NOTICE OF REGULAR MEETING
Sacramento Housing and Redevelopment Commission
Wednesday, May 15, 2019 – 6:00 pm
801 12th Street 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 – May 1, 2019

DISCUSSION/BUSINESS ITEMS

1. Twin Rivers Transit Oriented Development and Light Rail Station – Project Update Report, Application for Multifamily Housing Program Loan for Blocks A and B, and Commitment of Choice Neighborhoods Funds to Twin Rivers Block B - City report

2. Twin Rivers Transit Oriented Development And Light Rail Station Project: Choice Neighborhoods Implementation Grant Update Report; Commitment Of Funds For Block B Housing Development – County report

INFORMATIONAL ITEMS

3. 2018 Sacramento Promise Zone and P3 Program Update – City Report

4. 2018 Sacramento Promise Zone and P3 Program Update – County Report

5. Twin Rivers website overview

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT
REPORTS: Copies of documents relating to agenda items are available for review in the Agency Clerk's office located at 801 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 May 1, 2019
Meeting noticed on April 12, 2019

ROLL CALL
The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:05 p.m. by Chair Morgan.

MEMBERS PRESENT: Griffin, Morgan, Nunley, Staajabu, Starks

MEMBERS ABSENT: Alcalay, Macedo, Wedding (three vacancies)

STAFF PRESENT: La Shelle Dozier, Asa Standfeldt, James Shields, Angela Jones, Vickie Smith, Sarah O’Daniel, Lira Goff, Tanya Tran, Mark Hamilton, MaryLiz Paulson, Cecette Hawkins, Christine Weichert, Celia Yniguez, Angela Jones, Latanna Jones, Tyrone Williams, Maria Avdalas

APPROVAL OF AGENDA – Agenda approved as submitted. Items 4 and 5 and items 7 and 8 would be presented and approved together.

CITIZENS COMMENTS

Jefferey Tardaguilla provided comment.

Robert Coughlin provided comments regarding the Conventional Housing Comstock Building.

APPROVAL OF MINUTES – April 17, 2019 minutes were approved as submitted. Commissioner Nunley suggested that more detail be added in the Citizen Comment section related to requests or issues conveyed by speakers.

CONSENT ITEMS

1. Review and Approval of Proposed Media Relations Policy

2. Authorization to Submit State Emergency Solutions Grant Program 2019 Application to the California Department of Housing and Community Development and Amend the Sacramento Housing and Redevelopment Agency Budget
Commissioner Griffin motioned to approve the items listed above. Commissioner Nunley seconded the motion. The votes were as follows:

AYES: Griffin, Morgan, Nunley, Staajabu, Starks  
NOES: None  
ABSENT: Alcalay, Macedo, Wedding (three vacancies)  
ABSTAIN: None

PUBLIC HEARING

3. 2019 Mid-Year Revision for the Housing Authority of the City and County of Sacramento to the Public Housing Agency Annual Plan, Admissions and Continued Occupancy Policy, and Administrative Plan

Chair Morgan opened the public hearing.

MaryLiz Paulson presented the item.

Chair Morgan solicited public comment and closed the public hearing.

Commissioner Griffin motioned to approve the items listed above. Commissioner Morgan seconded the motion. The votes were as follows:

AYES: Griffin, Morgan, Nunley, Staajabu, Starks  
NOES: None  
ABSENT: Alcalay, Macedo, Wedding (three vacancies)  
ABSTAIN: None

DISCUSSION/BUSINESS ITEMS


5. Approval of One-Year Action Plan Allocation Process - County Report

Celia Yniguez presented the item.

Commissioner Griffin motioned to approve the items listed above. Commissioner Nunley seconded the motion. The votes were as follows:

AYES: Griffin, Morgan, Nunley, Staajabu, Starks  
NOES: None  
ABSENT: Alcalay, Macedo, Wedding (three vacancies)  
ABSTAIN: None
6. **Approval of Loan Agreements for the Capitol Park Hotel Temporary Shelter Project**

Christine Weichert presented the item.

Commissioner Griffin motioned to approve the items listed above. Commissioner Staajabu seconded the motion. The votes were as follows:

- **AYES:** Griffin, Morgan, Staajabu, Starks
- **NOES:** None
- **ABSENT:** Alcalay, Macedo, Wedding (three vacancies)
- **ABSTAIN:** Nunley

**INFORMATIONAL ITEMS**

7. **Riverview Plaza Repositioning – City Report**

8. **Riverview Plaza Repositioning – County Report**

Mark Hamilton presented the item.

Jefferey Tardaguilla provided comment.

**EXECUTIVE DIRECTOR’S REPORT**

La Shelle Dozier reviewed the following:
- Next meeting is on May 15, 2019
- Thanked Christine Weichert and her staff for their work on Capitol Park.
- Tyrone Williams announced that the Promise Zone received a $750,000 allocation from SMUD.

**COMMISSION CHAIR REPORT**

Chair Morgan thanked staff for their help with questions on reports. He also encouraged Commissioners to participate more regularly at meetings.

**ITEMS AND QUESTIONS OF COMMISSION MEMBERS**

Commissioner Morgan thanked staff for their work on the Capitol Park Hotel project and on the Promise Zone. He also encouraged Commissioners to participate in the 46th and Lang RFP selection.
ADJOURNMENT

Commissioner Starks requested to adjourn the meeting in memory of Marion J. Woods.

As there was no further business to be conducted, Chair Morgan adjourned the meeting in memory of Marion J. Woods at 7:05 pm.

________________________  Clerk
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:
Twin Rivers Transit Oriented Development And Light Rail Station Project: Choice Neighborhoods Implementation Grant Update Report; Commitment Of Funds For Block B Housing Development.

SUMMARY

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

Respectfully submitted,

LA SHELLE DOZIER
Executive Director

Attachment
Honorable Mayor and Members of the City Council

Title: Twin Rivers Transit Oriented Development and Light Rail Station – Project Update Report, Application for Multifamily Housing Program Loan for Blocks A and B, and Commitment of Choice Neighborhoods Funds to Twin Rivers Block B

Location/Council District: 321 Eliza Street, Council District 3

Recommendation: Pass: 1) a City Council Resolution as Choice Neighborhoods Implementation Grant (CNI) co-grantee authorizing McCormack Baron Salazar, as designated developer and Housing Lead for the Twin Rivers Transit Oriented Development and Light Rail Station project (Project), to apply to the California Department of Housing and Community Development (HCD) for (a) a Multifamily Housing Program (MHP) loan of up to $8,500,000 for Block A of the Project and (b) a MHP loan of up to $7,500,000 for Block B of the Project; 2) a City Council Resolution as CNI co-grantee authorizing a loan commitment of up to $5,500,000 of CNI funds for Block B of the Project

Contact: Tyrone Roderick Williams, Director of Development, 916-440-1316; Victoria Johnson, Program Manager, 916-440-1388, Sacramento Housing and Redevelopment Agency

Presenter: Victoria Johnson, Program Manager, 916-440-1388, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: In 2015, the Housing Authority of the County of Sacramento (HACOS) and the City of Sacramento (City) were, as co-grantees, awarded a $30 million Choice Neighborhoods Implementation (CNI) Grant from the US Department of Housing and Urban Development (HUD) for the Twin Rivers Transit Oriented Development and Light Rail Station Project. The CNI grant supports the redevelopment of the Twin Rivers public housing project and the transformation of the River District/Railyards neighborhood. The grant requires replacement of 218 Twin Rivers public housing units within a mixed-income development which will include at least 487 new housing units, common area and community gathering spaces, and other amenities. A new Light Rail station will be constructed along 12th Street as part of the Project. The total project area
includes six residential blocks and encompasses approximately 26 acres. A Conceptual Site Plan map and vicinity map of the Project are shown in Attachment 2 and Attachment 3. This report requests approval to apply to the California Department of Housing and Community Development (HCD) for MHP loan funds specifically for Blocks A and B of the Project, and to commit CNI funds to Block B for housing development.

Project Schedule: The CNI Grant Agreement with HUD was finalized and executed in December 2015. The seven-year grant period ends in 2022. In December 2017, a Master Development Agreement was finalized and executed with McCormack Baron Salazar (MBS). MBS serves as both the developer and housing lead for the CNI grant. Project milestones that have been achieved since grant inception include:

- October 2016 – Acquired ‘Triangle site’ along 12th Street for new Light Rail station and Block F mixed-use development
- July 2017 – Tentative Map approved; Blocks A & B site plan approved
- August 2017 - Mitigated Negative Declaration (CEQA) adopted by governing bodies
- September 2017 – Began relocation of Twin Rivers residents
- July 2018 – Began demolition of Twin River units
- November 2018 – HUD approved a $16.4 million loan through Section 108 program to construct Twin Rivers new infrastructure
- December 2018 - Awarded $23 million Transformative Climate Communities (TCC) Implementation Grant to construct light rail station, add solar photovoltaic, tree canopy and community garden; includes $1million for Block A residential building
- February 2019 – 100% of Twin Rivers residents successfully relocated
- March 2019 – HUD approved a revised Housing Plan to: include all replacement housing units in Blocks A – E, extend building construction start date to 2020, and revise income restrictions to conform to tax reform legislation
- April 2019 – Building permits for Blocks A and B approved and ready to issue
- (Scheduled) May 2019 – Complete demolition of Twin Rivers units; begin site demolition
- (Scheduled) Fall 2019 – Begin construction of new infrastructure system

The HUD approved schedule is to commence construction of the first two blocks of housing in 2020, the remaining blocks in 2021, and to complete the residential project in 2022. The TCC Grant Agreement with the State Strategic Growth Council will be executed in 2019 and the light rail station is scheduled to be completed in 2023. The other TCC projects (solar, trees and garden) will be installed together with the residential project. The TCC project area is shown as Attachment 4.

Project Financing: The CNI grant funds provide approximately 10 percent of the total amount needed to develop the Project. The TCC grant will provide the majority of funds required to develop the light rail station. The City and the Housing Authority have previously committed Community Development Block Grant (CDBG), Housing Trust Fund and Housing Successor funds to support the project. As housing lead, MBS is responsible for securing the remaining funding necessary to develop the affordable housing units. To date, MBS has submitted four applications for state funding including
three in 2017 and 2018 that were unsuccessful (TCC, Affordable Housing and Sustainable Communities [AHSC] and National Housing Trust Fund) and a second TCC application in late 2018 that was successful. A second application for AHSC was submitted in February 2019 on behalf of Block B and Block E (combined), and the awards will be announced in June of 2019. The AHSC application includes a request for $13 million to be used for housing development and $7 million for area-wide transportation improvements and amenities.

All of the applicable state funding programs are over-subscribed and competitive. In order to ensure that CNI Project deadlines are met, MBS will continue to submit funding applications in 2019 and 2020 until all phases of the Project are fully funded. After the necessary gap funds are secured, applications for tax-exempt bonds and non-competitive tax credits will be submitted. In 2020, MBS will also apply for competitive tax-credits on behalf of those blocks that can meet the competitive criteria.

The CNI grant funds have been allocated as shown below:

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<th>CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT</th>
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<td>Category</td>
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<td>Administration and Fees and Costs</td>
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<tr>
<td>Housing Units</td>
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<tr>
<td>TOTAL</td>
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</table>

**Critical Community Improvements:** Staff is actively engaged and working to support the Critical Community Improvement (CCI) component of the CNI grant. Eight projects have received preliminary HUD approval as follows:
- North 12th Street Community Engagement Art Project
- Salvation Army Center for Hope Improvements
- North 12th and 16th Streets Placemaking Gateway Element
- Robert T. Matsui Waterfront Park Improvements
- Basketball Court Park
- Wayfinding Signage along pedestrian and bike paths
- Interpretive Signage along American River
- North A St. frontage improvements

The Community Engagement Art Project and Salvation Army Center for Hope will be the first two projects to be undertaken and they will be completed in 2019.
Twin Rivers Resident Services: Relocation assistance and supportive resident services for all former Twin Rivers residents are required as a condition of CNI grant funding. About 60 percent of the Twin Rivers households opted to be relocated to other properties owned by SHRA, and 40 percent opted to participate in the Housing Choice Voucher (HCV) Program to rent a unit in the private market. When the replacement housing is constructed, all eligible residents will have the option to return to Twin Rivers. The resident services are provided for the duration of the grant period and for one additional year. These services are being provided by Urban Strategies, Inc. (USI). Approximately 75 percent of Twin Rivers households meet regularly with a case manager. Through various community partnerships, USI also provides educational and job training, job opening referrals, access to programs for children and youth, and health and wellness support. Resident meetings are held regularly in locations throughout the county to allow Twin Rivers residents to remain engaged and informed about the redevelopment project.

Current Request: This report requests City Council approval to apply to the California Department of Housing and Community Development (HCD) for MHP loan funds on behalf of Blocks A and B of the Project. The Notice of Funding Availability for MHP has not yet been published as of the preparation of this report, but is scheduled to be issued in late April 2019. Applications will be due in late June 2019 and the awards will be announced in September 2019. The loan request will be up to $8,500,000 for Block A and up to $7,500,000 for Block B. For Block B, the MHP application is a funding ‘back-up plan’ in case the pending AHSC application is not successful. The MHP application for Block A may include some units that will be set aside for special needs households, in order to meet community need and to make the application more competitive. If awarded, the MHP funds will provide the remaining gap funds needed, and construction will begin in the 1st quarter of 2020.

The City and HACOS have previously approved the commitment of $7,000,000 of CNI funds for Block A housing development. This report also requests the approval to use up to $5,500,000 of CNI funds to support Block B housing development. Following approvals from the City and HACOS, the Agency will issue a commitment letter to be used as evidence of funding commitments required for the MHP application. Block B will include 66 total housing units restricted to income levels between 30 percent and 80% percent of area median income. The community center and management office for the Project will be located in Block A. Block B will include additional amenities such as a play area, picnic area and electric car share. Block B will be adjacent to the new one-acre community park. A Block B project summary is included as Attachment 5.

Policy Considerations: The recommended actions are consistent with a) the Agency’s previously approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 1. Preservation (Resolution No. 2009-148); b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (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); d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No.
2015-282); e) the 2007 Asset Repositioning Strategy of the City and County Housing Authorities; f) the 2013-2019 Consolidated Plan; and g) the River District Specific Plan adopted February 15, 2011.

