



NOTICE OF SPECIAL MEETING
**Sacramento Housing and
Redevelopment Commission**
Wednesday, December 5, 2018 – 6:00 pm
1110 8th Street, 2nd floor community room
Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

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

APPROVAL OF MINUTES – November 7, 2018

DISCUSSION/BUSINESS

1. Cascade Village Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing and Approval of Tax Exempt Bonds

PRESENTATION

2. Family Self Sufficiency (FSS) and Resident Opportunity for Self-Sufficiency (ROSS) Program Presentations

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)
Regular Meeting of November 7, 2018
Meeting noticed on November 1, 2018**

ROLL CALL

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

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

MEMBERS ABSENT: None (one vacancy)

STAFF PRESENT: La Shelle Dozier, Vickie Smith, David Levin, Tyrone R. Williams, Lira Goff, Jim Shields, Susan Veazey, Angela Jones

APPROVAL OF AGENDA – Agenda approved as submitted.

CITIZENS COMMENTS

None

APPROVAL OF MINUTES – October 17, 2018 minutes were approved as submitted.

DISCUSSION/BUSINESS

1. 2019 and Subsequent Years Authorization For Solicitation Award and Approval of Annual Expenditure Caps and per Contract Caps For Routine Services

Vance Kelly presented the item.

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

AYES: Alcalay, Creswell, Griffin, Macedo, Morgan, Nunley, Staajabu, Starks, Wedding

NOES: None

ABSENT: None (one vacancy)

ABSTAIN: None

Not present to vote - Johnson

PRESENTATION

2. Twin Rivers Update – Urban Strategies Presentation
Edward Williams from Urban Strategies presented the item. Ran Williams, Norris McGinley and Kevin Brown provided comments.

EXECUTIVE DIRECTOR REPORT

Executive Director La Shelle Dozier reviewed the following:

- 1) Next meeting will be December 5th and will be held at the Hardin Apartments in Downtown Sacramento.
- 2) Events
Crossroad Gardens re-opening - November 29th at 4pm
Courtyard Inn event - December 12th
- 3) October 23rd senior housing forum attended by SHRA staff
- 4) News and Review article related to vacant land.

COMMISSION CHAIR REPORT

Chair Macedo asked if SHRA is still recruiting for a grant writer. Staff indicated that the recruitment is ongoing.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Creswell clarified that her comments in the News and Review article were related to city properties and not SHRA properties. She also thanked staff for coming to the Housing Alliance conference.

Commissioner Wedding asked for additional information about the referral system process for the waitlist.

Commissioner Starks and others suggested that additional discussion be had at the commission about establishing protocol for commission members when talking to the media. Staff indicated that a draft policy or some example policies would be brought to a future meeting for review.

ADJOURNMENT

As there was no further business to be conducted, Chair Macedo adjourned the meeting at 7:25 pm.

Clerk



December 20, 2018

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Cascade Village Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing and
Approval of Tax Exempt Bonds

SUMMARY

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

RECOMMENDATION

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

Respectfully submitted,


LA SHELLÉ DOZIER
Executive Director

Attachment



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

**Public Hearing
January 8, 2019**

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

**Title: Cascade Village Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing
and Approval of Tax Exempt Bonds**

Location/Council District: 7600 Fruitridge Road, Council District 6

Recommendation: Conduct a public hearing and upon conclusion adopt: 1) a **City Council Resolution** indicating the City Council has conducted a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing related to the proposed acquisition and rehabilitation of Cascade Village (Project); 2) a **Housing Authority Resolution** which a) indicates the intent of the Housing Authority of the City of Sacramento (Housing Authority) to issue up to \$25,000,000 in tax-exempt mortgage revenue bonds to provide acquisition and construction financing for the project, b) authorizes an application to the California Debt Limit Allocation Committee (CDLAC) for allocation authority to issue the bonds, and c) authorizes the Executive Director, or designee, to execute the necessary documents associated with the transaction.

