applicants/developers, and also provides a variety of other options an applicant/developer may choose to satisfy a development project’s affordable housing obligations.

In order to ensure compliance with the Ordinance, the Executive Director of Sacramento Housing and Redevelopment Agency ("SHRA"), in consultation with the County Director of Community Development, prepared the Affordable Housing Program Guidelines ("Guidelines"). The Guidelines were approved by the Board on June 9, 2015 to aid applicants, landowners, developers, homebuyers, and others in understanding and complying with the Ordinance. Section 22.35.030 of the Ordinance allows the Developer to meet its affordable housing obligation by entering into a development agreement or other form of agreement with the County which provides for a fee credit for land dedication, construction of affordable housing units, or other mechanism which leads to the production of affordable housing in an amount at least equivalent to the affordability fee established by Section 22.35.050(A) of the Ordinance.

Pursuant to Section 22.35.030 (A)(3) of the Guidelines, development projects that opt to enter into a development agreement, or other form of agreement, must submit an Affordable Housing Strategy ("Strategy") as part of the Development Agreement ("DA") or other form of agreement.
Section 22.35.030(A) (3) of the Guidelines sets forth the required information to be included in this Strategy. All future approvals for the Development Project shall be consistent with this Strategy.

Affordable Housing Component

Pursuant to Section 22.35.030 (A)(3) of the Ordinance, the Development Project is proposing to meet its affordable housing obligation by utilizing a fee credit for the construction of affordable multifamily housing units at least equivalent to the affordable fee established by Section 22.35.050(A) of the Ordinance. Per Section 22.35.030(A) (3)(b) of the Guidelines, the calculation of the fee equivalency for construction of affordable housing units is shown below:

### Step 1: Calculating the Affordability Fee Payment

<table>
<thead>
<tr>
<th>Total Project Units</th>
<th>Average Square Feet</th>
<th>Fee per Square Foot</th>
<th>Affordability Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>143</td>
<td>2,150(^1)</td>
<td>$2.69(^2)</td>
<td>$827,041 (a x b x c)</td>
</tr>
</tbody>
</table>

### Step 2: Calculating the Number of Affordable Housing Units

<table>
<thead>
<tr>
<th>Affordability Fee</th>
<th>Average Public Subsidy / Unit</th>
<th>No. of Affordable Housing Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>$827,041 (a)</td>
<td>$70,182(^3)</td>
<td>12 (a/b)</td>
</tr>
</tbody>
</table>

The Development Project will meet its affordable housing obligation by constructing 12 affordable, multifamily housing units on-site. All affordable housing units shall be subject to recorded legal documents, including an Affordable Housing Regulatory Agreement and Deed of Trust, with SHRA detailing the affordable housing regulatory requirements. The Regulatory Agreement shall include rent-restriction provisions for 55 years as well as the required affordability levels of the units. The Developer must pay Regulatory Agreement Monitoring Fees to cover SHRA’s ongoing administrative expenses related to monitoring the affordable units (annual inspections, income eligibility review, sale, resale, subordinations, etc.) for the duration of the regulatory agreement. Fees will be paid up front at the time to Regulatory Agreement is recorded.

The affordable housing obligation for this Development Project was developed using the 2017 fees and figures. Though these fees and figures were adjusted as of March 1, 2018, the Developer has agreed to the calculation above using the 2017 fees.

**Location**

The affordable housing units will be located above the three retail/commercial buildings that front on 47th Avenue, as shown in Exhibit 1. The 12 affordable units will be evenly distributed throughout the three buildings, with four affordable units in each ten-unit building.

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1. Average square feet used to calculate the affordable fee amount per the Guidelines.
2. Fee as of March 1, 2017 is $2.69. Fee is adjusted annually.
3. Average Public Subsidy per Unit as of March 1, 2017 is $70,182. The Average Public Subsidy per Unit is updated annually.
Design

Pursuant to Section 22.35.070 of the Ordinance, the design of the affordable housing units shall be compatible with the design of the total project in terms of appearance, materials, and overall quality. Affordable units should not be a separate product apart from the overall development project, but should be included within the overall project. Exhibit 2 contains the mix of unit types and sizes in the overall Development Project, and identifies the affordable units within the overall mix.

Occupancy and Affordability Requirements

The site-specific Regulatory Agreement shall be recorded and monitored by SHRA on all affordable housing units constructed as a result of the Ordinance. Units will be restricted for 55 years and rented to households earning 60% or less of Area Median Income (AMI). At minimum, 20% of the affordable units must be occupied by very low income households earning 50% or less of AMI; 80% of the affordable units must be occupied by low-income households earning 60% or less of AMI.

<table>
<thead>
<tr>
<th>Unit Tenure</th>
<th>Affordability</th>
<th>Number of Units</th>
<th>Length of Affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental</td>
<td>Low Income (60% AMI)</td>
<td>9</td>
<td>55 Years</td>
</tr>
<tr>
<td>Rental</td>
<td>Very Low Income (50% AMI)</td>
<td>3</td>
<td>55 Years</td>
</tr>
</tbody>
</table>

Median Income and AMI levels will be determined annually by the United States Department of Housing and Urban Development (HUD) and will be adjusted by household size appropriate to the unit. Affordable Rents will be based on the assumption that 1.5 persons occupy each bedroom.

The multifamily component of the Development Project will be managed by a property management firm with extensive experience in income certification, leasing, and management of rent-restricted, regulated affordable housing. The property management firm and property management plan will be reviewed and approved by SHRA.

Concurrency

Pursuant to Section 22.35.030(A)(3)(b)(4) of the Guidelines, the affordable housing units are to be built concurrently with the market rate units in the Development Project. Exhibit 3 is a proposed timeline for development, including many of the milestones associated with the concurrency. This concurrency will be secured by a series of linkages between the market rate units and the affordable units as described below:

- The Affordable Housing Regulatory Agreement shall be executed and recorded on the entire Development Project prior to the final map approval for the Development Project, per County Code Section 22.35.030(A)(3)(b)(4) of the County Affordable Housing Guidelines. Recordation of the Affordable Housing Regulatory Agreement shall be a
condition of the final map approval.

- The affordable units will be built proportionally alongside their neighboring market-rate units. A description of this concurrency is set forth in Exhibit 3. Deviation from this requirement will be allowed only due to the phasing of infrastructure improvements or other development conditions impacting phasing, but in no event shall building permits be issued for more than 75 percent of the market rate units prior to the issuance of building permits for 100 percent of the affordable units.

- Marketing of the affordable units within the Development Project shall occur concurrently with the marketing of market-rate units.

Monitoring Fee

SHRA will charge a monitoring fee in the amount of $28,757 to cover ongoing administrative expenses related to monitoring of the affordable housing units (annual occupancy review, income eligibility review, sale, resale, subordination, etc.) for the duration of the 55-year regulatory period. The monitoring fee will be paid at the time the Affordable Regulatory Agreement is recorded (at final map).

Developer Acknowledgement

Once the Strategy has been approved by the Board and executed by the SHRA and Developer, no further changes may be made to the Strategy or the Regulatory Agreement. The Regulatory Agreement is a legally binding agreement between the Developer and SHRA that is recorded against the entire Development Project to ensure the affordability obligations are satisfied.

Allen Warren, Manager

Date
Exhibit 1
Affordable Housing Location

- Affordable units located in Buildings 1, 2, & 3.
### Exhibit 2
Unit Mix and Affordable Housing Distribution

<table>
<thead>
<tr>
<th>Unit</th>
<th>Bedroom / Bath</th>
<th>Square Footage</th>
<th>Affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unit 1-101, 2BR / 1BA Adaptable unit</td>
<td>849</td>
<td>50% AMI</td>
</tr>
<tr>
<td>2</td>
<td>Unit 1-204, 2BR / 1BA</td>
<td>886</td>
<td>60% AMI</td>
</tr>
<tr>
<td>3</td>
<td>Unit 1-205, 3BR / 2BA</td>
<td>1,153</td>
<td>60% AMI</td>
</tr>
<tr>
<td>4</td>
<td>Unit 1-302, 2BR / 1BA</td>
<td>886</td>
<td>60% AMI</td>
</tr>
<tr>
<td>5</td>
<td>Unit 2-101, 3BR / 2BA Adaptable unit</td>
<td>993</td>
<td>60% AMI</td>
</tr>
<tr>
<td>6</td>
<td>Unit 2-204, 2BR / 1BA</td>
<td>886</td>
<td>50% AMI</td>
</tr>
<tr>
<td>7</td>
<td>Unit 2-205, 3BR / 2BA</td>
<td>1,153</td>
<td>60% AMI</td>
</tr>
<tr>
<td>8</td>
<td>Unit 2-302, 2BR / 1BA</td>
<td>886</td>
<td>60% AMI</td>
</tr>
<tr>
<td>9</td>
<td>Unit 3-101, 2BR / 1BA Adaptable unit</td>
<td>849</td>
<td>60% AMI</td>
</tr>
<tr>
<td>10</td>
<td>Unit 3-204, 2BR / 1BA</td>
<td>886</td>
<td>60% AMI</td>
</tr>
<tr>
<td>11</td>
<td>Unit 3-205, 3BR / 2BA</td>
<td>1,153</td>
<td>50% AMI</td>
</tr>
<tr>
<td>12</td>
<td>Unit 3-302, 2BR / 1BA</td>
<td>886</td>
<td>60% AMI</td>
</tr>
</tbody>
</table>
Exhibit 3
Project Timeline

Tentative Map 4/15/2018
Construction Start 7/1/2018
Sales Release 8/1/2018
Final Map 1/1/2019
Project Completed 6/1/2020
RESOLUTION NO. ________

VICTORIA PARK: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO AUTHORIZING THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY TO RELEASE THE EXISTING AFFORDABLE HOUSING REGULATORY AGREEMENT FOR VICTORIA STATION; APPROVING A NEW AFFORDABLE HOUSING REGULATORY AGREEMENT FOR VICTORIA PARK (FORMERLY VICTORIA STATION); AND ENVIRONMENTAL FINDINGS

WHEREAS, the proposed actions are administrative and therefore not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations §15378; and

WHEREAS, the proposed actions are administrative and therefore exempt from the National Environmental Policy Act pursuant to 24 Code of Federal Regulations §58.34(a)(3); and

WHEREAS, the conditions of approval for Victoria Park (Control Number PLNP2017-00217) require that Victoria 47, LLC (hereinafter referred to as “Developer”) enter into an agreement to meet the obligations of the Affordable Housing Plan prior to recordation of final maps; and

WHEREAS, on September 25, 2007 an Affordable Housing Regulatory Agreement was recorded for an approved project known as Victoria Station (Control Number PLNP2004-0161); and

WHEREAS, on February 25, 2014, the Board of Supervisors adopted the revised Affordable Housing Ordinance; and

WHEREAS, on June 9, 2015, the Affordable Housing Program Guidelines For Implementation of Chapter 22.35 of the Sacramento County Code were approved by the Board of Supervisors; and

WHEREAS, the entitlements for the Victoria Station project (Control Number PLNP2004-0161) expired and the Developer submitted applications for a new project titled Victoria Park (Control Number PLNP2017-00217); and

WHEREAS, the existing recorded Affordable Housing Regulatory Agreement was prepared for a project that has expired (Victoria Station, Control Number PLNP2004-0161), the Developer requested the recorded Regulatory Agreement be released and a new Agreement relative to an Affordable Housing Strategy for the new project be entered into (Victoria Park, Control Number PLNP2017-00217) to construct twelve (12) affordable multifamily housing units; and
Victoria Park: Resolution Of The Board Of Supervisors Of The County Of Sacramento
Authorizing The Sacramento Housing And Redevelopment Agency To Release The Existing
Affordable Housing Regulatory Agreement For Victoria Station; Approving A New Affordable
Housing Regulatory Agreement For Victoria Park (Formerly Victoria Station); And
Environmental Findings
Page 2 of 3

WHEREAS, the County and Developer desire to rescind the existing Agreement and
enter into a new Agreement, consistent with the Affordable Housing Ordinance; and

WHEREAS, the revised Ordinance requires a new Affordable Housing Regulatory
Agreement be recorded and an associated monitoring fee of approximately $28,757 be collected.

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

Section 1: The above recitals, including the environmental determinations, are true and
correct.

Section 2: The Sacramento Housing and Redevelopment Agency is authorized to enter
into and execute the release of existing Affordable Housing Regulatory Agreement.

Section 3: The Sacramento Housing and Redevelopment Agency is authorized to enter
into and execute the new Affordable Housing Regulatory Agreement and other documents, as
approved to form by agency counsel, and perform other actions necessary to fulfill the intent of
the Regulatory Agreement that accompanies this resolution, in accordance with their terms.

Section 4: The Sacramento Housing and Redevelopment Agency is authorized to accept a
regulatory monitoring fee in the amount of $28,757 to cover its ongoing administrative expenses
related to monitoring of the affordable housing units per Section 22.35.030(A)(3)(b).

Section 5: The Sacramento Housing and Redevelopment Agency is authorized to amend
its budget accordingly to carry out the actions specified above.