**Economic Impacts:** The construction of new multifamily housing in Twin Rivers Blocks A and B is expected to create approximately 570 total jobs (approximately 320 direct jobs and 250 indirect jobs) and create $79,016,950 in total economic output ($48,200,339 of direct output and another $30,816,610 of economic output through indirect 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:** The California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA): A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Twin Rivers Transit-Oriented Development and Light Rail Station Project pursuant to CEQA requirements under 14 California Code of Regulations (CCR) §15070, and NEPA requirements under 24 Code of Federal Regulations (CFR) §58.36. Along with site entitlements, the Planning and Design Commission for the City of Sacramento made findings pursuant to CEQA and adopted the Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) on July 27, 2017, and subsequently issued a Notice of Determination (NOD) pursuant to CEQA and a Finding of No Significant Impact (FONSI) pursuant to NEPA. On August 22, 2017, the County Board of Supervisors adopted the MND and associated MMRP and approved the Project. On August 24, 2017, SHRA issued the NOD for the Project pursuant to CEQA. All activities for the Twin Rivers Transit-Oriented Development and Light Rail Station Project are covered by this environmental review. No further environmental review is required for the proposed actions.

**Sustainability Considerations:** The Project has been reviewed for consistency with the goals, policies, and targets of the 2035 General Plan. If approved, the Project will directly or indirectly conserve energy resources and reduce greenhouse gas emissions and advance the following goals, policies, and targets of the Plan: a) Housing Element – Strategies and Policies for Conserving Energy Resources – Climate Action Plan, subsection 7.2: improving the energy efficiency in new buildings; and b) Environmental Resources - Air Quality and Climate Change sub-section 6.1.7: reduce greenhouse gas emissions from new development, promoting water conservation and recycling, promoting development that is compact, mixed use, pedestrian friendly, and transit oriented; and promoting energy-efficient building design and site planning.
Commission Action: At its meeting on May 1, 2019, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

Rationale for Recommendation: The actions recommended in this report support the Agency and City mission to provide a range of affordable housing opportunities throughout the City. In addition, the recommended actions support the City of Sacramento’s 2013-2021 Housing Element, Promise Zone plans and goals, and the Downtown Housing Initiative and Initiation of the Downtown Specific Plan. The commitment letter for CNI funds will provide evidence of committed funds required to support the MHP application. If awarded, the MHP loan will provide the balance of funds needed to obtain tax credits and complete Block B of the project.

Financial Considerations: The proposed financing structure for Twin Rivers Block B includes CNI funds, MHP funds, tax-exempt bond financing, noncompetitive four-percent tax credits, Project-based Section 8 vouchers and a below-market ground lease from HACOS. If the MHP funds are awarded, staff will return to the Council with a detailed financial projections and a request to approve the issuance of tax-exempt mortgage revenue bonds.

LBE - M/WBE and Section 3 requirements: LBE considerations do not apply to this report. Minority and Women’s Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable. The Developer will work with the Sacramento Employment and Training Agency and the Greater Sacramento Urban League or similar programs to promote employment opportunities.

Respectfully Submitted by:  

LA SHELLE DOZIER  
Executive Director

Attachments
01 Description/Analysis
02 Conceptual Site Plan
03 Vicinity Map Blocks A and B
04 TCC Project Area Map
05 Project Summary – Block B
06 Resolution – MHP Application Block A
07 Resolution – MHP Application Block B
08 Resolution – CNI Commitment
### UNIT COUNT BY TYPE

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- 37.0% 41.3% 17.7% 3.7% 0.4%

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**Legend**

- 2-Story 3-Bedroom Townhouse
- 3-Story Garden Apartment Building
- 3-Story Multi-Family Apartment Building
- 4-Story Multi-Family Apartment Building
- 4-Story Multi-Family Apartment w/ Getural Floor Childcare Center
- Parking

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**Figure 2-4**
Conceptual Site Plan
Updated 01.04.2019

**Twin Rivers Transit-Oriented Development and Light Rail Station Project**

**Attachment 2**
Twin Rivers Block A and Block B
OUR PROJECTS

1. Twin Rivers Public Housing Development
2. Solar Panels
3. Dos Rios Light Rail Station
4. NeighborWoods Program
5. Twin Rivers Housing Community Garden

- Jump Bikes
- NeighborWoods Urban Greening & Green Infrastructure
- Project area that falls within the top 5% of disadvantaged communities
- Project area that falls within the top 25% of disadvantaged communities
- Affordable Housing
- Low Income Weatherization in Existing Homes
- Mobility Grid
- SmoRT Ride Service Area
- Streetcar Project
- Light Rail
- 12th & 16th Street Improvements
- Electric Vehicle Charging Station
- Recreational Equipment
- Wide Open Walls
# Twin Rivers - Block B
## Project Summary

**Address**
321 Eliza Street Sacramento, CA 95811

**Number of Units**
66

**Construction Type**
New Construction

**Affordability**
- 40 units at or below 30% of AMI (PBV Public Housing Replacement)
- 13 LIHTC units at or below 60% of AMI
- 12 units at or below 80% of AMI
- 1 Manager's Unit

### Unit Mix and Rents

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<th>Unit Type</th>
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<th>LIHTC (60% AMI)</th>
<th>LIHTC (80% AMI)</th>
<th>Manager</th>
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<td>7</td>
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<td><strong>13</strong></td>
<td><strong>12</strong></td>
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</table>

**Square Footage**
- 1 Bedroom / 1 Bath: 567 square feet, Total: 13,608 square feet
- 2 Bedroom / 1 Bath: 790 square feet, Total: 24,490 square feet
- 3 bedroom / 2 Bath: 1,089 square feet, Total: 4,356 square feet
- 3 Townhouse / 2.5 Bath: 1,228 square feet, Total: 7,368 square feet
- 4 bedroom / 2 Bath: 1,293 square feet, Total: 1,293 square feet
- Common Areas: 13,324 square feet, Total: 64,439 square feet

**Resident Facilities**
Residents will have access to the facilities on neighboring lots which include a community park, management offices, resident community space, a fitness center, swimming pool and BBQ area.

### Permanent Sources

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<th>Source</th>
<th>Current Total</th>
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<th>Per Sq Ft</th>
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RESOLUTION NO. 2019 -
Adopted by the Sacramento City Council

On date of May 28, 2019

TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL STATION PROJECT: AUTHORIZING MCCORMACK BARON SALAZAR, INC. (DEVELOPER) TO APPLY ON BEHALF OF TWIN RIVERS PHASE 1, LP IN RELATION TO THE TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL STATION PROJECT TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR A MULTIFAMILY HOUSING PROGRAM LOAN IN RESPONSE TO THE APRIL 2019 NOTICE OF FUNDING AVAILABILITY AND EXECUTE RELATED DOCUMENTS

BACKGROUND

A. The California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) dated April 2019, under the Multifamily Housing Program (MHP), as established by Health and Safety Code Division 31, Part 2. HCD is authorized to approve funding allocations for the MHP Program.

B. McCormack Baron Salazar, Inc. is the designated developer and Housing Lead for the City of Sacramento for the Twin Rivers Transit Oriented Development and Light Rail Station Project (Project).

C. In response to this NOFA, McCormack Baron Salazar, Inc. on behalf of Twin Rivers Phase 1, LP (Applicant) is applying to HCD as designated Housing Lead on behalf of the City of Sacramento for an allocation of MHP funds.

D. If the Developer’s application is selected, Developer/Applicant will enter into an agreement with the state to carry out the project.

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

Section 1. The application for and administration of grant funds are not considered a project under the California Environmental Quality Act (CEQA) per CEQA Guidelines at 14 California Code of Regulations §15378, as this is a government administrative and fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Section 2. A Finding of No Significant Impact pursuant to the National Environmental Policy Act (NEPA) and a Notice of Determination pursuant to CEQA have been filed for the project. No further environmental review under CEQA or NEPA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development and Light Rail Station Project.
Section 3. In response to the NOFA, Developer shall submit an application to HCD to participate in the MHP program for an allocation of funds not to exceed Seven Million, Five Hundred Thousand Dollars ($7,500,000) for the construction of new multifamily rental housing for eligible households located in Block A of the Project.

Section 4. If the application for funding is approved by HCD, the Developer/Applicant agrees to use the MHP funds for eligible activities in the manner presented in its application as approved by HCD and in accordance with the statutes and regulations set forth above. The Developer/Applicant may also execute a standard agreement, any amendments thereto, and all other documents or instruments necessary or required by HCD.

Section 5. The President of the Developer/Applicant or designee is authorized to enter into and execute any and all documents in the name of the Applicant as may be required for submission and approval of the application.
RESOLUTION NO. 2019 -

Adopted by the Sacramento City Council

On date of

AUTHORIZING MCCORMACK BARON SALAZAR, INC. (DEVELOPER) TO APPLY ON BEHALF OF TWIN RIVERS PHASE 2, LP IN RELATION TO THE TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL STATION PROJECT TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR A MULTIFAMILY HOUSING PROGRAM LOAN IN RESPONSE TO THE APRIL 2019 NOTICE OF FUNDING AVAILABILITY AND EXECUTE RELATED DOCUMENTS

BACKGROUND

A. The California Department of Housing and Community Development (HCD) has issued a Notice of Funding Availability (NOFA) dated April 2019, under the Multifamily Housing Program (MHP), as established by Health and Safety Code Division 31, Part 2. HCD is authorized to approve funding allocations for the MHP Program.

B. McCormack Baron Salazar, Inc. is the designated developer and Housing Lead for the City of Sacramento for the Twin Rivers Transit Oriented Development and Light Rail Station Project (Project).

C. In response to the NOFA, McCormack Baron Salazar, Inc. on behalf of Twin Rivers Phase 2, LP (Applicant) is applying to HCD as designated Housing Lead on behalf of the City of Sacramento for an allocation of MHP funds.

D. If the Developer's application is selected, Developer/Applicant will enter into an agreement with the state to carry out the project.

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

Section 1. The application for and administration of grant funds are not considered a project under the California Environmental Quality Act (CEQA) per CEQA Guidelines at 14 California Code of Regulations (CCR) §15378, as this is a government administrative and fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Section 2. A Finding of No Significant Impact (FONSI) pursuant to the National Environmental Policy Act (NEPA) and a Notice of Determination (NOD) pursuant to CEQA have been filed for the project. No further environmental review under CEQA or NEPA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development and Light Rail Station Project.
Section 3. In response to this NOFA, Developer shall submit an application to HCD in the MHP program for an allocation of funds not to exceed Eight Million, Five Hundred Thousand Dollars ($8,500,000) for the construction of new multifamily rental housing for eligible households located in Block B of the Project.

Section 4. If the application for funding is approved by HCD, the Developer/Applicant agrees to use the MHP funds for eligible activities in the manner presented in its application as approved by HCD in accordance with the statutes and regulations cited above. The Developer/Applicant may also execute a standard agreement, any amendments thereto, and all other documents or instruments necessary or required by HCD.

Section 5. The President of the Developer/Applicant or designee is authorized to enter into and execute any and all documents in the name of the Applicant as may be required for submission and approval of the application.
RESOLUTION NO. 2019 -
Adopted by the Sacramento City Council

On date of

TWIN RIVERS BLOCK B: APPROVAL OF $5,500,000 IN CHOICE NEIGHBORHOODS INITIATIVE FUNDS; EXECUTION OF COMMITMENT AND RELATED DOCUMENTS WITH TWIN RIVERS PHASE 2, L.P. (MCCORMACK BARON SALAZAR, INC.) OR RELATED ENTITY; RELATED BUDGET AMENDMENT; AND ENVIRONMENTAL FINDINGS

BACKGROUND

A. Twin Rivers Phase 2, L.P. (McCormack Baron Salazar, Inc.) (Developer) has applied for an allocation of $5,500,000 in Choice Neighborhoods Initiative (CNI) funds from the Sacramento Housing and Redevelopment Agency (Agency) to assist in funding the construction and permanent financing of Twin Rivers Block B, which will be new construction of a mixed-income development located in the Twin Rivers district.

B. On September 28, 2015, the US Department of Housing and Urban Development (HUD) awarded the Housing Authority of the County of Sacramento (HACOS) as Lead Applicant, and the City of Sacramento as Co-Applicant, a $30 million CNI Grant to implement the Twin Rivers-River District/Railyards Neighborhood Transformation Plan. On December 15, 2015, HACOS and the City of Sacramento executed the FYs 2014-2015 CNI Implementation Grant Agreement with HUD.

C. The recommended actions are consistent with a) the Agency’s previously approved Multifamily Lending and Mortgage Revenue Bond Policies, Priority 4. Rehabilitation and New Production (Resolution No. 2009-148); b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (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); and d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by 2025 (Resolution No. 2015-282).

D. A combined Initial Study/Environmental Assessment was prepared for the Twin Rivers Transit-Oriented Development Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulation §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations §58.36. A Finding of No Significant Impact pursuant to NEPA and a Notice of Determination pursuant to CEQA have been filed for the project; no further environmental review is required for the proposed actions.
BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

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

Section 2. The Loan Commitment for financing the Project with $5,500,000 in CNI funds is approved, and the Agency is authorized to execute and transmit the Loan Commitment to Twin Rivers Phase 2, L.P. (McCormack Baron Salazar, Inc.) or related entity.

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

Section 4. The Agency is authorized to amend its budget and allocate up to $5,500,000 in CNI funds to Twin Rivers Block B.
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:
Twin Rivers Transit Oriented Development And Light Rail Station Project: Choice Neighborhoods Implementation Grant Update Report; Commitment Of Funds For Block B Housing Development.

SUMMARY

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

Respectfully submitted,

[Signature]
LA SHELLE DOZIER
Executive Director

Attachment
COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
May 21, 2019

To: Housing Authority of the County of Sacramento

Through: Navdeep S. Gill, County Executive

From: La Shelle Dozier, Executive Director, Sacramento Housing and Redevelopment Agency

Subject: Twin Rivers Transit Oriented Development And Light Rail Station Project: Choice Neighborhoods Implementation Grant Update Report; Commitment Of Funds For Block B Housing Development.

Supervisors District(s): Serna

Contact: Tyrone Roderick Williams, Director of Development, 916-440-1316
Victoria Johnson, Program Manager, 916-440-1388

RECOMMENDED ACTION

Adopt a Housing Authority Resolution:
1. Approving a loan of up to $5,500,000 of Choice Neighborhood Implementation (CNI) grant funds for eligible Twin Rivers Block B housing construction purposes.
2. Authorizing the Sacramento Housing and Redevelopment Agency (Agency) to execute a Loan Commitment Letter on its behalf with Twin Rivers Phase 2, L.P. (McCormack Baron Salazar, Inc.) or related entity.
3. Authorizing the Agency to execute all necessary documents, to amend its budget, and make related findings associated with these transactions.