Contact: Christine Weichert, Assistant Director, 916-440-1353;
Tyrone Roderick Williams, Director of Development, 916-440-1316

Presenters: Louise Eller, Housing Finance Analyst

Department: Sacramento Housing and Redevelopment Agency (Agency)

Description/Analysis

Issue Detail:

Cascade Village is an existing affordable housing development with 74 units, including one manager's unit. The Project was built in 1964 and consists of 52 one-bedroom units and 22 two-bedroom units within four two-story and two one-story residential buildings. The property is located at 7600 Fruitridge Road in Sacramento on approximately 2.6 acres and includes a community room with kitchen, computer room and a laundry

facility. A vicinity map is included as Attachment 2 and a photo of the project is included as Attachment 3.

The developer has applied to the Agency for the issuance of up to \$25,000,000 in tax exempt mortgage revenue bonds. Additional project financing will include tax credit equity, a seller note and a deferred developer fee. All 73 residential rental units are regulated by an existing United States Department of Housing and Urban Development (HUD) Section 8 Housing Assistance Payments (HAP) contract. Residents pay 30 percent of their income toward their monthly rent under the HAP contract. With the proposed tax credit and bond financing, units will be regulated at 50 and 60 percent of Area Median Income (AMI) for 55 years.

The proposed rehabilitation project will include substantial improvements as follows: ADA accessibility modifications at 8 units; complete replacement of HVAC systems; electrical upgrade and repair; new bathrooms, kitchens and appliances; new flooring and paint including removal of popcorn ceilings. Common area improvements will include ADA and path of travel upgrades; updated community room kitchen and bath with new cabinets and appliances; interior paint and floors; laundry room new finishes and appliances. Building envelope improvements will include a new roof, siding repairs, and caulk and paint. Site improvements will include fence repair and repaint; irrigation and landscape upgrade to water-wise standards; parking lot seal and stripe. A project Scope of Work is included as Attachment 7.

Developer: Bayside Communities (Bayside) is a for-profit company with 8 years of experience in acquisition, rehabilitation and preservation of affordable housing. Bayside's portfolio includes 23 communities and approximately 2,100 apartments on the West Coast, including two in Sacramento. Bayside has created the partnership Cascade Village Apartments II, LP for this project. Bayside currently owns the property and will continue to own it following the rehabilitation.

Temporary Relocation Plan: Relocation assistance will be provided to residents. All costs related to relocation expenses are the sole responsibility of the developer. The final relocation plan will be approved in conjunction with the final bond resolution.

Property Management: The current property management company, FPI Management, Inc. (FPI) will continue to manage Cascade Village. FPI is an experienced property management company with over 40,000 low-income units managed nationwide. Agency staff has reviewed and approved the management plan.

Resident Services: Resident services will be provided by LifeSTEPS, Inc. (LifeSTEPS), which currently provides resident services to 250 affordable housing communities and more than 80,000 residents in California. LifeSTEPS will be required to provide at least 15 hours of services per week. Services will be provided by an on-site services coordinator and will include social services, enrichment programs, case management, mediation services and after-school activities.

Project Financing: The Project anticipates receiving financing from four percent Low Income Housing Tax Credits (LIHTCs), tax-exempt bond financing, a seller note and a

deferred developer fee. The law firm Orrick, Herrington and Sutcliffe LLP, will serve as Bond Counsel for the Housing Authority.

Low-Income Set-Aside Requirements: As a condition of receiving tax credits, federal law requires that rental units be set aside for targeted-income groups. The affordability restrictions will be specified in the regulatory agreement between the Agency and the Developer. Anticipated funding sources and their affordability requirements are summarized in the following table:

Unit Type	% of Units	Affordability Restrictions	Units	Regulatory Requirements
Low Income Housing Tax Credits, Tax-exempt Bonds & HAP Contract	45%	Very Low Income 45% AMI	33	55 years
Low Income Housing Tax Credits, Tax-exempt Bonds & HAP Contract	50%	Very Low Income 50% AMI	37	55 years
Low Income Housing Tax Credits, Tax-exempt Bonds & HAP Contract	4%	Low Income 60% AMI	3	55 years
Management unit	1%	Unrestricted	1	
Total	100%		74	

A project summary, including proposed sources and uses of funds, is included as Attachment 4. A project cash flow proforma and a schedule of maximum income and rents are included as Attachments 5 and 6.

Policy Considerations: The recommended actions are consistent with: a) the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 2. Recapitalization (Resolution No. 2009-148); b) the 2013-2021 Housing Element, which encourages the preservation and rehabilitation of existing housing to ensure neighborhood livability and promote housing affordability (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263).