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 8th day of May, 2018, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,
Victoria Park: Resolution Of The Board Of Supervisors Of The County Of Sacramento
Authorizing The Sacramento Housing And Redevelopment Agency To Release The Existing
Affordable Housing Regulatory Agreement For Victoria Station; Approving A New Affordable
Housing Regulatory Agreement For Victoria Park (Formerly Victoria Station); And
Environmental Findings
Page 3 of 3

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT § 18702.5)

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _______________________

Clerk, Board of Supervisors
RELEASE OF
AFFORDABLE HOUSING REGULATORY AGREEMENT
RESIDENTIAL (MASTER) PROJECT—VICTORIA STATION

WHEREAS, the Sacramento Housing and Redevelopment Agency ("Agency") with the owner of the Property, Victoria Station LLC, a California limited liability company, ("Owner") entered into and recorded the Affordable Housing Regulatory Agreement ("Regulatory Agreement"), on September 25, 2007 at Book 20070925, commencing at page 0601 against that certain real property ("Property") described in the Legal Description attached to and incorporated in this instrument ("Release") by this reference; and

WHEREAS, the Owner is electing to comply with the revised Affordable Housing Ordinance adopted by the County Board of Supervisors on February 25, 2014; and

WHEREAS, a new regulatory agreement will be recorded against the Property; and

NOW THEREFORE, the Sacramento Housing and Redevelopment Agency releases and terminates the Affordable Housing Regulatory Agreement as it affects the Property, and it shall be of no further force or effect with regard to the Property.

IN WITNESS WHEREOF, this Release has been executed in Sacramento County this ___ day of May, 2018.

THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

By: __________________________
    La Shelle Dozier, Executive Director

Approved as to form:

Agency Counsel
Legal Description

All that certain real property situate in the Unincorporated Area, County of Sacramento, State of California, described as follows:

PARCEL NO. 1:

All that portion of the Northwest one-quarter of the Northeast one-quarter of the Northeast one-quarter of Section 32, Township 8 North, Range 5 East, M.D.B. & M., described as follows:

Beginning at a point in the North line of Section 32, Township 8 North, Range 5 East, M.D.B. & M., located East 264 feet measured along the Section line from the Northwest corner of the East one-half of the Northeast quarter of said Section; thence from said point of beginning South 660 feet parallel to the West line of said East one-half; thence East 132 feet parallel to the North line of said Section; thence North 660 feet parallel to the West line of the North line of said Section 32; thence West 132 feet along the North line of said Section 32 to the point of beginning.

APN. NO. 039-0011-033-0000 and 039-0011-034-0000

PARCEL NO. 2:

All that portion of the Northwest one-quarter of Northeast one-quarter of Northeast one-quarter of Section 32, in Township 8 North, Range 5 East, M.D.B. & M., described as follows:

Beginning at a point in the North line of Section 32, Township 8 North, Range 5 East, M.D.B. & M., located East 396 feet, measured along the Section line, from the Northeast corner of the East one-half of the Northeast one-quarter of said Section 32; thence South 660 feet parallel to the West line of said East one-half; thence East 132 feet parallel to the North line of said Section 32; thence North 660 feet parallel to the West line of the North line of said Section 32; thence West 132 feet along the North line of said Section 32 to the point of beginning.

APN. NO. 039-011-020-0000 and 039-0011-021-0000

PARCEL NO. 3:

All that portion of the Northwest one-quarter of the Northeast one-quarter of Northeast one-quarter of Section 32, in Township 8 North, Range 5 East, M.D.B. & M., described as follows:

BEGINNING at a point in the North line of Section 32, from which the Northwest corner of the East one-half of the Northeast one-quarter of said Section 32 bears West 528 feet distant; thence parallel to the West line of said East one-half South 660 feet to a point on the South line of the Northwest one-quarter of the Northeast one-quarter of the Northeast one-quarter of said Section 32; thence along said South line East 132 feet; thence parallel to the West line of the East one-half of the Northeast one-quarter of the Northeast one-quarter of said Section 32 North 660 feet to a point on
the North line of said Section 32; thence along the North line of said Section 32 West 132 feet to the point of beginning.

APN: 039-011-006-0000

PARCEL NO. 4:


APN 039-0011-042-0000 and 039-0011-043-0000

PARCEL NO. 5:

The East one-half of the North one-quarter of the East one-half of the Northeast one-quarter of Section 32, Township 8 North, Range 5 East, M.D.B. & M.

EXCEPTING THERFROM all that portion described as Parcels A and B as shown on that Parcel Map “Portion of N.E. 1/4 of Section 32, T. 8 N., R. 5 E., M.D.B. & M.”, recorded October 17, 1973, in Book 15 of Parcel Maps at Page 8.

APN: 039-0011-008-0000

END OF DESCRIPTION
AFFORDABLE HOUSING MASTER REGULATORY AGREEMENT - DEVELOPMENT OF AFFORDABLE HOUSING UNITS

(COUNTY OF SACRAMENTO AFFORDABLE HOUSING ORDINANCE)

| PROJECT NAME | Victoria Park |

**NOTICE:** THIS REGULATORY AGREEMENT IMPOSES COVENANTS, CONDITIONS AND RESTRICTION ON THE PROPERTY WHICH STAY WITH THE PROPERTY FOR MANY YEARS, INCLUDING RESTRICTIONS ON THE RESALE PRICE AND THE USE AND MAINTENANCE OF THE PROPERTY.

In consideration of their mutual obligations and promises, the SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY, a joint powers authority, (“Agency”) and VICTORIA 47 LLC, a limited liability company (“Developer”), have entered into this Affordable Housing Regulatory Agreement (“Regulatory Agreement”) as of the Effective Date.

**RECITALS.**

A. Developer is the owner of certain real property in the County of Sacramento that is the subject of this Affordable Housing Agreement and which is the location of the Residential Project.

B. The Residential Project is subject to the requirements of the Ordinance. Pursuant to the Ordinance, the Developer has submitted, and the County of Sacramento has approved, the Strategy.

C. Developer is making this Affordable Housing Agreement to fulfill its conditions for development of the Residential Project and in order to obtain rights to develop the Residential Project. To meet the requirements of the Ordinance and the Strategy, this Affordable Housing Agreement must be signed prior to or concurrent with the approval of the first final map for the Residential Project, as a condition of such approval, and recorded against both the land in the Residential Project and in the Affordable Housing Project if it is located off-site of the Residential Project.

D. The Agency is charged with the responsibility for improving, increasing and maintaining the stock of affordable housing in the City and County of Sacramento. Pursuant to the Ordinance and the Strategy, the Developer is required to enter into this Regulatory Agreement as a condition of the County’s approval of development of the Residential Project to assure the development of the Affordable Housing Units. Agency is entering into this Regulatory Agreement in reliance upon Developer’s promises to meet the requirements of the Ordinance and Strategy, by which the stock of affordable housing in the community will be increased.
**ARTICLE I. SPECIFIC PROVISIONS AND DEFINITIONS.**

1. **GENERAL.** This Regulatory Agreement includes the Recitals, Article I, Specific Provisions and Definitions, Article II, General Provisions, and the Exhibits referenced below, which are attached and incorporated into this Regulatory Agreement by this reference.

2. **DEFINITIONS.** The capitalized terms in this Regulatory Agreement shall have the meanings assigned in the following table and as defined in Article II General Provisions. (Terms being defined are indicated by quotation marks.) Furthermore, defined terms that are the same as defined terms in the Affordable Housing Ordinance, County of Sacramento Code Chapter 22.35 ("Ordinance") and shall be interpreted in accordance with the meanings as ascribed to them in the Ordinance.

<table>
<thead>
<tr>
<th>Agreement Terms</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Effective Date&quot;</td>
<td>This Regulatory Agreement shall be effective as of the following date: May 8, 2018</td>
</tr>
<tr>
<td><strong>&quot;Developer&quot;</strong></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Victoria 47 LLC</td>
</tr>
<tr>
<td>Legal Form</td>
<td>A California limited liability company</td>
</tr>
<tr>
<td>Address</td>
<td>1825 Del Paso Boulevard</td>
</tr>
<tr>
<td>Contact Person</td>
<td>Charlie Tiwana</td>
</tr>
<tr>
<td><strong>&quot;Residential Project&quot;</strong></td>
<td>Victoria Park, the project Developer plans to develop (Residential Project), is subject to the Ordinance as defined below. The Residential Project includes the location of the Affordable Housing Project that is required to satisfy the Ordinance requirements for the project. The Project is located on the following property and consists of the following property description.</td>
</tr>
<tr>
<td>&quot;Victoria Park Project&quot; or &quot;Victoria Park Property&quot;</td>
<td></td>
</tr>
<tr>
<td>Parcel Size</td>
<td>15.02 acres</td>
</tr>
<tr>
<td>Location</td>
<td>South side of 47th Avenue, approximately 511 feet east of the intersection of 47th Street and 47th Avenue</td>
</tr>
<tr>
<td>Assessor's Parcel Numbers</td>
<td>039-0011-006, -008, -020, -021, -033, -034, -042, and -043</td>
</tr>
<tr>
<td>More particularly described in Exhibit 1 – Victoria Park Residential Project Legal Description.</td>
<td></td>
</tr>
<tr>
<td>&quot;Victoria Park Residential Project Description&quot;</td>
<td>113 single-family for-sale units and 30 multi-family rental units</td>
</tr>
<tr>
<td><strong>&quot;Affordable Housing Requirement&quot;</strong></td>
<td>The Strategy and Ordinance require the following number of affordable housing units to be built as a condition of the approval for development of the Residential Project, as set out in the Strategy, and to restrict the rental price of those units to the following affordability levels as defined in the Ordinance and in Exhibit 4 - Regulatory Agreement for Residential Rental Property.</td>
</tr>
<tr>
<td>&quot;Affordability Level&quot;:</td>
<td>Number:</td>
</tr>
<tr>
<td>&quot;Low Income Units&quot;</td>
<td>9</td>
</tr>
<tr>
<td>Description of Affordable Housing Units:</td>
<td>6 two-bedroom units, ranging from 849 to 886 sq. ft.</td>
</tr>
<tr>
<td>3 three-bedroom units, ranging from 993 to 1153 sq. ft.</td>
<td></td>
</tr>
<tr>
<td>&quot;Very Low Income Units&quot;</td>
<td>3</td>
</tr>
<tr>
<td>2 two-bedroom units, ranging from 849 to 886 sq. ft.</td>
<td></td>
</tr>
<tr>
<td>1 three-bedroom unit, approximately 1153 sq. ft.</td>
<td></td>
</tr>
<tr>
<td><strong>&quot;Affordable Housing Units&quot;</strong></td>
<td>That portion of the Victoria Park Residential Project that consists of the on-site Affordable Housing Units.</td>
</tr>
<tr>
<td><strong>&quot;Strategy&quot;</strong></td>
<td>The “Affordable Housing Strategy” required by the Ordinance. The Strategy specifies the number, unit mix, location, structure type, affordability, and phasing of development of the Affordable Housing Units, and contains all required County Planning Director findings. The Strategy is attached as Exhibit 2 - Affordable Housing Strategy.</td>
</tr>
<tr>
<td>Dated</td>
<td>May 8, 2018</td>
</tr>
</tbody>
</table>
The housing project that will include the Affordable Housing Units to be developed as required by the Ordinance and Strategy as a condition of approval of Developer's Residential Project. The Affordable Housing Project shall be developed on the following Affordable Housing Property and contain the type of housing as set out in the following Affordable Housing Project Description. The following references are to that portion of the Victoria Park Residential Project Property that is set aside for the Affordable Housing Project.

<table>
<thead>
<tr>
<th>“Affordable Housing Project”</th>
<th>Parcel Size</th>
<th>3.177 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>47th Street and 47th Avenue, Sacramento 95824</td>
<td></td>
</tr>
<tr>
<td>Assessor’s Parcel Number</td>
<td>The northern portion of APNs 039-0011-006, -008, -020, -021, -033, -034, -042, and -043</td>
<td></td>
</tr>
<tr>
<td>“Affordable Housing Project Description”</td>
<td>The Affordable Housing Project will consist of 12 multifamily affordable units affordable to households at 50% and 60% of Area Median Income.</td>
<td></td>
</tr>
</tbody>
</table>

| “Concurrency Requirement” | No more than 75 percent of the building permits for the market rate units may be pulled prior to pulling all 100 percent of the building permits for the affordable housing units |
| “Linkage Requirements” | The phasing or linkage requirements for development of the Residential Project and the Affordable Housing Units are stated in the Strategy and further described in Exhibit 3 - Linkage Requirements. |

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Exhibit Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>“Victoria Park Residential Project Legal Description”</td>
</tr>
<tr>
<td>2</td>
<td>“Affordable Housing Strategy”</td>
</tr>
<tr>
<td>3</td>
<td>“Linkage Requirements”</td>
</tr>
<tr>
<td>4</td>
<td>“Regulatory Agreement for Residential Rental Property”</td>
</tr>
</tbody>
</table>

3. **DEVELOPMENT OF AFFORDABLE UNITS.** Pursuant to the Ordinance and the Strategy, the Affordable Housing Project shall be built prior to or concurrently with the market rate units in the Residential Project subject to the Linkage Requirements as set out in the Strategy and this Agreement. Developer shall construct the Affordable Housing Units in compliance with the terms of this Regulatory Agreement, the Strategy, and the Ordinance. Developer shall submit to the Agency and obtain Agency’s approval of the design and financial feasibility of the Affordable Housing Project and, thereafter, develop, construct, and either sell or own and manage the Affordable Housing Project in accordance with such approval.