BACKGROUND

In 2015, the Housing Authority of the County of Sacramento (HACOS) and the City of Sacramento were, as co-grantees, awarded a $30 million Choice Neighborhoods Initiative (CNI) Grant from the US Department of Housing and Urban Development (HUD) for the Twin Rivers Transit Oriented Development and Light Rail Station Project. The CNI grant supports the redevelopment of the Twin Rivers public housing project and the transformation of the River District/Railyards neighborhood. The grant requires replacement of 218 Twin Rivers public housing units within a mixed-income development which will include at least 487 new housing units, common area and community gathering spaces, and other amenities. A new
Light Rail station will be constructed along 12th Street as part of the Project. The total project area includes six residential blocks and encompasses approximately 26 acres. A Conceptual Site Plan map and vicinity map of the Project are shown in Attachment 1 and Attachment 2. This report requests Board approval to use up to $5,500,000 of CNI funds to support Block B housing development.

**Project Schedule:** The CNI Grant Agreement with HUD was finalized and executed in December 2015. The seven-year grant period ends in 2022. In December 2017, a Master Development Agreement was finalized and executed with McCormack Baron Salazar (MBS). MBS serves as both the developer and housing lead for the CNI grant. Project milestones that have been achieved since grant inception include:

- October 2016 – Acquired ‘Triangle site’ along 12th Street for new Light Rail station and Block F mixed-use development
- July 2017 – Tentative Map approved; Blocks A & B site plan approved
- August 2017 - Mitigated Negative Declaration (CEQA) adopted by governing bodies
- September 2017 – Began relocation of Twin Rivers residents
- July 2018 – Began demolition of Twin River units
- November 2018 – HUD approved a $16.4 million loan through Section 108 program to construct Twin Rivers new infrastructure
- December 2018 - Awarded $23 million Transformative Climate Communities (TCC) Implementation Grant to construct light rail station, add solar PV and community garden; includes $1 million for Block A residential building
- February 2019 – All Twin Rivers residents successfully relocated
- March 2019 – HUD approved a revised Housing Plan to: include all replacement housing units in Blocks A – E, extend building construction start date to 2020, and revise income restrictions to conform to tax reform legislation
- April 2019 – Building permits for Blocks A and B approved and ready to issue
- (Scheduled) May 2019 – Complete demolition of Twin Rivers units; begin site demolition
- (Scheduled) Fall 2019 – Begin construction of new infrastructure system

The HUD approved schedule is to commence construction of the first two blocks of housing in 2020, the remaining blocks in 2021, and to complete the residential project in 2022. The TCC Grant Agreement with the State Strategic Growth Council will be executed in 2019 and the light rail station is
scheduled to be completed in 2023. The other TCC projects (solar, trees and garden) will be installed together with the residential project.

**Project Financing:** The CNI grant funds provide approximately 10 percent of the total amount needed to develop the Project. The TCC grant will provide the majority of funds required to develop the light rail station. The City of Sacramento and the Housing Authority of the City of Sacramento have previously committed Community Development Block Grant (CDBG), Housing Trust Fund, and Housing Successor funds to support the project. As housing lead, MBS is responsible for securing the remaining funding necessary to develop the affordable housing units. To date, MBS has submitted four applications for state funding including three in 2017 and 2018 that were unsuccessful (TCC, Affordable Housing and Sustainable Communities [AHSC] and National Housing Trust Fund) and a second TCC application in late 2018 that was successful. A second application for AHSC was submitted in February 2019 on behalf of Block B and Block E (combined), and the awards will be announced in June 2019. The AHSC application includes a request for $13 million to be used for housing development and $7 million for area-wide transportation improvements and amenities.

All of the applicable state funding programs are over-subscribed and competitive. In order to ensure that CNI Project deadlines are met, MBS will continue to submit funding applications in 2019 and 2020 until all phases of the Project are fully funded. MBS plans to submit two Multifamily Housing Program (MHP) applications on behalf of Blocks A and B in June 2019. The MHP application for Block A may include some units that will be set aside for special needs households, in order to meet community need and to make the application more competitive.

After the necessary gap funds are secured, applications for tax-exempt bonds and non-competitive tax credits will be submitted. In 2020, MBS will also apply for competitive tax-credits on behalf of those blocks that can meet the competitive criteria.
The CNI grant funds have been allocated as shown below:

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<td>Relocation</td>
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<tr>
<td>Housing Units</td>
</tr>
<tr>
<td>TOTAL</td>
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The Project ownership structure is based upon a ground lease whereby HACOS will lease the underlying land to a tax-credit partnership, and the partnership will construct and own the building and site improvements for the 15 year tax-credit period. At the end of the tax-credit period, the building, improvements and the lease will be sold or transferred to a new owner, and the SHRA non-profit affiliate (SHARP) will have the first option to acquire the project. In December 2017, HACOS approved a Lease Option Agreement with MBS that meets funding application requirements for site control. The initial Agreement granted an option to lease through December 2018, and an Amendment granted an option to lease through July 2019. To meet the requirements of all remaining funding applications, a second Amendment will grant an option to lease through July 2021.

Critical Community Improvements: Staff is actively engaged and working to support the Critical Community Improvement (CCI) component of the CNI grant. Eight projects have received preliminary HUD approval as follows:
- North 12th Street Community Engagement Art Project
- Salvation Army Center for Hope Improvements
- North 12th and 16th Streets Placemaking Gateway Element
- Robert T. Matsui Waterfront Park Improvements
- Basketball Court Park
- Wayfinding Signage along pedestrian and bike paths
- Interpretive Signage along American River
- North A St. frontage improvements
The Community Engagement Art Project and Salvation Army Center for Hope will be the first two projects to be undertaken and they will be completed in 2019.

**Twin Rivers Resident Services:** Relocation assistance and supportive resident services for all former Twin Rivers residents are required as a condition of CNI grant funding. About 60 percent of the Twin Rivers households opted to be relocated to other properties owned by SHRA, and 40 percent opted to participate in the Housing Choice Voucher (HCV) Program to rent units on the private market. When the replacement housing is constructed, all eligible residents will have the option to return to Twin Rivers. The resident services are provided for the duration of the grant period and for one additional year. These services are being provided by Urban Strategies, Inc. (USI). Approximately 75 percent of Twin Rivers households meet regularly with a case manager. Through various community partnerships, USI also provides educational and job training, job opening referrals, access to programs for children and youth, and health and wellness support. Resident meetings are held regularly in locations throughout the County to allow Twin Rivers residents to remain engaged and informed about the redevelopment project.

**Current Request:** The City and HACOS have previously approved the commitment of $7,000,000 of CNI funds for Block A housing development. This report requests the approval to use up to $5,500,000 of CNI funds to support Block B housing development. Following approvals from the City and HACOS, the Agency will issue a commitment letter to be used as evidence of funding commitments required for a MHP application. The Block B MHP application is a funding ‘back-up plan’ in case the pending AHSC application is not successful.

The Notice of Funding Availability for MHP has not yet been published as of the preparation of this staff report, but is scheduled to be issued in late April 2019. The applications will be due in late June 2019 and the awards will be announced in September 2019. If awarded, the MHP funds will provide the remaining gap funds needed, and Block B construction will begin in the 1st quarter of 2020.

Block B will include 66 total housing units restricted to income levels between 30 percent and 80 percent of area median income. The community center and management office for the Project will be located in Block A. Block B will include additional amenities such as a play area, picnic area and electric car share. Block B will be adjacent to the new 1-acre community park. A Block B project summary is included as Attachment 3.
COMMISSION ACTION

At its meeting on May 1, 2019, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

POLICY CONSIDERATIONS

The recommended actions are consistent with the Agency’s previously approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 1. Preservation. HUD has approved a five-year Public Housing Authority Plan affirming Twin Rivers as a public housing development designated for demolition and disposition. The recommended actions in this report are also consistent with the County’s commitment to the Housing Authority Asset Repositioning Guidelines and the County’s executed CNI Grant Agreement for the Twin Rivers/River District-Railyards Initiative. The completed Project will create a minimum of 487 affordable, workforce and market rate housing units, recreational and cultural amenities, improved access to the urban core and a range of new mobility options.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA): A combined Initial Study/Environmental Assessment (IS/EA) was prepared for the Twin Rivers Transit Oriented Development and Light Rail Station Project pursuant to CEQA requirements under 14 California Code of Regulations (CCR) §15070, and NEPA requirements under 24 Code of Federal Regulations (CFR) §58.36. The SHRC approved the final environmental document on behalf of SHRA at its meeting on July 19th. Along with site entitlements, the Planning and Design Commission for the City of Sacramento made findings pursuant to CEQA and adopted the Mitigated Negative Declaration (MND) and associated Mitigation Monitoring and Reporting Program (MMRP) on July 27, 2017, and subsequently issued a Notice of Determination (NOD) pursuant to CEQA and a Finding of No Significant Impact (FONSI) pursuant to NEPA. On August 22, 2017, the County Board of Supervisors adopted the MND and associated MMRP and
Twin Rivers Transit Oriented Development And Light Rail Station Project:
Choice Neighborhoods Implementation Grant Funds For Block B Housing
Page 7

approved the Project. On August 24, 2017, SHRA issued the NOD for the
Project pursuant to CEQA. All activities related to the Project are covered by
this environmental review. No further environmental review is required for
the proposed actions.

M/WBE/SECTION 3 CONSIDERATIONS

Minority and Women’s Business Enterprise requirements and Section 3 will
be applied to all activities to the greatest extent possible and as required by
federal funding. The Developer and General Contractor will work with the
Sacramento Employment and Training Agency, the Greater Sacramento
Urban League or similar programs, to promote employment opportunities.

FINANCIAL ANALYSIS

The proposed financing structure for Twin Rivers Block B includes CNI funds,
MHP funds, tax-exempt bond financing, noncompetitive four- percent tax
credits, Project-based Section 8 vouchers and a below-market ground lease
from HACOS. If the MHP funds are awarded, staff will return to the Council
with a detailed financial projections and a request to approve the issuance of
tax-exempt mortgage revenue bonds.

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 – HACOS Resolution
Exhibit A - CNI Commitment Letter
ATT 1 – Conceptual Site Plan
ATT 2 – Vicinity Map Blocks A & B
ATT 3 – Project Summary Block B
RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO

TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL STATION PROJECT: APPROVING A LOAN OF UP TO $5,500,000 OF CHOICE NEIGHBORHOOD IMPLEMENTATION GRANT FUNDS FOR ELIGIBLE TWIN RIVERS BLOCK B HOUSING; AUTHORIZING SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) TO ISSUE A LOAN COMMITMENT OF CNI FUNDS TO TWIN RIVERS PHASE 2 HOUSING, LP OR RELATED ENTITY FOR BLOCK B HOUSING; AUTHORIZING BUDGET AMENDMENT; AND RELATED FINDINGS

WHEREAS, on September 28, 2015, the U.S. Department of Housing and Urban Development (HUD) awarded the Housing Authority of the County of Sacramento (HACOS) as Grantee and the City of Sacramento as Co-grantee a $30 million Choice Neighborhoods Initiative (CNI) grant to implement the Twin Rivers – River District – Railyards Neighborhood Transformation Plan; and

WHEREAS, On December 15, 2015, HACOS authorized execution of the Fiscal Years 2014-2015 CNI Implementation Grant Agreement with HUD for the CNI grant; and

WHEREAS, a combined Initial Study/Environmental Assessment was prepared for the Twin Rivers Transit-Oriented Development Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations §15070, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations §58.36. A Finding of No Significant Impact (FONSI) pursuant to NEPA and a Notice of Determination (NOD) pursuant to CEQA have been filed for the project; no further environmental review is required for the proposed actions; and

WHEREAS, the HACOS is seeking to allocate up to $5,500,000 of CNI grant funds for the development of Block B Housing; and

WHEREAS, the HACOS is seeking approval to authorize Sacramento Housing and Redevelopment Agency, as Project manager, to issue on its behalf a Loan Commitment letter for up to $5,500,000 million of CNI funds
as a permanent loan to Twin Rivers Phase 2, L.P. or related entity for eligible housing costs; and

WHEREAS, the HACOS is seeking approval to amend the CNI grant budget and housing plan to allocate up to $5,500,000 of the $18,038,000 currently budgeted for housing specifically for Block B Housing.

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

Section 1. All evidence presented having been duly considered, the above Recitals, including but not limited to the environmental facts, are found to be true and accurate and are hereby adopted.

Section 2. The allocation of up to $5,500,000 of CNI grant funds for Block B Housing is approved.

Section 3. The Sacramento Housing and Redevelopment Agency is authorized to issue a Loan Commitment on behalf of HACOS up to $5,500,000 of CNI grant funds to be loaned to Twin Rivers Housing Phase 2, LP or related entity for eligible Block B housing costs.

Section 4. SHRA is authorized to amend the CNI grant budget and housing plan to allocate up to $5,500,000 specifically for eligible Block B housing costs.

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 this 21st day of May 2019, 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
Date: May 31, 2019

McCormack Baron Salazar, Inc.
Dan Falcon, Managing Director
801 South Grand Ave., Suite 780
Los Angeles, CA 90017-4635

RE: Conditional Funding Commitment for Twin Rivers Block B

Dear Mr. Falcon,

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of its commitment of permanent loan funds (Loan) comprised $5,500,000 in Choice Neighborhoods Initiative (CNI) Funds for the purpose of financing the development of that certain real property known as Twin Rivers Block B, located at 321 Eliza Way, Sacramento, California (Property). The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this commitment is void. Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

The Loan shall be made on standard Agency loan documents. Loan terms not in this funding commitment and the attached loan document forms shall not be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this commitment and the loan documents, the terms stated in the loan commitment letter shall be deemed to be terms of this commitment.

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

This commitment will expire May 31, 2021.

1. **PROJECT DESCRIPTION:** Twin Rivers
   Twin Rivers Block B (Project) is a new construction, mixed-income housing development. Block B will include 66 dwelling units and parking spaces.

2. **BORROWER:** The name of the Borrower for the Loan is Twin Rivers Phase 2, L.P., a California limited partnership (McCormack Baron Salazar, Inc., or related entity).