Regulatory restrictions on the property will be specified in the bond regulatory agreement between the Developer and the Agency for a period of 55 years. Compliance with the regulatory agreement will be monitored by the Agency on an annual basis. All units will be regulated for a period of 55 years by the CTCAC as a LIHTC funding requirement.

Economic Impacts: The Cascade Village residential project is expected to create 73.50 total jobs (41.65 direct jobs and 31.85 jobs through indirect and induced activities) and create \$6,124,991 in total economic output (\$3,733,564 of direct output and another \$2,391,427 of output through indirect and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations: California Environmental Quality Act (CEQA): The project is exempt pursuant to CEQA Guidelines Section 15301 and 15302. National Environmental Policy Act (NEPA): This project involves no federal action and therefore NEPA review is not required.

Sustainability Considerations: The project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the project will advance the following goal, policy and target of goal number one – Energy Independence, specifically by reducing the use of fossil fuels, improving energy efficiency, and providing long-term affordable and reliable energy.

Commission Action: At its meeting of December 5, 2018, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

Rationale for Recommendation: The actions recommended in this report enable the Agency to continue to fulfill its mission of providing a range of affordable housing opportunities in the City and are consistent with the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, the City of Sacramento's 2013-2021 Housing Element, Promise Zone Plans and Goals.

Financial Considerations: The proposed bond issuance will not be an obligation of the City, the Housing Authority or the Agency. The bonds will be the obligation solely of the owner, who will bear all costs associated with the issuance of the bonds. The Agency will receive a one-time issuance fee of 0.25 percent (25 basis points) of the bond

amount (maximum of \$87,500), which is payable at bond closing. The Agency will collect an annual payment for monitoring the regulatory restrictions and administration of the bonds, in the amount of 0.15 percent (15 basis points) of the bond amount (maximum of \$52,500).

LBE - M/WBE and Section 3 requirements: Minority and Women's Business Enterprise requirements, Section 3 requirements and Local Business Enterprise requirements do not apply to this report.

Respectfully Submitted by:

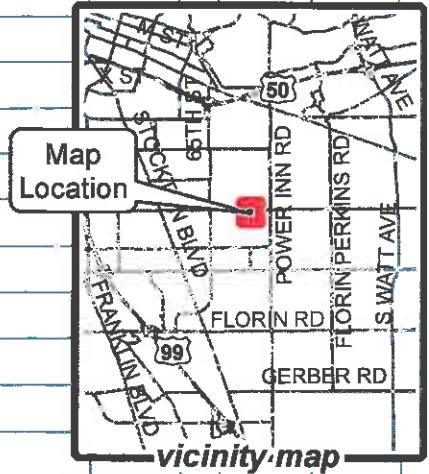
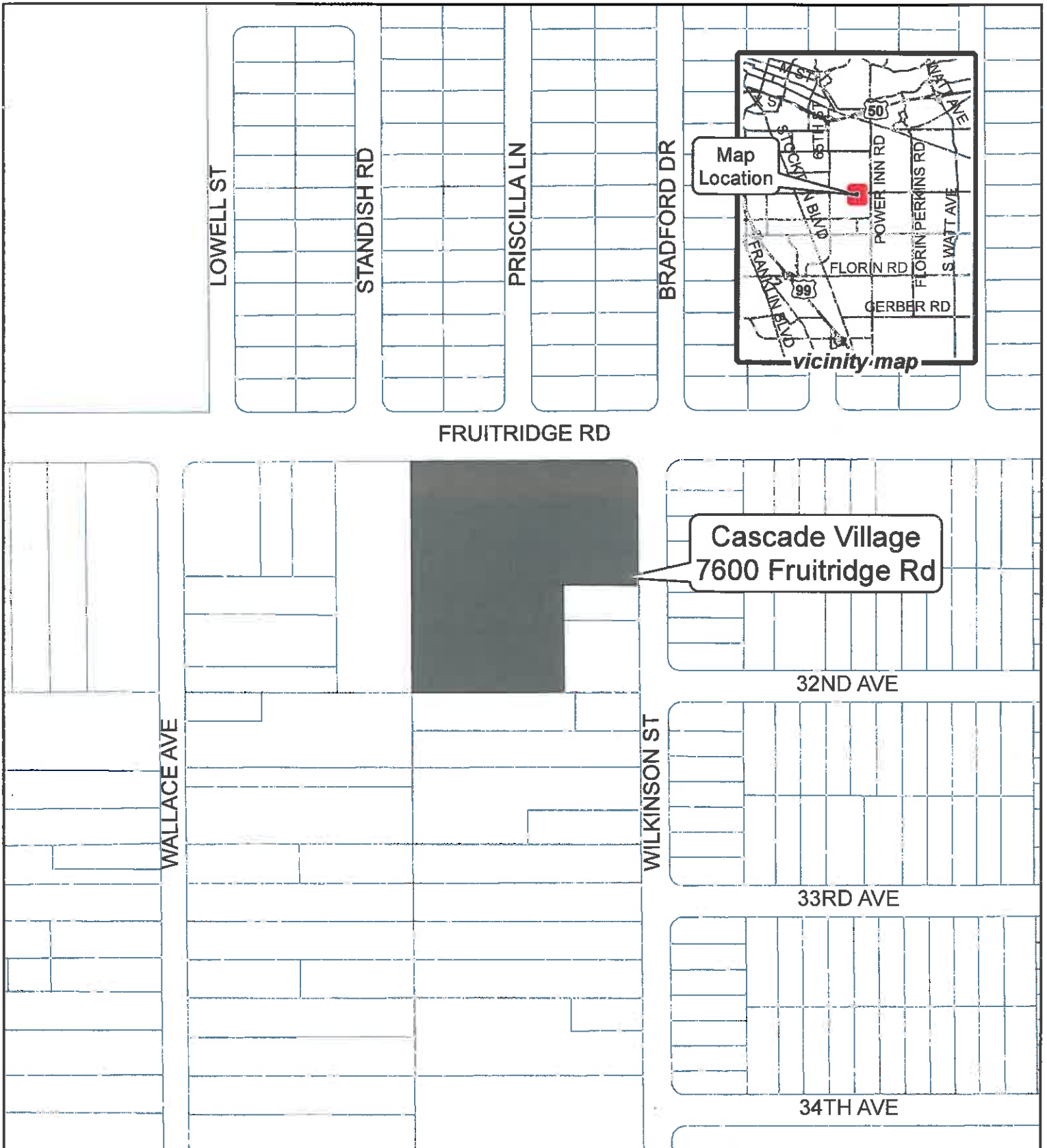

LA SHELLE DOZIER
Executive Director

Attachments

- 1 - Description/Analysis
- 2 - Vicinity Map
- 3 - Project Photo
- 4 - Project Summary
- 5 - Cash Flow Proforma
- 6 - Maximum Income and Rent Limits
- 7 - Narrative Scope of Development
- 8 - City Council TEFRA Resolution
- 9 - Housing Authority Bond Inducement Authorization Resolution