4. **COVENANTS.** This Regulatory Agreement shall be recorded against Developer’s Residential Project and a Release and Certification of Completion will be executed by the Agency after the Developer complies with its obligations and Linkage Requirements under the Strategy and this Agreement including, without limitation, the recording of a regulatory agreement against the Affordable Housing Property in the form set out as Exhibit 4, Regulatory Agreement for Residential Rental Property. If, pursuant to the Strategy, the Affordable Housing Property is not currently owned by Developer, Developer shall nonetheless ensure that the applicable regulatory agreement is recorded on the Affordable Housing Property prior to development of the Affordable Housing Units to ensure that those units conform to the affordability requirements as set forth in this Regulatory Agreement.

5. **LINKAGE REQUIREMENT.** Developer shall not obtain building permits for, and shall not commence construction on, any portion of the Residential Project that is not in compliance with the Linkage Requirements.

6. **ORDER OF PRECEDENCE.** In the event of any conflict or inconsistency between the terms of this Regulatory Agreement and the referenced documents, the following order of precedence shall prevail: the Ordinance, the Strategy and this Regulatory Agreement.
Executed in Sacramento, California.

**Developer:** VICTORIA 47 LLC
A California limited liability company

By:  
Name: Allen Warren  
Title: Manager

Approved as to form:  
Owner's Counsel

**Agency:** SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

By:  
La Shelle Dozier, Executive Director

Approved as to form:  
Agency Counsel
[NOTARY ACKNOWLEDGEMENT REQUIRED]
Affordable Housing Regulatory Agreement - Article II. General Provisions

1. REPRESENTATIONS. Developer intends to develop the Residential Project that is subject to the requirement to prepare and implement an Affordable Housing Strategy and to enter into this Regulatory Agreement with the Agency to set out the manner in which the Affordable Housing Strategy will be implemented. This Regulatory Agreement is a substantial part of the consideration to Agency to undertake the obligation to administer Developer’s compliance with the Affordable Housing Strategy. Further, this Regulatory Agreement includes certain requirements that are in accordance with the laws, rules and regulations to which Agency is subject. Therefore, Agency has entered into this Regulatory Agreement conditioned upon Developer’s agreement, for itself and its successors and assigns, to comply with all provisions of this Regulatory Agreement. Developer has had full opportunity to make itself independently familiar with the obligations, limitations and restrictions of the Ordinance and the Affordable Housing Strategy applicable to Developer’s Residential Project and Developer accepts them and agrees to comply fully with them.

2. COVENANTS. Developer makes the following covenants. Unless Developer has received the prior written consent or Agency approval otherwise, Developer shall fully comply with each and every covenant. Except as otherwise stated in this Regulatory Agreement, the following covenants shall be in full force and effect until Developer has fully complied with each covenant.

   a. Developer shall develop or permit others to develop the Residential Project Property only in compliance with the Affordable Housing Strategy.

   b. Developer shall not transfer or encumber any of the Residential Project Property or permit the conveyance, transfer, or encumbrance of the Property unless such assignee, transferee or encumbrancee has agreed, in writing and in a form suitable for recordation, to be bound by the terms of this Regulatory Agreement.

   c. During Developer’s ownership of the Affordable Housing Units, Developer shall maintain the Units in good repair and condition and in compliance with all applicable housing quality standards and local code requirements. Developer shall maintain the Units in good condition and shall keep the Units reasonably free from graffiti and unrepaired vandalism and from accumulation of abandoned property, inoperable vehicles, uncrowned storage, debris, and waste materials. In the event of a casualty loss, Developer shall cause the restoration or replacement of the Units, in a timely manner and provided that such restoration or replacement is then economically feasible.

   d. During Developer’s ownership of the Affordable Housing Units, Developer shall not cause and shall not permit discrimination on the basis of sex, race, color, religion, ancestry, national origin, disability, medical condition, or marital status in the sale, lease, or rental or in the use or occupancy of the Units. Developer covenants by and for himself/herself, his/her heirs, executors, administrators, and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Units.

3. NATURE OF COVENANTS. The provisions contained in this Regulatory Agreement are covenants which subject and burden the Residential Project Property as covenants running with the land. It is intended and agreed that the agreements and covenants provided in this Agreement shall be covenants running with the land and equitable servitudes on the land and that they shall, in any event, and without regard to technical classifications or designation, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Agency, the Agency's successors and assigns, any other governmental entity acting within its authority and any successor in interest to Agency's interest under this Regulatory Agreement against the Developer, its successors and assigns and every successor in interest to all or any part of the Property.

4. SUPERSEDEING EXISTING COVENANTS, CONDITIONS, & RESTRICTIONS. This Regulatory Agreement shall supersede any covenants, conditions and restrictions that have been previously recorded by, or on behalf of, the Agency against the Residential Project Property.

5. TERM. The term of this Regulatory Agreement shall commence on the Effective Date and continue until the terms of all of the covenants set out herein including, without limitation, the terms stated in the Affordable Housing Strategy, have expired or otherwise been terminated.
6. **RECORDKEEPING AND REPORTING.** Upon request of Agency, Developer shall promptly provide any additional information or documentation requested in writing by the Agency to verify Developer's compliance with the provisions of this Regulatory Agreement. At the written request of the Agency, Developer shall, within a reasonable time following receipt of such request, furnish reports and shall give specific answers to questions upon which information is desired from time to time relative to the income, assets, liabilities, contracts, operations, and condition of the Property and Developer's compliance with and this Regulatory Agreement.

7. **AUDIT AND INSPECTION.** The Affordable Housing Units and all related equipment, buildings, plans, offices, books, contracts, records, documents and other related papers shall at all times be maintained in reasonable condition for audit and shall be subject to examination by the Agency or its agents. The books and accounts of the operations of the Affordable Housing Units shall be kept in accordance with generally accepted accounting principles. Developer shall provide Agency access to the Affordable Housing Units and the tenants of those Units during reasonable hours for the purpose of reviewing Developer’s compliance with this Regulatory Agreement and the Affordable Housing Strategy.

8. **INDEMNITY FOR DEVELOPER’S FAILURE TO MEET LEGAL REQUIREMENTS.** Developer shall indemnify and hold Agency, its officers, directors, and employees harmless from any and all liability arising from Developer’s failure to comply with the covenants, conditions and restrictions contained in this Regulatory Agreement. Without limitation, such indemnity shall include repayment to the appropriate parties or the Agency of rents or sales proceeds in excess of amounts authorized to be charged.

9. **CHANGES WITHOUT CONSENT OF TENANTS, LESSEES, OR OTHERS.** Only Agency and its successors and assigns, and Developer and its successors and assigns (subject to the reasonable approval of Developer's lender) shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or restrictions contained in this Agreement without the consent of any easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust, or any other person or entity having any interest less than a fee in the Residential Project Property.

10. **DEFAULT.** Upon a breach of any of the provisions of this Regulatory Agreement by Developer, the Agency may give written notice of such breach to Developer by registered or certified mail. If such violation is not corrected to the satisfaction of Agency within sixty (60) days after the date such notice is mailed or within such further time as the Agency may reasonably determine is necessary to correct the breach, and without further notice to Developer, the Agency may declare a default under the Agreement. Upon such default the Agency may:

    a. To the extent applicable, in the event of any breach of the covenants, conditions and restrictions contained in this Regulatory Agreement, the Agency shall reasonably endeavor to remedy such breach by conference and conciliation. If, in the opinion of Agency, the Agency and Developer are unable mutually to agree upon a suitable remedy or the circumstances so warrant, such breach may be enjoined or abated by appropriate proceedings brought by the Agency.

    b. Apply to any court for specific performance of this Regulatory Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Affordable Housing Units in accordance with the terms of this Regulatory Agreement, for money damages or for such other relief as may be appropriate, since the injury to the Agency arising from a default under any of the terms in this Regulatory Agreement would be irreparable, and the amount of damage would be difficult to ascertain.

    c. Agency may institute or prosecute in its own name any suit Agency may consider advisable in order to compel performance of any obligation of Developer and any owner of the Residential Project Property and/or the Affordable Housing Property to develop and maintain the Residential Project and the Affordable Housing Units in conformity with this Regulatory Agreement and to remedy any default of this Regulatory Agreement. Agency may also seek a decree requiring removal of any improvements constructed on the Residential Project Property and/or the Affordable Housing Property, which improvements are designed and only suitable for uses not permitted under this Regulatory Agreement.

    d. The remedies of the Agency under this Regulatory Agreement are cumulative. The exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the Agency of any one or more of its other remedies.
11. Binding Successors in Interest and Assignees. This Regulatory Agreement shall bind and the benefits shall inure to the Developer, its successors in interest and assigns, and to the Agency and its successors and assigns for the term of this Regulatory Agreement. Agency reserves the right to assign it rights in this Regulatory Agreement to the County of Sacramento or any other entity authorized by the County of Sacramento to enforce the Ordinance.

12. Contradictory Agreements. Developer warrants that it has not, and will not, execute any other agreement with provisions contradictory of or in opposition to, the provisions of this Regulatory Agreement, and that, in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other requirements in conflict with this Regulatory Agreement.

13. Attorneys’ Fees. If the services of any attorney are required by any party to secure the performance of this Regulatory Agreement or otherwise upon the breach of default of another party, or if any judicial remedy or mediation is necessary to enforce or interpret any provision of this Regulatory Agreement or the rights and duties of any person in relation to this Regulatory Agreement, the prevailing party shall be entitled to reasonable attorneys’ fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Any award of damages following judicial remedy or arbitration as a result of this Regulatory Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law. The prevailing party shall mean the party receiving an award in arbitration or a judgment in its favor.

14. Severability. If any term or provision of this Regulatory Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Regulatory Agreement shall not be affected; provided that the intent of the Regulatory Agreement may then be reasonably fulfilled. In any event, the term or provisions shall be deemed to be invalid only as to the entity and circumstance for which it was held to be invalid.

15. No Waiver. No waiver by the Agency of any breach of or default under this Regulatory Agreement shall be deemed to be a waiver of any other or subsequent breach or default.

16. Notices. Written notices and other written communications by and between the parties shall be addressed to the Developer at the Developer Address and to the Agency at the Agency Address or such other address as each respective party has designated by written notice to the other party.

17. Hold Harmless. Developer and Agency acknowledge that the validity of the Ordinance has been challenged in court (Building Industry Association of Superior California vs. County of Sacramento, et al., Sacramento Superior Court Case Number 05AS00967) and that a final decision has not yet been issued in that case as of the Effective Date. Although the Agency has taken no formal action with regard to the Ordinance, the Agency has been named in the lawsuit. It is the intent of the parties that Agency’s participation in this Agreement is not a step in furtherance of the Ordinance but an accommodation to the County and the Developer. The Developer has the option of waiting until that case is resolved before proceeding with its Residential Project to determine whether it is required to comply with the Affordable Housing Strategy. The Developer is voluntarily entering into this Regulatory Agreement and is requesting that the Agency execute this Agreement for the benefit of Developer. Developer, for itself and its successors in interest and assigns, hereby agrees to release and hold the Agency, the County of Sacramento, and their officers, employees and agents harmless from any cost, loss, damage or liability incurred or suffered by Developer in the event that it is subsequently determined by a court of law that the Developer was not obligated to comply with all or any portion of the Affordable Housing Strategy.
EXHIBIT 1
VICTORIA PARK RESIDENTIAL PROJECT LEGAL DESCRIPTION

Legal Description of Victoria Park

All that certain property situate[d] in the Unincorporated Area, County of Sacramento, State of California, described as follows:

Parcel No. 1:

All that portion of the Northwest one-quarter of the Northeast one-quarter of the Northeast one-quarter of Section 32, Township 8 North, Range 5 East, M.D.B. & M., described as follows:

Beginning at a point in the North line of Section 32, Township 8 North, Range 5 East, M.D.B. & M., located East 264 feet measured along the Section line from the Northwest corner of the East one-half of the Northeast quarter of said Section; thence from said point of beginning South 660 feet parallel to the West line of said East one-half; thence East 132 feet parallel to the North line of said Section; thence North 660 feet parallel to the West line of the North line of said Section 32; thence West 132 feet along the North line of said Section 32 to the point of beginning.