3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay the costs of development and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. **PRINCIPAL AMOUNT:** The combined principal amount of the Loan will be the lesser of (a) $5,500,000 (Five Million Five Hundred Thousand Dollars), or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency.

5. **TERM OF LOAN:** The Loan shall mature 57 years or 684 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.

6. **INTEREST RATE:** The Loan will bear simple interest at four percent (4%) per annum or the applicable federal rate. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.

7. **ANNUAL REPAYMENT:** Annual principal and interest payments shall be made according to the structured payment schedule contained in the final Loan Agreement, calculated to achieve annual 1.2 debt coverage ratio. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. All outstanding principal and interest is due and payable on the maturity date. Notwithstanding the preceding payment schedule, no payments shall be made on this Loan until the full balance of principal and interest on the capitalized ground lease seller carryback loan made by the Housing Authority of the County of Sacramento to the Borrower pursuant to the Master Development Agreement is paid in full.

8. **SOURCE OF LOAN FUNDS:**
   
   Agency is making the Loan from the following sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: $5,500,000 in Choice Neighborhoods Initiative (CNI) Funds. This Loan is conditioned upon Borrower’s acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

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

   [Signature] (Borrower Initial)

9. **ACCELERATION:** Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.

10. **SECURITY:** The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to the
construction and/or permanent mortgage loans senior to the Agency's lien and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency may subordinate said deeds of trust in order to accommodate completion of construction of the Property.

11. **LEASE AND RENTAL SCHEDULE:** All leases of the Property and Improvements shall be subject to Agency's review and approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval; provided, however, that such approval shall not be required for annual adjustments to rental rates as permitted by the California Tax Credit Allocation Committee.

12. **PROOF OF EQUITY:** Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than $11,500,000 in Low Income Housing Tax Credit Equity. If LIHTC equity goes below $11,500,000, the equity must be offset by an increase in deferred developer fee.

13. **OTHER FINANCING:** Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:

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

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

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

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

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

16. **LOAN IN BALANCE:** Borrower will be required to maintain the Loan "in balance". The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance", the Agency may declare the Loan to be in default.

17. **PLANS AND SPECIFICATION:** Final plans and specifications, if any, for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursal of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project. The final plans shall incorporate all related mitigation measures as required in the Mitigation Monitoring and Reporting Program of Twin Rivers Transit Oriented Development and Light Rail Station Project as may be applicable to Twin Rivers Block2, environmental conditions required, if any, for compliance with approvals under CEQA, and/or NEPA, or the U.S. Department of Housing and Urban Development as conditions of approval of the project.

18. **ARCHITECTURAL AGREEMENT:** The architectural agreement (Agreement), if any, for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.

19. **CONSTRUCTION CONTRACT:** The construction contract (Contract), if any, and any change orders issued thereunder, and the contractor (Contractor) to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency may require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.

20. **RETENTION AMOUNT:** The Agency shall retain ten percent (10.0%) as retention from each disbursement, not to exceed a total of ten percent (10.0%) of the total amount of the Loan.
21. **COST BREAKDOWN:** Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Improvements, which breakdown conforms to the project plans and specification and the budget approved with this commitment. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.

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

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

22. **COST SAVINGS:** At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency, which cost certification shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source including any loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.

23. **START OF CONSTRUCTION:** Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.

24. **COMPLETION OF CONSTRUCTION:** Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.

25. **SECURITY CAMERAS AND OUTSIDE LIGHTING:** Project shall include installation of a security camera system, exterior lighting, and security patrols, all as approved by the Agency.
26. **INSURANCE PROVIDER**: Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.

27. **HAZARD INSURANCE**: Borrower shall procure and maintain fire and extended coverage insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS ($10,000.00).

28. **PUBLIC LIABILITY AND OTHER INSURANCE**: Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than $1,000,000, per occurrence limit; $5,000,000 general aggregate limit, and $5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of $1,000,000 each occurrence, $1,000,000 single limit and $1,000,000 aggregate; (3) Contractual liability for Bodily Injury of $1,000,000 each occurrence, for Property Damage of $1,000,000 each occurrence and $1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of $1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of $1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS ($10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.

29. **TITLE INSURANCE**: Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116, and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.

30. **ORGANIZATIONAL AGREEMENTS**: Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership
or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.

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

32. **FINANCIAL INFORMATION:** During the term of the Loan, Borrower shall deliver to Agency within 120 days of the end of each fiscal year an audited income and expense statement, a balance sheet, and a statement of all changes in financial position signed by authorized officers of Borrower. Prior to close of the Loan and during its term, Borrower must deliver to Agency such additional financial information as may be requested by Agency. Agency reserves the right to review and approve financial statements and other credit information and references prior to closing. During the term of the Loan, Borrower must deliver to Agency a monthly rent-roll including household composition information and operating statements with respect to the Property and Improvements, as Agency may request.

33. **MANAGEMENT AGREEMENT:** Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.

34. **RESIDENT SERVICES AGREEMENT:** Prior to execution, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement is subject to Agency Approval. The agreement must include a minimum of fifteen (15) hours of on-site resident services.

35. **LOW INCOME HOUSING TAX CREDITS (LIHTC):** Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC’s and agrees to perform all actions and to meet all requirements to maintain the LIHTC allocation if granted.

36. **SMOKE-FREE ENVIRONMENT:** At least 50% of the buildings but no less than 50% of the units must be smoke free. All indoor common areas must be smoke-free.

37. **DOCUMENTATION:** This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.

38. **CONSISTENCY OF DOCUMENTS:** As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's
commitment approved by the Agency and comply, in all respects, with this commitment letter.

39. **CHANGES OR AMENDMENTS:** No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.

40. **ACCEPTANCE OF THIS COMMITMENT:** Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.

Sincerely,

La Shelle Dozier  
Executive Director

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

Dated: May 31, 2018

BORROWER:

Twin Rivers Phase 2, a California limited partnership

By: ___________________________________
    Daniel Falcon, Managing Director
## UNIT COUNT BY TYPE

<table>
<thead>
<tr>
<th>Block</th>
<th>Area (Acres)</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR (incl. TH)</th>
<th>4BR</th>
<th>5BR</th>
<th>Total</th>
<th>DU/Acre</th>
<th>Parking</th>
</tr>
</thead>
<tbody>
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<td>A</td>
<td>2.92</td>
<td>39</td>
<td>48</td>
<td>16</td>
<td>1</td>
<td>0</td>
<td>104</td>
<td>35.6</td>
<td>72</td>
</tr>
<tr>
<td>B</td>
<td>1.66</td>
<td>24</td>
<td>31</td>
<td>10</td>
<td>1</td>
<td>0</td>
<td>66</td>
<td>39.8</td>
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<td>C</td>
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<td>6</td>
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<td>84</td>
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<td>D</td>
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<td>46</td>
<td>27</td>
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<td>0</td>
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<td>E</td>
<td>1.76</td>
<td>20</td>
<td>22</td>
<td>8</td>
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<td>57</td>
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<td>F</td>
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<td>20</td>
<td>8</td>
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<td>0</td>
<td>62</td>
<td>23.1</td>
<td>62</td>
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<tr>
<td>Total</td>
<td>15.02</td>
<td>180</td>
<td>201</td>
<td>86</td>
<td>18</td>
<td>2</td>
<td>487</td>
<td>32.4</td>
<td>383</td>
</tr>
</tbody>
</table>

37.0% 41.3% 17.7% 3.7% 0.4%

---

### Legend
- 2-Story 3-Bedroom Townhouse
- 3-Story Garden Apartment Building
- 3-Story Multi-Family Apartment Building
- 4-Story Multi-Family Apartment Building
- 4-Story Multi-Family Apartment w/ Ground Floor Childcare Center
- Parking

### Scale In Feet

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**Twin Rivers Transit-Oriented Development and Light Rail Station Project**

**Figure 2-4**

**Proposed Site Plan**

**Updated 01.04.2019**

**Conceptual Site Plan**

**Updated 2019.01.04**

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**Existing Street Grid**

Large blocks inhibit north-south and east-west movement through the study area.
# Twin Rivers - Block B
## Project Summary

<table>
<thead>
<tr>
<th>Address</th>
<th>321 Eliza Street Sacramento, CA 95811</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Units</td>
<td>66</td>
</tr>
<tr>
<td>Construction Type</td>
<td>New Construction</td>
</tr>
<tr>
<td>Affordability</td>
<td>40 units at or below 30% of AMI (PBV Public Housing Replacement)</td>
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<tr>
<td></td>
<td>13 LIHTC units at or below 60% of AMI</td>
</tr>
<tr>
<td></td>
<td>12 units at or below 80% of AMI</td>
</tr>
<tr>
<td></td>
<td>1 Manager's Unit</td>
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### Unit Mix and Rents

<table>
<thead>
<tr>
<th></th>
<th>PBV (30% AMI)</th>
<th>LIHTC (60% AMI)</th>
<th>LIHTC (80% AMI)</th>
<th>Manager</th>
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<tbody>
<tr>
<td>1 Bedroom / 1 Bath</td>
<td>10</td>
<td>7</td>
<td>7</td>
<td>1</td>
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<tr>
<td>2 Bedroom / 1 Bath</td>
<td>19</td>
<td>6</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>3 bedroom / 2 Bath</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3 Townhouse / 2.5 Bath</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4 bedroom / 2 Bath</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>40</strong></td>
<td><strong>13</strong></td>
<td><strong>12</strong></td>
<td><strong>1</strong></td>
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### Square Footage

<table>
<thead>
<tr>
<th></th>
<th>Per Unit</th>
<th>Total</th>
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<tr>
<td>1 Bedroom / 1 Bath</td>
<td>567</td>
<td>13,608 square feet</td>
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<tr>
<td>2 Bedroom / 1 Bath</td>
<td>790</td>
<td>24,490 square feet</td>
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<tr>
<td>3 bedroom / 2 Bath</td>
<td>1,089</td>
<td>4,356 square feet</td>
</tr>
<tr>
<td>3 Townhouse / 2.5 Bath</td>
<td>1,228</td>
<td>7,368 square feet</td>
</tr>
<tr>
<td>4 bedroom / 2 Bath</td>
<td>1,293</td>
<td>1,293 square feet</td>
</tr>
<tr>
<td>Common Areas</td>
<td></td>
<td>13,324 square feet</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>64,439 square feet</td>
</tr>
</tbody>
</table>

### Resident Facilities

Residents will have access the facilities on neighborhood lots which include a community park, management offices, resident community space, a fitness center, swimming pool and BBQ area.

### Permanent Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Current Total</th>
<th>Per Unit</th>
<th>Per Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Lender</td>
<td>$ 4,908,540</td>
<td>$ 74,372</td>
<td>$ 76.17</td>
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<tr>
<td>CNI HACOS</td>
<td>$ 5,469,423</td>
<td>$ 82,870</td>
<td>$ 84.88</td>
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<tr>
<td>HACOS Infrastructure Note</td>
<td>$ 2,508,314</td>
<td>$ 38,005</td>
<td>$ 38.93</td>
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<tr>
<td>MHP</td>
<td>$ 6,143,345</td>
<td>$ 93,081</td>
<td>$ 95.34</td>
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<tr>
<td>Tax Credit Equity</td>
<td>$ 11,647,000</td>
<td>$ 176,470</td>
<td>$ 180.74</td>
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<tr>
<td>Capitalized Ground Lease</td>
<td>$ 14,400</td>
<td>$ 218</td>
<td>$ 0.22</td>
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<tr>
<td>Deferred Developer Fee</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>TOTAL SOURCES</strong></td>
<td><strong>$ 30,691,022</strong></td>
<td><strong>$ 465,015</strong></td>
<td><strong>$ 476.28</strong></td>
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### Permanent Uses

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Ground Lease</td>
<td>$ 16,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$ 21,109,533</td>
</tr>
<tr>
<td>Permits</td>
<td>$ 306,101</td>
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<tr>
<td>Architecture and Engineering</td>
<td>$ 1,446,529</td>
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<tr>
<td>Soft Cost Contingency</td>
<td>$ 327,757</td>
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<tr>
<td>Hard Cost Contingency</td>
<td>$ 1,836,606</td>
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<tr>
<td>First Mortgage Interest</td>
<td>$ 757,000</td>
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<tr>
<td>Legal</td>
<td>$ 300,000</td>
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<tr>
<td>Operating Reserve</td>
<td>$ 227,114</td>
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<tr>
<td>Financing Costs</td>
<td>$ 670,423</td>
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<tr>
<td>Developer Fee</td>
<td>$ 2,500,000</td>
</tr>
<tr>
<td>Insurance, Third Party, Marketing, Other</td>
<td>$ 1,193,969</td>
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<tr>
<td><strong>TOTAL USES</strong></td>
<td><strong>$ 30,691,022</strong></td>
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</table>

### Management / Operations

**Proposed Developer:** McCormack Baron Salazar
**Property Management Company:** McCormack Baron Management

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Budget</td>
<td>$ 342,428</td>
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<tr>
<td>Taxes</td>
<td>-</td>
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<tr>
<td>Security</td>
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RESOLUTION NO. SHRC-______


ON DATE OF

May 15, 2019

TWIN RIVERS TRANSIT ORIENTED DEVELOPMENT AND LIGHT RAIL STATION PROJECT (PROJECT): AUTHORIZING A LOAN COMMITMENT IN THE AMOUNT OF $5,500,000 OF CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT FUNDS TO TWIN RIVERS PHASE 2, L.P.; EXECUTION OF COMMITMENT LETTER; AUTHORIZING THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (AGENCY) TO APPLY TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR A MULTIFAMILY HOUSING PROGRAM (MHP) LOAN(S) IN AN AMOUNT UP TO $16,000,000 TOTAL FOR BLOCKS A AND B MULTIFAMILY HOUSING CONSTRUCTION AND EXECUTE RELATED DOCUMENTS; ENVIRONMENTAL FINDINGS

WHEREAS, The Executive Director, or designee, is authorized to amend the Agency budget to transfer $5,500,000 in Choice Neighborhoods Initiative funds to Twin Rivers Phase 2, L.P.; and

WHEREAS, The California Department of Housing and Community Development (HCD) has issued a Notice of Funding Availability (NOFA) dated May 2019, under the Multifamily Housing Program (MHP), as established by Health and Safety Code Division 31, Part 2 and HCD is authorized to approve funding allocations for the MHP Program;

WHEREAS, the Agency is the designated Project Manager and McCormack Baron Salazar Inc. is the designated developer and Housing Lead for the Twin Rivers Transit Oriented Development and Light Rail Station Project (Project); and

WHEREAS, A combined Initial Study/Environmental Assessment was prepared for the Twin Rivers Transit-Oriented Development Project pursuant to California Environmental Quality Act (CEQA) requirements under 14 California Code of Regulations §15070 of the, and National Environmental Policy Act (NEPA) requirements under 24 Code of Federal Regulations (CFR) §58.36. A Finding of No Significant Impact (FONSI) pursuant to NEPA and a Notice of Determination (NOD) pursuant to CEQA have been filed for the project; no further environmental review is required for the proposed actions.
NOW, THEREFORE, BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1. Subject to approval by the City Council, the Loan Commitment attached to and incorporated in this resolution by this reference for the financing Twin Rivers Block B (Loan Commitment) is approved and the Executive Director, or designee, is authorized to execute the Loan Commitment and related documents and perform other actions necessary to fulfill the intent of repayment of funds, including without limitation, subordination, extensions, and restricting of payments, all as approved by agency counsel and to transmit to Twin Rivers Phase 2, L.P. (McCormack Baron Salazar, Inc.) or related entity.