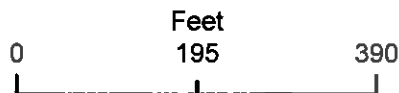
Cascade Village



Cascade Village
7600 Fruitridge Rd



Cascade Village



Attachment 3 – Cascade Village Project Photo



Cascade Village Residential Project Summary

Address	7600 Fruitridge Rd., Sacramento, CA 95820			
Number of Units	74			
Year Built	1971			
Acreage	2.6 acres (113,256 sq. ft.)			
Affordability	73 units at 45%, 50% & 60% AMI and 1 exempt Management unit			
Unit Mix and Rents	<u>VLI 45%</u>	<u>VLI 50% AMI</u>	<u>LI 60% AMI</u>	<u>Total</u>
1 Bedroom / 1 Bath	33	19	0	52
2 Bedroom/ 1 Bath	0	18	3	21
Management Unit (1 Bedroom exempt)	0	0	0	1
Total	33	37	3	74
Square Footage	<u>Unit Size (sq.ft.)</u>	<u>Total</u>		
1 Bedroom / 1 Bath	560	29,120 sq.ft.		
2 Bedroom/ 1 Bath	715	15,730 sq.ft.		
Community Area		1,050 sq.ft.		
Total		45,900 sq.ft.		
Resident Facilities	Community room with kitchen, management office, two laundry facilities, and security cameras.			
Permanent Sources	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>	
Permanent Loan	\$ 10,954,178	\$ 148,029	\$ 238.65	
Tax Credit Equity	\$ 9,346,320	\$ 126,302	\$ 203.62	
Seller Note	\$ 6,082,979	\$ 82,202	\$ 132.53	
Net Operating Income	\$ 165,000	\$ 2,230	\$ 3.59	
Deferred Developer Fee	\$ 1,514,394	\$ 20,465	\$ 32.99	
TOTAL SOURCES	\$ 28,062,871	\$ 379,228	\$ 611.39	
Permanent Uses				
Acquisition	\$ 15,758,020	\$ 212,946	\$ 343.31	
Construction Costs	\$ 6,124,991	\$ 82,770	\$ 133.44	
Architecture & Engineering	\$ 165,000	\$ 2,230	\$ 3.59	
Permits	\$ 95,000	\$ 1,284	\$ 2.07	
Hard Cost Contingency	\$ 611,499	\$ 8,264	\$ 13.32	
Soft Cost Contingency	\$ 48,225	\$ 652	\$ 1.05	
Financing Cost	\$ 600,971	\$ 8,121	\$ 13.09	
Operating Reserves	\$ 306,279	\$ 4,139	\$ 6.67	
Legal Fees	\$ 172,718	\$ 2,334	\$ 3.76	
Relocation	\$ 369,000	\$ 4,986	\$ 8.04	
Developer Fee	\$ 3,414,394	\$ 46,140	\$ 74.39	
Third Party Fees, Marketing, Other	\$ 396,774	\$ 5,362	\$ 8.64	
TOTAL USES	\$ 28,062,871	\$ 379,228	\$ 611.39	
Management / Operations				
Proposed Developer		Bayside Communities, LLC		
Property Management Company		FPI Management, Inc.		
Operations Budget	343,646	4,644		
Property Management Company	38,197	516		
Resident Services	28,566	386		
Replacement Reserves	22,200	300		

MAXIMUM GROSS INCOME AND RENT LIMITS 2018
 Low Income Housing Tax Credits (LIHTC)

Cascade Village Income Limits:

<u>Family Size</u>	<u>50% AMI</u>	<u>60% AMI</u>
1 person	\$ 28,050	\$ 33,660
2 person	\$ 32,050	\$ 38,460
3 person	\$ 36,050	\$ 43,260
4 person	\$ 40,050	\$ 48,060
5 person	\$ 43,300	\$ 51,960
6 person	\$ 46,500	\$ 55,800
7 person	\$ 49,700	\$ 59,640
8 person	\$ 52,900	\$ 63,480

Rent Limits:

<u>Unit Size</u>	<u>50% AMI</u>	<u>60% AMI</u>
1 Bedroom	\$ 751	\$ 901
2 Bedrooms	\$ 901	\$ 1,081
3 Bedrooms	\$ 1,041	\$ 1,250

The project has a Project-Based Assistance (HAP) contract.

Per 24CFR 983.301, contract rents approved by HUD may exceed the tax-credit rent limits.

Cascade Village Apartments Scope of Work

I. Project Description

Cascade Village Apartments (Project) is in the incorporated area of Sacramento County (County), South Sacramento community, located at 7600 Fruitridge Road. The Project was constructed in 1964. There are 74 total units comprised of 52 one-bedroom and 22 two bedroom. The substantial rehabilitation will extend the useful life of the property and significantly reduce on-going maintenance needs and costs. The renovation will also allow for American with Disabilities Act (ADA) accessibility modifications throughout the Project.

II. Exterior Improvements

1. Roof: The roofing of all buildings (and covered parking) will be replaced with a 20-year warranty (minimum) Asphalt Composition Shingles. Solar photovoltaic arrays will be removed during roofing work and integrated with new roofing material.

2. Gutters, Downspouts and Downspout Extensions: All gutters, downspouts and downspout extensions will be replaced.

3. Storm drains: Storm drain lines shall be scoped and damaged lines shall be repaired. All lines shall be flushed. All storm drain inlets and manholes to be cleaned of debris and sediment.