APN. NO. 039-0011-033-0000 and 039-0011-034-0000

Parcel No. 2:

All that portion of the Northwest one-quarter of Northeast one-quarter of Northeast one-quarter of Section 32, in Township 8 North, Range 5 East, M.D.B & M., described as follows:

Beginning at a point in the North line of Section 32, Township 8 North, Range 5 East, M.D.B. & M., located East 396 feet, measured along the Section line, from the Northeast corner of the East one-half of the Northeast one-quarter of said Section 32; thence South 660 feet parallel to the West line of said East one-half; thence East 132 feet parallel to the North line of said Section 32; thence North 660 feet parallel to the West line of the North line of said Section 32; thence West 132 feet along the North line of said Section 32 to the point of beginning.

APN. NO. 039-0011-020-0000 and 039-0011-021-0000
Parcel No. 3:

All that portion of the Northwest one-quarter of the Northeast one-quarter of Northeast one-quarter of Section 32, in Township 8 North, Range 5 East, M.D.B. & M., described as follows:

Beginning at a point in the North line of Section 32, from which the Northwest corner of the East one-half of the Northeast one-quarter of said Section 32 bears West 528 feet distant; thence parallel to the West line of said East one-half South 660 feet to a point on the South line of the Northwest one-quarter of the Northeast one-quarter of the Northeast one-quarter of said Section 32; thence along said South line East 132 feet; thence parallel to the West line of the East one-half of the Northeast one-quarter of the Northeast one-quarter of said Section 32 North 660 feet to a point on the North line of said Section 32; thence along the North line of said Section 32 West 132 feet to the point of beginning.

APN: 039-0011-006-0000

Parcel No. 4:


APN: 039-0011-042-0000 and 039-0011-043-0000

Parcel No. 5:

The East one-half of the North one-quarter of the East one-half of the Northeast one-quarter of Section 32, Township 8 North, Range 5 East, M.D.B. & M,

EXCEPTING THEREFROM all that portion described as Parcels A and B as shown on that Parcel Map “Portion of N.E. ¼ of Section 32, T. 8 N., R. 5 E., M.D.B. & M.”, recorded October 17, 1973 in Book 15 of Parcel Maps, at Page 8.

APN: 039-0011-008-0000

END OF DESCRIPTION
EXHIBIT 2
AFFORDABLE HOUSING STRATEGY

Affordable Housing Strategy (AHS)
Construction of Multifamily Affordable Housing Component
Victoria Park Residential Project

PROPOSED PROJECT

Victoria 47, LLC is the developer ("Developer") of that certain real property in the County of Sacramento ("County") in which the Developer proposes to develop and construct, Victoria Park ("Development Project"). This proposed approximately 15.022 gross acre Development Project is located at the south side of 47th Avenue between Steiner Drive and 47th Street. The residential portion of the Development Project consists of the following unit mix:

<table>
<thead>
<tr>
<th>MAP DESIGNATION</th>
<th>GROSS ACRES ¹</th>
<th>UNITS WITHIN ZONING DESIGNATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>RD-15 (Single Family)</td>
<td>11.845</td>
<td>113</td>
</tr>
<tr>
<td>RD-15 (Multifamily)</td>
<td>3.177</td>
<td>30</td>
</tr>
<tr>
<td>TOTAL UNITS IN RESIDENTIAL DEVELOPMENT</td>
<td>15.022</td>
<td>143 units</td>
</tr>
</tbody>
</table>

¹Note that Gross acres excludes public parks, public schools, open space areas, habitat mitigation or other similar public non-residential features as defined in County Code Section 22.35.020.

Affordable Housing Policy

On February 25, 2014, the Sacramento County Board of Supervisors (Board) repealed Chapter 22.35 of Title 22 of the Sacramento County Code known as the County’s Affordable Housing Ordinance ("Repealed Ordinance") and adopted a revised Ordinance ("Ordinance"). The Ordinance requires that new residential developments contain housing opportunities for low, very low and extremely low-income households through a standard affordable housing fee accessible to all applicants/developers, and also provides a variety of other options an applicant/developer may choose to satisfy a development project’s affordable housing obligations.

In order to ensure compliance with the Ordinance, the Executive Director of Sacramento Housing and Redevelopment Agency ("SHRA"), in consultation with the County Director of Community Development, prepared the Affordable Housing Program Guidelines ("Guidelines"). The Guidelines were approved by the Board on June 9, 2015 to aid applicants, landowners, developers, homebuyers, and others in understanding and complying with the Ordinance. Section 22.35.030 of the Ordinance allows the Developer to meet its affordable housing obligation by entering into a development agreement or other form of agreement with the County which provides for a fee credit for land dedication, construction of affordable housing units, or other mechanism which leads to the production of affordable housing in an amount at least equivalent to the affordability fee established by Section 22.35.050(A) of the Ordinance.
Pursuant to Section 22.35.030 (A)(3) of the Guidelines, development projects that opt to enter into a development agreement, or other form of agreement, must submit an Affordable Housing Strategy ("Strategy") as part of the Development Agreement ("DA") or other form of agreement.

Section 22.35.030(A) (3) of the Guidelines sets forth the required information to be included in this Strategy. All future approvals for the Development Project shall be consistent with this Strategy.

Affordable Housing Component

Pursuant to Section 22.35.030 (A)(3) of the Ordinance, the Development Project is proposing to meet its affordable housing obligation by utilizing a fee credit for the construction of affordable multifamily housing units at least equivalent to the affordable fee established by Section 22.35.050(A) of the Ordinance. Per Section 22.35.030(A) (3)(b) of the Guidelines, the calculation of the fee equivalency for construction of affordable housing units is shown below:

**Step 1: Calculating the Affordability Fee Payment**

<table>
<thead>
<tr>
<th>Total Project Units</th>
<th>Average Square Feet</th>
<th>Fee per Square Foot</th>
<th>Affordability Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>143 (a)</td>
<td>2,150(^{1}) (b)</td>
<td>$2.69(^{2}) (c)</td>
<td>$827,041 (a x b x c)</td>
</tr>
</tbody>
</table>

**Step 2: Calculating the Number of Affordable Housing Units**

<table>
<thead>
<tr>
<th>Affordability Fee</th>
<th>Average Public Subsidy / Unit</th>
<th>No. of Affordable Housing Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>$827,041 (a)</td>
<td>$70,182(^{3}) (b)</td>
<td>12 (a/b)</td>
</tr>
</tbody>
</table>

The Development Project will meet its affordable housing obligation by constructing 12 affordable, multifamily housing units on-site. All affordable housing units shall be subject to recorded legal documents, including an Affordable Housing Regulatory Agreement and Deed of Trust, with SHRA detailing the affordable housing regulatory requirements. The Regulatory Agreement shall include rent-restriction provisions for 55 years as well as the required affordability levels of the units. The Developer must pay Regulatory Agreement Monitoring Fees to cover SHRA’s ongoing administrative expenses related to monitoring the affordable units (annual inspections, income eligibility review, sale, resale, subordinations, etc.) for the duration of the regulatory agreement. Fees will be paid up front at the time to Regulatory Agreement is recorded.

The affordable housing obligation for this Development Project was developed using the 2017 fees and figures. Though these fees and figures were adjusted as of March 1, 2018, the Developer has agreed to the calculation above using the 2017 fees.

**Location**

---

\(^{1}\) Average square feet used to calculate the affordable fee amount per the Guidelines.

\(^{2}\) Fee as of March 1, 2017 is $2.69. Fee is adjusted annually.

\(^{3}\) Average Public Subsidy per Unit as of March 1, 2017 is $70,182. The Average Public Subsidy per Unit is updated annually.
The affordable housing units will be located above the three retail/commercial buildings that front on 47th Avenue, as shown in Exhibit 1. The 12 affordable units will be evenly distributed throughout the three buildings, with four affordable units in each ten-unit building.

**Design**

Pursuant to Section 22.35.070 of the Ordinance, the design of the affordable housing units shall be compatible with the design of the total project in terms of appearance, materials, and overall quality. Affordable units should not be a separate product apart from the overall development project, but should be included within the overall project. Exhibit 2 contains the mix of unit types and sizes in the overall Development Project, and identifies the affordable units within the overall mix.

**Occupancy and Affordability Requirements**

The site-specific Regulatory Agreement shall be recorded and monitored by SHRA on all affordable housing units constructed as a result of the Ordinance. Units will be restricted for 55 years and rented to households earning 60% or less of Area Median Income (AMI). At minimum, 20% of the affordable units must be occupied by very low income households earning 50% or less of AMI; 80% of the affordable units must be occupied by low-income households earning 60% or less of AMI.

<table>
<thead>
<tr>
<th>Unit Tenure</th>
<th>Affordability</th>
<th>Number of Units</th>
<th>Length of Affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental</td>
<td>Low Income (60% AMI)</td>
<td>9</td>
<td>55 Years</td>
</tr>
<tr>
<td>Rental</td>
<td>Very Low Income (50% AMI)</td>
<td>3</td>
<td>55 Years</td>
</tr>
</tbody>
</table>

Median Income and AMI levels will be determined annually by the United States Department of Housing and Urban Development (HUD) and will be adjusted by household size appropriate to the unit. Affordable Rents will be based on the assumption that 1.5 persons occupy each bedroom.

The multifamily component of the Development Project will be managed by a property management firm with extensive experience in income certification, leasing, and management of rent-restricted, regulated affordable housing. The property management firm and property management plan will be reviewed and approved by SHRA.

**Concurrency**

Pursuant to Section 22.35.030(A)(3)(b)(4) of the Guidelines, the affordable housing units are to be built concurrently with the market rate units in the Development Project. Exhibit 3 is a proposed timeline for development, including many of the milestones associated with the concurrency. This concurrency will be secured by a series of linkages between the market rate units and the affordable units as described below:
• The Affordable Housing Regulatory Agreement shall be executed and recorded on the entire Development Project prior to the final map approval for the Development Project, per County Code Section 22.35.030(A)(3)(b)(4) of the County Affordable Housing Guidelines. Recordation of the Affordable Housing Regulatory Agreement shall be a condition of the final map approval.

• The affordable units will be built proportionally alongside their neighboring market-rate units. A description of this concurrency is set forth in Exhibit 3. Deviation from this requirement will be allowed only due to the phasing of infrastructure improvements or other development conditions impacting phasing, but in no event shall building permits be issued for more than 75 percent of the market rate units prior to the issuance of building permits for 100 percent of the affordable units.

• Marketing of the affordable units within the Development Project shall occur concurrently with the marketing of market-rate units.

Monitoring Fee

SHRA will charge a monitoring fee in the amount of $28,757 to cover ongoing administrative expenses related to monitoring of the affordable housing units (annual occupancy review, income eligibility review, sale, resale, subordination, etc.) for the duration of the 55-year regulatory period. The monitoring fee will be paid at the time the Affordable Regulatory Agreement is recorded (at final map).

Developer Acknowledgement

Once the Strategy has been approved by the Board and executed by the SHRA and Developer, no further changes may be made to the Strategy or the Regulatory Agreement. The Regulatory Agreement is a legally binding agreement between the Developer and SHRA that is recorded against the entire Development Project to ensure the affordability obligations are satisfied.

Allen Warren, Manager

Date
Exhibit 1
Affordable Housing Location
### Exhibit 2

**Unit Mix and Affordable Housing Distribution**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Bedroom / Bath</th>
<th>Square Footage</th>
<th>Affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unit 1-101 2BR / 1BA Adaptable unit</td>
<td>849</td>
<td>50% AMI</td>
</tr>
<tr>
<td>2</td>
<td>Unit 1-204 2BR / 1BA</td>
<td>886</td>
<td>60% AMI</td>
</tr>
<tr>
<td>3</td>
<td>Unit 1-205 3BR / 2BA</td>
<td>1,153</td>
<td>60% AMI</td>
</tr>
<tr>
<td>4</td>
<td>Unit 1-302 2BR / 1BA</td>
<td>886</td>
<td>60% AMI</td>
</tr>
<tr>
<td>5</td>
<td>Unit 2-101 3BR / 2BA Adaptable unit</td>
<td>993</td>
<td>60% AMI</td>
</tr>
<tr>
<td>6</td>
<td>Unit 2-204 2BR / 1BA</td>
<td>886</td>
<td>50% AMI</td>
</tr>
<tr>
<td>7</td>
<td>Unit 2-205 3BR / 2BA</td>
<td>1,153</td>
<td>60% AMI</td>
</tr>
<tr>
<td>8</td>
<td>Unit 2-302 2BR / 1BA</td>
<td>886</td>
<td>60% AMI</td>
</tr>
<tr>
<td>9</td>
<td>Unit 3-101 2BR / 1BA Adaptable unit</td>
<td>849</td>
<td>60% AMI</td>
</tr>
<tr>
<td>10</td>
<td>Unit 3-204 2BR / 1BA</td>
<td>886</td>
<td>60% AMI</td>
</tr>
<tr>
<td>11</td>
<td>Unit 3-205 3BR / 2BA</td>
<td>1,153</td>
<td>50% AMI</td>
</tr>
<tr>
<td>12</td>
<td>Unit 3-302 2BR / 1BA</td>
<td>886</td>
<td>60% AMI</td>
</tr>
<tr>
<td>Event</td>
<td>Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tentative Map</td>
<td>4/15/2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Start</td>
<td>7/1/2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Release</td>
<td>8/1/2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Map</td>
<td>1/1/2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Completed</td>
<td>6/1/2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EXHIBIT 4
REGULATORY AGREEMENT FOR RESIDENTIAL RENTAL PROPERTY

NO FEE DOCUMENT:
Entitled to free recording
per Government Code 6103 & 27383.
When recorded, return to:
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
801 12th St.
Sacramento, CA 95814
Attn: Portfolio Management

REGULATORY AGREEMENT FOR RESIDENTIAL RENTAL PROPERTY
CONTAINING COVENANTS AFFECTING REAL PROPERTY

(COUNTY OF SACRAMENTO AFFORDABLE HOUSING ORDINANCE)

<table>
<thead>
<tr>
<th>PROJECT NAME:</th>
<th>Victoria Park</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROJECT ADDRESS:</td>
<td>47th Street and 47th Avenue, Sacramento 95824</td>
</tr>
</tbody>
</table>

ARTICLE I. TERMS AND DEFINITIONS.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is acknowledged, AGENCY and OWNER have entered this Regulatory Agreement as of the Effective Date.