Section 2. In response to the HCD NOFA, Developer/Applicant is authorized to submit two applications to HCD to participate in the MHP program for an allocation of funds not to exceed Sixteen Million Dollars ($16,000,000) total, for the construction of new multifamily rental housing for eligible households located in Block A and Block B of the Project located in the City of Sacramento.

Section 3. If the application for funding is approved by HCD, the Developer/Applicant agrees to use the MHP funds for eligible activities in the manner presented in its application as approved by HCD in accordance with MHP statutes and regulations cited above. The Developer/Applicant may also execute a standard agreement, any amendments thereto, and all other documents or instruments necessary or required by HCD.

______________________________
CHAIR

ATTEST:

______________________________
CLERK
Sacramento Housing and Redevelopment Commission  
Sacramento, CA  

Honorable Members in Session:

SUBJECT:

2018 Promise Zone and P3 Update  

SUMMARY

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

RECOMMENDATION

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

Respectfully submitted,

[Signature]

LA SHELLE DOZIER  
Executive Director

Attachment
Honorable Mayor and Members of the City Council

Title: 2018 Sacramento Promise Zone and P3 Program Update

Location/Council District: Citywide

Recommendation: Oral presentation - for information only.

Contact: Tyrone Roderick Williams, Promise Zone Director/Director of Development, (916) 440-1316, Sacramento Housing and Redevelopment Agency

Presenters: Tyrone Roderick Williams, Promise Zone Director/Director of Development, (916) 440-1316, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: On April 29, 2015, the U.S. Department of Housing and Urban Development (HUD) designated a portion of the City of Sacramento and unincorporated Sacramento County as a federal Promise Zone under the Promise Zone Initiative (Initiative), and identified the Sacramento Housing and Redevelopment Agency (SHRA) as the Lead Organization to manage the Initiative. The Promise Zone designation does not confer any direct funding, but does provide preference and bonus points on federal grants and other resources for activities related to the Promise Zone goals, as well as other benefits. Attachment 2 includes information regarding 2018 Promise Zone accomplishments achieved by both the SHRA Promise Zone team and by the over 150+ collaborating partners working to expand resources and services in the Promise Zone.

Policy Considerations: Not applicable.

Economic Impacts: Not applicable

Environmental Considerations: Not applicable

Sustainability Considerations: Not applicable
Commission Action: At its meeting of May 1, 2019, the Sacramento Housing and Redevelopment Commission received an informational presentation related to this item.

Rationale for Recommendation: Not applicable

Financial Considerations: Not applicable

LBE - M/WBE and Section 3 requirements: Not applicable

Attachments
1- Description/Analysis
2- Background
3- Map

Respectfully Submitted by: [Signature]
LA SHELLE DOZIER
Executive Director
**Background**

Sacramento's Promise Zone encompasses some of the economically hardest-hit neighborhoods in the city and county – from Del Paso Heights in the North Area to Oak Park and the Avenues in the South County. It also includes portions of Downtown and Midtown and parts of two Board of Supervisor Districts and five City Council Districts. The Promise Zone is home to 127,893 residents of whom nearly 35 percent live in poverty. In the Promise Zone, 63 percent of the children read below grade level and the unemployment rate is 19 percent. The life expectancy of the residents of the Promise Zone is 72 years versus 79 outside the zone.

The City and County along with over 150+ committed and capable partners are aligned in efforts to significantly improve the lives of residents in the Promise Zone neighborhoods. Promise Zone partners are committed to aligning and directing local, federal, state, corporate and philanthropic funds into the Promise Zone neighborhoods. Since receiving the designation in April of 2015, more than $141 million in federal, state, and local government investments have been awarded to organizations and agencies as a direct result of receiving bonus points or support from the Promise Zone to create jobs, provide job training and placement, increase access to healthy foods, and improve educational opportunities primarily in the Promise Zone.

**Promise Zone Goals**

The Promise Zone goals are clear, transformational and achievable.

- Improve health and wellness by promoting healthy behaviors and increasing health interventions
- Improve educational opportunities from cradle to career
- Create jobs and accelerate job training and placement
- Increase economic activity within the downtown and neighborhood business districts
- Facilitate sustainable neighborhood revitalization activities that support safe and thriving communities

**2018 Year in Review Summary**

2018 was another very successful year for Sacramento's Promise Zone. The opportunity to obtain the service of up to five AmeriCorps VISTA members for each Promise Zone designee continues to allow SHRA to use the services of four AmeriCorps VISTA members and one AmeriCorps VISTA Leader to increase our capacity to do the Promise Zone work.

In Sacramento, a Promise Zone Coordinator (Coordinator) manages and supervises Promise Zone AmeriCorps VISTA Members/VISTA Leader. The Coordinator is responsible for coordinating Promise Zone activities and processes that address issues of neighborhood housing development, public safety, job creation, training and
placement, economic development, small business development financing, and neighborhood revitalization issues by using a coalition of community stakeholders and Promise Zone sub committees to advance the goals of the Promise Zone with a strong focus on researching, identifying and pursuing federal funding opportunities. The Coordinator is also responsible to represent the Promise Zone in the National Coalition of Promise Zones (NCPZ) and the California Affinity Group.

In March of 2019, SHRA hired a grant writer whose duties include but are not limited to supporting the Sacramento Promise Zone and the Performance Partnership Pilot Initiative Program (P3 Program) which provides housing stability to homeless youth prior to them receiving supportive services to help them reach education and career goals. He will identify, research, and apply for grants that align with the goals of the Promise Zone and P3 program. The grant writer will also focus on sharing grant opportunities with partner organizations and support partner applications.

In 2018 SHRA also hired a housing specialist whose duties include but are not limited to supporting the P3 Program by assisting with identifying housing accommodations and working with landlords to educate them on the benefits of housing tenants who are a part of the program.

National and State Coordination

In October of 2018, Dr. Michael Huff was hired and assigned to the San Francisco office of the Department of Housing and Urban Development - Office of Field Policy & Management as a Program Analyst (Community Initiatives) and he serves as a liaison to the Sacramento Promise Zone. Dr. Huff supports Promise Zone staff and partners to navigate federal agencies and programs, provide connections to federal agencies, and facilitate greater access to federal grants, technical assistance, and other federal resources.

Sacramento Promise Zone staff continues to participate in two groups that provide opportunities for peer-to-peer exchanges, share best practices, and leverage the power of collaboration. One group is the California Affinity Group, which is a group of staff members from California Promise Neighborhoods, Promise Zones, a Performance Partnership Pilot area, city governments, school districts, community organizations, the United States Department of Education (ED), and the United States Department of Housing and Urban Development (HUD). This group meets regularly with the common goal of improving educational and employment opportunities for people living in many of California’s most distressed communities.

The United States Department of Education’s Place Based Initiatives Pilot Team, which includes Performance Excellence Partners (PEP) and Jobs for the Future (JFF), provides in-person technical assistance meetings for the California Affinity Group. The Peer Exchanges are designed to provide the opportunity to collaborate in-person on topics of interest. Some of the 2018-19 peer exchange topics included but were not limited to best practices to better support homeless youth ages 16-24 to
pursue their educational and career goals, fiscal mapping (San Diego), transformational opportunities through community collaboration and education innovation (Indianapolis), and STEM schools and Career Pathway Transformations (Cleveland/Akron). The California Affinity group also held best practice webinars which include topics such as strategic system building and implementation of full community schools.

The second group that the Promise Zone participates in is the National Coalition of Promise Zones (NCPZ). The NCPZ includes all 22 of the Promise Zone designees. There are four tribal, four rural, and fourteen urban communities represented. The NCPZ holds bi-weekly calls to share best practices, share resources, and to use collaborative practice to positively impact all 22 promise zones across the country. Sacramento Promise Zone serves on the steering committee for the NCPZ.

The NCPZ convened in Washington D.C. in October of 2018 to meet with representatives from Federal agencies. The goal of the trip was to provide updates on the work of the Promise Zones and continue to build relationships and lines of communication to increase the amount of resources, technical assistance, and funding in all Promise Zones.

Health and Wellness

Sacramento Promise Zone Health Fairs

The Sacramento Promise Zone held two health fairs during 2018. One health fair was held in May at the Greater Sacramento Urban League (GSUL) and another was held in June at the Fruit Ridge Community Collaborative (FRCC). Each health fair included 15+ partner organizations that provided the community with health screenings, health information, and other health related opportunities. The health fairs also partnered with Sacramento Food Bank and Family Services (SFBFS) to give away 50 bags of fresh produce at each fair free to the community member attendees. The Elica Mobile Clinic was present at the June health fair to provide free health screenings and services.

Sacramento Promise Zone Community Nurse Corps (CNC)

In 2017, collaboration was established between the Sacramento Promise Zone and Samuel Merritt University to create the Sacramento Promise Zone Community Nurse Corps (CNC) which continued throughout 2018. Through CNC, a cohort of experienced, registered nurses from Kaiser Permanente serve at various local partner sites to address the Promise Zone’s community health needs. The CNC aims to address some of the highest health needs of our region including: increasing access to healthy food, promoting physical activity, increasing access to health care, and reducing African American child deaths.

The CNC program was designed by Samuel Merritt University and Kaiser Permanente to provide working registered nurses the unique opportunity to achieve a bachelor’s
degree and gain the knowledge, skills, and attitudes needed to function within the health landscape of the 21st Century. As part of the degree program, the nurse scholar's intern with a community based organization working with underserved populations to study and learn firsthand about social determinants of health in an applied fashion. The community agencies gain the benefit of registered nurses conducting needs assessments, health education, and screenings without having to hire additional staff.

The CNC nurse scholars also perform strategic planning and create program planning documents based on research of evidenced-based practices/policies of other programs serving specialized populations. CNC nurse scholars have completed 3,655 hours of community service hours at six community based organizations including La Familia's Maple Neighborhood Center, Twin Rivers Public Housing, Mutual Assistance Network Firehouse Community Center, Martin Luther King Technology Academy, Health Education Council, and WellSpace Health.

Sacramento Promise Zone staff is currently working with the Sacramento Region Schools of Nursing Community Health Consortium (Consortium) to expand the Sacramento Promise Zone Community Nurse Corps (CNC). The Consortium includes Betty Irene Moore School of Nursing (UC Davis), California State University – Sacramento, Samuel Merritt University, and University of San Francisco's Sacramento Campus. Sacramento Promise Zone and Samuel Merritt Staff have educated the members of the Consortium about the Promise Zone and the CNC to analyze the viability of having each college allow their nurse scholars to intern with Promise Zone partner organizations.

**Sac State Dietetic Opportunity**

Sacramento Promise Zone also partnered with California State University Sacramento (Sac State) Family and Consumer Sciences department in 2018 to create the Promise Zone & Sac State Dietetic Opportunity. Similar to the Community Nurse Corps, the Promise Zone & Sac State Dietetic Opportunity created an opportunity for Sacramento Promise Zone Community Based Organization partners to learn about CNC, the schools in the Consortium, and the prospect of having dietetic interns work with their organization to educate their community about dietetic and nutrition information to improve health outcomes.

**Block by Block 2.0 - Healing Youth Trauma through Art**

Sacramento Promise Zone provided support for the Crocker Art Museum's application to the Institute of Museum and Library Services Museums for America grant. Crocker Art Museum was awarded $227,909 to help launch and support “Block by Block 2.0”, the Crocker’s initiative to increase arts engagement, access, and education in Sacramento’s most vulnerable neighborhoods.
A ‘Street Team’ comprised of high school aged youth who live or go to school in the Promise Zone are paid stipends to plan and develop art opportunities in Sacramento Promise Zone neighborhoods. Various art mediums are used to engage with youth and help them deal with trauma that they face.

Sacramento Promise Zone staff members are also a part of the Art Impact Collective, a collective with Promise Zone community representatives, and community organizations including the Roberts Family Development Center, Sol Collective, Sojourner Truth African American Museum, and 916Ink that help to put Block by Block 2.0 opportunities in the community.

The Street Team helped to do the following:

- Held 22 Meetings (10 meetings in the PZ)
- 55 events - festivals, cultural events, art fairs, read ins (35 events in the PZ)
- 6 Pop up art events: (4 pop ups in the PZ)
- Participated 4 marches (MLK, Cesar Chavez, Pride, Black Women’s March) (all 4 marches in the PZ)
- 8 Summer Night Lights/Night Life Turned Right/Summer Nights of Impact events (2 NLTR in the PZ)
- 3 Art Ark visits (3 visits in the PZ)

Educational Opportunities

Y-PLAN

The Y-PLAN Sacramento Healthy Cities Initiative is a multi-year action research effort to provide direct support to Health Linked Learning Pathways and the California Endowment Building Healthy Communities through the Y-PLAN (Youth-Plan, Learn, Act, Now!) educational strategy. Rather than being an add-on to already demanding school activities, Y-PLAN is aligned to the Common Core and fulfills Linked Learning Pathway and Academy requirements as an (a) integrated project and (b) innovative form of in-school civic work based learning.

During the spring of 2018, Health Professionals High School worked with Sacramento Housing and Redevelopment Agency staff to provide recommendations on how Promise Zone partners can best ensure Sacramento communities are “opportunity zones” for all. They took a special look at the housing challenges in their communities and how to best engage and support those living in affordable housing, or facing housing instability and homelessness.