Included in Site Work:

- Clean Out Catch Basins
- Flush Out Storm Lines

4. Sewer lines: Lines shall be scoped and damaged lines shall be repaired as necessary.

Included in Site Work:

- Flush Out Sanitary Sewer Laterals
- Repair Allowance for Sewer Laterals

5. Siding: Existing vinyl siding at North wall of two-story structures to be replaced by cementations plank siding. All loose wires, abandon wires, and broken wire conduit will be removed or repaired.

Included in Low Voltage:

- Reroute Existing Cabling & Low Voltage

6. Covered/Elevated Deck: Existing deck concrete topping cracks to be repaired. Deck edge to be caulked. Resurface deck railing throughout, and repair/replace any damaged or rusted post connections at deck surface. Replace wooden cap on top of the parapet wall at the top of the stairs. Included in Wood Studs & Sheetrock:

- Other Finishes

7. Paint: All building exteriors, to include covered parking structural members, light pedestals, wrought iron handrails, trash enclosures, bollards, CMU walls, HVAC screen fencing, and masonry patio walls will be painted. Included in Painting:

- Painting Siding & Stucco
- Misc. Exterior Building Painting Touch Up & Soffits
- Special Coatings – Misc. Site Railing

8. Asphalt Parking Lot and Access: All asphalt must be sealed and restriped. The restriping activities shall include new paint on curbs. ADA parking will be provided as required, with 78 designated resident parking spaces total. Repair all base failure (alligator cracks) in south east corner. Included in Site Work:

- Paving: Asphalt Paving Patch & Repair
- Pavement Seal Coat

9. Trash Enclosures: Minor repair is necessary at trash enclosure concrete masonry unit walls.

10. Lighting: An allowance is provided to add wall-mounted area lighting to promote safety and security. Light fixtures were replaced and/or updated with LED lamps during the Low Income Weatherization Program in 2017

11. Sidewalks and Ramps: The sidewalks and ramps will be upgraded to meet current code and ADA requirements throughout the Project. All damaged/lifted/cracked paths will be replaced. (All tenant units have approximately 3” step to their unit – ramps will be added to ADA units). Included in Site Work, Concrete, & Accessibility:

- Sitework: Rework Sidewalks ADA Pathway
- Concrete: Site walks for ADA units
- Accessibility: Common Area ADA Upgrades

12. Landscaping/Irrigation: No major changes to site landscaping plan are required. Grassed areas will be edged, and mulch added to planting areas. Existing irrigation system to be checked, repaired and/or modified as necessary. Weather sensitive controller will be installed. 2% slope grade away from all buildings for drainage. Final landscaping plan will be approved by the Agency. Added to revised scope in Site work:

- Landscaping Plan:
 - Trim established fruit trees and shrubs
 - Remove all ceramic planters and resident installed pots and planters
 - Remove all sod located in front patios of ground floor units and install drought tolerant groundcover and shrubs
 - Install raised planters for community garden
 - Install smart irrigation system

13. Perimeter Fence: A section of wood fencing adjacent private property to the south will be replaced with new wood privacy fence. The existing wrought iron fencing will be sanded, cleaned and painted with rust-inhibitive primer and enamel paint over fully cured primer.

14. Stairways, Railings and Landings: Steel framing at exterior stairways to be refinished to match covered deck railing. Some areas on the second level need bars so kids can't slide through. This condition was only noted in one location and requires one additional baluster. To be included in plans, and cost absorbed in Metals.

15. Signage: New monument (allowance), directory, building, and unit signage will be provided.

16. Pedestrian Gates: Repair and meet ADA requirements. Entry and sidewalk may need to be reconfigured for ADA access. New hardware to be installed to ensure gate are latching. Repair access control. ADA updates for entry, sidewalk and pathways included:

- Sitework: Rework Sidewalks ADA Pathway
- Concrete: Site walks for ADA units
- Accessibility: Common Area ADA Upgrades

17. Auto Gates: Bring up to code per UL 325. Replace gate motor & update to make run smoothly. Need to clear landscaping so over-growth doesn't hinder gate operation. Entry auto gate looks like it is in good condition, please provide information of when it was installed, replaced, and any warranty information.