1. GENERAL. This Regulatory Agreement includes this Article I, Article II General Provisions, and the Exhibits attached to it, which are incorporated into this Regulatory Agreement by this reference. This Regulatory Agreement is entered into by Owner and Agency to implement development of the Restricted Units in accordance with the Affordable Housing Strategy.

2. DEFINITIONS. The capitalized terms in this Regulatory Agreement shall have the meanings assigned in Article I Definition Table and as defined in Article II, General Provisions. (Terms being defined are indicated by quotation marks.)

<table>
<thead>
<tr>
<th>TERM</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Effective Date&quot;</td>
<td>This Regulatory Agreement shall be effective as of the following date: May 8, 2018</td>
</tr>
<tr>
<td>&quot;Agency&quot;</td>
<td>Sacramento Housing and Redevelopment Agency</td>
</tr>
<tr>
<td>&quot;Owner&quot;</td>
<td>Victoria 47 LLC</td>
</tr>
<tr>
<td>&quot;Agency Address&quot;</td>
<td>Agency’s business address is 801 12th St., Sacramento, California 95814</td>
</tr>
<tr>
<td>&quot;Owner Address&quot;</td>
<td>Owner’s business address is as follows: 1825 Del Paso Boulevard, Sacramento CA 95815</td>
</tr>
<tr>
<td>&quot;Jurisdiction&quot;</td>
<td>County of Sacramento</td>
</tr>
<tr>
<td>&quot;Property&quot;</td>
<td>That certain real property which is subject to this Regulatory Agreement as further described in the legal description, attached as Exhibit 1 – Legal Description of the Property and incorporated in this Regulatory Agreement by this reference</td>
</tr>
<tr>
<td>&quot;Affordable Housing Strategy&quot;</td>
<td>The Affordable Housing Strategy approved by the County Planning Director for the Victoria Park residential development project dated: May 8, 2018</td>
</tr>
</tbody>
</table>
Those housing units within the Property, which is to be developed as a multi-family residential project available for rent by the general public and containing not less than the following number and type of affordable units:

<table>
<thead>
<tr>
<th>“Restricted Units”</th>
<th>Low Income - 9</th>
<th>Very Low Income - 3</th>
</tr>
</thead>
</table>

3. **REMITTED UNITS; APPROVAL OF LEASES.** In order to assure that the proper number and types of Restricted Units have been rented in accordance with the Affordable Housing Strategy and this Regulatory Agreement, Owner is prohibited from leasing any unit within the Property until either the parties have recorded against the Property a list of the Restricted Units or the Agency has approved the individual leases. The description of the Restricted Units and the initial rents shall be as follows (“Affordability Requirements”); provided, however, that upon the request of Owner, Owner and Agency may agree to a rent schedule for the Restricted Units that complies with the following Affordability Requirements as of the date when the Project is available for occupancy. In any event, the rents for the Restrictive Units may be adjusted not more often than annually and in accordance with the following Affordability Levels, as applicable to the Restricted Units. The rents shall include allowance for utilities and costs reasonably related to the rental of the Restricted Units, as may be required in determining the Affordability Level. The Restricted Units may only be rented to households whose income does not exceed the Affordability Level.

<table>
<thead>
<tr>
<th>Affordability Level of Restricted Units</th>
<th>Number of Bedrooms</th>
<th>Number of Units</th>
<th>Restricted Units (By unit square footage)</th>
<th>Initial Gross Rent per Unit per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income</td>
<td>2-Bedroom</td>
<td>6</td>
<td>849 to 886 sq. ft.</td>
<td>$1,027.50</td>
</tr>
<tr>
<td></td>
<td>3-Bedroom</td>
<td>3</td>
<td>993 to 1,153 sq. ft.</td>
<td>$1,141.50</td>
</tr>
<tr>
<td>Very Low Income</td>
<td>2-Bedroom</td>
<td>2</td>
<td>849 to 886 sq. ft.</td>
<td>$856.25</td>
</tr>
<tr>
<td></td>
<td>3-Bedroom</td>
<td>1</td>
<td>1,153 sq. ft.</td>
<td>$951.25</td>
</tr>
</tbody>
</table>

The rental rate shall be determined as follows based on the Affordability Level of the Restricted Unit:

**Low-Income:** The monthly payment shall not exceed one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of the Area Median Income (AMI), as adjusted for family size and less a reasonable allowance for utilities.

**Very Low-Income:** The monthly payment shall not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of the Area Median Income, as adjusted for family size and less a reasonable allowance for utilities.

“Area Median Income” shall be based on the U.S. Department of Housing and Urban Development’s rates for the Sacramento Metropolitan Statistical Area, which are updated annually and republished by the Agency. The rental rate shall be calculated by the Agency and based on occupancy standards of 1.5 persons per bedroom.

If Owner charges rents in excess of the Affordability Level for the Restricted Unit, within thirty (30) days after demand by Agency or the affected renter, Owner shall repay to the affected renter all of his/her rents collected by Owner in excess of such Affordable Rent. If such excess rents are not so repaid when due, they shall bear interest from the date of collection until repaid, at the maximum rate allowed by law, or such lesser rate as Agency may determine in its sole discretion. If Owner cannot, with reasonable diligence, locate the renter for repayment, Owner shall repay such amounts directly to the Agency.

4. **MANAGEMENT AGREEMENT.** Owner shall obtain and maintain a property management agreement with a duly accredited real estate property management company for the management of the Property.

5. **SPECIAL PROVISIONS.** Owner shall also comply with the following special provisions.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Term</th>
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Victoria Park County Affordable Housing Regulatory Agreement
19
THE PARTIES HAVE EXECUTED THIS REGULATORY AGREEMENT in Sacramento, California as of the date first written above.

OWNER: VICTORIA 47 LLC

By: __________________________

Approved as to form:

Owner Counsel

AGENCY: SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

By: __________________________

La Shelle Dozier, Executive Director

Approved as to form:

Agency Counsel
[NOTARY ACKNOWLEDGEMENT REQUIRED]
1. **Representations.** Owner intends to develop a multi-family residential project on the Property, a portion of which is to be restricted to satisfy the Affordable Housing Strategy requirements. Owner is entering into this Regulatory Agreement with the Agency to set out the manner in which the Restricted Units will remain affordable in accordance with the County of Sacramento’s Affordable Housing Ordinance, County of Sacramento Code Chapter 22.35 (“Ordinance”). This Regulatory Agreement is a substantial part of the consideration to Agency to undertake the obligation to administer Owner’s compliance with the Affordable Housing Strategy and Ordinance requirements. Further, this Regulatory Agreement includes certain requirements that are in accordance with the laws, rules and regulations to which Agency is subject. Therefore, Agency has entered into this Regulatory Agreement conditioned upon Owner’s agreement, for itself and its successors and assigns, to comply with all provisions of this Regulatory Agreement. Owner has had full opportunity to make itself independently familiar with the obligations, limitations and restrictions of the Affordable Housing Strategy requirements applicable to Owner’s Property, and Owner accepts them and agrees to comply fully with them.

2. **Covenants.** Owner makes the following covenants. Unless Owner has received the prior written consent or Agency approval otherwise, Owner shall fully comply with each and every covenant.

   a. Owner shall comply with the Affordability Requirements for the Restricted Units.

   b. Owner shall not transfer or encumber any of the Property or permit the conveyance, transfer, or encumbrance of the Property unless such assignee, transferee or encumbrancer has agreed, in writing and in a form suitable for recordation, to be bound by the terms of this Regulatory Agreement.

   c. Owner shall maintain the Property and the building improvements, grounds and equipment of the Property in good repair and condition and in compliance with all applicable housing quality standards and local code requirements. Owner shall maintain the Property in good condition and shall keep the Property reasonably free from graffiti and unrepaired vandalism and from accumulation of abandoned property, inoperable vehicles, unenclosed storage, debris, and waste materials. In the event of a casualty loss, Owner shall cause the restoration or replacement of the Property, in a timely manner and provided that such restoration or replacement is then economically feasible.

   d. Owner shall not cause and shall not permit discrimination on the basis of race, color, ancestry, religion, creed, sex, marital status, or national origin in the sale, lease, or rental or in the use or occupancy of the Property. Owner covenants by and for himself, his heirs, executors, administrators, and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. This covenant against discrimination shall continue in perpetuity.

3. **Nature of Covenants.** The provisions contained in this Regulatory Agreement are covenants which subject and burden the Property, as covenants running with the land. It is intended and agreed that the agreements and covenants provided in the Agreement shall be covenants running with the land and equitable servitudes on the land and that they shall, in any event, and without regard to technical classifications or designation, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Agency, the Agency’s successors and assigns, any other governmental entity acting within its authority and any successor in interest to Agency’s interest under this Regulatory Agreement against the Owner, its successors and assigns and every successor in interest to all or any part of the Property.

4. **Superseding Existing Covenants, Conditions, & Restrictions.** This Regulatory Agreement shall supersede any covenants, conditions and restrictions that have been previously recorded by, or on behalf of, the Agency against the Property.

5. **Term.** The term of this Regulatory Agreement shall commence on the Effective Date and continue for fifty-five (55) years from the last date that all of the Restricted Units are first rented, unless a longer period is specified in the Funding Requirements under a separate Agency agreement.
6. **Revival of Covenants After Foreclosure.** The Affordability Requirements shall be revived after foreclosure or deed in lieu of foreclosure if such foreclosure or deed in lieu occurs during the term of this Regulatory Agreement if the Owner, who was owner of record before the termination event, or a party related to the Owner obtains an ownership interest in the Property, as the case may be. For purposes of this provision, a related party is anyone with whom the Owner has or had family or business ties; provided that such interest would not be considered a “remote interest” in the usual and customary use of the term.

7. **Recordkeeping and Reporting.** Upon request of Agency, Owner shall promptly provide any additional information or documentation requested in writing by the Agency to verify Owner's compliance with the provisions of this Regulatory Agreement. At the written request of the Agency, Owner shall, within a reasonable time following receipt of such request, furnish reports and shall give specific answers to questions upon which information is desired from time to time relative to the income, assets, liabilities, contracts, operations, and condition of the Property and the status of the deeds of trust.

8. **Audit and Inspection.** The Property and all related equipment, buildings, plans, offices, books, contracts, records, documents and other related papers shall at all times be maintained in reasonable condition for audit and shall be subject to examination by the Agency or its agents. The books and accounts of the operations of the Property shall be kept in accordance with generally accepted accounting principles. Owner shall provide Agency access to the books and accounts and to the Property and its tenants during reasonable hours for the purpose of reviewing Owner's compliance with this Regulatory Agreement.

9. **Indemnity for Owner’s Failure to Meet Legal Requirements.** Owner shall indemnify and hold Agency, its officers, directors, and employees harmless from any and all liability arising from Owner's failure to comply with the covenants, conditions and restrictions contained in this Regulatory Agreement. Without limitation, such indemnity shall include repayment to the appropriate parties or to Agency of rent proceeds in excess of amounts authorized to be charged under the Affordability Requirements.

10. **Changes Without Consent of Tenants, Lessees, or Others.** Only Agency and its successors and assigns, and Owner (subject to the reasonable approval of Owner's lender in accordance with its rights under its loan terms) shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or restrictions contained in this Agreement without the consent of any easement holder, licensee, other mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property.

11. **Default.** Upon a breach of any of the provisions of this Regulatory Agreement by Owner, the Agency may give written notice of such breach to Owner by registered or certified mail. If such violation is not corrected to the satisfaction of Agency within sixty (60) days after the date such notice is mailed or within such further time as the Agency may reasonably determine is necessary to correct the breach, and without further notice to Owner, the Agency may declare a default under the Agreement, effective on the date of such declaration of default, and upon such default the Agency may apply to any court for specific performance of this Regulatory Agreement, for an injunction against any violation of the Agreement, for the appointment of a receiver to take over and operate the Property in accordance with the terms of this Regulatory Agreement, for money damages or for such other relief as may be appropriate since the injury to the Agency arising from a default under any of the terms in this Regulatory Agreement would be irreparable, and the amount of damage would be difficult to ascertain.