Summer Engineering Experience for Kids (SEEK)

The Sacramento Promise Zone continues to partner with the National Society of Black Engineers (NSBE), Councilmember Larry Carr, Sacramento Municipal Utilities District (SMUD), South Sacramento Christian Center (SSCC), University of California Davis
(UC Davis), Siemens, and West Yost Associates to bring the Summer Engineering Experience for Kids (SEEK) Program to Sacramento. SEEK is a fun and engaging educational experience, led by engineering students and technical professionals. During the three week program, 3rd through 5th graders worked in teams, using their knowledge to solve problems and create products while discovering the underlying math and science principles involved in these processes. Each week, the students take on a new project, culminating with a presentation, design competition and physical competitions that all parents were encouraged to attend.

In 2018, 130 students attended SEEK. Students attended the camp free of charge to Sacramento Promise Zone families. The students were led by 17 UC Davis and Sac State University college student mentors and paid interns for the program.

Sacramento State University in the Promise Zone

The Sacramento State University - Downtown campus is located in the Promise Zone. Sacramento State President, Robert Nelson, and other personnel have been very supportive Promise Zone partners and have worked with SPZ staff to identify ways to explore ways to accomplish Promise Zone goals and objective. They have also allowed the Promise Zone and partners to use the downtown campus facilities for meetings.

Sacramento State University also partnered with Align Capital Region to host the Summit on Educational Attainment for Working Age Adults at Sac State's Downtown campus in May. During the summit, the educational attainment initiative, ProjectAttain!, was introduced. ProjectAttain! has the ambitious goal to increase the number of working age adults in the greater Sacramento region with a degree, certificate or credential to 60 percent by 2025.

Job Training and Placement/Economic Development Activity

Mack Road Partnership Business Walk

In May of 2018, Sacramento Promise Zone partnered with Mack Road Partnership to conduct the Mack Road Partnership Business Walk through the Mack Road Property & Business Improvement District (PBID). Volunteers from the Sacramento Promise Zone federal partners, the Sacramento Promise Zone Jobs and Economic Development Joint Working Group, and other partners surveyed business owners and/or store managers to gain insight into their experience of doing business in the district. The survey data was collected to inform and shape local economic development.

Jobs Plus

Jobs Plus is a multi-agency team that works with the residents at the Marina Vista and Alder Grove public housing communities to become employed or to participate in activities leading to employment (such as education and/or job training). Residents from
the public housing sites can go to the Jobs Plus Center to receive assistance from SHRA staff and staff from partner organizations including the County Department of Human Assistance, the Sacramento Employment & Training Agency (SETA), the Greater Sacramento Urban League and other community stakeholders.

During 2018, 59 Jobs Plus participants began new full-time employment to bring the overall total of participants who have begun full-time employment to 109. During 2018, 71 Jobs Plus participants began new part-time employment to bring the overall total of participants who have begun part-time employment to 123.

During 2018, 72 Jobs Plus youth participants enrolled in job training opportunities and 72 youth participants enrolled in extracurricular educational opportunities.

Financial Institution Partnership Opportunity (FIPO)

The Promise Zone, along with support from the Federal Deposit Insurance Corporation (FDIC), facilitated the 2017/2018 Financial Institution Partnership Opportunity (FIPO). Ten financial institution partners collaboratively identified a Sacramento Promise Zone project to fund via a bank-led RFP process. Alchemist CDC was awarded $137,500 for a project that will provide business training for aspiring food entrepreneurs from low-income populations and under-resourced communities. The program will also have a food incubator kitchen that will be available to food entrepreneurs so that they can prepare their food products into sellable goods. The 2018/2019 Financial Institution Partnership Opportunity (FIPO) is in the processed of being finalized. So far, 11 financial institutions have committed to collaboratively fund two Sacramento Promise Zone projects.

Four of the FIPO financial institution partners were made aware of the need for capacity building in the Promise Zone through their participation in the RFP process. As a result, the four partners have committed a total of $100,000 to sponsor a year-long capacity building training to be facilitated by the Impact Foundry for 30 Sacramento Promise Zone Community Based Organizations.

Performance Partnership Pilot Initiative Program (P3) - Combating Youth Homelessness

In 2017, the Sacramento Housing and Redevelopment Agency (SHRA) was designated as a Performance Partnership Pilot Initiative Program (P3) awardee. The P3 program was launched in February of 2018. P3 is a collaborative effort between HUD, US Department of Education, the Department of Labor and local partners such as Lutheran Social Services of Northern California, Sacramento Regional Conservation Corps, Waking the Village, Wind Youth Services, and Volunteers of America working together to determine how federal policies and regulations might impact service provision to disconnected youth in our community. This is a pilot project that does not come with additional funds for staffing, services or additional vouchers, but whose goal it is to help
youth achieve stable housing, education and/or employment goals through the creative waiving of barriers that exist in each federal department that hinder these goals.

The Sacramento P3 program uses a Housing First model by recognizing that youth need housing first—before any requirements to participate in services or to be clean/sober. P3 housing (via Housing Choice Vouchers) is one type of housing on the continuum. Provision of P3 housing will allow “flow” through the continuum. Most of the youth referred to P3 come from transitional housing and this “flow” allows more youth to access shelters and transitional housing in the continuum. The benefit that this provides to homeless youth, and the community at large, cannot be overlooked. Without this step in the continuum, there is little option for youth in transitional housing to move into housing with reduced support. This opens up other housing options with greater support to additional homeless youth.

The goal of the P3 program is to provide housing stability prior to being connected to experienced and proven service providers that will provide extensive case management as the youth pursue education, training and/or certification that will lead to livable wage jobs. 32 disconnected youth have been housed and are receiving supportive services to help them accomplish their educational and career goals.

**Neighborhood Revitalization**

The Sacramento Promise Zone team is utilizing the arts as another avenue to build vibrant communities and improve quality of life for residents inside the Promise Zone. The Sacramento Promise Zone team and art partners such as Crocker Art Museum, Sol Collective, 916 Ink, and Sojourner Truth African Heritage Museum have goals to use creative place-making, an emerging concept that combines arts, culture, and creativity to drive revitalization and livability outcomes in economically disadvantaged communities. Livability outcomes encompass community identity, public safety, environmental quality, job opportunities, and affordable housing and transit options. Through cross-sector collaboration with public agencies, private businesses, and arts organizations, the goal is to create opportunities within the Promise Zone for creative transformation and increased economic productivity.

**Energy Sustainability**

The Sacramento Municipal Utility District (SMUD) made a significant commitment to support residents in the Oak Park section of the Promise Zone. The mission of SMUD is to enhance the quality of life for their customers and community by providing creative energy solutions and promoting their core values of leadership, ingenuity, community and integrity. They have a goal to promote energy efficiency education to low-income customers in the Sacramento area through coordinated efforts with community service providers.

SMUD is committed to providing no-cost energy upgrades to improve housing stability for qualified low income residents, valued at $4,614,249 during a five year period. The
upgrades are energy efficiency packages that may include deep energy retrofits, weatherization, and potentially rooftop solar for households with the highest electric bill burden. These housing and appliance upgrades will encourage more efficient use of power and conservation of energy. SMUD also committed to provide competitive needs-based college scholarships for students pursuing STEM degrees. These scholarships will improve regional economic development and help fill the workforce pipeline for hard-to-fill STEM careers. SMUD continues to be a key corporate sponsor of the SEEK Summer STEM camp.

Electrify America: Sac-to-Zero

A new zero emissions electric car share program has come to communities in the Sacramento Promise Zone. Electrify America launched the Sac-to-Zero initiative in November with the following goals:

- Positively impact Zero-Emission Vehicle (ZEV) awareness within the community
- Provide ZEV access to low-income and disadvantaged communities
- Increase use of ZEV technology
- Test economic viability of ZEV access initiatives
- Total investment of $44M to launch initiatives

Envoy, a car sharing company funded in part by Electrify America, placed ZEVs and ZEV charging station infrastructure at two SHRA locations. Envoy's fleet will eventually feature more than 140 vehicles in over 70 different locations in Sacramento.

SHRA is collaborating with Envoy to help identify car sharing locations. Electric vehicles at public housing sites minimizes transportation barriers for residents and local community members without cars and significantly lessens the burden of performing everyday tasks such as grocery shopping, going to the doctor, picking up children from school and more. These affordable options also help promote a more equitable multi-modal transit culture by breaking down socioeconomic barriers to utilizing green transport.

JUMP Bikes

Sacramento Promise Zone partnered with JUMP by Uber to inform partners about the opportunities to have JUMP bike racks installed at their location, have JUMP bike demonstration events, and/or take advantage of JUMP discount plans (BOOST plan for low-income users and Student Plan for college students enrolled in local colleges/universities). JUMP bikes provide on-demand transportation and increases community members' ability to access resources and opportunities.

JUMP partnered with PRO Youth and Families to install new JUMP bike racks at the Fruit Ridge Community Collaborative (FRCC) location. The new bike racks can hold up to 22 JUMP bikes. JUMP also did a JUMP bike demonstration at the Spring @ FRCC event, which hosted 500+ community members as they engaged in activities such as a
4000 egg hunt and were introduced to resources such as free eye exams and glasses from VSP.

**Housing**

Sacramento Housing and Redevelopment Agency (SHRA) continued redevelopment activities on the Twin Rivers public housing project which is located in the Promise Zone. The 22 acre $310 million dollar neighborhood revitalization project is the largest housing project currently under construction Downtown. The project includes the redeveloping 218 public housing units into a 487 unit mixed use, mixed income community.

Public housing units will be replaced one-for-one within a larger 487-unit rental housing program both on- and off-site, comprising of 135 market rate, 134 low-income and 218 public housing units. All units will be intermingled and dispersed throughout the site – creating a true mixed-income community.

Unit types include townhouses, garden apartments, and 4-story apartment buildings. A mixed-use 4-story apartment building will also be located adjacent to the new Blue Line Light Rail station to take advantage of transit oriented development opportunities.

New and existing streets will reconnect the current site to the surrounding grid, tying the community back into the larger neighborhood. Taller buildings frame the edges of the development along heavier-trafficked streets, with the building heights stepping back along the smaller streets. Building facades will be articulated in order to maintain a fine-grained scale.

New units will be designed to meet the space and storage requirements of today's families, and incorporate energy-efficient and water-saving features and fixtures, such as Energy Star-rated appliances and central HVAC systems, programmable thermostats, low-flow toilets and showerheads, and appropriate levels of insulation.

The Housing Strategy to do the demolition and redevelopment of the entire 22-acre Twin Rivers complex, including development of approximately 4 acres located immediately to the east of the public housing site is in process.

Relocation of the residents began in 2017. Phase II of the relocation efforts took place during 2018 and 2019. SHRA partnered with Overland Pacific to provide relocation consulting services to all residents to support them during relocation. Residents had the options to receive support to do the following: move into public housing, use the Housing Choice Voucher (HCV) Program, purchase a property, or opt out of using relocation consulting services and find housing on their own. Once residents chose an option and a unit was identified they had options to receive a stipend to move their items or have their items moved by professional movers. All residents have now been relocated from the development. 53 percent of the residents chose to move into public housing, and 35 percent choose to use the HCV program. Phase I of the demolition occurred during 2018 and the remainder of the demolition will be completed in 2019.
SIMPL: Sacramento Integrated Multimodal Place-based Living Project

The Strategic Growth Council (SGC) allocated $23 million in cap and trade revenues to SHRA to build a new light rail station and other improvements in the River District north of downtown which is located in the Promise Zone and is a part of the Twin Rivers public housing project. The funding came from the Transformative Climate Communities (TCC) Program which is a California Climate Investment (CCI) program administered by the SGC, and implemented by the Department of Conservation (DOC) and other partnering State agencies. The TCC Program provides funding for projects that reduce greenhouse gas (GHG) emissions through the development and implementation of neighborhood-level transformative climate community plans that include multiple, coordinated GHG emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities.

National Park Service—Rivers, Trails, and Conservation Assistance (RTCA)

The City of Sacramento and SHRA are receiving National Park Service – Rivers, Trails, and Conservation Assistance (RTCA) for the Sacramento River Placemaking project which is in the Promise Zone. The RTCA works with a broad coalition of community partners and stakeholders to facilitate the design and development of placemaking concepts to enhance the Sacramento River Parkway and promote it as a recreational designation.

The City of Sacramento and SHRA had a kick off meeting and site visit in March. A draft work plan has been developed, the core project team is being assembled, and the core project team will host weekly meeting once assembled.

Additional Collaborations

There are many collaborative efforts that also affect the Promise Zone area residents and communities and have goals that align with Promise Zone goals. Build.Black Coalition and Black Child Legacy Campaign are examples of some of those efforts.

Build.Black Coalition

The Build.Black. Coalition is promoting inclusive economic development and creating on-ramps to prosperity in an effort to transform lives and unite community by doing the following:

- Developing professional economic innovation learning communities that include economic leaders, investors and local entrepreneurs.
- Supporting emerging businesses with the New Idea Awards and Innovation Competition program that will recognize and support local economic development concepts and position awardees to attract further investment.
- Tracking results by identifying and disseminating lessons learned to key stakeholders in a written report and webinar, with the aim of increasing
awareness of African-American economic development opportunities and strategies in the City of Sacramento.

The Build.Black. Coalition is improving outcomes and communities so Black youth can thrive, be healthy and be safe.

Black Child Legacy Campaign

The Black Child Legacy Campaign is a community-driven movement established by the Steering Committee on Reduction of African American Child Deaths, which is working to reduce deaths of African American children by 10% to 20% by 2020 in Sacramento County.

In Sacramento County, African American children die at twice the rate of any other ethnicity. The four leading causes of death are perinatal conditions, infant sleep-related deaths, child abuse and neglect and third party homicides.

Seven neighborhoods have the highest numbers of African American child deaths in the county. These neighborhoods are the focus of the Black Child Legacy Campaign. A Community Incubator Lead organization in each of the these neighborhoods has been charged with prevention and intervention efforts to reduce disproportionate African American child deaths in these four causes of death.

Federal Opportunity

Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the governors of states. Sacramento Promise Zone staff has been working with the State of California Department of Housing and Community Development, the Governor's office, and the Los Angeles and San Diego Promise Zones to launch the program in California. There is a great opportunity to leverage Opportunity Zones and the Sacramento Promise Zone. 17 of the 29 Opportunity Zone census tracts are also Sacramento Promise Zone census tracts.
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2018 Promise Zone and P3 Update

SUMMARY

The attached report is presented for your review prior to review by the County of Sacramento.