18. Soffit Vents: Have been painted over and need to be cleaned or replaced. Included in Painting:

- Misc. Exterior Building Painting Touch up & Soffits

19. Dry rot: Repair all dry rot per the pest report. The cantilevered beams on all of the building are rotting and need to be replaced/repared or overhang/beams cut back. The trellis next to the community room is not in the report but shows signs of dry rot. At a minimum the trellis should be prepped, primed, and painted. Dry rot repair included in Demolition & Allowances:

- Demo Exposed Beams
- Wood Beam Replacement at selected locations

III. Interior Improvements

1. ADA and Hearing or Visually Impaired (HVI) units: ADA accessibility modification will be completed to ensure that 8 units include mobility features. Three units will include communication features.

2. Central Heating, Ventilation and Air Conditioning Systems (HVAC): Current HVAC system to be replaced, utilizing existing duct, gas, and electrical connections. New condenser units will be installed per code. Clean all existing ducts. New thermostats installed for each unit. Included HVAC:

- Unit Programmable Thermostats
- HVAC System – New Furnace
- HVAC System – New Condensers
- Inspection/Duct Cleaning

3. Kitchens: All kitchens will have new counters, cabinets, drawers, refrigerator/freezer combination appliances, free-standing gas range/oven combination appliances, sinks, angle stops, low-flow faucets and finishes. Subject to the capacity of the electrical panels and resulting load calculations, microwave/ventilation hood combination appliances and dishwashers will also be installed. All appliances will be Energy Star or better. All counter tops will be solid surface. ADA units will have extra counter space for microwave ovens.

4. Bathrooms: All bathrooms will have new counters, cabinets, sinks, and accessories (i.e., toilet paper holders, towel racks, shower rods and curtains). Surrounds will be replaced and existing mixing valves will be replaced. A new humidistat fan will be installed in all bathrooms.

5. Ceilings and Walls: Recent asbestos containing material (ACM) survey indicates ceiling and wall texture contains asbestos above current action levels. Existing asbestos in the walls will be managed via an operation and maintenance manual provided through property management. Popcorn ceilings will be scraped and textured.

6. Doors:

- a. Exterior Doors: The exterior doors (and associative storm doors where provided) will be refinished where possible, or replaced as necessary. All hardware will be replaced. New hardware shall be single action, releasing deadbolt and lever at the same time, per code.
- b. Interior Doors: Interior doors, including the utility closet doors, shall be refinished where possible and replaced as necessary. Door hardware will be replaced throughout.

7. Flooring: New carpet flooring will be installed in living rooms, bedrooms, and hallways. Restrooms and kitchens will receive LVP flooring. Sheet vinyl is currently included in the scope for those locations. The additional cost of LVP is \$17,780 and has been included in the revised budget and is reflected in Floor Coverings.

8. Paint: New paint will be applied to all walls, ceilings, and trim, in all rooms, closets and storage rooms.

9. Electrical: Service panels to be upgraded in each dwelling unit. Hardwired smoke and/or CO sensors shall be replaced in current locations. Any broken, painted, blemished, or missing outlet, switch, outlet cover, or switch plate will be replaced. Light fixtures were replaced and/or updated with LED lamps during the Low Income Weatherization Program in 2017. Replacement of all switches and receptacles (including covers & switch plates) are included in Electrical:

- 1-Bed Units
- 2-Bed Units

10. Water Heaters: The water heating system was replaced as part of the Low Income Weatherization Program in 2017 with Sanden Heat Pump Hot Water Heaters. No further replacement needed.

III. Community Areas

1. Community Room, Office, Kitchen and Restroom: These spaces will be ADA accessible. Included in Accessibility:

- Accessibility: Common Area ADA Upgrades

a) Community center will be reconfigured to accommodate office move and associative dedicated file storage room. Finishes will be updated throughout. Interior and exterior will be painted. Included in Painting:

- Community Center – Exterior
- Community Center – Interior

b) Kitchens: All kitchens will have new counters, cabinets, drawers, refrigerator/freezer combination appliances, free-standing gas range/oven combination appliances, sinks, angle stops, low-flow faucets and finishes. Subject to the capacity of the electrical panels and resulting load calculations, microwave/ventilation hood combination appliances and dishwashers will also be installed. All appliances will be Energy Star or better. All counter tops will be solid surface. Flooring will be replaced with LVP throughout. Paint throughout. Already included in Alternates, Flooring, and Paint:

- Alternates: Community Center Finishes & Reconfiguring
- Flooring: Community Building
- Community Center – Interior

c) The restrooms will be updated with new paint, flooring, and fixtures.