12. **Binding Successors in Interest.** This Regulatory Agreement shall bind and the benefits shall inure to the Owner, its successors in interest and assigns, and to the Agency and its successors for the term of this Regulatory Agreement.

13. **Contradictory Agreements.** Owner warrants that it has not, and will not, execute any other agreement with provisions contradictory of or in opposition to, the provisions of this Regulatory Agreement, and that, in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other requirements in conflict with this Regulatory Agreement.

14. **Attorneys' Fees.** If the services of any attorney are required by any party to secure the performance of this Regulatory Agreement or otherwise upon the breach of default of another party, or if any judicial remedy or
mediation is necessary to enforce or interpret any provision of this Regulatory Agreement or the rights and duties of any person in relation to this Regulatory Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Any award of damages following judicial remedy or arbitration as a result of this Regulatory Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

15. **Severability.** The invalidity of any clause, part or provision of this Regulatory Agreement shall not affect the validity of the remaining portions.

16. **Election of Remedies.** To the extent applicable, in the event of any breach of the covenants, conditions and restrictions contained in this Regulatory Agreement, the Agency shall reasonably endeavor to remedy such breach by conference and conciliation. If, in the opinion of Agency, the Agency and Owner are unable mutually to agree upon a suitable remedy or the circumstances so warrant, such breach may be enjoined or abated by appropriate proceedings brought by the Agency.

Agency may institute or prosecute in its own name, any suit Agency may consider advisable in order to compel performance of any obligation of any owner to develop and maintain the subject property in conformity with this Regulatory Agreement and to remedy any default of this Regulatory Agreement. Agency may also seek a decree requiring removal of any improvements constructed on the Property which improvements are designed for uses not permitted under this Regulatory Agreement and which improvements are unsuitable only for uses not permitted under this Regulatory Agreement.

The remedies of the Agency under this Regulatory Agreement are cumulative, and the exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the Agency of any one or more of its other remedies.

17. **No Waiver.** No waiver by the Agency of any breach of or default under this Regulatory Agreement shall be deemed to be a waiver of any other or subsequent breach or default.

18. **Notices.** Written notices and other written communications by and between the parties shall be addressed to the Owner at the Owner Address and to the Agency at the Agency Address or such other address as each respective party has designated by written notice to the other party.
EXHIBIT 1
LEGAL DESCRIPTION

Legal Description of Victoria Park

All that certain property situated in the Unincorporated Area, County of Sacramento, State of California, described as follows:

Parcel No. 1:

All that portion of the Northwest one-quarter of the Northeast one-quarter of the Northeast one-quarter of Section 32, Township 8 North, Range 5 East, M.D.B. & M, described as follows:

Beginning at a point in the North line of Section 32, Township 8 North, Range 5 East, M.D.B. & M., located East 264 feet measured along the Section line from the Northwest corner of the East one-half of the Northeast quarter of said Section; thence from said point of beginning South 660 feet parallel to the West line of said East one-half; thence East 132 feet parallel to the North line of said Section; thence North 660 feet parallel to the West line of the North line of said Section 32; thence West 132 feet along the North line of said Section 32 to the point of beginning.

APN. NO. 039-0011-033-0000 and 039-0011-034-0000

Parcel No. 2:

All that portion of the Northwest one-quarter of Northeast one-quarter of Northeast one-quarter of Section 32, in Township 8 North, Range 5 East, M.D.B & M., described as follows:

Beginning at a point in the North line of Section 32, Township 8 North, Range 5 East, M.D.B. & M., located East 396 feet, measured along the Section line, from the Northeast corner of the East one-half of the Northeast one-quarter of said Section 32; thence South 660 feet parallel to the West line of said East one-half; thence East 132 feet parallel to the North line of said Section 32; thence North 660 feet parallel to the West line of the North line of said Section 32; thence West 132 feet along the North line of said Section 32 to the point of beginning.

APN. NO. 039-0011-020-0000 and 039-0011-021-0000
Parcel No. 3:

All that portion of the Northwest one-quarter of the Northeast one-quarter of Northeast one-quarter of Section 32, in Township 8 North, Range 5 East, M.D.B. & M., described as follows:

[beginning] at a point in the North line of Section 32, from which the Northwest corner of the East one-half of the Northeast one-quarter of said Section 32 bears West 528 feet distant; thence parallel to the West line of said East one-half South 660 feet to a point on the South line of the Northwest one-quarter of the Northeast one-quarter of the Northeast one-quarter of said Section 32; thence along said South line East 132 feet; thence parallel to the West line of the East one-half of the Northeast one-quarter of the Northeast one-quarter of said Section 32 North 660 feet to a point on the North line of said Section 32; thence along the North line of said Section 32 West 132 feet to the point of beginning.

APN: 039-0011-006-0000

Parcel No. 4:


APN: 039-0011-042-0000 and 039-0011-043-0000

Parcel No. 5:

The East one-half of the North one-quarter of the East one-half of the Northeast one-quarter of Section 32, Township 8 North, Range 5 East, M.D.B. & M.

EXCEPTING THEREFROM all that portion described as Parcels A and B as shown on that Parcel Map “Portion of N.E. ¼ of Section 32, T. 8 N., R. 5 E., M.D.B. & M.”, recorded October 17, 1973 in Book 15 of Parcel Maps, at Page 8.

APN: 039-0011-008-0000

END OF DESCRIPTION
RESOLUTION NO. SHRC-


ON DATE OF

April 18, 2018

VICTORIA PARK: AUTHORIZING THE EXECUTIVE DIRECTOR OF THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY TO RELEASE THE EXISTING AFFORDABLE HOUSING REGULATORY AGREEMENT; APPROVING AN AFFORDABLE HOUSING STRATEGY AND NEW AFFORDABLE HOUSING REGULATORY AGREEMENT FOR VICTORIA PARK (FORMERLY VICTORIA STATION); AND ENVIRONMENTAL FINDINGS

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

Section 1: The proposed actions are administrative and therefore not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations (CCR) §15378.

Section 2: The proposed actions are administrative and therefore exempt from the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations (CFR) §58.34(a)(3).

Section 3: Subject to approval by the Board of Supervisors, the Executive Director, or her designee, is authorized to enter into and execute the release of existing Affordable Housing Regulatory Agreement.

Section 4: Subject to approval by the Board of Supervisors, the Affordable Housing Strategy, as attached to the Affordable Housing Agreement by and between the County of Sacramento and the Developer (Victoria 47, LLC), is approved.

Section 5: Subject to approval by the Board of Supervisors, the Executive Director is authorized to enter into and execute the Affordable Housing Regulatory Agreement and other documents, as approved to form by agency counsel, and perform other actions necessary to fulfill the intent of the Strategy and Regulatory Agreement that accompany this resolution, in accordance with their terms.
VICTORIA PARK: AUTHORIZING THE EXECUTIVE DIRECTOR OF THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY TO RELEASE THE EXISTING AFFORDABLE HOUSING REGULATORY AGREEMENT; APPROVING AN AFFORDABLE HOUSING STRATEGY AND NEW AFFORDABLE HOUSING REGULATORY AGREEMENT FOR VICTORIA PARK (FORMERLY VICTORIA STATION); AND ENVIRONMENTAL FINDINGS

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_____________________________
CHAIR

ATTEST:

_____________________________
CLERK
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approve The Assignment Of The Exclusive Right To Negotiate Agreement For Property Located At 510 N. 12th Street Between Carson/Craig Partnership and Sacramento Housing And Redevelopment Agency To Sacramento Housing Authority Repositioning Program, Inc.

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the actions outlined in the attached resolutions.

Respectfully submitted,

LA SHELLE DOZIER
Executive Director

Attachment
COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
April 24, 2018

To: Board of Supervisors of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Approve The Assignment Of The Exclusive Right To Negotiate Agreement For Property Located At 510 N. 12th Street Between Carson/Craig Partnership and Sacramento Housing And Redevelopment Agency To Sacramento Housing Authority Repositioning Program, Inc.

Supervisory District: Serna

Contact: Tyrone Rodrick Williams, Development Director, 916-440-1316
Susan Veazey, Assistant Director, 916-440-1311

Overview
The Sacramento Housing and Redevelopment Agency (SHRA) is requesting approval to assign its interest in an Exclusive Right to Negotiate agreement (ERN) for the property located at 510 North 12th Street ("the property") to the Sacramento Housing Authority Repositioning Program, Inc., (SHARP) a 501c(3) nonprofit component entity of SHRA. The property is a 2.68 acre light industrial parcel located directly adjacent to the Twin Rivers public housing development. SHRA received approval from the Board of Supervisors (Resolution No. 2016-0785) to enter into the ERN so that it could complete the environmental site assessment and feasibility analysis required prior to potentially purchasing the property in furtherance of the Twin Rivers Neighborhood Transformation Plan and the Twin Rivers – River District/Railyards Choice Neighborhoods Implementation grant. The Phase I and Phase II Environmental Site Assessments did not indicate the presence of a recognized environmental concern and the property is identified by SHRA as a strong complimentary development opportunity for the Twin Rivers project that could include housing units or other transformative neighborhood activities. Subject to approval by the Board of Supervisors of SHRA’s assignment of the ERN to SHARP, the Board of SHARP has agreed to accept the assignment, to purchase the property, and to repay funds spent by SHRA under the ERN. This will allow SHRA to continue to focus its resources on completion of the Twin Rivers project as currently envisioned while SHARP purchases the adjacent property and works on potential complimentary development options.

Recommendations
Adopt a Board of Supervisors Resolution:

1. Authorizing the Executive Director or her designee to execute an Assignment Agreement of the Exclusive Right to Negotiate to Sacramento Housing Authority Repositioning Program, Inc. (see Attachment 1) which includes, but is not limited to, repayment by SHARP of up to $69,500 paid by SHRA to Owner and other consultants for third-party reports during the initial term of the ERN.

2. Authorizing as program income for the CDBG program the reallocation of the proceeds received from the repayment of funds expended by SHRA for future use in the Twin
Approval Of The Assignment Of The Exclusive Right To Negotiate Agreement
For Property Located At 510 N. 12th Street, Sacramento, CA To Sacramento Housing Authority
Repositioning Program, Inc.
Page 2

Rivers-River District neighborhood. Such future use shall be subject to CDBG
requirements and the approval of the Board of Supervisors.

3. Making related environmental findings.

Measures/Evaluation
The assignment of the ERN from SHRA to SHARP in relation to the purchase of the 2.68 acre
property located at 510 N. 12th (see Attachment 2 – Location Map) will secure ownership of the
property by the nonprofit to be redeveloped for uses complimentary to the revitalized Twin
Rivers development in furtherance of the Twin Rivers Neighborhood Transformation Plan. This
may include additional mixed income housing units or other transformative neighborhood
activities.

Fiscal Impact
SHARP will pay up to $69,500 to SHRA for the funds SHRA expended during the initial term of
the ERN. SHARP will use its own funds to put 50% down on the $2.8 million purchase price of
the property and the seller will finance the balance amortized over 30-years at 5% interest rate
due and payable in 5-years. During the 5-year term of the seller carry back note SHARP will
work closely with SHRA to identify appropriate development and financing options for eventual
redevelopment of the property.

BACKGROUND

Sacramento Housing Authority Repositioning Program, Inc., (SHARP) is a 501c (3) nonprofit
component entity of SHRA formed in 2009 to assist the Housing Authorities of the City and
County to access and leverage private sector funds through tax credit partnerships to make
improvements to their aging public housing inventory that would not otherwise be possible if
properties continued to operate as public housing.

As indicated in its articles of incorporation, the specific charitable and public purpose for which
SHARP is organized are to benefit and support the City of Sacramento, the County of
Sacramento, the Housing Authority of the City of Sacramento, and the Housing Authority of the
County of Sacramento by: (1) acquiring, providing, developing, financing, rehabilitating, owning
and operating decent, safe and sanitary housing affordable to persons and households of low
income where no adequate housing exists for such groups; (2) lessening the burdens of
government by assisting the City Housing Authority, the County Housing Authority and the City
and County and their agencies, authorities, boards or commissions in the development of housing
targeted to low income households; (3) combating blight and deterioration within the City and
County; (4) working to eliminate discrimination and prejudice; (5) assisting in the lessening of
neighborhood tensions; (6) promoting social welfare through community-based development
activities; (7) carrying out such other activities as the board of directors of this Corporation
determines will benefit and support the City Housing Authority, the County Housing Authority
and the City and County; and (8) serving, directly or through a wholly owned limited liability
company, as a general partner in a limited partnership which will develop, own and operate
housing for the benefit of low income persons and households in both the City and County.
SHARP’s primary purpose is to serve as the nonprofit developer and managing general partner of tax credit partnerships, to own, rehabilitate, and operate select former public housing developments identified by the Housing Authority as having significant capital repair needs that cannot otherwise be addressed through declining annual capital fund contributions received from U.S. Department of Housing and Urban Development (HUD). To date, SHRA has transferred three public housing properties to SHARP which have been restructured into low income housing tax credit (LIHTC) partnerships including the 77-unit Sutterview Apartments, the 76-unit Washington Plaza Apartments, and the 76-unit Sierra Vista Apartments. Please see Attachment 2 – Background for additional information.