RECOMMENDATION

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

Respectfully submitted,

LA SHELLE DOZIER
Executive Director

Attachment
COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
May 21, 2019

To: Board of Supervisors of the County of Sacramento

Through: Navdeep S. Gill, County Executive

From: LaShelle Dozier, Executive Director, Sacramento Housing and Redevelopment Agency

Subject: 2018 Sacramento Promise Zone and P3 Update

Supervisory District(s): All

Overview
On April 29, 2015, the U.S. Department of Housing and Urban Development (HUD) designated a portion of the City of Sacramento and unincorporated Sacramento County as a federal Promise Zone under the Promise Zone Initiative (Initiative), and identified the Sacramento Housing and Redevelopment Agency (SHRA) as the Lead Organization to manage the Initiative. The Promise Zone, which is a ten year designation, does not confer any direct funding, but does provide preference and bonus points on federal grants and other resources for activities related to the Promise Zone goals, as well as other benefits. This presentation provides an update on the accomplishments of the Promise Zone team and over 150 collaborating partners working to expand resources and services in the Promise Zone in 2018.

Recommendations: Receive and file.

Measures/Evaluation
Not applicable.

Fiscal Impact
Not applicable.
BACKGROUND

On April 29, 2015, the U.S. Department of Housing and Urban Development (HUD) designated portions of the City of Sacramento and unincorporated Sacramento County as a federal Promise Zone under the Promise Zone Initiative (Initiative), and identified the Sacramento Housing and Redevelopment Agency (SHRA) as the Lead Organization to manage the Initiative. The Promise Zone designation does not confer any direct funding, but does provide preference and bonus points on federal grants and other resources for activities related to the Promise Zone goals, as well as other benefits. Attachment 2 includes information regarding 2018 Promise Zone accomplishments achieved by both the SHRA Promise Zone team and by the over 150 collaborating partners working to expand resources and services in the Promise Zone.

COMMISSION ACTION

Sacramento Housing and Redevelopment Commission: At its May 1, 2019 meeting, the Sacramento Housing and Redevelopment Commission received the information related to this item in an informational presentation.

MEASURES/EVALUATIONS

Not applicable.

FINANCIAL ANALYSIS

Not applicable.

POLICY CONSIDERATIONS

Not applicable.

ENVIRONMENTAL REVIEW

Not applicable.
M/WBE AND SECTION 3 CONSIDERATIONS

Not applicable.

Respectfully submitted,

APPROVED
NAVDEEP S. GILL
County Executive

By:
LASHELLE DOZIER, Executive Director
Sacramento Housing and Redevelopment Agency

Attachments:
ATT 1 – Map
ATT 2 - Background
Background

Sacramento’s Promise Zone encompasses some of the economically hardest-hit neighborhoods in the city and county – from Del Paso Heights in the North Area to Oak Park and the Avenues in the South County. It also includes portions of Downtown and Midtown and parts of two Board of Supervisor Districts and five City Council Districts. The Promise Zone is home to 127,893 residents of whom nearly 35 percent live in poverty. In the Promise Zone, 63 percent of the children read below grade level and the unemployment rate is 19 percent. The life expectancy of the residents of the Promise Zone is 72 years versus 79 outside the zone.

The City and County along with over 150+ committed and capable partners are aligned in efforts to significantly improve the lives of residents in the Promise Zone neighborhoods. Promise Zone partners are committed to aligning and directing local, federal, state, corporate and philanthropic funds into the Promise Zone neighborhoods. Since receiving the designation in April of 2015, more than $141 million in federal, state, and local government investments have been awarded to organizations and agencies as a direct result of receiving bonus points or support from the Promise Zone to create jobs, provide job training and placement, increase access to healthy foods, and improve educational opportunities primarily in the Promise Zone.

Promise Zone Goals

The Promise Zone goals are clear, transformational and achievable.

- Improve health and wellness by promoting healthy behaviors and increasing health interventions
- Improve educational opportunities from cradle to career
- Create jobs and accelerate job training and placement
- Increase economic activity within the downtown and neighborhood business districts
- Facilitate sustainable neighborhood revitalization activities that support safe and thriving communities

2018 Year in Review Summary

2018 was another very successful year for Sacramento’s Promise Zone. The opportunity to obtain the service of up to five AmeriCorps VISTA members for each Promise Zone designee continues to allow SHRA to use the services of four AmeriCorps VISTA members and one AmeriCorps VISTA Leader to increase our capacity to do the Promise Zone work.
In Sacramento, a Promise Zone Coordinator (Coordinator) manages and supervises Promise Zone AmeriCorps VISTA Members/VISTA Leader. The Coordinator is responsible for coordinating Promise Zone activities and processes that address issues of neighborhood housing development, public safety, job creation, training and placement, economic development, small business development financing, and neighborhood revitalization issues by using a coalition of community stakeholders and Promise Zone sub committees to advance the goals of the Promise Zone with a strong focus on researching, identifying and pursuing federal funding opportunities. The Coordinator is also responsible to represent the Promise Zone in the National Coalition of Promise Zones (NCPZ) and the California Affinity Group.

In March of 2019, SHRA hired a grant writer whose duties include but are not limited to supporting the Sacramento Promise Zone and the Performance Partnership Pilot Initiative Program (P3 Program) which provides housing stability to homeless youth prior to them receiving supportive services to help them reach education and career goals. He will identify, research, and apply for grants that align with the goals of the Promise Zone and P3 program. The grant writer will also focus on sharing grant opportunities with partner organizations and support partner applications.

In 2018 SHRA also hired a housing specialist whose duties include but are not limited to supporting the P3 Program by assisting with identifying housing accommodations and working with landlords to educate them on the benefits of housing tenants who are a part of the program.

**National and State Coordination**

In October of 2018, Dr. Michael Huff was hired and assigned to the San Francisco office of the Department of Housing and Urban Development - Office of Field Policy & Management as a Program Analyst (Community Initiatives) and he serves as a liaison to the Sacramento Promise Zone. Dr. Huff supports Promise Zone staff and partners to navigate federal agencies and programs, provide connections to federal agencies, and facilitate greater access to federal grants, technical assistance, and other federal resources.

Sacramento Promise Zone staff continues to participate in two groups that provide opportunities for peer-to-peer exchanges, share best practices, and leverage the power of collaboration. One group is the California Affinity Group, which is a group of staff members from California Promise Neighborhoods, Promise Zones, a Performance Partnership Pilot area, city governments, school districts, community organizations, the United States Department of Education (ED), and the United States Department of Housing
and Urban Development (HUD). This group meets regularly with the common goal of improving educational and employment opportunities for people living in many of California's most distressed communities.

The United States Department of Education’s Place Based Initiatives Pilot Team, which includes Performance Excellence Partners (PEP) and Jobs for the Future (JFF), provides in-person technical assistance meetings for the California Affinity Group. The Peer Exchanges are designed to provide the opportunity to collaborate in-person on topics of interest. Some of the 2018-19 peer exchange topics included but were not limited to best practices to better support homeless youth ages 16-24 to pursue their educational and career goals, fiscal mapping (San Diego), transformational opportunities through community collaboration and education innovation (Indianapolis), and STEM schools and Career Pathway Transformations (Cleveland/Akron). The California Affinity group also held best practice webinars which include topics such as strategic system building and implementation of full community schools.

The second group that the Promise Zone participates in is the National Coalition of Promise Zones (NCPZ). The NCPZ includes all 22 of the Promise Zone designees. There are four tribal, four rural, and fourteen urban communities represented. The NCPZ holds bi-weekly calls to share best practices, share resources, and to use collaborative practice to positively impact all 22 promise zones across the country. Sacramento Promise Zone serves on the steering committee for the NCPZ.

The NCPZ convened in Washington D.C. in October of 2018 to meet with representatives from Federal agencies. The goal of the trip was to provide updates on the work of the Promise Zones and continue to build relationships and lines of communication to increase the amount of resources, technical assistance, and funding in all Promise Zones.

**Health and Wellness**

**Sacramento Promise Zone Health Fairs**

The Sacramento Promise Zone held two health fairs during 2018. One health fair was held in May at the Greater Sacramento Urban League (GSUL) and another was held in June at the Fruit Ridge Community Collaborative (FRCC). Each health fair included 15+ partner organizations that provided the community with health screenings, health information, and other health related opportunities. The health fairs also partnered with Sacramento Food Bank and Family Services (SFBFS) to give away 50 bags of fresh produce at each fair free to the community member attendees. The Elica Mobile Clinic
was present at the June health fair to provide free health screenings and services.

**Sacramento Promise Zone Community Nurse Corps (CNC)**

In 2017, collaboration was established between the Sacramento Promise Zone and Samuel Merritt University to create the Sacramento Promise Zone Community Nurse Corps (CNC) which continued throughout 2018. Through CNC, a cohort of experienced, registered nurses from Kaiser Permanente serve at various local partner sites to address the Promise Zone’s community health needs. The CNC aims to address some of the highest health needs of our region including: increasing access to healthy food, promoting physical activity, increasing access to health care, and reducing African American child deaths.

The CNC program was designed by Samuel Merritt University and Kaiser Permanente to provide working registered nurses the unique opportunity to achieve a bachelor’s degree and gain the knowledge, skills, and attitudes needed to function within the health landscape of the 21st Century. As part of the degree program, the nurse scholar’s intern with a community based organization working with underserved populations to study and learn firsthand about social determinants of health in an applied fashion. The community agencies gain the benefit of registered nurses conducting needs assessments, health education, and screenings without having to hire additional staff.

The CNC nurse scholars also perform strategic planning and create program planning documents based on research of evidenced-based practices/policies of other programs serving specialized populations. CNC nurse scholars have completed 3,655 hours of community service hours at six community based organizations including La Familia’s Maple Neighborhood Center, Twin Rivers Public Housing, Mutual Assistance Network Firehouse Community Center, Martin Luther King Technology Academy, Health Education Council, and WellSpace Health.

Sacramento Promise Zone staff is currently working with the Sacramento Region Schools of Nursing Community Health Consortium (Consortium) to expand the Sacramento Promise Zone Community Nurse Corps (CNC). The Consortium includes Betty Irene Moore School of Nursing (UC Davis), California State University – Sacramento, Samuel Merritt University, and University of San Francisco’s Sacramento Campus. Sacramento Promise Zone and Samuel Merritt Staff have educated the members of the Consortium about the Promise Zone and the CNC to analyze the viability of
having each college allow their nurse scholars to intern with Promise Zone partner organizations.

**Sac State Dietetic Opportunity**

Sacramento Promise Zone also partnered with California State University Sacramento (Sac State) Family and Consumer Sciences department in 2018 to create the Promise Zone & Sac State Dietetic Opportunity. Similar to the Community Nurse Corps, the Promise Zone & Sac State Dietetic Opportunity created an opportunity for Sacramento Promise Zone Community Based Organization partners to learn about CNC, the schools in the Consortium, and the prospect of having dietetic interns work with their organization to educate their community about dietetic and nutrition information to improve health outcomes.

**Block by Block 2.0 - Healing Youth Trauma through Art**

Sacramento Promise Zone provided support for the Crocker Art Museum’s application to the Institute of Museum and Library Services Museums for America grant. Crocker Art Museum was awarded $227,909 to help launch and support “Block by Block 2.0”, the Crocker’s initiative to increase arts engagement, access, and education in Sacramento’s most vulnerable neighborhoods.

A ‘Street Team’ comprised of high school aged youth who live or go to school in the Promise Zone are paid stipends to plan and develop art opportunities in Sacramento Promise Zone neighborhoods. Various art mediums are used to engage with youth and help them deal with trauma that they face.

Sacramento Promise Zone staff members are also a part of the Art Impact Collective, a collective with Promise Zone community representatives, and community organizations including the Roberts Family Development Center, Sol Collective, Sojourner Truth African American Museum, and 916Ink that help to put Block by Block 2.0 opportunities in the community.

The Street Team helped to do the following:

- Held 22 Meetings (10 meetings in the PZ)
- 55 events - festivals, cultural events, art fairs, read ins (35 events in the PZ)
- 6 Pop up art events: (4 pop ups in the PZ)
- Participated 4 marches (MLK, Cesar Chavez, Pride, Black Women’s March) (all 4 marches in the PZ)
- 8 Summer Night Lights/Night Life Turned Right/Summer Nights of Impact events (2 NLTR in the PZ)
- 3 Art Ark visits (3 visits in the PZ)

**Educational Opportunities**

**Y-PLAN**

The Y-PLAN Sacramento Healthy Cities Initiative is a multi-year action research effort to provide direct support to Health Linked Learning Pathways and the California Endowment Building Healthy Communities through the Y-PLAN (Youth-Plan, Learn, Act, Now!) educational strategy. Rather than being an add-on to already demanding school activities, Y-PLAN is aligned to the Common Core and fulfills Linked Learning Pathway and Academy requirements as an (a) integrated project and (b) innovative form of in-school civic work based learning.

During the spring of 2018, Health Professionals High School worked with Sacramento Housing and Redevelopment Agency staff to provide recommendations on how Promise Zone partners can best ensure Sacramento communities are “opportunity zones” for all. They took a special look at the housing challenges in their communities and how to best engage and support those living in affordable housing, or facing housing instability and homelessness.

**Summer Engineering Experience for Kids (SEEK)**

The Sacramento Promise Zone continues to partner with the National Society of Black Engineers (NSBE), Councilmember Larry Carr, Sacramento Municipal Utilities District (SMUD), South Sacramento Christian Center (SSCC), University of California Davis (UC Davis), Siemens, and West Yost Associates to bring the Summer Engineering Experience for Kids (SEEK) Program to Sacramento. SEEK is a fun and engaging educational experience, led by engineering students and technical professionals. During the three week program, 3rd through 5th graders worked in teams, using their knowledge to solve problems and create products while discovering the underlying math and science principles involved in these processes. Each week, the students take on a new project, culminating with a presentation, design competition and physical competitions that all parents were encouraged to attend.
In 2018, 130 students attended SEEK. Students attended the camp free of charge to Sacramento Promise Zone families. The students were led by 17 UC Davis and Sac State University college student mentors and paid interns for the program.

**Sacramento State University in the Promise Zone**

The Sacramento State University - Downtown campus is located in the Promise Zone. Sacramento State President, Robert Nelson, and other personnel have been very supportive Promise Zone partners and have worked with SPZ staff to identify ways to explore ways to accomplish Promise Zone goals and objective. They have also allowed the Promise Zone and partners to use the downtown campus facilities for meetings.