2. Laundry Facilities: Laundry facility will be updated to meet code and ADA requirements. New epoxy-coated concrete flooring, doors, washer and dryer appliances, counter for folding laundry, lighting fixtures, humidistat, and paint on walls and ceilings will be installed.

3. Water Heaters: The water heating system was replaced as part of the Low Income Weatherization Program in 2017 with Sanden Heat Pump Hot Water Heaters. No further replacement needed.

4. HVAC: New condenser units to be installed per code. All existing ducts will be cleaned. New thermostats will be installed. Included in HVAC:

- HVAC Community Center
- Common Area Control Systems

End of Scope of Development

RESOLUTION NO. 2019-_____

Adopted by the Sacramento City Council

On date of

CASCADE VILLAGE APARTMENTS: APPROVAL OF THE ISSUANCE OF OBLIGATIONS BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON BEHALF OF CASCADE VILLAGE APARTMENTS II, LP, A CALIFORNIA LIMITED PARTNERSHIP

BACKGROUND

- A. The Housing Authority of the City of Sacramento, a housing authority organized and existing under the laws of the State of California (the "Authority"), proposes a plan of financing for the issuance of multifamily housing revenue obligations (the "Obligations") in an amount not to exceed \$25,000,000 and to lend the proceeds thereof to Cascade Village Apartments II, LP, (the "Borrower") or a partnership created by Bayside Communities, LLC (the "Developer"), consisting at least of the Developer or a related person to the Developer and one or more limited partners, to be used to provide funds to finance or refinance the acquisition, rehabilitation and development of a 74-unit multifamily housing residential facility to be located at 7600 Fruitridge Road, Sacramento, California, to be owned by the Borrower and operated by FPI Management, Inc.;
- B. Section 147(f) of the Internal Revenue Code of 1986 requires the execution and delivery of the Obligations to be approved by the City Council of the City (the "City Council"), as the elected representative of the City of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, after a public hearing has been held following reasonable and proper notice;
- C. A public hearing was held by the City Council on January 8, 2019, following duly published notice thereof, and all persons desiring to be heard have been heard;
- D. It is in the public interest and for the public benefit that the City Council, as the elected representative of the City of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, approve the execution and delivery by the Authority of the Obligations;

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

- Section 1. The City Council of the City of Sacramento hereby finds, determines and declares that issuance by the Authority of the Obligations in the maximum

RESOLUTION NO. 2019-_____

Adopted by the Sacramento City Council

On date of

CASCADE VILLAGE APARTMENTS: APPROVAL OF THE ISSUANCE OF OBLIGATIONS BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON BEHALF OF CASCADE VILLAGE APARTMENTS II, LP, A CALIFORNIA LIMITED PARTNERSHIP

BACKGROUND

- A. The Housing Authority of the City of Sacramento, a housing authority organized and existing under the laws of the State of California (the "Authority"), proposes a plan of financing for the issuance of multifamily housing revenue obligations (the "Obligations") in an amount not to exceed \$25,000,000 and to lend the proceeds thereof to Cascade Village Apartments II, LP, (the "Borrower") or a partnership created by Bayside Communities, LLC (the "Developer"), consisting at least of the Developer or a related person to the Developer and one or more limited partners, to be used to provide funds to finance or refinance the acquisition, rehabilitation and development of a 74-unit multifamily housing residential facility to be located at 7600 Fruitridge Road, Sacramento, California, to be owned by the Borrower and operated by FPI Management, Inc.;
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- C. A public hearing was held by the City Council on January 8, 2019, following duly published notice thereof, and all persons desiring to be heard have been heard;
- D. It is in the public interest and for the public benefit that the City Council, as the elected representative of the City of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, approve the execution and delivery by the Authority of the Obligations;

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

- Section 1. The City Council of the City of Sacramento hereby finds, determines and declares that issuance by the Authority of the Obligations in the maximum

principal amount of \$25,000,000 for the purposes described above is hereby approved.

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