DISCUSSION

This report requests authorization to take actions consistent with the goals and strategies of the Twin Rivers Neighborhood Transformation Plan by securing an opportunity to purchase 2.68 acres of underutilized property adjacent to the Twin Rivers redevelopment site. The property is zoned for Residential Mixed Use but is currently being used for light industrial purposes. The two existing structures on the site are concrete tilt-up buildings built in 1966. Assignment of the existing ERN to SHARP allows SHRA to focus its resources and staff on the completion of the Twin Rivers project as currently identified while helping to secure an adjacent parcel for future complimentary development. The Assignment Agreement contains language that restricts SHARP’s development of the property to uses complimentary to the Twin Rivers Neighborhood Transformation Plan and the Twin Rivers – River District/Railyards Choice Neighborhoods Implementation grant, provides for approval of the development concept by SHRA, and gives SHRA the first right to purchase the property if SHARP sells the property at a later date.

COMMISSION ACTION:

It is anticipated that, at its April 18, 2018 meeting 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

After acquisition, the 2.68 acre property will be further evaluated for how it can best support the transformation and viability of the neighborhood, possibly providing additional housing or other facilities which may be used by residents and others in the neighborhood.

FINANCIAL ANALYSIS

There is no fiscal impact associated with this report. SHARP will pay up to $69,500 to SHRA for the funds it expended during the initial term of the ERN. The proceeds received from the repayment of funds expended by SHRA are program income for the CDBG program and shall be reallocated for future use in the Twin Rivers-River District neighborhood. Such future use shall be subject to CDBG requirements and the approval of the Board of Supervisors. SHARP will
then use its own funds to put 50% down on the $2.8 million purchase price of the property and the seller will finance the balance amortized over 30-years at 5% interest rate due and payable in 5-years. During the term SHARP will work closely with SHRA to identify the appropriate development and financing options for redevelopment of the property. After purchase of the property SHARP will have cash reserves in excess of $2.1 million. An analysis of the cash flow generated by the property indicates that the property’s revenue will support the hiring of a professional third-party property management firm and pay monthly payments on the seller carry back loan from cash flow at a 1.17 coverage ratio.

POLICY CONSIDERATIONS

The recommended action is consistent with the County’s commitment to furtherance of the Twin Rivers Neighborhood Transformation Plan and the Twin Rivers – River District/Railyards Choice Neighborhoods Implementation grant.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The assignment of the ERN is not a project under CEQA pursuant to 14 CCR § 15378. Additional environmental review under CEQA will be completed for prior to any project commitments or choice limiting actions.

National Environmental Policy Act (NEPA): The assignment of the ERN is exempt under NEPA per 24 CFR § 58.34(a) (3). Additional environmental review under NEPA will be completed prior to any project commitments or choice limiting actions.

M/WBE AND SECTION 3 CONSIDERATIONS

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

Respectfully submitted,

LA SHELLE DOZIER, Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED
NAVDEEP S. GILL
County Executive

By: ROBERT B. LEONARD
Deputy County Executive

Attachments:
RES – County BOS Resolution
RES EXHIBIT A – Assignment Agreement
ATT 1 – Location Map
ATT 2 – Background
RESOLUTION NO. __________

ON DATE OF

APPROVAL OF ASSIGNMENT TO SACRAMENTO HOUSING AUTHORITY REPOSITIONING PROGRAM INC. OF THE EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT BETWEEN CARSON/CRAIG PARTNERSHIP AND SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY TO PURCHASE PROPERTY ADJACENT TO THE TWIN RIVERS PROJECT FOR FUTURE COMPLIMENTARY DEVELOPMENT

WHEREAS, the re-assignment of the Exclusive Right to Negotiate (ERN) is not a project under the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations (CCR) § 15378.

WHEREAS, the re-assignment of the ERN exempt, under the National Environmental Policy Act (NEPA) per 24 Code of Federal Regulations (CFR) § 58.34 (a)(3).

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

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

WHEREAS, on September 28, 2015, HUD awarded the Authority with a $30 million CNI Implementation Grant to implement the Twin Rivers-River District-Railyards Neighborhood Transformation Plan.

WHEREAS, the Authority owns the property generally described as Twin Rivers Public Housing project that is located next to 510 N. 12th Street (Adjacent Parcel) which is APN 001-0101-004.

WHEREAS, on October 18, 2016 the County Board of Supervisors approved Sacramento Housing and Redevelopment Agency (SHRA) to enter into an Exclusive Right to Negotiate (ERN) for the purchase of the Adjacent Parcel for the benefit of the Twin Rivers transformation project pending satisfactory conclusion of environmental and feasibility due diligence, using up to $600,000 in County CDBG funds for activities relating to the ERN (RESO# 2016-0785).

WHEREAS, on April 1, 2017 the owner of the Adjacent Parcel and SHRA entered into the ERN for a nonrefundable deposit in the amount of $61,500.

WHEREAS, to assist SHRA with the development of the Adjacent Parcel, the Board of Sacramento Housing Authority Repositioning Program Inc. (SHARP), a nonprofit component entity of SHRA, voted unanimously in its duly noticed meeting of January 25, 2018, to pay SHRA the
Assignment To Sacramento Housing Authority Repositioning Program Inc. Of The Exclusive Right To Negotiate Agreement Between Carson/Craig Partnership And Sacramento Housing And Redevelopment Agency
Page 2

$61,500 in CDBG funds expended for the nonrefundable deposit and an additional $8,000 expended by SHRA for third-party reports commissioned to date under the ERN in exchange for an Assignment of the ERN from SHRA to SHARP so that SHARP can exercise its right to purchase the Adjacent Parcel on or before the April 30, 2018 termination date of the ERN. The property will then be held for future development that supports the Twin Rivers – River District- Railyards Neighborhood Transformation Plan.

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

Section 1: All evidence present having been duly considered, the Sacramento County Board of Supervisors accepts and approves the findings regarding this action.

Section 2: The assignment to Sacramento Housing Authority Repositioning Program, Inc. (SHARP) of the Exclusive Right to Negotiate (ERN) agreement between the Sacramento Housing and Redevelopment Agency (SHRA) and Carson/Craig Partnership (Assignment) is hereby approved and the Executive Director or her designee is authorized to execute the Assignment of the ERN attached hereto as Exhibit A in exchange for the repayment of $69,500 by SHARP, its agreement to give SHRA first right to purchase the property, and its agreement to only develop the property as affordable housing or some other complimentary use that supports the Twin Rivers – River District- Railyards Neighborhood Transformation Plan.

Section 3: The proceeds received from the repayment of funds expended by SHRA are program income for the CDBG program and shall be reallocated for future use in the Twin Rivers-River District neighborhood. Such future use shall be subject to CDBG requirements and the approval of the Board of Supervisors.
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 24th day of April, 2018, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT § 18702.5)

Chair of the Board of Supervisors of Sacramento County, California

(SEAL)

ATTEST: ____________________________
Clerk, Board of Supervisors
ASSIGNMENT AND ASSUMPTION
OF
EXCLUSIVE RIGHT TO NEGOTIATE
North 12th Street Property
(Commonly known as 510 N. 12th Street, Sacramento California)
APN: 001-0101-004

THIS ASSIGNMENT AND ASSUMPTION OF THE EXCLUSIVE RIGHT TO NEGOTIATE dated April 1, 2017 ("Agreement"), is made effective April 24, 2018 by and between the Sacramento Housing and Redevelopment Agency, a California joint powers agency company ("Agency") and the Sacramento Housing Authority Repositioning Program, Inc. ("SHARP"), a California nonprofit public benefit corporation, as follows:

1. **Background.** Agency as "Buyer," and Carson/Craig Partnership as "Seller," a California limited liability company, entered into that certain Exclusive Right to Negotiate dated April 1, 2017, and amended thereafter on or about December 22, 2017 (the "ERN"). The subject matter of the ERN is that certain real property described in Exhibit A - Legal Description attached hereto and commonly known as 510 North 12 Street, Sacramento, California ("Property").

2. **Consideration.** Consideration for this Agreement shall consist of a monetary payment of up to $69,500.00.

   a) **Additional Non-Monetary Consideration.** Additional non-monetary consideration is (i) the Agency shall have the right of first refusal to meet any bona fide offer to purchase the Property made by any unrelated third party for the Property; (ii) development of the Property within six years from the date of purchase of the Property by SHARP; and, (iii) the development shall be in support of or complimentary to the development of the Twin Rivers neighborhood pursuant to the Neighborhood Transformation Plan.

3. **Assignment.** Agency hereby assigns to SHARP all of its rights, and interest as the Assignor under and pursuant to the ERN

4. **Assumption.** SHARP hereby accepts the foregoing assignment and hereby assumes and agrees to perform all of the duties, obligations, and undertakings of Agency under and with respect to the ERN.

5. **Purchase Right.** SHARP agrees that if SHARP completes the purchase of the Property pursuant to the ERN, but the Property is not transferred and developed as contemplated by this Agreement, then Agency shall have the first right to purchase the Property from SHARP for the greater of the fair market value of the Property or the purchase price paid by SHARP to Seller, plus interest on any loan used by SHARP to purchase the Property.
7. **Counterparts.** This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed an original, but all of which, when taken together, shall constitute one agreement.

8. **Full Force and Effect.** Except as specifically modified by this Agreement, the ERN shall remain in full force and effect in accordance with its original terms.

IN WITNESS WHEREOF, Agency and SHARP have executed this Agreement as of the effective date first above written in Sacramento, California.

**SHARP:**  
SACRAMENTO HOUSING AUTHORITY REPOSITIONING PROGRAM, INC.  
a California nonprofit public benefit corporation

By: ____________________________  
James Shields, President

**AGENCY:**  
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY,  
a California joint powers agency

By: ____________________________  
La Shelle Dozier,  
Executive Director

**APPROVED:**

By: ____________________________  
Agency Counsel

**Consent:**

This Assignment and Consent Agreement is consented to by Owner CARSON/CRAIG PARTNERSHIP

By: ____________________________  
Johan Otto, President
EXHIBIT A

Legal Description

The land described herein is situated in the State of California, County of Sacramento, City of Sacramento, described as follows:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESIGNATED THE GEMSCHE COMPANY 5.548 ACRES, AS SHOWN ON THE RECORD OF SURVEY ENTITLED, "PROPERTY OF THE GEMSCHE COMPANY", RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, ON JANUARY 4, 1949 IN BOOK 7 OF SURVEYS, MAP NO. 2, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE CENTER LINE OF 14TH STREET PROJECTED NORTHERLY, SAID POINT BEING LOCATED SOUTH 18° 50' 10" WEST 332.70 FEET FROM A CONCRETE MONUMENT AT THE INTERSECTION OF THE CENTER LINE OF 14TH STREET PROJECTED NORTHERLY WITH THE SOUTHWESTERLY LINE OF VINE STREET, AS SHOWN ON THE MAP ENTITLED "RECORD OF SURVEY, PROPERTY TO AMY L. GREENLAW, ET AL.", RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, ON MAY 6, 1942, IN BOOK 4 OF SURVEYS, SURVEY NO. 6; THENCE FROM SAID POINT OF BEGINNING, SOUTH 50° 02' EAST 358.71 FEET TO A POINT; THENCE SOUTH 44° 23' 40" WEST 224.87 FEET TO A POINT; THENCE SOUTH 38° 58' 10" EAST 32.59 FEET TO A POINT OF THE WEST LINE OF THE 12TH STREET OR AUBURN ROAD; THENCE ALONG THE WEST LINE OF SAID ROAD, THE FOLLOWING THREE COURSES AND DISTANCES: SOUTH 53° 3' WEST 124 FEET; SOUTH 61° 12' WEST 100 FEET; SOUTH 66° 29' WEST 94.60 FEET TO A POINT ON THE NORTHERLY LINE OF THAT TRACT OF LAND CONVEYED BY DEED EXECUTED BY CAPITAL LUMBER COMPANY, LTD., A CORPORATION, TO SIGNAR LINDROTH AND SEVERIN JOHNSON, DATED JUNE 30, 1936, RECORDED SEPTEMBER 10, 1936, IN BOOK 586 OF OFFICIAL RECORDS, PAGE 452; THENCE NORTH 71° 10' WEST 243.3 FEET ALONG THE NORTH LINE OF THE SAID PARCEL OF LAND CONVEYED TO LINDROTH AND JOHNSON TO THE CENTER LINE OF 14TH STREET, PROJECTED NORTHERLY AS SAID CENTER LINE IS SHOWN ON SAID MAP FILED FOR RECORD IN BOOK 4 OF SURVEYS, SURVEY NO. 6; THENCE NORTH 18° 50' 10" EAST 661.3 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE FOLLOWING FOUR (4) PARCELS:
(A) BEGINNING AT A POINT LOCATED SOUTH 18° 51' 10" WEST 994 FEET AND SOUTH 71° 10' EAST 197.95 FEET FROM A MONUMENT MARKING THE INTERSECTION OF THE SOUTH LINE OF VINE STREET WITH THE CENTER LINE OF 14TH STREET PRODUCED NORTHERLY AS SHOWN ON RECORD OF SURVEY PROPERTY OF AMY L. GREENLAW, ET AL., FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, ON MAY 6, 1942, IN BOOK 4 OF SURVEYS, MAP NO. 6; THENCE FROM SAID POINT OF BEGINNING SOUTH 71° 10' EAST 3.35 FEET; THENCE NORTH 64° 29' 50" EAST 79.26 FEET; THENCE NORTH 26° 40' WEST 28.04 FEET; THENCE NORTH 18° 50' 10" EAST 136.35 FEET; THENCE
NORTH 16° 13' EAST 258.42 FEET; THENCE ALONG THE ARC OF A CURVE CONCAVE TO THE SOUTHEAST WITH A RADIUS OF 480.0 FEET AND SUBLINDED FROM A CHORD WHICH BEARS NORTH 22° 19' 10" EAST 101.90 FEET; THENCE NORTH 50° 02' WEST 40.78 FEET; THENCE ALONG THE ARC OF A CURVE CONCAVE TO THE SOUTHEAST WITH A RADIUS OF 520.0 FEET AND SUBLINDED FROM A CHORD WHICH BEARS SOUTH 22° 45' 40" WEST 118.54 FEET; THENCE SOUTH 16° 13' WEST 256.59 FEET; THENCE SOUTH 18° 50' 10" WEST 211.45 FEET TO THE POINT OF BEGINNING.