Sacramento State University also partnered with Align Capital Region to host the Summit on Educational Attainment for Working Age Adults at Sac State’s Downtown campus in May. During the summit, the educational attainment initiative, ProjectAttain!, was introduced. ProjectAttain! has the ambitious goal to increase the number of working age adults in the greater Sacramento region with a degree, certificate or credential to 60 percent by 2025.

**Job Training and Placement/Economic Development Activity**

**Mack Road Partnership Business Walk**

In May of 2018, Sacramento Promise Zone partnered with Mack Road Partnership to conduct the Mack Road Partnership Business Walk through the Mack Road Property & Business Improvement District (PBID). Volunteers from the Sacramento Promise Zone federal partners, the Sacramento Promise Zone Jobs and Economic Development Joint Working Group, and other partners surveyed business owners and/or store managers to gain insight into their experience of doing business in the district. The survey data was collected to inform and shape local economic development.

**Jobs Plus**

Jobs Plus is a multi-agency team that works with the residents at the Marina Vista and Alder Grove public housing communities to become employed or to participate in activities leading to employment (such as education and/or job training). Residents from the public housing sites can go to the Jobs Plus Center to receive assistance from SHRA staff and staff from partner organizations including the County Department of Human Assistance, the
Sacramento Employment & Training Agency (SETA), the Greater Sacramento Urban League and other community stakeholders.

During 2018, 59 Jobs Plus participants began new full-time employment to bring the overall total of participants who have begun full-time employment to 109. During 2018, 71 Jobs Plus participants began new part-time employment to bring the overall total of participants who have begun part-time employment to 123.

During 2018, 72 Jobs Plus youth participants enrolled in job training opportunities and 72 youth participants enrolled in extracurricular educational opportunities.

**Financial Institution Partnership Opportunity (FIPO)**

The Promise Zone, along with support from the Federal Deposit Insurance Corporation (FDIC), facilitated the 2017/2018 Financial Institution Partnership Opportunity (FIPO). Ten financial institution partners collaboratively identified a Sacramento Promise Zone project to fund via a bank-led RFP process. Alchemist CDC was awarded $137,500 for a project that will provide business training for aspiring food entrepreneurs from low-income populations and under-resourced communities. The program will also have a food incubator kitchen that will be available to food entrepreneurs so that they can prepare their food products into sellable goods. The 2018/2019 Financial Institution Partnership Opportunity (FIPO) is in the process of being finalized. So far, 11 financial institutions have committed to collaboratively fund two Sacramento Promise Zone projects.

Four of the FIPO financial institution partners were made aware of the need for capacity building in the Promise Zone through their participation in the RFP process. As a result, the four partners have committed a total of $100,000 to sponsor a year-long capacity building training to be facilitated by the Impact Foundry for 30 Sacramento Promise Zone Community Based Organizations.

**Performance Partnership Pilot Initiative Program (P3) - Combating Youth Homelessness**

In 2017, the Sacramento Housing and Redevelopment Agency (SHRA) was designated as a Performance Partnership Pilot Initiative Program (P3) awardee. The P3 program was launched in February of 2018. P3 is a collaborative effort between HUD, US Department of Education, the Department of Labor and local partners such as Lutheran Social Services of Northern California, Sacramento Regional Conservation Corps, Waking the
Village, Wind Youth Services, and Volunteers of America working together to determine how federal policies and regulations might impact service provision to disconnected youth in our community. This is a pilot project that does not come with additional funds for staffing, services or additional vouchers, but whose goal it is to help youth achieve stable housing, education and/or employment goals through the creative waiving of barriers that exist in each federal department that hinder these goals.

The Sacramento P3 program uses a Housing First model by recognizing that youth need housing first—before any requirements to participate in services or to be clean/sober. P3 housing (via Housing Choice Vouchers) is one type of housing on the continuum. Provision of P3 housing will allow “flow” through the continuum. Most of the youth referred to P3 come from transitional housing and this “flow” allows more youth to access shelters and transitional housing in the continuum. The benefit that this provides to homeless youth, and the community at large, cannot be overlooked. Without this step in the continuum, there is little option for youth in transitional housing to move into housing with reduced support. This opens up other housing options with greater support to additional homeless youth.

The goal of the P3 program is to provide housing stability prior to being connected to experienced and proven service providers that will provide extensive case management as the youth pursue education, training and/or certification that will lead to livable wage jobs. 32 disconnected youth have been housed and are receiving supportive services to help them accomplish their educational and career goals.

**Neighborhood Revitalization**

The Sacramento Promise Zone team is utilizing the arts as another avenue to build vibrant communities and improve quality of life for residents inside the Promise Zone. The Sacramento Promise Zone team and art partners such as Crocker Art Museum, Sol Collective, 916 Ink, and Sojourner Truth African Heritage Museum have goals to use creative place-making, an emerging concept that combines arts, culture, and creativity to drive revitalization and livability outcomes in economically disadvantaged communities. Livability outcomes encompass community identity, public safety, environmental quality, job opportunities, and affordable housing and transit options. Through cross-sector collaboration with public agencies, private businesses, and arts organizations, the goal is to create opportunities within the Promise Zone for creative transformation and increased economic productivity.
Energy Sustainability

The Sacramento Municipal Utility District (SMUD) made a significant commitment to support residents in the Oak Park section of the Promise Zone. The mission of SMUD is to enhance the quality of life for their customers and community by providing creative energy solutions and promoting their core values of leadership, ingenuity, community and integrity. They have a goal to promote energy efficiency education to low-income customers in the Sacramento area through coordinated efforts with community service providers.

SMUD is committed to providing no-cost energy upgrades to improve housing stability for qualified low income residents, valued at $4,614,249 during a five year period. The upgrades are energy efficiency packages that may include deep energy retrofits, weatherization, and potentially rooftop solar for households with the highest electric bill burden. These housing and appliance upgrades will encourage more efficient use of power and conservation of energy. SMUD also committed to provide competitive needs-based college scholarships for students pursuing STEM degrees. These scholarships will improve regional economic development and help fill the workforce pipeline for hard-to-fill STEM careers. SMUD continues to be a key corporate sponsor of the SEEK Summer STEM camp.

Electrify America: Sac-to-Zero

A new zero emissions electric car share program has come to communities in the Sacramento Promise Zone. Electrify America launched the Sac-to-Zero initiative in November with the following goals:

- Positively impact Zero-Emission Vehicle (ZEV) awareness within the community
- Provide ZEV access to low-income and disadvantaged communities
- Increase use of ZEV technology
- Test economic viability of ZEV access initiatives
- Total investment of $44M to launch initiatives

Envoy, a car sharing company funded in part by Electrify America, placed ZEVs and ZEV charging station infrastructure at two SHRA locations. Envoy’s fleet will eventually feature more than 140 vehicles in over 70 different locations in Sacramento.

SHRA is collaborating with Envoy to help identify car sharing locations. Electric vehicles at public housing sites minimizes transportation barriers for residents and local community members without cars and significantly
lessens the burden of performing everyday tasks such as grocery shopping, going to the doctor, picking up children from school and more. These affordable options also help promote a more equitable multi-modal transit culture by breaking down socioeconomic barriers to utilizing green transport.

**JUMP Bikes**

Sacramento Promise Zone partnered with JUMP by Uber to inform partners about the opportunities to have JUMP bike racks installed at their location, have JUMP bike demonstration events, and/or take advantage of JUMP discount plans (BOOST plan for low-income users and Student Plan for college students enrolled in local colleges/universities). JUMP bikes provide on-demand transportation and increases community members’ ability to access resources and opportunities.

JUMP partnered with PRO Youth and Families to install new JUMP bike racks at the Fruit Ridge Community Collaborative (FRCC) location. The new bike racks can hold up to 22 JUMP bikes. JUMP also did a JUMP bike demonstration at the Spring @ FRCC event, which hosted 500+ community members as they engaged in activities such as a 4000 egg hunt and were introduced to resources such as free eye exams and glasses from VSP.

**Housing**

Sacramento Housing and Redevelopment Agency (SHRA) continued redevelopment activities on the Twin Rivers public housing project which is located in the Promise Zone. The 22 acre $310 million dollar neighborhood revitalization project is the largest housing project currently under construction Downtown. The project includes the redeveloping 218 public housing units into a 487 unit mixed use, mixed income community.

Public housing units will be replaced one-for-one within a larger 487-unit rental housing program both on- and off-site, comprising of 135 market rate, 134 low-income and 218 public housing units. All units will be intermingled and dispersed throughout the site – creating a true mixed-income community.

Unit types include townhouses, garden apartments, and 4-story apartment buildings. A mixed-use 4-story apartment building will also be located adjacent to the new Blue Line Light Rail station to take advantage of transit oriented development opportunities.

New and existing streets will reconnect the current site to the surrounding grid, tying the community back into the larger neighborhood. Taller buildings frame the edges of the development along heavier-trafficked streets, with
the building heights stepping back along the smaller streets. Building facades will be articulated in order to maintain a fine-grained scale.

New units will be designed to meet the space and storage requirements of today’s families, and incorporate energy-efficient and water-saving features and fixtures, such as Energy Star-rated appliances and central HVAC systems, programmable thermostats, low-flow toilets and showerheads, and appropriate levels of insulation.

The Housing Strategy to do the demolition and redevelopment of the entire 22-acre Twin Rivers complex, including development of approximately 4 acres located immediately to the east of the public housing site is in process.

Relocation of the residents began in 2017. Phase II of the relocation efforts took place during 2018 and 2019. SHRA partnered with Overland Pacific to provide relocation consulting services to all residents to support them during relocation. Residents had the options to receive support to do the following: move into public housing, use the Housing Choice Voucher (HCV) Program, purchase a property, or opt out of using relocation consulting services and find housing on their own. Once residents chose an option and a unit was identified they had options to receive a stipend to move their items or have their items moved by professional movers. All residents have now been relocated from the development. 53 percent of the residents chose to move into public housing, and 35 percent choose to use the HCV program. Phase I of the demolition occurred during 2018 and the remainder of the demolition will be completed in 2019.

**SIMPL: Sacramento Integrated Multimodal Place-based Living Project**

The Strategic Growth Council (SGC) allocated $23 million in cap and trade revenues to SHRA to build a new light rail station and other improvements in the River District north of downtown which is located in the Promise Zone and is a part of the Twin Rivers public housing project. The funding came from the the Transformative Climate Communities (TCC) Program which is a California Climate Investment (CCI) program administered by the SGC, and implemented by the Department of Conservation (DOC) and other partnering State agencies. The TCC Program provides funding for projects that reduce greenhouse gas (GHG) emissions through the development and implementation of neighborhood-level transformative climate community plans that include multiple, coordinated GHG emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities.
National Park Service—Rivers, Trails, and Conservation Assistance (RTCA)

The City of Sacramento and SHRA are receiving National Park Service – Rivers, Trails, and Conservation Assistance (RTCA) for the Sacramento River Placemaking project which is in the Promise Zone. The RTCA works with a broad coalition of community partners and stakeholders to facilitate the design and development of placemaking concepts to enhance the Sacramento River Parkway and promote it as a recreational designation.

The City of Sacramento and SHRA had a kick off meeting and site visit in March. A draft work plan has been developed, the core project team is being assembled, and the core project team will host weekly meeting once assembled.

Additional Collaborations

There are many collaborative efforts that also affect the Promise Zone area residents and communities and have goals that align with Promise Zone goals. Build.Black Coalition and Black Child Legacy Campaign are examples of some of those efforts.

Build.Black Coalition

The Build.Black. Coalition is promoting inclusive economic development and creating on-ramps to prosperity in an effort to transform lives and unite community by doing the following:

- Developing professional economic innovation learning communities that include economic leaders, investors and local entrepreneurs.
- Supporting emerging businesses with the New Idea Awards and Innovation Competition program that will recognize and support local economic development concepts and position awardees to attract further investment.
- Tracking results by identifying and disseminating lessons learned to key stakeholders in a written report and webinar, with the aim of increasing awareness of African-American economic development opportunities and strategies in the City of Sacramento.

The Build.Black. Coalition is improving outcomes and communities so Black youth can thrive, be healthy and be safe.
Black Child Legacy Campaign

The Black Child Legacy Campaign is a community-driven movement established by the Steering Committee on Reduction of African American Child Deaths, which is working to reduce deaths of African American children by 10% to 20% by 2020 in Sacramento County.

In Sacramento County, African American children die at twice the rate of any other ethnicity. The four leading causes of death are perinatal conditions, infant sleep-related deaths, child abuse and neglect and third party homicides.

Seven neighborhoods have the highest numbers of African American child deaths in the county. These neighborhoods are the focus of the Black Child Legacy Campaign. A Community Incubator Lead organization in each of these neighborhoods has been charged with prevention and intervention efforts to reduce disproportionate African American child deaths in these four causes of death.

Federal Opportunity

Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the governors of states. Sacramento Promise Zone staff has been working with the State of California Department of Housing and Community Development, the Governor’s office, and the Los Angeles and San Diego Promise Zones to launch the program in California. There is a great opportunity to leverage Opportunity Zones and the Sacramento Promise Zone. 17 of the 29 Opportunity Zone census tracts are also Sacramento Promise Zone census tracts.
Sacramento Promise Zone

- Total population: 127,893 residents
- Poverty Rate: 34%
- Third graders reading at grade level: 37%
- Life expectancy for residents: 72 years vs 79 years outside the Promise Zone
Accomplishments

HUD Community Liaison
Dr. Michael Huff

National Coalition of Promise Zones

California Affinity Group

Opportunity Zones

[Image of group of people and map]
Accomplishments

Sacramento Promise Zone
Health Fairs

Sacramento Promise Zone
Community Nurse Corps

Sacramento State
University/Downtown Campus

Crocker Art Museum
Block by Block 2.0
Accomplishments

Y-Plan Sacramento

Summer Engineering Experience for Kids (SEEK)

Mack Road Partnership Business Walk

Jobs Plus

P3 Performance Partnership Pilots for Disconnected Youth

Jobs Plus/P3
Accomplishments

Financial Institution Partnership Opportunity/The Impact Foundry

Sac to Zero Envoy Car Share

JUMP

SIMPL: Sacramento Integrated Multimodal Place-base Living Project

Build. Black. Black Child Legacy Campaign