(B) BEGINNING AT A POINT LOCATED SOUTH 18° 50' 10" WEST 994.0 FEET AND SOUTH 71° 10' EAST 201.3 FEET FROM A MONUMENT MARKING THE INTERSECTION OF THE SOUTH LINE OF VINE STREET WITH THE CENTER LINE OF 14TH STREET PRODUCED NORTHERLY AS SHOWN ON RECORD OF SURVEY PROPERTY OF AMY L. GREENLAW, ET AL, PER MAP FILED MAY 6, 1942, IN BOOK 4 AT PAGE 6 OF SURVEYS; THENCE FROM SAID POINT OF BEGINNING SOUTH 64° 29' 50" WEST 4.68 FEET; THENCE NORTH 19° 50' 10" EAST 3.27 FEET; THENCE SOUTH 71° 10' EAST 3.35 FEET TO THE POINT OF BEGINNING.

(C) BEGINNING AT A POINT LOCATED SOUTH 71° 10' EAST 201.30 FEET FROM THE SOUTHWEST CORNER OF THE PROPERTY AS SHOWN ON THE RECORDED MAY OF SURVEYS OF THE GEMSCH AND RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, JANUARY 4, 1949 IN BOOK 7 OF SURVEYS, MAP NO. 2; THENCE FROM SAID POINT OF BEGINNING NORTH 64° 29' 50" EAST 79.26 FEET; THENCE NORTH 63° 20' EAST 70.00 FEET; THENCE NORTH 59° 14' 40" EAST 71.10 FEET; THENCE NORTH 50° 42' 30" EAST 15.50 FEET; THENCE NORTH 55° 16' 50" EAST 104.88 FEET; THENCE SOUTH 38° 58' 10" EAST 32.59 FEET; THENCE SOUTH 53° 31' WEST 124.09 FEET; THENCE SOUTH 61° 12' WEST 100.00 FEET; THENCE SOUTH 66° 29' WEST 94.60 FEET; THENCE NORTH 71° 10' WEST 42.00 FEET TO THE PLACE OF BEGINNING.

(D) ALL THAT PORTION DESCRIBED AS PARCEL 1, PARCEL 2 AND PARCEL 3, AS SHOWN ON THE PARCEL MAP ENTITLED, "PORTION OF RECORD OF SURVEY-7 R.S. 2", FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, CALIFORNIA, ON MAY 29, 1986 IN BOOK 94 OF PARCEL MAPS, MAP NO. 17.

APN: 001-0101-004-0000
BACKGROUND

The Sacramento Housing and Redevelopment Agency (SHRA) operates more than 3,100 public housing units through its control and operation of the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento. SHRA operates these units in a climate of uncertain and declining operating and capital subsidies from the U.S. Department of Housing and Urban Development (HUD). SHRA has maintained the integrity of its operations in spite of these reductions, but the decline in these subsidies nonetheless resulted in significant capital shortfalls for SHRA with respect to its public housing units.

SHRA’s traditional public housing relies on capital funding and operating subsidies from HUD. Capital funds are used for capital repairs (roof replacement, etc.) while operating subsidies offset operating shortfalls.

SHRA commissioned an Asset Repositioning Study (the “Study”) as part of a proactive strategy to align SHRA operations to the realities of the declining subsidies from HUD while adhering to SHRA’s “guiding principles” and continuing to address the ongoing needs of SHRA’s traditional constituents. Such alignment included restructuring – or “repositioning” – specific distressed public housing assets in order to reduce overall dependence on HUD funding and eliminate ongoing operating and capital deficits. Under its Asset Repositioning Plan, SHRA repositions its assets by leveraging HUD sources with private debt and equity to yield rehabilitated, self-sustaining developments. The Study was formally adopted by the Housing Authority Boards in August of 2007.

After consultation with SHRA legal counsel and tax credit counsel, in 2008 the Housing Authority recommended forming Sacramento Housing Authority Repositioning Program, Inc. (SHARP), a 501c(3) non-profit for the purpose of serving as the managing general partner of low-income housing tax credit partnerships formed to own, rehabilitate, and operate future repositioned assets. The purpose of the new entity was to allow the Housing Authority to leverage private sector funds to make improvements to the housing inventory that could not otherwise be made if the properties remained as public housing.

To date, SHRA has disposed of three public housing properties of the Housing Authority of the City of Sacramento into low income housing tax credit (LIHTC) partnerships: the 77-unit Sutterview, 76-unit Washington Plaza, and Sierra Vista senior housing developments. These dispositions were made by ground leases and sale of the buildings.

For the redevelopment of these three properties, SHARP partnered with Bridge Housing Corporation and through limited liability companies is a general manager in three separate limited partnerships owning and operating each of these three properties. SHARP, a Bridge’s partner received developer fees which are to be used to further SHARP’s (and the Housing Authorities’) mission.

In 2017 the SHARP Board approved a $1.5 million predevelopment loan to McCormick Barron Salazar (MBS) as part of its strategy to assist SHRA in the Twin Rivers public housing redevelopment project which is partially funded through a $30 million CNI grant
from HUD. SHARP will be the nonprofit managing general partner and MBS the administrative general partner of each LIHTC partnership formed to complete the Twin Rivers revitalization efforts.
Rosenberg's Rules of Order

REVISED 2011
Simple Rules of Parliamentary Procedure for the 21st Century

By Judge Dave Rosenberg
MISSION AND CORE BELIEFS

To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

VISION

To be recognized and respected as the leading advocate for the common interests of California's cities.

About the League of California Cities

Established in 1898, the League of California Cities is a member organization that represents California's incorporated cities. The League strives to protect the local authority and autonomy of city government and help California's cities effectively serve their residents. In addition to advocating on cities' behalf at the state capitol, the League provides its members with professional development programs and information resources, conducts education conferences and research, and publishes Western City magazine.

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ABOUT THE AUTHOR

Dave Rosenberg is a Superior Court Judge in Yolo County. He has served as presiding judge of his court, and as presiding judge of the Superior Court Appellate Division. He also has served as chair of the Trial Court Presiding Judges Advisory Committee (the committee composed of all 58 California presiding judges) and as an advisory member of the California Judicial Council. Prior to his appointment to the bench, Rosenberg was member of the Yolo County Board of Supervisors, where he served two terms as chair. Rosenberg also served on the Davis City Council, including two terms as mayor. He has served on the senior staff of two governors, and worked for 19 years in private law practice. Rosenberg has served as a member and chair of numerous state, regional and local boards. Rosenberg chaired the California State Lottery Commission, the California Victim Compensation and Government Claims Board, the Yolo-Solano Air Quality Management District, the Yolo County Economic Development Commission, and the Yolo County Criminal Justice Cabinet. For many years, he has taught classes on parliamentary procedure and has served as parliamentarian for large and small bodies.
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INTRODUCTION

The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — Robert’s Rules of Order — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then Robert’s Rules of Order is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of Rosenberg’s Rules of Order.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, Rosenberg’s Rules has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted Rosenberg’s Rules in lieu of Robert’s Rules because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

1. **Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.

2. **Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.

3. **Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.

4. **Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

**Establishing a Quorum**

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is **three**. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.

**The Role of the Chair**

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

**The Basic Format for an Agenda Item Discussion**

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body’s agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:
First, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

Second, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

Third, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

Fourth, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

Fifth, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

Sixth, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

Seventh, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:
1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

Eighth, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

Ninth, the chair takes a vote. Simply asking for the “ayes” and then asking for the “nays” normally does this. If members of the body do not vote, then they “abstain.” Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

Tenth, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: “The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body.”

Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member’s desired approach with the words “I move…”

A typical motion might be: “I move that we give a 10-day notice in the future for all our meetings.”

The chair usually initiates the motion in one of three ways:

1. Inviting the members of the body to make a motion, for example, “A motion at this time would be in order.”
2. Suggesting a motion to the members of the body, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”
3. Making the motion. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

The basic motion. The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”
The motion to amend. If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: "I move that we amend the motion to have a 10-member committee." A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

The substitute motion. If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: "I move a substitute motion that we cancel the annual fundraiser this year."

"Motions to amend" and "substitute motions" are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a "motion to amend" or a "substitute motion" is left to the chair. So if a member makes what that member calls a "motion to amend," but the chair determines that it is really a "substitute motion," then the chair's designation governs.

A "friendly amendment" is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, "I want to suggest a friendly amendment to the motion." The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

Multiple Motions Before the Body
There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed first on the last motion that is made. For example, assume the first motion is a basic "motion to have a five-member committee to plan and put on our annual fundraiser." During the discussion of this motion, a member might make a second motion to "amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser." And perhaps, during that discussion, a member makes yet a third motion as a "substitute motion that we not have an annual fundraiser this year." The proper procedure would be as follows:

First, the chair would deal with the third (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion passed, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

Second, if the substitute motion failed, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend passed, the chair would then move to consider the main motion (the first motion) as amended. If the motion to amend failed, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

Third, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if amended, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

To Debate or Not to Debate
The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in its turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

Motion to adjourn. This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

Motion to recess. This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

Motion to fix the time to adjourn. This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: "I move we adjourn this meeting at midnight." It requires a simple majority vote.
Motion to table. This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

Motion to limit debate. The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let's get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

NOTE: A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.” Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a motion to object to consideration of an item. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

Majority and Super Majority Votes
In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

Motion to limit debate. Whether a member says, “I move the previous question,” or “I move the question,” or “I call the question,” or “I move to limit debate,” it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

Motion to close nominations. When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

Motion to object to the consideration of a question. Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

Motion to suspend the rules. This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

Counting Votes
The matter of counting votes starts simple, but can become complicated.

Usually, it's pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the “no” votes and double that count to determine how many “yes” votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote “no” then the “yes” vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote “abstain” or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25050.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in
California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of “those present” then you treat abstentions one way. However, if the rules of the body say that you count the votes of those “present and voting,” then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are “present and voting.”

Accordingly, under the “present and voting” system, you would NOT count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are “present”), but you treat the abstentions on the motion as if they did not exist (they are not “voting”). On the other hand, if the rules of the body specifically say that you count votes of those “present” then you DO count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like “no” votes.

How does this work in practice?
Here are a few examples.

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass, and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are “present and voting.” If the vote on the motion is 3–2, the motion passes. If the motion is 2–2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3–2, the motion fails for lack of a two-thirds majority. If the vote is 4–1, the motion passes with a clear two-thirds majority. A vote of three “yes,” one “no” and one “abstain” also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3–1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body DOES have a specific rule requiring a two-thirds vote of members “present.” Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a “no” vote. Accordingly, if the votes were three “yes,” one “no” and one “abstain,” then the motion fails. The abstention in this case is treated like a “no” vote and effective vote of 3–2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an “abstention” vote? Any time a member votes “abstain” or says, “I abstain,” that is an abstention. However, if a member votes “present” that is also treated as an abstention (the member is essentially saying, “Count me for purposes of a quorum, but my vote on the issue is abstain.”) In fact, any manifestation of intention not to vote either “yes” or “no” on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote “absent” or “count me as absent?” Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually “absent.” That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself: the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.
Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be, “point of privilege.” The chair would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

Order. The proper interruption would be, “point of order.” Again, the chair would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

Call for orders of the day. This is simply another way of saying, “return to the agenda.” If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair’s determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

Rule One: Tell the public what the body will be doing.

Rule Two: Keep the public informed while the body is doing it.

Rule Three: When the body has acted, tell the public what the body did.